

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
)
GULF PACKAGING, INC.,) Case No. 15-15249
)
Debtor.) Honorable Pamela S. Hollis
)
) **Hearing Date: September 8, 2015**
) **Hearing Time: 10:00 a.m.**
) **Court Room: 644**

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **September 8, 2015 at 10:00 a.m.**, or as soon thereafter as counsel may be heard, we shall appear before the Honorable Pamela S. Hollis of the United States Bankruptcy Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois, Courtroom No. 644, or whomever may be sitting in her place and stead, and then and there present the **Application for Order Authorizing the Employment of ASK LLP as Special Preference Counsel to the Debtor Pursuant to Sections 327, 328 and 504 of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure, Effective as of August 10, 2015**, a copy of which is attached hereto and hereby served upon you.

Dated: August 27, 2015

Respectfully submitted,

GULF PACKAGING, INC.

By: /s/ Joseph D. Frank
One of its proposed attorneys

Joseph D. Frank (IL No. 6216085)
Jeremy C. Kleinman (IL No. 6270080)
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	
)	Chapter 11
)	
GULF PACKAGING, INC., ¹)	Case No. 15-15249 (PSH)
)	
Debtor.)	

APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT OF ASK LLP AS SPECIAL PREFERENCE COUNSEL TO THE DEBTOR PURSUANT TO SECTIONS 327, 328 AND 504 OF THE BANKRUPTCY CODE AND RULE 2014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, EFFECTIVE AS OF AUGUST 10, 2015

Gulf Packaging, Inc., the above-captioned debtor and debtor in possession (the “Debtor,” “GPI” or the “Company”) for its Application for Order Authorizing the Employment of ASK LLP (“ASK”) as Special Preference Counsel to the Debtor Pursuant to Sections 327, 328 and 504 of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure, Effective as of August 10, 2015 (the “Application”), respectfully represents:

JURISDICTION

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding under 28 U.S.C. § 157(b)(2)(A).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

INTRODUCTION

3. On April 29, 2015 (the “Petition Date”), GPI filed its voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). GPI continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

¹ The last four digits of the Debtor’s tax identification number are 5030.

4. On May 11, 2015, the Office of the United States Trustee appointed an official committee of unsecured creditors (the “Committee”). No request has been made for the appointment of a trustee or examiner.

BACKGROUND

5. GPI is a national distributor of packaging equipment and supplies, which sells its product by and through several independent entities (“Affiliates”).² When GPI is combined with the Affiliates, as of the Petition Date, there were over twenty (20) warehousing locations to better serve GPI’s customer base. Additional information about the Debtor, its business and corporate and capital structure is set forth in the *Declaration of Edward T. Gavin, CTP in Support of Chapter 11 Petition and First Day Pleadings* [Docket No. 14] (the “Gavin Declaration”), filed on the Petition Date.

6. As set forth more fully in the Gavin Declaration, GPI is liquidating and winding down its business.

RELIEF REQUESTED

7. By this Application, the Debtor respectfully requests entry of an order authorizing the retention of ASK as special preference counsel to the Debtor, effective as of August 10, 2015, the date the Retention Agreement was signed.

BASIS FOR RELIEF

8. Due to the ASK’s expertise and experience in a variety of industries, including but not limited to, manufacturing, processing, retailing and wholesale distributing, as well as its reputation for specializing in the analysis and recovery of avoidance actions, the Debtor believes

² As used herein, “Affiliate” means a company that has a relationship – formal or informal – to the Debtor, and sells packaging products under a variation of the Gulf name. Unless otherwise set forth, use of the term “Affiliate” is not intended to have the same meaning as the “affiliate” term of art defined in section 101(2) of the Bankruptcy Code. All rights with respect to this issue are reserved.

ASK is well qualified to act as counsel to the Debtor for the limited purpose of pursuing preference actions.

9. ASK's compliance with the requirements of sections 327, 328 and 504 of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") is set forth in greater detail in the Statement of ASK LLP and Declaration of Joseph L. Steinfeld, Jr. Pursuant to Rule 2014 of the Federal Rules of Bankruptcy Procedure and Sections 327, 328 and 504 of the Bankruptcy Code, filed concurrently herewith and attached hereto as Exhibit "A" (the "Steinfeld Declaration").

