

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(Jointly Administered)

Ref. No. 41

CERTIFICATION OF COUNSEL

I, Matthew R. Pierce, proposed counsel to the above-captioned debtors and debtors in possession (the “Debtors”) hereby certify as follows to the best of my knowledge, information and belief:

1. On November 14, 2019 (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. On the Petition Date, the Debtors filed the *Debtors’ Application for an Order Authorizing the (I) Retention of M-III Advisory Partners, LP and (II) Designation of Matthew R. Manning as Chief Restructuring Officer, Nunc Pro Tunc to the Petition Date* [D.I. 41] (the “M-III Retention Application”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: HRI Holding Corp. (4677), Houlihan’s Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson’s/Kansas, Inc. (5739), Darryl’s of St. Louis County, Inc. (7177), Darryl’s of Overland Park, Inc. (3015), Houlihan’s of Ohio, Inc. (6410), HRI O’Fallon, Inc. (4539), Algonquin Houlihan’s Restaurant, L.L.C. (0449), Geneva Houlihan’s Restaurant, L.L.C. (3156), Hanley Station Houlihan’s Restaurant, LLC (4948), Houlihan’s Texas Holdings, Inc. (5485), Houlihan’s Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HOP Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan’s of Chesterfield, Inc. (5073). The Debtors’ corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.



3. As of the date hereof, no formal objections or other responses to the M-III Retention Application have been filed or served on the Debtors. However, the Debtors received informal comments on the proposed form of order from the Office of the United States Trustee (the “UST”).

4. To resolve the informal comments of the UST, the Debtors have revised the proposed form of order (the “Revised Order”), a copy of which is attached hereto as **Exhibit A**. A copy of the Revised Order compared against the proposed order attached to the M-III Retention Application is attached hereto as **Exhibit B**. The UST has no objection to the entry of the Revised Order. In accordance with the Court’s electronic order processing procedures, a clean copy of the Revised Order shall be uploaded to CM/ECF.

5. Accordingly, the Debtors respectfully request that the Court enter the Revised Order at its earliest convenience.

Dated: December 4, 2019
Wilmington, Delaware

LANDIS RATH & COBB LLP



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*Proposed Counsel for the Debtors
and Debtors-In-Possession*

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(Jointly Administered)

Ref. No. 41

ORDER AUTHORIZING DEBTORS TO (I) RETAIN M-III ADVISORY PARTNERS, LP AND (II) DESIGNATE MATTHEW R. MANNING AS CHIEF RESTRUCTURING OFFICER, NUNC PRO TUNC TO THE PETITION DATE

Upon the application (the “Application”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) authorizing the Debtors to (a) retain and employ M-III Advisory Partners, LP (“M-III”) and (b) designate Matthew R. Manning as Chief Restructuring Officer (“CRO”) pursuant to the terms of the engagement letter by and among the Debtors and M-III, dated June 21, 2019 (the “Engagement Letter”), a copy of which is attached hereto as **Exhibit 1**, *nunc pro tunc* to the Petition Date, all as more fully set forth in the Application; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware,

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: HRI Holding Corp. (4677), Houlihan’s Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson’s/Kansas, Inc. (5739), Darryl’s of St. Louis County, Inc. (7177), Darryl’s of Overland Park, Inc. (3015), Houlihan’s of Ohio, Inc. (6410), HRI O’Fallon, Inc. (4539), Algonquin Houlihan’s Restaurant, L.L.C. (0449), Geneva Houlihan’s Restaurant, L.L.C. (3156), Hanley Station Houlihan’s Restaurant, LLC (4948), Houlihan’s Texas Holdings, Inc. (5485), Houlihan’s Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HOP Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan’s of Chesterfield, Inc. (5073). The Debtors’ corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.

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

dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties-in-interest; and this Court having found that the Debtors' notice of the Application and opportunity for a hearing on the Application were appropriate and no other notice need be provided; and this Court having reviewed the Application and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED that the Application is APPROVED as set forth herein; and it is further

ORDERED that pursuant to Bankruptcy Code sections 105(a) and 363(b), the Debtors are authorized to (i) retain and employ M-III and (ii) designate Matthew R. Manning as Chief Restructuring Officer, in each instance *nunc pro tunc* to the Petition Date; and it is further

ORDERED that the terms of the Engagement Letter, including without limitation the compensation provisions and the indemnification provisions, are reasonable terms and conditions of employment and are hereby approved; and it is further

