

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: §
§ **Chapter 11**
§
AZURE MIDSTREAM § **Case No. 17-[_____] (____)**
PARTNERS, LP, et al., §
§ **Joint Administration Requested**
§
Debtors.¹ § **(Emergency Hearing Requested)**

**EMERGENCY APPLICATION OF DEBTORS FOR
APPOINTMENT OF KURTZMAN CARSON CONSULTANTS LLC
AS CLAIMS, NOTICING, AND BALLOTING AGENT**

THIS APPLICATION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE APPLICATION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE APPLICATION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE APPLICATION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE APPLICATION AT THE HEARING.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE APPLICATION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).



Azure Midstream Partners, LP, its subsidiaries, and certain affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this application (the “**Application**”):

Relief Requested

1. Pursuant to Section 156(c) of title 28 of the United States Code, the Debtors seek, by this Application, entry of an order authorizing it to retain and employ Kurtzman Carson Consultants LLC (“**KCC**”) as notice, claims and balloting agent (“**Claims and Noticing Agent**”) in the Debtors’ chapter 11 cases effective as of the Petition Date. A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the “**Proposed Order**”).

2. As Claims and Noticing Agent, KCC will among other things, (i) serve as the noticing agent to mail notices to creditors and parties in interest; (ii) provide computerized claims, objection, soliciting, and balloting database services; and (iii) provide expertise, consultation, and assistance in claim and ballot processing and other administrative services with respect to this chapter 11 case, pursuant to the provisions of the services agreement executed December 14, 2016 (the “**Services Agreement**”) annexed hereto as **Exhibit B**. In support of the Application, the Debtors submit the Declaration of Evan Gershbein, Senior Vice President of Corporate Restructuring (the “**Gershbein Declaration**”) annexed hereto as **Exhibit C** and incorporated herein by reference.

Jurisdiction

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. On the date hereof (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

5. Joint Administration in these chapter 11 cases has been concurrently requested.

6. Additional information regarding the circumstances leading to the commencement of these chapter 11 cases and information regarding the Debtors’ business and capital structure is set forth in the *Declaration of Ed Mosley in Support of the Debtors’ Chapter 11 Petitions and Related Requests for Relief* (the “**Mosley Declaration**”), which has been filed contemporaneously herewith.²

KCC’s Retention

7. The Debtors have numerous potential creditors and parties in interest in this chapter 11 case. Although the office of the Clerk of the United States Court (the “**Clerk**”) ordinarily would serve notices on the Debtors’ creditors and other parties in interest and administer claims against the Debtors, the Clerk may not have the resources to undertake such tasks. Accordingly, the Debtors propose to engage KCC to act as the Claims and Noticing Agent. This retention is the most effective and efficient manner of noticing the numerous creditors and parties in interest of the filing of these chapter 11 cases and other developments

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Mosley Declaration.

related thereto. In that capacity, KCC will transmit, receive, docket, and maintain proofs of claim filed in connection with the chapter 11 case.

KCC's Qualifications

8. KCC is a bankruptcy administrator that specializes in providing comprehensive chapter 11 administrative services including noticing, claims processing, balloting, and other related services critical to the effective administration of chapter 11 cases. KCC has developed efficient and cost-effective methods to properly handle the voluminous mailings associated with the noticing, claims processing, and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders, and all parties in interest. Further, KCC will work with the Clerk to ensure that such methodology conforms with all of the Court's procedures, the Bankruptcy Local Rules for the Southern District of Texas (the "**Bankruptcy Local Rules**"), and the provisions of any orders entered by the Court.

9. KCC has substantial experience in matters of this size and complexity and has acted as the official notice, claims, and balloting agent in many large bankruptcy cases in this district and other districts nationwide. *See, e.g., In re Linc USA GP, et al.*, Case No. 16-32689 (Bankr. S.D. Tex. May 29, 2016) (DRJ); *In re Midstates Petroleum Company, Inc.*, Case No. 16-32237 (Bankr. S.D. Tex. Apr. 30, 2016) (MI); *In re Sherwin Alumina Company, LLC, et al.*, Case No. 16-20012 (Bankr. S.D. Tex. Jan. 11, 2016) (DRJ); *In re BPZ Resources, Inc.*, Case No. 15-60016 (Bankr. S.D. Tex. Mar. 26, 2015) (DRJ); *see also In re CHC Group Ltd.*, Case No. 16-31854 (Bankr. N.D. Tex. May 5, 2016); *In re Peabody Energy Corporation, et al.*, Case No. 16-42529 (Bankr. E.D. Mo. Apr. 13, 2016); *In re Vestis Retail Group, LLC, et al.*, Case No. 16-10971 (Bankr. D. Del. Apr. 18, 2016); *In re American Hospice Management Holdings, LLC, et al.*, Case No. 16-10670 (Bankr. D. Del. Mar. 20, 2016); *In re Sport Authority Holdings, Inc., et al.*, Case No. 16-10527 (Bankr. D. Del. Mar. 2, 2016); *In re Paragon Offshore plc, et al.*, Case

No. 16-10386 (Bankr. D. Del. Feb. 14, 2016); *In re Hancock Fabrics, Inc., et al.*, Case No. 16-10296 (Bankr. D. Del. Feb. 2, 2016).