10. GPI believes that the employment and retention of ASK is in the best interests of the Debtor's estate.

A. Services to Be Rendered

11. As described more fully in the retention agreement attached as Exhibit "B" (the "Retention Agreement"), the services to be rendered to GPI by ASK will include the following:

- (a) Complete preference analysis.
- (b) Attempt to recover claims via settlement agreements before filing adversary proceedings.
- (c) Assist the Debtor in determining which adversary proceedings should be filed and prosecute such adversary proceedings.
- (d) Remit to GPI monies received on a monthly basis, net of fees and expenses advanced by, and owing to, ASK.
- (e) Provide GPI with monthly reports, including status reports with respect to all pending cases that remain open for collection.

B. Disclosures Concerning Conflicts of Interest

12. To the best of GPI's knowledge, information and belief, ASK does not represent any of GPI's creditors or other parties in interest, or their respective attorneys or representatives,

in connection with this chapter 11 case or in any matter which is adverse to the interests of the Debtor.

13. To the best of GPI's knowledge and belief, ASK is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code. Similarly, ASK does not hold any interest adverse to the Debtor, as a debtor in possession, or its estate in the matters upon which ASK is to be engaged.

C. Compensation

14. The Debtor proposes, pursuant to the terms of the Retention Agreement and subject to Court approval, that ASK's compensation be: 15% of amounts collected prior to lawsuit; 25% of amounts collected post-lawsuit; and 30% on amounts collected post-judgment. It is expected that (a) GPI will remit fees owing to ASK no later than ten (10) days after receipt of invoice from ASK or (b) ASK will deduct any such fees prior to remitting monies collected and deposited into a segregated trust account. ASK will be entitled to its fee for the cash value received from its services, plus the cash equivalent value of any claim waivers.³

15. The Debtor believes that the Retention Agreement, generally, and the fee arrangement reflected therein, provide reasonable and market-based terms that are the result of arm's length negotiations and discussions between the Debtor, the Debtor's Chief Restructuring Officer and ASK. The fee structure is designed to motivate and fairly compensate ASK for its work by basing compensation on results. Because ASK's compensation is contingent on

³ For example, if ASK recovers \$1,000.00, its percentage will be either 15%, 25% or 30% depending on the timing of the collection and the status of the legal proceeding to recover the preference. As an example assuming ASK's fee is 25%, if, in connection with recovering the preference, the transferee agrees to a 502(h) claim waiver on the \$1,000.00 paid to the estate on account of the preference, ASK will be entitled to 25% of the value of such waiver. Thus, if the expected distribution to unsecured creditors is \$0.30, the value of the waiver to the estate is \$300.00, for which ASK would recover 25%, or \$75.00 in addition to its \$250.00 fee for the recovery of the \$1,000.00.

collections and is to be calculated based thereon, ASK requests that it not be required to file time records in accordance with the United States Trustee Guidelines.⁴

16. Section 328 of the Bankruptcy Code permits a debtor to pay court approved professionals on a “fixed percentage” or “contingency” fee basis. 11 U.S.C. § 328(a). And, fee arrangements have been approved and implemented pursuant to section 328 of the Bankruptcy Code in chapter 11 cases in this District. *See, e.g., In re Caesars Entm’t Operating Company*, No. 15-01145 (ABG) (Bankr. N.D. Ill. March 25, 2015) [Docket No. 1004] (approving employment subject to section 328 standard); *In re Hartmarx Corp.*, No. 09-02046 (BWB) (Bankr. N.D. Ill. Feb. 19, 2009) [Docket No. 145] (same); *In re Kmart Corp.*, No. 02-02474 (SPS) (Bankr. N.D. Ill. April 23, 2002) [Docket No. 2554] (same).

NOTICE

17. Notice of this Application has been provided to (i) the office of the United States Trustee for the Northern District of Illinois, (ii) the holders of the twenty (20) largest unsecured claims against the Debtor, (iii) counsel to the Debtor’s secured lenders, (iv) counsel to the Committee and (v) all other parties requesting notice in this chapter 11 case. The Debtor respectfully submits that such notice is appropriate and that no other or further notice need be provided.

NO PRIOR REQUEST

18. No prior request for the relief sought in this Application has been made in this or any other court.

⁴ ASK does not customarily maintain time records because clients are not charged based on hourly rates.

WHEREFORE, the Debtor respectfully requests that this Court enter an Order (i) granting the relief requested herein and (ii) granting such other and further relief as may be just and proper.

Respectfully submitted this 27th day of August, 2015.

FRANK GECKER LLP

/s/ Joseph D. Frank

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-and-

GRAY REED & MCGRAW, P.C.