ORDERED that upon employment and retention by the Debtors, Mr. Manning shall be empowered and authorized to carry out all duties and responsibilities set forth in the Engagement Letter; and it is further

ORDERED that notwithstanding anything to the contrary in the Application or the Engagement Letter, M-III's engagement is subject to the following terms:

- M-III and its affiliates shall not act as a financial advisor, claims agent/claims administrator, or investor/acquirer in connection with the above-captioned Chapter 11 Cases;
- In the event the Debtors seek to have M-III personnel assume executive officer positions that are different than the positions disclosed in the Application or to materially change the terms of the engagement, a motion to modify the retention shall be filed;
- M-III shall submit reports of compensation earned and expenses incurred on a monthly basis ("Compensation Reports") to the Court with copies to the U.S. Trustee, and provide notice of the same to the Notice Parties. M-III will endeavour to submit Compensation Reports by the last day of the month for the previous month. Compensation reports shall summarize the services provided, and identify the compensation earned and expenses incurred by M-III Personnel. The Notice Parties shall have ten (10) days after the date each Compensation Report is served upon them to object. Such reports shall contain summary charts which describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. Time records shall (i) be appended to the reports, (ii) contain detailed time entries describing the task(s) performed, and (iii) be organized by project category. Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in 1/10 hour increments and the corresponding charge (time multiplied by hourly rate) for each task; where personnel are providing services at a "flat" rate, the time entries shall be kept in hourly increments. All compensation and expenses shall be subject to review by the Court in the event an objection is filed. M-III will file its first Compensation Report by December 31, 2019, for the period covering the Petition Date through November 30, 2019;
- M-III shall file with the Court (and serve copies to the Notice Parties) a report reflecting the M-III Personnel that worked on the engagement for the intervening period ("Staffing Reports"). Staffing Reports shall include the names of all full- and part-time M-III Personnel that provided services in these Chapter 11 Cases during the prior period and each individual's hourly billing rate. M-III will submit Staffing Reports by the last day of the month for the previous month. The Notice Parties shall have ten (10) days

after the date each Staffing Report is served upon them to object. The Staffing Reports and M-III's staffing decisions will be subject to review by the Court in the event an objection is filed. M-III will endeavour to file its first Staffing Report by December 31, 2019, for the period covering the Petition Date through November 30, 2019. The filing of Compensation Reports shall satisfy M-III's obligations to file and serve a separate monthly Staffing Report as set forth herein, provided that the information required to be included in the Staffing Report is contained in the Compensation Report discussed herein;

- Notwithstanding anything to the contrary contained in the Application, Engagement Letter or any exhibits thereto, during the course of the Chapter 11 Cases, M-III will only seek reimbursement of actual and necessary expenses;
- No principal, employee, or independent contractor of M-III and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the Chapter 11 Cases;
- The Debtors are permitted to indemnify those persons serving as corporate officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O policy;
- For a period of three years after the conclusion of the engagement, neither M-III nor any of its affiliates shall make any investments in the Debtors or the reorganized Debtors;
- M-III shall follow the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules regarding limitations on reimbursement of expenses; and
- M-III shall make appropriate disclosures of any and all facts that may have a bearing on whether M-III, its affiliates, or any individuals working on the engagement have any conflict of interest with or hold/represent a material adverse interest to, the Debtors, their creditors, or other parties-in-interest. The obligation to disclose identified in this subparagraph (l) is a continuing obligation; and it is further

ORDERED that the Indemnification Provisions set forth in the Engagement Agreement are approved, subject during the pendency of these Chapter 11 Cases to the following:

- a) 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), and (ii) the entry of an order closing these Chapter 11 Cases, M-III 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 Engagement Agreement, as modified by this Order, including without limitation the advancement of defense costs, M-III must file an application therefore in this Court, and the Debtors may not pay any such amounts to M-III before the entry of an order by this Court approving such payment. This subparagraph (a) is intended only to specify the period during which the Court shall have jurisdiction over any request by M-III for indemnification, contribution or reimbursement and is not a provision limiting the duration of the Debtors' obligation to indemnify;
- b) Subject to the provisions of subparagraph (c), below, the Debtors are authorized to indemnify, and shall indemnify, M-III in accordance with the Engagement Agreement for any claim arising from related to or in connection with the services provided for, whether prepetition or postpetition, in the Engagement Agreement;
- c) Notwithstanding any provisions of the Engagement Agreement to the contrary, the Debtors shall have no obligation to indemnify M-III or provide contribution or reimbursement to M-III for any claim or expense that is either (i) judicially determined to have resulted primarily from the willful misconduct, gross negligence, bad faith or self-dealing of M-III, or (ii) settled prior to a judicial determination as to M-III's willful misconduct, gross negligence, bad faith or self-dealing, but determined by the Court, after notice and a hearing pursuant to this subparagraph (c), to be a claim or expense for which M-III should not receive indemnity, contribution or reimbursement under the terms of the Engagement Agreement; and
- d) There shall be no limitation of liability in favor of M-III for claims arising with respect to services performed during the pendency of this bankruptcy case; and it is further