10. The Debtors' selection of KCC to act as the Claims and Noticing Agent is appropriate under the circumstances and in the best interest of its estate. Moreover, the Debtors submit that based on all engagement proposals obtained and reviewed, KCC's rates are competitive and reasonable given KCC's quality of services and expertise.

Scope of Services to be Provided by KCC

11. In accordance with the Services Agreement, it is anticipated that KCC will perform the following services:

- i. Assist the Debtors with the preparation and distribution of all required notices and documents in accordance with the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") in the form and manner directed by the Debtors or the Court, including, without limitation: (a) notices of objections to claims and objections to transfers of claims, (b) notices of any hearings on a disclosure statement and confirmation of any plan of reorganization, including under Bankruptcy Rule 3017(d), (c) notice of the effective date of any plan, and (d) all other notices, orders, pleadings, publications and other documents as the Debtors, the Court, or the Clerk may deem necessary or appropriate for an orderly administration of this chapter 11 case, including through email or other electronic means;
- ii. Maintain (i) a list of all potential creditors, equity holders and other parties-in-interest and (ii) a "core" mailing list consisting of all parties described in Bankruptcy Rule 2002(i), (j), and (k) and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010;
- iii. Identify and correct any incomplete or incorrect addresses in any mailing or service lists;
- iv. Furnish a notice to all potential creditors of the last date for filing proofs of claim and a form for filing a proof of claim, after such notice and form are approved by the Court, and notify said potential creditors of the existence, amount and classification of their respective claims as set forth in the schedules of assets and liabilities and/or the statements of financial affairs (together, the "**Schedules**"), which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules

- indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;
- v. Monitor the Court's docket for all notices of appearance, address changes, and claims-related pleadings and orders filed and make necessary notations on or changes to KCC's unofficial claims register and any service or mailing lists, including to identify and eliminate duplicative names and addresses from such lists;
 - vi. Maintain a post office box or address for the purpose of receiving returned mail, and process all mail received;
 - vii. For all notices, motions, orders or other pleadings or documents served, prepare and file or cause to be filed with the Clerk an affidavit or certificate of service no more frequently than every seven days that includes (a) either a copy of the notice(s) served or the docket number(s) and title(s) of the pleading(s) served for the preceding seven days, (b) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (c) the manner of service, and (d) the date served;
 - viii. Forward all claims received by KCC that were not filed with the Clerk at least weekly;
 - ix. Assist in the dissemination of information to the public and respond to requests for administrative information regarding these chapter 11 cases as directed by the Debtors or the Court, including through the use of a case website or call center;
 - x. Monitor the Court's docket in these chapter 11 cases and, when filings are made in error or containing errors, alert the filing party of such error and work with them to correct any such error;
 - xi. Assist the Debtors with plan-solicitation services including: (a) balloting, (b) distribution of applicable solicitation materials, (c) tabulation and calculation of votes, (d) determining with respect to each ballot cast, its timeliness and its compliance with the Bankruptcy Code, Bankruptcy Rules, and procedures ordered by this Court; (e) preparing an official ballot certification and testifying, if necessary, in support of the ballot tabulation results; and (f) in connection with the foregoing services, process requests for documents from parties in interest, including, if applicable, brokerage firms, bank back-offices and institutional holders;
 - xii. Provide such other processing, solicitation, balloting and other administrative services described in the Services Agreement that may be requested from time to time by the Debtors, the Court or the Clerk;

- xiii. If necessary, manage and coordinate any distributions pursuant to a chapter 11 plan.
- xiv. Maintain an official copy of the Schedules, listing the Debtors' known creditors and the amounts owed thereto;
- xv. If necessary, assist with the preparation of the Debtors' schedule of assets and liabilities and statement of financial affairs and gather data in conjunction therewith; and
- xvi. If necessary, provide a confidential data room.

12. For the avoidance of doubt, KCC shall not act as the agent of the Clerk.

The Clerk shall maintain its own register, which shall be the official claims register. Parties filing proofs of claim or interest shall be permitted to only file claims with the Clerk of the Court.

13. KCC shall maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and shall serve monthly invoices on the Debtors, the Office of the United States Trustee, counsel for the Debtors, counsel for any official committee monitoring the expenses of the Debtors, and any party in interest who specifically requests service of the monthly invoices.

KCC's Compensation

14. The fees to be charged by KCC in connection with these chapter 11 cases are set forth in the Services Agreement. The Debtors respectfully request that cost of KCC's services be paid by the Debtors pursuant to 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code. The Debtors believe that KCC's rates for the notice, claims processing, and balloting services are competitive and comparable to the rates charged by their competitors for similar services.

15. Furthermore, the Debtors respectfully submit that the fees and expenses incurred by KCC are administrative in nature and, therefore, should not be subject to the

standard fee application procedures for professionals. Specifically, the Debtors request authorization to compensate KCC in accordance with the terms and conditions set forth in the Services Agreement, upon KCC's submission to the Debtors of invoices summarizing in reasonable detail the services rendered and expenses incurred in connection with services provided by KCC to the Debtors.