Jason S. Brookner (pro hac vice)
Micheal W. Bishop (pro hac vice)
1601 Elm Street, Suite 4600
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mbishop@grayreed.com

COUNSEL TO THE DEBTOR

Exhibit A

Steinfeld Declaration

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	
)	Chapter 11
)	
GULF PACKAGING, INC., ¹)	Case No. 15-15249 (PSH)
)	
Debtor.)	
)	

**STATEMENT OF ASK LLP AND DECLARATION OF JOSEPH L. STEINFELD, JR.
PURSUANT TO BANKRUPTCY RULE 2014 AND SECTIONS 327, 328 AND 504
OF THE BANKRUPTCY CODE**

JOSEPH L. STEINFELD, JR. declares under penalty of perjury, pursuant to 28 U.S.C. §1746, as follows:

1. I am the Managing Partner of ASK LLP (“ASK” or the “Firm”). ASK maintains offices in St. Paul, Minnesota and New York, New York. At over 30 years old, ASK is a firm that specializes in the analysis and recovery of avoidance claims. We have provided collections services for over thousands of clients in a vast array of industries in almost every state. Since 2000, we have recovered more than \$260 million in avoidance claims, filed more than four-hundred (400) lawsuits for claims exceeding \$1 million and tried more than twenty-five (25) cases to judgment.

2. I submit this Declaration (i) in support of the Debtor’s application (the “Application”) to employ ASK as special preference counsel to the Debtor, and (ii) to provide disclosures required under Fed. R. Bankr. P. 2014(a) and sections 327 and 504 of the Bankruptcy Code.²

¹ The last four digits of the Debtor’s tax identification number are 5030.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Application.

3. I have personal knowledge of the facts set forth herein unless otherwise indicated. To the extent any information disclosed herein requires amendment or modification, I will submit a supplemental declaration.

4. Neither I, ASK, nor any professional at the Firm represents any party in interest (or its attorneys or accountants) in connection with the Debtor's chapter 11 case, other than the Debtor.

5. ASK has not represented, and will not represent, any party other than the Debtor in connection with the Debtor's chapter 11 case.

ASK'S DISCLOSURE PROCEDURES

6. In preparing this Declaration, either I, or someone under my supervision and direction, searched ASK's client database to determine whether ASK had any relationships with the following parties in interest:

- (a) The Debtor;
- (b) The Debtor's Principals, Affiliates and Directors and Officers;
- (c) The Debtor's secured lenders;
- (d) The Debtor's top 20 creditors;
- (e) The individuals employed in the office of the U.S. Trustee for Region 11 in Chicago, Illinois;
- (f) Counsel to the Official Committee of Unsecured Creditors; and
- (g) Certain other parties.

7. A list of each of the entities searched is attached hereto as Schedule 1. Except as set forth in Schedule 2, ASK has no relationship with, or connection to, any of such entities. Under my supervision, ASK will continue to monitor the relationships of the parties in this

chapter 11 case and as additional information becomes available or additional connections are discovered, ASK will promptly file supplemental disclosures with the Court.

ASK'S BILLING STRUCTURE FOR THIS CASE

8. As reflected in the Retention Agreement attached to the Application as Exhibit B, ASK's fee for this engagement will be entirely transactional-based. ASK will advance all fees and expenses and will seek reimbursement only from collections. Thus, ASK will not be paid any fees unless and until collections on avoidance claims are received and deposited into a separate trust account. As set forth more fully in the Retention Agreement and the Application, ASK's fees for this matter will be tied to the cash value received from its services, plus the cash equivalent value of any claim waivers.³ The proposed fee arrangement is as follows: 15% of amounts collected pre-suit; 25% of amounts collected post-suit; and 30% of amounts collected post-judgment.

9. ASK requests that it not be required to file fee applications or keep time in tenths (0.1) of an hour, in light of the nature of the retention and the proposed fee arrangements.

10. The Debtor has not paid ASK any amounts, and ASK has never been retained by the Debtor before.

11. No promises have been received by ASK or any professional or paraprofessional at the Firm as to payment or compensation in connection with this chapter 11 case other than in accordance with the provisions of the Bankruptcy Code and Orders of this Court. ASK has no

³ For example, if ASK recovers \$1,000.00, its percentage will be either 15%, 25% or 30% depending on the timing of the collection and the status of the legal proceeding to recover the preference. As an example assuming ASK's fee is 25%, if, in connection with recovering the preference, the transferee agrees to a 502(h) claim waiver on the \$1,000.00 paid to the estate on account of the preference, ASK will be entitled to 25% of the value of such waiver. Thus, if the expected distribution to unsecured creditors is \$0.30, the value of the waiver to the estate is \$300.00, for which ASK would recover 25%, or \$75.00 in addition to its \$250.00 fee for the recovery of the \$1,000.00.

agreement with any other entity to share with such entity any compensation received by ASK, other than among the professionals at ASJ.

12. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on this 19th day of August, 2015.

A handwritten signature in cursive script, appearing to read "Joseph L. Steinfeld, Jr.", written in black ink.

Joseph L. Steinfeld, Jr.

Schedule 1

List of Entities Searched

The Debtor

Gulf Packaging, Inc.

Debtor's Principals, Affiliates, Directors & Officers and CRO

Gulf Systems, Inc.	Joseph Fleck
Gulf-Great Lakes Packaging Corporation	Maggie Fleck
Gulf-Arizona Packaging LLC	Carol Cutshall
Florida Gulf Properties LLC	Jeffrey Cutshall
Gulf Packaging - Sacramento LLC	William Cutshall
Gulf-Pacific Packaging Corporation	Arman Sarkisian (immediately former CEO)
Carolina-Gulf Packaging LLC	Robert Lange
Paul Albert	Fleck Family Partnerships
Paul Corley	CWJ - Eagle
Carl Fleck	Ted Gavin (CRO)
Bob McCormick	Gavin/Solmonese
Charles Foster	

Debtor's Counsel

Gray Reed & McGraw, P.C.

Debtor's Secured Lenders

FCC, LLC d/b/a First Capital
Merchants and Manufacturers Bank

Debtor's 20 Largest Creditors

Acme	Laminations Corporation
AEP Industries	Strapack
Inteplast Group, Ltd.	Vibac Canada Inc.
Maillis Strapping Systems	Bemis Clysar, Inc.
Signode-Acme	ITW
Intertape Polymer Corporation	Stacktight
Berry Plastics Corporation	ARS Development
Polychem Corporation	Leicatex Ltd.
Sigma Stretch Film	Packaging Corp Of America
Dynaric, Inc.	Laddawn
Itistrap	Lifoam Industries, LLC
Interwrap Corp.	Dubose Strapping
GTA Tapes & Adhesives Inc.	Pactiv LLC
XSYS, Inc.	UPS

Office of the U.S. Trustee for the Northern District of Illinois

Patrick Layng
Constantine Harvalis
Kimberly Bacher
Patricia Brasier
Joanne W. Burne
Denise Ann Delaurent
Michelle M. Engel
Sandra George-Booker
Kathryn M. Gleason
David Gucwa
Cameron Gulden
Julie Hearn
Pamela Hillman
Benita Jones
Maria Kaplan
Keith E. Manikowski

Laura Mccabe
Rita Mierzwa
Jeremiah Nelson
Kathryn O'Kelly
Patricia A. Parker
M. Gretchen Silver
Jeffrey Snell
Roman L. Sukley
Thomas Thornton
Jennifer Toth
Robert J. Wakefield
Connie Jean Warner
Shaun Washington
Stephen G. Wolfe
Marie Yapan

Counsel to the Flecks

Adelman & Gettleman, Ltd.

Counsel to the Committee

Freeborn & Peters

Schedule 2

List of Connections

1. List any connections here.

ASK represents Gavin/Solmonese LLC, Liquidating Trustee of the Prince Sports, Inc. Liquidating Trust in case No. 14-50348-KJC filed in the District of Delaware and Edward T Gavin Liquidation Trustee of Saab Cars North America, Inc. Post Confirmation Liquidation Trust, Case No. 12-10344-CSS filed in the District of Delaware.

Exhibit B

Retention Agreement



ATTORNEYS AT LAW

Joseph L. Steinfeld, Jr., Esq.

Direct Line 651.289.3850 | Mobile 703.626.7387 | jsteinfeld@askllp.com
2600 Eagan Woods Drive, Suite 400 | St. Paul, Minnesota | 55121
phone 651.406.9665 | fax 651.406.9676 | www.askllp.com

August 10, 2015

VIA EMAIL

Edward T. Gavin, Chief Restructuring Officer
Gulf Packaging, Inc.
c/o Gavin/Solmonese LLC
919 N. Market Street, Suite 600
Wilmington, DE 19801

ted.gavin@gavinsolmonese.com

RE: Gulf Packaging, Inc. Case No. 15-15249 - Retention of ASK LLP for the Analysis and Litigation of Avoidance Claims

Dear Ted:

This letter sets forth the engagement terms whereby ASK LLP (“ASK”) will serve as special counsel to the Debtor or upon a confirmed plan the person responsible (the “Responsible Person” or “Trustee”) for prosecuting the avoidance actions under chapter 5 of title 11 of the United States Code (the “Avoidance Actions”) to analyze, prosecute and/or settle Avoidance Actions in the above captioned case.