ORDERED that to the extent there may be any inconsistency between the terms of the Application, the Engagement Agreement and this Order, this Order shall govern; and it is further

ORDERED that success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of these Chapter 11 Cases on a reasonableness standard and are

not being pre-approved by entry of this Order. No success fee, transaction fee or back-end fee shall be sought upon conversion of the Chapter 11 Cases, dismissal of the Chapter 11 Cases for cause or appointment of a trustee; and it is further

ORDERED that M-III is authorized to apply the Retainer to satisfy any unbilled or other remaining prepetition fees and expenses M-III becomes aware of during its ordinary course billing review and reconciliation. The remaining balance of the Retainer held by M-III shall be treated as an evergreen retainer and be held by M-III as security throughout the Chapter 11 Cases until M-III's fees and expenses are fully paid; and it is further

ORDERED that M-III shall use reasonable efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in these Chapter 11 Cases; and it is further

ORDERED that 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 Local Rules are satisfied by such notice; and it is further

ORDERED that notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters related to the interpretation or implementation of this Order.

Dated: December __, 2019
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Engagement Agreement



June 21, 2019

Houlihan's Restaurants, Inc.
8700 State Line Road - Suite 100
Leawood, Kansas 66206
Attention: Michael J. Archer

Engagement Letter
STRICTLY CONFIDENTIAL

Ladies and Gentlemen:

This letter agreement (this "*Agreement*") sets forth the terms and conditions of the engagement of M-III Advisory Partners, LP to provide the Services described below (the "*Engagement*") to Houlihan's Restaurants, Inc. and certain of its affiliates (collectively, the "*Client*"). M-III and the Client are collectively referred to in this Agreement as the "*Parties*."

1. Services. The Client hereby retains M-III to provide, and M-III hereby agrees to provide, Matthew Manning to serve as Chief Restructuring Officer (the "*CRO*") of the Client. The CRO will provide the following services (the "*Services*"), subject to the direction of the Client's Board of Directors, upon the terms and subject to the conditions set forth in this Agreement:

(i) Supervise, and if necessary, assist the Client in the development and administration of its short-term cash flow forecasting and related methodologies, as well as its cash management planning;

(ii) Provide such assistance as reasonably may be required by management of the Client in connection with (i) development of its business plan, (ii) any restructuring plans and strategic alternatives intended to maximize the enterprise value and (iii) any related forecasts that may be required by creditor constituencies in connection with negotiations or by the Client for other corporate purposes;

(iii) Supervise, and if necessary, assist the professionals who are representing the Client in the reorganization process or who are working for the Client's various stakeholders to coordinate their effort and individual work product in order to be consistent with the Client's overall restructuring goals;

(iv) Assist, if required, the Client in communications and negotiations with its outside constituents, including creditors, trade vendors and their respective advisors;

(v) In the event that the Client commences a bankruptcy case (the "*Case*"), the Client so requests and, to the extent necessary, the relevant United States Bankruptcy Court (the "*Court*") so approves, assist the Client in obtaining and presenting such information as may be required by the parties in interest to the Case and bankruptcy process, including any creditors' committees and the Court; and

(vi) Provide such other services as are reasonable and customary for a CRO in connection with the administration and prosecution of a bankruptcy proceeding or as M-III and the Client shall otherwise agree in writing.

(b) The CRO shall, in consultation and coordination with the Board of Directors of the Client (the "*Board*"):

(a) serve as the principal liaison of the Client to the Client's creditor constituencies and other stakeholders with respect to the financial and operational matters relating to the Client; and

(b) lead and direct the efforts of the Client and its professional advisors to develop and implement restructuring plans and other strategic alternatives intended to maximize the enterprise value of the Client.

The CRO shall be assisted by such other M-III personnel, and the CRO and such personnel shall dedicate such time to the Engagement, as the CRO shall determine, in consultation with the Board of Directors of the Client, is required to provide the Services in a professional manner and in accordance with the terms of this Agreement. The CRO shall report to the Board of Directors of the Client.