16. The Debtors request that KCC's fees and expenses be paid by the Debtors in accordance with the terms of the Services Agreement upon receipt of each KCC invoice by the Debtors, unless KCC is advised, within ten days of receipt of the invoice, that the Office of the United States Trustee for the Southern District of Texas, counsel for the Debtors, counsel for any official committee, if any, and any party-in-interest who specifically requests service of the monthly invoices, objects to the invoice, in which case the Debtors will schedule a hearing before the Court to consider the disputed invoice. In the event of a disputed invoice, the Debtors shall remit to KCC only the undisputed portion of the invoice and, if applicable, shall pay the remainder to KCC upon the resolution of the disputed portion, as mandated by the Court. If KCC's fees increase from the fees in the Services Agreement, KCC shall file an affidavit with the Court describing such increases.

17. Prior to the Petition Date, the Debtors provided KCC a retainer in the amount of \$20,000, to be held by KCC during these chapter 11 cases as security for the Debtors' payment obligations under the Services Agreement. The Debtors request that KCC may apply its retainer to all prepetition invoices, which retainer may be replenished to the original retainer amount, and thereafter, KCC may hold its retainer under the Services Agreement during these chapter 11 cases as security for the payment of fees and expenses incurred under the Services

Agreement. Following termination of the Services Agreement, KCC will return to the Debtors any unused portion of the retainer.

18. Additionally, under the terms of the Services Agreement, the Debtors have agreed to indemnify and hold harmless KCC and its affiliates, members, directors, officers, employees, consultants, subcontractors, and agents under certain circumstances specified in the Services Agreement, except in circumstances resulting from KCC's gross negligence or willful misconduct or as otherwise provided in the Services Agreement or order of this Court. The Debtors believe that such an indemnification obligation is customary, reasonable, and necessary to retain the services of a Claims and Noticing Agent in these chapter 11 cases.

KCC's Disinterestedness

19. Although the Debtors do not propose to retain KCC under section 327 of the Bankruptcy Code, to the best of KCC's knowledge, and except as set forth in the attached Gershbein Declaration, KCC neither holds nor represents an interest materially adverse to the Debtors' estate nor has a connection to the Debtors, their creditors, or any related parties with respect to any matter for which KCC will be employed. KCC may have relationships with certain of the Debtors' creditors as vendors or in connection with cases in which KCC serves or has served in a neutral capacity as claims and noticing agent for another chapter 11 debtor.

20. To the best of the Debtors' knowledge, KCC neither holds nor represents any interest materially adverse to the Debtors' estate in connection with any matter on which it would be employed and that it is a "disinterested person" within the meaning of § 101(14) of the Bankruptcy Code, as referred to in § 327(a) of the Bankruptcy Code.

21. KCC represents, among other things, that:
 - a. KCC, its members and employees are not and were not, within two years before the date of the filing of this chapter 11 case, creditors, equity security holders, insiders or employees of the Debtors;
 - b. KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the Claims and Noticing Agent in this chapter 11 case;
 - c. By accepting employment in this chapter 11 case, KCC waives any rights to receive compensation from the United States government in connection with this chapter 11 case;
 - d. In its capacity as the Claims and Noticing Agent in this chapter 11 case, KCC will not be an agent of the United States and will not act on behalf of the United States;
 - e. KCC will not employ any past or present employees of the Debtors in connection with its work as the Claims and Noticing Agent in this chapter 11 case;
 - f. In its capacity as Claims and Noticing Agent in this chapter 11 case, KCC will not intentionally misrepresent any fact to any person;
 - g. KCC shall be under the supervision and control of the Clerk's office with respect to the receipt and recordation of claims and claim transfers;
 - h. KCC will comply with all requests of the Clerk's office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c); and
 - i. None of the services provided by KCC as Claims and Noticing Agent in these chapter 11 cases shall be at the expense of the Clerk's office.

KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require such additional disclosure.

Basis for Relief Requested

22. Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of the bankruptcy court, authorizes the Court to use facilities other than those of the Clerk for the administration of chapter 11 cases, and provides as follows:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States.

28 U.S.C. § 156(c).

23. Accordingly, 28 U.S.C. § 156(c) empowers the Court to utilize outside agents and facilities for notice and claims purposes, provided the Debtors' estate pays the cost of such services. Therefore, and for all of the foregoing reasons, the Debtors believe that the retention of KCC as its Claims and Noticing Agent is in the best interests of the Debtors, their estates, and their creditors. Furthermore, the Debtors respectfully submit that the fees and expenses that would be incurred by KCC under the proposed engagement would be administrative in nature and, therefore, should not be subject to standard fee application procedures of professionals.