Background on ASK

For over 30 years ASK (formerly known as ASK Financial LLP) has been the predominant law firm specializing in the analysis and recovery of avoidance claims. Since 2000 ASK has recovered more than \$260 million in avoidance claims, filed approximately 400 suits over \$1 million, and tried over 25 cases to judgment. We are large portfolio specialists and regularly handle 200+ adversary proceedings (our largest filing was 1,745 cases). We maintain fully staffed offices in St. Paul and New York and have twelve attorneys and more than fifteen para professionals assisting in the analysis and recovery of avoidance claims and accounts receivable. Unlike other firms, prosecuting preferences is a core practice of our firm and not just filler work. One of the keys to our success is our proprietary software that allows us to evaluate the net of new value and ordinary course defense preference claim using a variety of OCB ranges, which we can plug in. Defendants’ counsel often use our software spreadsheets to go back to their clients to recommend a settlement.

I will personally oversee the collection and litigation efforts undertaken by ASK and will be lead counsel along with my co-managing partner Edward Neiger and Gary Underdahl our case management partner in charge of avoidance action collections. We will utilize our staff of seasoned attorneys who have an average of ten years’ experience working exclusively in avoidance action and commercial accounts receivable cases. They in turn will be assisted by

Edward T. Gavin, Chief Restructuring Officer
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c/o Gavin/Solmonese LLC
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paralegals that have been collecting preferences and accounts receivable and/or assisting in the litigation of preferences and accounts receivable for more than fifteen years. With this dedicated team of professionals we are confident that we will out perform our competition that look at preference or accounts receivable work as filler for associates and paralegals or collection agencies who lack the expertise and resources of a full service law firm and by their very nature must sub-contract out the litigation.

The remainder of this letter contains our proposal and retention agreement.

A. Preference Reports

ASK will provide a complete preference analysis, which traditionally costs \$50,000, at no additional cost. This analysis will include the following reports:

1. A Summary Report of potential preference actions showing on a per vendor basis the gross transfer total, amount of new value, the weighted average invoice to payment days for the preference and historical period, the amount of payments ASK recommends being considered as within the ordinary course of business, and the resulting net preference claim.
2. An Age Comparison Report for each vendor displaying in a side-by-side comparison the transaction patterns throughout the historical time frame and the preference period. The percentage by dollar amount that were paid within each age bucket is computed and the difference calculated in percentage terms.
3. We also analyze the 20-day 11 U.S.C. § 503(b)(9) claims of preference creditors. Our analysis program denies new value to any invoices involving the sale of goods for the 20-day period prior to the petition date. We accomplish this by importing the 20-day claims into our preference analysis program (or absent that all open invoices for the 20-day period involving sale of goods) and deny new value treatment for those invoices. We also flag the preference creditors who have 20-day claims to ensure that any settlement with them involves the waiver of their 20-day claim. Additionally as part of our retention, if we requested, we will analyze the 20-day claim's validity. We will also provide you with a list of all preference actions against 20-day claimants so that, to the extent the court allows, objections can be made to their payment under 11 U.S.C. § 502(d).

B. Recovery Work

1. Pre-Suit

ASK attempts to recover claims before an adversary proceeding is commenced and expenses

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incurred. To procure settlements we send a demand package consisting of the following documents, all of which are to be pre-approved by you including the timing of the delivery of such demand packages:

- A multi-paged customized explanatory letter regarding the preference liability;
- A draft Complaint based on the gross transfers; and
- A settlement offer and acceptance form.

Our professionals will attempt to make phone contact with every recipient of a preference demand to verify the package is in the right hands and to encourage the settlement option. As part of the settlement process we may share certain of our preference analysis reports.

2. Suit

Once you authorize the commencement of an action, we usually serve the following documents with the summons and complaint:

- A cover letter referencing the date of the pre-suit demand letter and a reminder that we warned that a complaint would be filed on a date certain if the matter was not resolved;
- A settlement offer and acceptance form; and
- Initial Disclosures to avoid additional delays.

Our professionals again attempt to make phone contact with every recipient of a lawsuit to verify the package is in the right hands and to encourage the settlement option.