2. Engagement Term. The Engagement shall commence on the date of acceptance of this Agreement and may be terminated by either Party at any time upon ten business days' written notice. Following any such termination, neither Party shall have further liability to the other, except with respect to fees and expenses earned and incurred through the date of termination and any provisions of this Agreement which are expressly stated to survive its termination or expiration.

3. Staffing. (a) It is anticipated that the team providing the Services initially will be comprised of the CRO and two other professionals. It is M-III's intent to deliver the Services in an effective and cost-efficient manner in accordance with the terms of this Agreement. In the event that the CRO determines that an increase in the size of the team is warranted, then the CRO shall review such determination with the General Counsel and the Board of Directors prior to making a change in the size of the team in order to confirm that such increase does not duplicate the activities of other employees of, or professional advisors to, the Client. The members of the team (other than the CRO) are subject to change by the CRO from time to time in its sole discretion.

(b) Notwithstanding anything to the contrary contained herein, neither M-III nor any of its personnel performing the Services hereunder is being retained as, or shall be deemed to be, an agent, employee, or director of the Client, but rather M-III shall be deemed to be an independent



contractor for the Client and such personnel shall remain employees of M-III. M-III is being retained by Client only as a consultant and shall have no fiduciary duty to the Client or any of its affiliates.

4. Compensation for Services. (a) M-III's compensation for services rendered under this Agreement shall be paid by the Client by wire transfer of immediately available funds (in accordance with the instructions attached hereto as Annex II or any subsequent instructions that M-III may from time to time provide to you) and will consist of the following:

(i) Retainer: M-III has previously been provided with a \$25,000 retainer pursuant to the Prior Engagement Letter described below. Simultaneously with or as promptly as practicable after the execution of this Agreement, M-III is to receive an additional \$25,000 from the Client, such that M-III shall hold \$50,000 in the aggregate (the "**Retainer**") as a retainer for the Engagement. All billings hereunder will be paid by drawings against the Retainer and the Client shall be obligated to promptly (and, in any event, within five business days) replenish the Retainer to its initial amount. The Retainer is not intended to be an estimate of the fees and expenses for the Engagement. M-III will hold the Retainer until the conclusion of the Engagement, at which time the final billing shall be applied against it, with any excess being returned promptly to the Client and any deficiency being promptly paid by the Client.

(ii) Monthly Fees: As compensation for providing the Services hereunder, M-III shall be entitled to non-refundable professional fees based on the actual hours incurred by M-III personnel on matters pertinent to this case (the "**Monthly Fees**"). The Monthly Fees shall be based upon the following hourly rates:

Professional	Hourly Rate
Managing Partner	\$1,050
Managing Director	\$875 - \$975
Director	\$675 - \$775
Vice President	\$600
Senior Associate	\$500
Associate	\$425
Analyst	\$350

At the end of each month, M-III shall furnish to the Client copies of a reasonably detailed invoice for the Monthly Fees in respect of that month. As previously noted, M-III is authorized to apply the Retainer to such amounts and, to the extent that the Retainer is insufficient to pay the amounts then due, the Client shall pay such excess wire transfer of immediately available funds within five days after the date of service of the relevant invoice. From time to time in the normal course of business M-III may adjust its billing rates upon notice to the Client.

(iii) Out-of-Pocket Expenses: In addition to any compensation for providing the Services, the Client shall reimburse M-III for all reasonable and documented out-of-pocket expenses incurred in the performance of the Services (including, without limitation,



reasonable travel costs) and enforcement of the obligations of the Client hereunder (including, without limitation, fees and expenses of counsel).). Such reimbursement shall be paid by application of the Retainer and, to the extent that the Retainer is insufficient to pay such amounts, by wire transfer within five business days after service of the relevant invoice for such reimbursement (which shall be reasonably detailed and include back-up for expenses in excess of \$100.⁰⁰ and as otherwise required by applicable law).

(b) In the event that amounts payable hereunder are not paid within ten days of the invoice date, such amounts shall be deemed "past due" and M-III shall have the right to suspend further Services until payment is received on past due invoices and/or the Retainer is restored. In the event that M-III so suspends the Services, M-III shall not be responsible or liable for any resulting loss, damage or expense due to such suspension.