Emergency Consideration

24. Pursuant to Bankruptcy Local Rule 9013-1, the Debtors respectfully request emergency consideration of this Application pursuant to Bankruptcy Rule 6003, which provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" within the first 21 days following the Petition Date. As described herein, the Debtors believe that authorizing KCC to act as the Claims and Noticing Agent within 21 days of the Petition Date is critical to the Debtors' satisfaction of necessary administrative reviews and will provide administrative continuity and avoid confusion among

parties in interest. Accordingly, the Debtors have satisfied the requirements of Bankruptcy Rule 6003.

Request for Bankruptcy Rule 6004 Waivers

25. The Debtors requests a waiver of the notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such stay applies.

Notice

26. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. Notice of this Application will be provided to (i) the Office of the United States Trustee for the Southern District of Texas; (ii) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (iii) Baker & McKenzie LLP, 452 Fifth Avenue, New York, NY 10018 (Attn: James Donnell, Esq. and Peter S. Goodman, Esq.), counsel to Wells Fargo Bank, N.A., as administrative agent under the Credit Agreement; (iv) the Securities and Exchange Commission; (v) the Internal Revenue Service; and (vi) the United States Attorney's Office for the Southern District of Texas. The Debtors submit that no other or further notice need be provided.

No Previous Request

27. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: January 30, 2017
Houston, Texas

AZURE MIDSTREAM PARTNERS, LP
(for itself and on behalf of its affiliates as
Debtors and Debtors in Possession)

By : /s/ I.J. Berthelot, II
Name : I.J. Berthelot, II
Title : President

Certificate of Service

I hereby certify that on January 30, 2017, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas and will be served as set forth in the Affidavit of Service to be filed by the Debtors' proposed claims, noticing, and solicitation agent.

/s/ Christopher M. Lopez _____

Christopher M. López

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
AZURE MIDSTREAM PARTNERS, LP, et al.,	§	Case No. 17-[_____] (____)
	§	
	§	Joint Administration Requested
	§	
Debtors.¹	§	Re: Docket No. _____

**ORDER APPOINTING KURTZMAN CARSON CONSULTANTS LLC
AS CLAIMS, NOTICING, AND BALLOTING AGENT PURSUANT TO SECTION 156
OF TITLE 28 OF THE UNITED STATES CODE**

Upon the emergency application, dated January 30, 2017 (the “**Application**”),² Azure Midstream Partners, LP, its subsidiaries, and certain affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for authority to retain and appoint Kurtzman Carson Consultants LLC (“**KCC**”) as claims, noticing, and balloting agent in the Debtors’ chapter 11 cases (“**Claims and Noticing Agent**”) under the services agreement executed December 14, 2016 (the “**Services Agreement**”) pursuant to section 28 U.S.C. § 156(c), as more fully set forth in the Application; and upon consideration of the Mosley Declaration; and upon consideration of the Gershbein Declaration; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Application and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue is allowed before

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC. (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).

² All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Application.

this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Application; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and it appearing that the relief requested in the Application is in the best interests of the Debtors and its estate and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Application is granted as set forth herein.
2. The Debtors are authorized to retain KCC as Claims and Noticing Agent effective as of the Petition Date under the terms of the Services Agreement as set forth herein, and KCC is authorized and directed to perform all tasks as described in the Application and the Services Agreement, except as otherwise provided herein.
3. Notwithstanding anything to the contrary in the Application or the Services Agreement, the office of the Clerk of the United States Court (the “**Clerk**”) shall maintain its own claims register, and creditors shall file claims with the Clerk pursuant to the procedures of the Clerk and any further procedures ordered by the Court. KCC shall forward to the Clerk any claims received by KCC that were not filed with the Clerk at least weekly.
4. KCC is authorized to take such other action to comply with all duties and services set forth in the Application.
5. KCC shall maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and shall serve monthly invoices on the Debtors, the Office of the United States Trustee, counsel for the Debtors, counsel for any official

committee monitoring the expenses of the Debtors, and any party in interest who specifically requests service of the monthly invoices.

6. Without further order of the Court, pursuant to section 503(b)(1)(A) of the Bankruptcy Code, KCC's fees and expenses shall be treated as administrative expenses of the Debtors' estate and shall be paid by the Debtors in accordance with the terms of the Services Agreement upon receipt of each KCC invoice by the Debtors, unless KCC is advised, within ten days of receipt of the invoice, that the Office of the United States Trustee for the Southern District of Texas, counsel for the Debtors, counsel for any official committee, if any, and any party-in-interest who specifically requests service of the monthly invoices, objects to the invoice, in which case the Debtors will schedule a hearing before the Court to consider the disputed invoice. In the event of a disputed invoice, the Debtors shall remit to KCC only the undisputed portion of the invoice and, if applicable, shall pay the remainder to KCC upon the resolution of the disputed portion, as mandated by the Court. If KCC's fees increase from the fees in the Services Agreement, KCC shall file an affidavit with the Court describing such increases.

7. KCC may apply its retainer to all prepetition invoices, which retainer may be replenished to the original retainer amount, and thereafter, KCC may hold its retainer under the Services Agreement during these chapter 11 cases as security for the payment of fees and expenses incurred under the Services Agreement.