C. Fees and Expenses

1. Analysis Fee

Our compensation for our full avoidance claims analysis is included as part of the contingency fee set forth in section C.2 below. We will promptly and at no additional cost perform the initial preference analysis and provide a copy of any analysis as part of our engagement to assist you in deciding which actions are to be brought.

2. Contingency Legal Fees

Pre Suit. ASK shall earn legal fees on a contingency basis of **15%** of the cash value plus any the cash equivalent value of any claim waiver obtained on all Avoidance Actions it pursues on behalf of the Estate. Claims can of course be administrative, priority, and general unsecured. Our legal fee will include the value of any claim waiver only to the extent such claim is a liquidated and agreed to amount that otherwise would be paid but for the waiver obtained as part

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c/o Gavin/Solmonese LLC
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of the settlement.

Post Suit. ASK shall earn legal fees on a contingency basis of **25%** of the cash value plus any the cash equivalent value of any claim waiver obtained on all Avoidance Actions it pursues on behalf of the Estate. Claims can of course be administrative, priority, and general unsecured. Our legal fee will include the value of any claim waiver only to the extent such claim is a liquidated and agreed to amount that otherwise would be paid but for the waiver obtained as part of the settlement.

Post Judgment. ASK shall earn legal fees on a contingency basis of **30%** of the cash value plus any the cash equivalent value of any claim waiver obtained on all Avoidance Actions it pursues on behalf of the Estate. Claims can of course be administrative, priority, and general unsecured. Our legal fee will include the value of any claim waiver only to the extent such claim is a liquidated and agreed to amount that otherwise would be paid but for the waiver obtained as part of the settlement.

3. ASK will Advance All Fees and Expenses

ASK will advance all fees and expenses, including filing fees, and seek reimbursement only from collections. Thus, if for some unforeseen reason, there is insufficient cash recovery to cover the entire out of pocket expenses, ASK will not seek reimbursement of any deficiency. ASK will store all physical and electronic records without any charge.

D. Reimbursed Expenses

Reasonable out of pocket expense items are chargeable only against the gross proceeds recovered, including: reasonable expenses related to the importation of data, including the hiring of computer consultants to assist in the extraction of the Debtors' data, shipping costs of records, Adversary, Appellate, and other court filing fees; Mediation fees, Deposition expenses; Entity Name/Officer Verifications at \$10.00 per entity; Service of Process (for writs, etc.); Travel expenses, photocopying at 10 cents per page, postage, and telephone charges; and witness fees and costs. We will deduct our expenses and costs from the weekly remittances at least once a month. ASK will not seek reimbursement for local counsel fees.

ASK is not responsible for expert witness fees and expenses. ASK will work cooperatively with other retained professionals in these cases to avoid duplicative and/or competing efforts and will defer to you with respect to the decision(s) as to the hiring of experts. Retained experts (if necessary to prove insolvency and/or to rebut objective defense industry experts) are to be separately employed and paid for by and are not considered part of this proposal. We will deduct our expenses and costs from each monthly remittance.

ask LLP ATTORNEYS AT LAW

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E. Remittances and Reports

All proceeds recovered by ASK ("Gross Proceeds") will be deposited into a segregated trust account. ASK will make monthly remittances, net of our fees and expenses, to the designated recipient. We will also make wire transfers to the chosen account. As part of the remittance, ASK will provide monthly reports summarizing settlements received and costs incurred in the prior month and its contingency fee percentage for each collection. Should ASK be required to remit in gross then we expect payment of ASK's bill within 10 days of presentation, and amounts due to ASK shall not become property or an asset of the trust. ASK will also send monthly status reports detailing the status of all pending cases that remain open for collection.

F. Settlement Authority

In order to assist the Debtor, Responsible Person or any designee with the information necessary to make an informed decision, ASK will provide a settlement analysis spreadsheet and agrees to follow any instructions or settlement protocol that has been established.

G. Application to Employ

We understand that the Debtor will seek Court approval of our retention and we will assist the Debtor in the preparation of our retention application at no additional cost. Please either incorporate the terms of our retention as set forth below or attach a copy of this retainer agreement to such application. We will agree to commence work on this case prior to the Court's order approving our employment with the understanding that our employment, if approved, will be effective *nun pro tunc* to the date of this letter is executed by an authorized representative of the Debtor. Please return a copy of this letter counter-signed by the authorized representative of the Debtor via email and mail. We are grateful for your trust and confidence, and we expect to continue building on our relationship.

Very truly yours,

ASK LLP



JOSEPH L. STEINFELD, JR.

Accepted by:



Dated: August 10, 2015