5. Cooperation from Client. In order to properly perform the Services and fulfill its responsibilities on a timely basis, M-III will rely on the timely cooperation of the Client and its other professional advisors, including, without limitation, making available to M-III relevant data, information and personnel, performing any tasks or responsibilities assigned to the Client and notifying M-III of any issues or concerns that the Client may have relating to the Services. The Client will provide M-III with full access to all personnel, books and records of the Client, as well as to all advisors and professionals retained by the Client. The Client understands and acknowledges that M-III's proper delivery of the Services is dependent upon timely decisions and approvals by the Client and its management. M-III shall have no responsibility or liability for any delays, additional costs or other deficiencies caused by the Client failing to properly fulfill its responsibilities under this Agreement.

6. Deliverables. (a) In connection with the Engagement, M-III may furnish the Client with information, advice, reports, analyses, presentations or other materials (the "**Deliverables**"). The Deliverables may contain factual data, the interpretation of which may change over the project term as more information or better understanding becomes available. The Client acknowledges that M-III will not have an obligation to update the Deliverables as part of the Services in the event of such a change.

(b) Because the Deliverables may contain proprietary or other information of M-III that is deemed to be Confidential Information (as defined below) for purposes of this Agreement, the Parties agree that (i) all Deliverables (whether written or oral) furnished by M-III in connection with the Engagement are intended solely for the benefit and use of the Client in connection with this Agreement, and (ii) no such information shall be used for any other purpose, disseminated to any third parties, or quoted or referred to, with or without attribution to M-III, at any time, in any manner or for any purpose without M-III's prior written approval (which shall not be unreasonably withheld or delayed), except as required by applicable law or by order or act of any court or governmental or regulatory authority or body.

(c) The provisions of this Section shall survive the termination or expiration of this Agreement.



7. Limitations on Services. (a) The Services are limited to those specifically noted in this Agreement.

(b) M-III does not provide accounting or tax-related assistance and no Deliverable or other information or advice provided to the Client shall be deemed to be accounting or tax-related assistance. The Client shall be solely responsible for determining the accounting and tax-related implications of the Deliverables and other information and advice provided to it by M-III. M-III shall not express any professional opinions on financial statements or perform attest procedures with respect to other information in conjunction with the Engagement. The Services are not designed, nor should they be relied upon, to disclose weaknesses in internal controls, financial statement errors, irregularities or illegal acts. M-III shall assume the accuracy and completeness of all information submitted by or on behalf of the Client to M-III for analysis and which will form the basis of M-III's conclusions, without any obligation of M-III to verify the accuracy or completeness of such information, and M-III shall not be responsible for any analysis, advice or other Services to the extent based on inaccurate or incomplete information provided or accepted by or on behalf of the Client.

(c) The Services shall not include preparing, auditing or otherwise attesting in any way (including without limitation, with respect to the accuracy, achievability, reliability, relevance, usefulness or other appropriateness) to the Client's financial projections, and the Client has not engaged M-III for that purpose. The Services are provided based upon the understanding that the Client has sole responsibility for its financial projections (including preparation thereof), developing underlying assumptions and providing any disclosure related thereto. To the extent that, during the performance of Services hereunder, M-III is required to consider the Client's financial projections, the Client understands that M-III's procedures with respect to such projections do not constitute an examination in accordance with procedures established by the American Institute of Certified Public Accountants and do not and are not intended to provide any assurance on any aspect of such projections, including, without limitation, the reasonableness of the assumptions underlying such projections, nor do they provide assurance that M-III might not become aware of significant matters affecting the reasonableness of the projections that might be disclosed by more extensive procedures. There will usually be differences between projected and actual results, and those differences may be material. The Client understands and agrees that M-III will have no responsibility or liability relating to any such differences.

(d) To the extent that the performance of the Services requires that M-III form conclusions or reach opinions, M-III shall do so without regard to or consideration of the impact that such conclusions or opinions may have on the initiation or outcome of any litigation to which the Client is a party.

(e) M-III does not provide investment advice and the Services shall not include the provision of investment advice. The Client shall have sole responsibility for all investment decisions made by it.

(f) The provisions of this Section shall survive the termination or expiration of this Agreement.

8. Conflicts. M-III has performed an internal search for any potential conflicts of interest based on its understanding of the various parties involved in this matter, and such search has not revealed any relationships that it believes would conflict with its engagement hereunder. Should any potential conflict pertaining to M-III's engagement hereunder come to the attention of any Party, such Party shall promptly advise the others. Nothing contained herein should be construed to be a waiver of any potential conflict pertaining to M-III that may come to the attention of any Party. M-III reserves the right to immediately terminate this Engagement at any time, if a conflict of interest arises or becomes known to it that, in its judgment, would impair its ability to perform the Services objectively.