8. The Debtors shall indemnify KCC under the terms of the Services Agreement, as modified pursuant to this Order.

9. KCC shall not be entitled to indemnification, contribution, or reimbursement pursuant to the Services Agreement for services other than the services provided

under the Services Agreement, unless such services and the indemnification, contribution, or reimbursement thereof are approved by the Court.

10. Notwithstanding anything to the contrary in the Services Agreement, the Debtors shall have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from KCC's gross negligence, willful misconduct or fraud; (ii) for a contractual dispute in which the Debtors allege the breach of KCC's contractual obligations if the Court determines that indemnification, contribution, or reimbursement would not be permissible under applicable law; or (iii) settled prior to a judicial determination under (i) or (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which KCC should not receive indemnity, contribution, or reimbursement under the terms of the Services Agreement as modified by this Order.

11. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal), or (ii) entry of an order closing these chapter 11 cases, KCC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Services Agreement (as modified by this Order), including the advancement of defense costs, KCC must file an application therefor in this Court, and the Debtors may not pay any such amounts to KCC before entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by KCC for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the

Debtors' obligation to indemnify KCC. All parties in interest shall retain the right to object to any demand by KCC for indemnification, contribution, or reimbursement.

12. KCC shall not cease providing claims processing services during these chapter 11 cases for any reason, including nonpayment, without an order of the Court. In the event KCC is unable to provide the services set out in this Order, KCC will immediately notify the Court's case manager, and counsel for the Debtors and, upon approval of the Court, cause to have all original proofs of claim and computer information delivered as instructed by further Court order.

13. Notwithstanding any term in the Services Agreement to the contrary, KCC'S liability shall not be limited during these chapter 11 cases to the amount billed to or paid by the Debtors' estate.

14. After entry of an order terminating KCC's services, upon the closing of these cases, or for any other reason, KCC shall be responsible for archiving all proofs of claim with the Federal Archives Record Administration, if applicable, and shall be compensated by the Debtors in connection therewith.

15. In the event of any inconsistency between the Services Agreement, the Application and this Order, the terms of this Order shall govern.

16. Notwithstanding anything in this Order to the contrary, the Debtors' authority to use or transfer cash hereunder shall be subject to the limitations and restrictions as are provided for with respect to the use or transfer of cash in any order approving the Debtors' cash collateral motion.

17. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

18. Notwithstanding Bankruptcy Rule 6004(a), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

19. The Debtors and KCC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

20. Notwithstanding any term in the Services Agreement to the contrary, this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2017
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Services Agreement

KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 12th day of December 2016, between Azure Midstream Partners, LP (together with its affiliates and subsidiaries, the “Company”),¹ and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, “KCC”). In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Terms and Conditions

I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC’s standard reports as well as consulting and programming support for the Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the fees outlined in a pricing schedule provided to the Company (the “KCC Fee Structure”).

C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company’s representatives, employees, agents and/or professionals (collectively, the “Company Parties”) with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company. The Company agrees and understands that KCC shall not provide the Company or any other party with any legal advice.

¹ The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company’s chapter 11 case.



KCC AGREEMENT FOR SERVICES

II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services at the rates and prices set by KCC that are in effect as of the date of this Agreement and in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment and are inclusive of all charges. KCC reserves the right to reasonably increase its prices, charges and rates annually. If any price increases exceed 10%, KCC will give thirty (30) days written notice to the Company.

B. In addition to fees and charges for services, the Company agrees to pay KCC's reasonable transportation, lodging, and meal expenses incurred in connection with services provided under this Agreement.

C. In addition to all fees for services and expenses hereunder, the Company shall pay to KCC (i) any fees and charges related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate.

E. KCC agrees to submit its invoices to the Company monthly and the Company agrees that the amount invoiced is due and payable upon the Company's receipt of the invoice. KCC's invoices will contain reasonably detailed descriptions of charges for both hourly (fees) and non-hourly (expenses) case specific charges. Where total invoice amounts are expected to exceed \$10,000 in any single month and KCC reasonably believes it will not be paid, KCC may require advance payment from the Company due and payable upon demand and prior to the performance of services hereunder. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, the Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the total amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, the Company shall give written notice to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute or any amounts unable to be paid due to Court order or applicable law. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) must be paid at least three (3) days in advance of those fees and expenses being incurred.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) to the extent possible and otherwise in accordance with applicable Bankruptcy law and that all amounts due under this Agreement shall, to the extent possible, be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause pleadings to be filed with the Bankruptcy Court seeking entry of an order or orders approving this Agreement (the "Retention

KCC AGREEMENT FOR SERVICES

Order”). The form and substance of the pleadings and the Retention Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with the terms of this Agreement. The parties recognize and agree that if there is a conflict between the terms of this Agreement and the terms of the Retention Order, the terms of the Retention Order shall govern during the chapter 11 or other proceeding.

G. To the extent permitted by applicable law, KCC shall receive a retainer in the amount of \$20,000 (the “Retainer”) that may be held by KCC as security for the Company’s payment obligations under the Agreement. The Retainer is due upon execution of this Agreement. KCC shall be entitled to hold the Retainer until the termination of the Agreement. Following termination of the Agreement, KCC shall return to the Company any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term “program” shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. The Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. The Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC’s performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by the Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for the Company’s use during and in connection with the services provided by KCC under this Agreement.

IV. NON-SOLICITATION

The Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not less than five (5) business days’ written notice to the other party, release the required information.

KCC AGREEMENT FOR SERVICES

VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined herein). As used herein, the term "Cause" means (i) gross negligence or willful misconduct of KCC that causes serious and material harm to the Company's reorganization under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or (iii) the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and KCC shall provide all necessary staff, services and assistance required for an orderly transfer. The Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Retention Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility in the Company's bankruptcy case.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. If the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days, KCC may dispose of the data or media, and be reimbursed by the Company for the expense of such disposition, after giving the Company thirty (30) days' notice. Notwithstanding any term herein to the contrary, following entry of the Retention Order, the disposition of any data or media by KCC shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.



KCC AGREEMENT FOR SERVICES

VIII. BANK ACCOUNTS

At the Company's request and subject to Court approval following any chapter 11 filing, KCC may be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. The Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement. Such indemnification shall exclude Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

B. Except as provided herein, KCC's liability to the Company or any person making a claim through or under the Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to the Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement. In no event shall KCC's liability to the Company for any Losses, whether direct or indirect, arising out of this Agreement exceed the total amount billed to the Company and actually paid to KCC for the services contemplated under the Agreement; provided, however, that this limitation shall not apply to the Company during any chapter 11 case in which the Company is a debtor.

C. The Company is responsible for the accuracy of the programs, data and information it or any Company Party submits for processing to KCC and for the output of such information. KCC does not verify information provided by the Company and, with respect to the preparation of schedules and statements, all decisions are at the sole discretion and direction of the Company. The Company reviews and approves all schedules and statements filed on behalf of, or by, the Company; KCC bears no responsibility for the accuracy or contents therein. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs and data submitted by the Company to KCC.

D. The Company agrees that except as expressly set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or



KCC AGREEMENT FOR SERVICES

express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.

X. FORCE MAJEURE

Whenever performance by KCC of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

XI. INDEPENDENT CONTRACTORS

The Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this Agreement.

XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or electronic mail or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC	Company
2335 Alaska Ave.	Address
El Segundo, CA 90245	City, ST Zip
Attn: Drake D. Foster	Attn:
Tel: (310) 823-9000	Tel:
Fax: (310) 823-9133	Fax:
E-Mail: dfoster@kccllc.com	

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, other agreements, and communications oral and written between the parties relating to the subject

KCC AGREEMENT FOR SERVICES

matter of this Agreement. The Company represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

XV. COUNTERPARTS; EFFECTIVENESS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, which delivery may be made by exchange of copies of the signature page by facsimile or electronic mail.

XVI. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned without written consent by KCC to a wholly-owned subsidiary or affiliate of KCC.

XVII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

[SIGNATURE PAGE FOLLOWS]



KCC AGREEMENT FOR SERVICES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC

A handwritten signature in black ink, appearing to read 'Evan Gershbein', written over a horizontal line.

BY: Evan Gershbein

DATE: 12/14/16

TITLE: Senior Vice President, Corporate Restructuring Services

Azure Midstream Partners, LP

A handwritten signature in black ink, appearing to read 'Amanda Bush', written over a horizontal line.

BY: Amanda Bush

DATE: December 14, 2016

TITLE: Chief Financial Officer

Exhibit C

Gershbein Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
AZURE MIDSTREAM PARTNERS, LP, et al.,	§	Case No. 17-[_____] (____)
	§	
	§	Joint Administration Requested
	§	
Debtors.¹	§	

**DECLARATION OF EVAN GERSHBEIN IN SUPPORT OF EMERGENCY
APPLICATION OF THE DEBTORS FOR APPOINTMENT OF KURTZMAN CARSON
CONSULTANTS LLC AS CLAIMS, NOTICING, AND BALLOTING AGENT**

I, Evan Gershbein, state as follows:

1. I am Senior Vice President of Corporate Restructuring at Kurtzman Carson Consultants LLC (“**KCC**”), a company specializing in the administration of large bankruptcy cases.

2. I submit this declaration in support of the application (the “**Application**”)² of Azure Midstream Partners, LP, its subsidiaries, and certain affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”) for authorization pursuant to 28 U.S.C. § 156 (c) to employ and retain KCC as notice, claims and balloting agent (“**Claims and Noticing Agent**”) in connection with these chapter 11 cases.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC. (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).

² All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Application.

KCC's Qualifications

3. KCC is a bankruptcy administrator that specializes in providing comprehensive chapter 11 administrative services including noticing, claims processing, balloting, and other related services critical to the effective administration of chapter 11 cases. KCC has developed efficient and cost-effective methods to properly handle the voluminous mailings associated with the noticing, claims processing, and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders, and all parties in interest. Further, KCC will work with the Clerk to ensure that such methodology conforms with all of the Court's procedures, the Bankruptcy Local Rules, and the provisions of any orders entered by the Court.

4. KCC has substantial experience in matters of this size and complexity and has acted as the official notice, claims, and balloting agent in many large bankruptcy cases in this district and other districts nationwide. *See, e.g., In re Linc USA GP, et al.*, Case No. 16-32689 (Bankr. S.D. Tex. May 29, 2016) (DRJ); *In re Midstates Petroleum Company, Inc.*, Case No. 16-32237 (Bankr. S.D. Tex. Apr. 30, 2016) (MI); *In re Sherwin Alumina Company, LLC, et al.*, Case No. 16-20012 (Bankr. S.D. Tex. Jan. 11, 2016) (DRJ); *In re BPZ Resources, Inc.*, Case No. 15-60016 (Bankr. S.D. Tex. Mar. 26, 2015) (DRJ); *see also In re CHC Group Ltd.*, Case No. 16-31854 (Bankr. N.D. Tex. May 5, 2016); *In re Peabody Energy Corporation, et al.*, Case No. 16-42529 (Bankr. E.D. Mo. Apr. 13, 2016); *In re Vestis Retail Group, LLC, et al.*, Case No. 16-10971 (Bankr. D. Del. Apr. 18, 2016); *In re American Hospice Management Holdings, LLC, et al.*, Case No. 16-10670 (Bankr. D. Del. Mar. 20, 2016); *In re Sport Authority Holdings, Inc., et al.*, Case No. 16-10527 (Bankr. D. Del. Mar. 2, 2016); *In re Paragon Offshore plc, et al.*, Case

No. 16-10386 (Bankr. D. Del. Feb. 14, 2016); *In re Hancock Fabrics, Inc., et al.*, Case No. 16-10296 (Bankr. D. Del. Feb. 2, 2016).

Services and Compensation

5. The Debtors seek to engage KCC to provide certain noticing, claims processing and balloting administration services as set forth in the Application.

6. The services agreement executed December 14, 2016 (“**Services Agreement**”) sets forth the fees KCC charges for the services it will provide to the Debtors. The proposed compensation arrangement is consistent with, and typical of, arrangements of KCC and its competitor firms to provide claims and noticing agent services in chapter 11 cases.

7. In accordance with the Services Agreement, I anticipate KCC will perform the following services:

- i. Assist the Debtors with the preparation and distribution of all required notices and documents in accordance with the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) in the form and manner directed by the Debtors or the Court, including, without limitation: (a) notices of objections to claims and objections to transfers of claims, (b) notices of any hearings on a disclosure statement and confirmation of any plan of reorganization, including under Bankruptcy Rule 3017(d), (c) notice of the effective date of any plan, and (d) all other notices, orders, pleadings, publications and other documents as the Debtors, the Court, or the Clerk may deem necessary or appropriate for an orderly administration of this chapter 11 case, including through email or other electronic means;
- ii. Maintain (i) a list of all potential creditors, equity holders and other parties-in-interest and (ii) a “core” mailing list consisting of all parties described in Bankruptcy Rule 2002(i), (j), and (k) and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010;
- iii. Identify and correct any incomplete or incorrect addresses in any mailing or service lists;
- iv. Furnish a notice to all potential creditors of the last date for filing proofs of claim and a form for filing a proof of claim, after such notice and form are approved by the Court, and notify said potential creditors of the

existence, amount and classification of their respective claims as set forth in the Schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;

- v. Monitor the Court's docket for all notices of appearance, address changes, and claims-related pleadings and orders filed and make necessary notations on or changes to KCC's unofficial claims register and any service or mailing lists, including to identify and eliminate duplicative names and addresses from such lists;
- vi. Maintain a post office box or address for the purpose of receiving returned mail, and process all mail received;
- vii. For all notices, motions, orders or other pleadings or documents served, prepare and file or cause to be filed with the Clerk an affidavit or certificate of service no more frequently than every seven days that includes (a) either a copy of the notice(s) served or the docket number(s) and title(s) of the pleading(s) served for the preceding seven days, (b) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (c) the manner of service, and (d) the date served;
- viii. Forward all claims received by KCC that were not filed with the Clerk at least weekly;
- ix. Assist in the dissemination of information to the public and respond to requests for administrative information regarding these chapter 11 cases as directed by the Debtors or the Court, including through the use of a case website or call center;
- x. Monitor the Court's docket in these chapter 11 cases and, when filings are made in error or containing errors, alert the filing party of such error and work with them to correct any such error;
- xi. Assist the Debtors with plan-solicitation services including: (a) balloting, (b) distribution of applicable solicitation materials, (c) tabulation and calculation of votes, (d) determining with respect to each ballot cast, its timeliness and its compliance with the Bankruptcy Code, Bankruptcy Rules, and procedures ordered by this Court; (e) preparing an official ballot certification and testifying, if necessary, in support of the ballot tabulation results; and (f) in connection with the foregoing services, process requests for documents from parties in interest, including, if applicable, brokerage firms, bank back-offices and institutional holders;

- xii. Provide such other processing, solicitation, balloting and other administrative services described in the Services Agreement that may be requested from time to time by the Debtors, the Court or the Clerk;
 - xiii. If necessary, manage and coordinate any distributions pursuant to a chapter 11 plan.
 - xiv. Maintain an official copy of the Debtors' schedule of assets and liabilities and statement of financial affairs (collectively, the "**Schedules**"), listing the Debtors' known creditors and the amounts owed thereto;
 - xv. If necessary, assist with the preparation of the Debtors' schedule of assets and liabilities and statement of financial affairs and gather data in conjunction therewith; and
 - xvi. If necessary, provide a confidential data room.
8. For the avoidance of doubt, KCC shall not act as the agent of the Clerk.

The Clerk shall maintain its own register, which shall be the official claims register. Parties filing proofs of claim or interest shall be permitted to only file claims with the Clerk of the Court.

KCC's Compensation

9. As Claims and Noticing Agent, KCC will perform the services specified in the Application and the Services Agreement. In performing such services, KCC will charge the Debtors the rates set forth in the Services Agreement, annexed to the Application as **Exhibit B**. KCC requests that the Debtors pay its fees and expenses in accordance with the terms of the Services Agreement. I believe KCC's rates for its services in connection with the notice, claims processing, and balloting services are competitive and comparable to the rates charged by their competitors for similar services. I believe that the fees and expenses incurred by KCC are administrative in nature and, therefore, should not be subject to the standard fee application procedures for professionals. KCC will submit invoices summarizing, in reasonable detail, the services and expenses for which compensation is sought.

10. Prior to the Petition Date, the Debtors provided KCC a retainer in the amount of \$20,000, to be held by KCC during these chapter 11 cases as security for the Debtors' payment obligations under the Services Agreement. Following termination of the Services Agreement, KCC will return to the Debtors any unused portion of the retainer.

11. Additionally, under the terms of the Services Agreement, the Debtors have agreed to indemnify and hold harmless KCC and its affiliates, members, directors, officers, employees, consultants, subcontractors, and agents under certain circumstances specified in the Services Agreement, except in circumstances resulting from KCC's gross negligence or willful misconduct or as otherwise provided in the Services Agreement or order of this Court. I believe that such an indemnification obligation is customary and reasonable in chapter 11 cases such as these.

KCC's Disinterestedness

12. Although the Debtors do not propose to retain KCC under section 327 of the Bankruptcy Code, KCC has nonetheless conducted a conflicts analysis and, to the best of its knowledge, information, and belief, KCC neither holds nor represents any interest materially adverse to the Debtors' estate in connection with any matter on which it would be employed. KCC may have relationships with certain of the Debtors' creditors as vendors or in connection with cases in which KCC serves or has served in a neutral capacity as claims and noticing agent for another chapter 11 debtor or as a class action settlement administrator. To the best of my knowledge, such relationships are materially unrelated to this chapter 11 case.

13. In addition, KCC personnel may have relationships with some of the Debtors' creditors or other parties in interest. However, to the best of my knowledge, such relationships, to the extent they exist, are of a personal financial nature and completely unrelated

to this chapter 11 case. KCC has and will continue to represent clients in matters materially unrelated to this chapter 11 case. In addition, KCC has had and will continue to have relationships in the ordinary course of its business with certain vendors, professionals and other parties in interest that may be involved in the Debtors' cases in matters unrelated to this case.

14. KCC is an indirect subsidiary of Computershare Limited ("**Computershare**"). Computershare is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare and its affiliates maintain do not create an interest of KCC that is materially adverse to the Debtors' estates or any class of creditors or security holders.

15. To the best of my knowledge and except as disclosed herein, KCC neither holds nor represents any interest materially adverse to the Debtors' estate in connection with any matter on which it would be employed and that it is a "disinterested person" within the meaning of § 101(14) of the Bankruptcy Code, as referred to in § 327(a) of the Bankruptcy Code.

16. KCC represents, among other things, that:

- i. KCC, its members and employees are not and were not, within two years before the date of the filing of this chapter 11 case, creditors, equity security holders, insiders or employees of the Debtors;
- ii. KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the Claims and Noticing Agent in this chapter 11 case;
- iii. By accepting employment in this chapter 11 case, KCC waives any rights to receive compensation from the United States government in connection with this chapter 11 case;
- iv. In its capacity as the Claims and Noticing Agent in this chapter 11 case, KCC will not be an agent of the United States and will not act on behalf of the United States;

- v. KCC will not employ any past or present employees of the Debtors in connection with its work as the Claims and Noticing Agent in this chapter 11 case;
- vi. In its capacity as Claims and Noticing Agent in this chapter 11 case, KCC will not intentionally misrepresent any fact to any person;
- vii. KCC shall be under the supervision and control of the Clerk's office with respect to the receipt and recordation of claims and claim transfers;
- viii. KCC will comply with all requests of the Clerk's office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c); and
- ix. None of the services provided by KCC as Claims and Noticing Agent in these chapter 11 cases shall be at the expense of the Clerk's office.

17. KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge and belief.

Executed on January 30, 2017.

/s/ Evan Gershbein

Evan Gershbein
Senior Vice President, Corporate Restructuring