9. Non-Solicitation; No Investment. The Client covenants and agrees that, prior to the first anniversary of the termination or expiration of this Agreement, it will not, directly or indirectly, hire directly or as an independent contractor, or refer to another for employment, any person who was during the term of this Agreement an employee or contractor of M-III or any of its affiliated entities, in each case who was involved on behalf of M-III with the Engagement or the performance of the Services. In the event of the breach of the foregoing covenant, the Client shall be liable to M-III, and shall pay on demand to M-III, liquidated damages equal to 200% of the total annual compensation of each relevant employee for the preceding calendar year or, in the case of employees who were not employed by M-III for the full year and contractors, the amount equal to 200% of such annualized compensation. The Parties mutually agree that the actual damages that would be sustained by the Employer Party as the result of any such breach will be substantial and will be impossible to measure accurately, and that the foregoing liquidated damage amount is fair and reasonable. The provisions of this Section shall survive the termination or expiration of this Agreement.

10. Confidentiality. Each Party shall use reasonable efforts, but in no event less effort than it would use to protect its own confidential information, to keep confidential all non-public confidential or proprietary information obtained from the other Party in the scope of the Engagement (the "*Confidential Information*"), and neither Party will disclose any Confidential Information to any other person or entity. For the avoidance of doubt, the term "Confidential Information" shall include (i) the terms of this Agreement, (ii) all non-public confidential and proprietary data, plans, reports, schedules, drawings, accounts, records, calculations, specifications, flow sheets, computer programs, source or object codes, results and models and (iii) any work product relating to the business of either Party, its subsidiaries, distributors, affiliates, vendors, customers, employees, contractors and consultants. In performing the Services, M-III will use and rely primarily on the Confidential Information and on information available from public sources without having independently verified any of such information.

(b) The foregoing is not intended to prohibit, nor shall it be construed as prohibiting, M-III from making such disclosures of Confidential Information that M-III reasonably believes are required by law or any regulatory requirement or authority, or to clear client conflicts. M-III also may disclose Confidential Information to its partners, directors, officers, employees, independent contractors and agents who have a need to know the Confidential Information for the proper performance of the Services or otherwise in connection with the Engagement. M-III may make reasonable disclosures of Confidential Information to third parties to the extent that M-III reasonably believes that such disclosure is consistent with its performance of the Services. In



addition, M-III will have the right to disclose to any person that it provided services to the Client and its affiliates and a general description of such services.

11. The provisions of this Section shall survive the termination or expiration of this Agreement.

12. Intellectual Property. Upon payment in full of all amounts owing to M-III hereunder, the Client will own all Deliverables furnished by M-III to the Client in connection with the Services, *provided* that M-III will retain ownership of (a) all concepts, analyses, know-how, tools, frameworks, models and industry perspectives used and/or developed by M-III in connection with the Services and (b) all other intellectual property not containing Confidential Information which has been developed by M-III outside of the provision of the Services (the "*M-III Tools*"), it being understood that M-III will have no ownership right to, and will maintain in accordance with the provisions of this Agreement the confidentiality of, any Confidential Information contained in the M-III Tools. To the extent that the Deliverables include any M-III Tools, M-III hereby grants the Client a non-exclusive, non-transferable, non-sublicensable worldwide, royalty-free license to use and copy the M-III Tools solely as part of the Deliverables and subject to the confidentiality provisions contained in this Agreement. The provisions of this Section shall survive the termination or expiration of this Agreement.

13. Indemnification. The Client hereby irrevocably and unconditionally agrees to indemnify and hold harmless the Indemnitees (as defined in Annex I hereto) in accordance with the provisions of Annex I hereto, with such Annex I being incorporated herein by reference and constituting an integral and enforceable part of this Agreement. The indemnity and expense reimbursement obligations set forth herein (including, without limitation, in Annex I) shall (i) be in addition to any liability the Client may have to M-III at common law or otherwise, (ii) survive the termination or expiration of this Agreement and (iii) be binding on any successors and assigns of the Client.

(b) In addition to (and not in limitation of) the provisions of Section 13(a) and Annex I, the CRO and any other M-III employees who may from time to time serve as directors or officers of the Client or any of its affiliates will receive the benefit of the most favorable indemnification provisions provided by the Client to its directors, officers and any equivalently placed employees, whether under the Client's charter or by-laws, by contract or otherwise. Additionally, the Client shall specifically include and cover the CRO and any M-III employees, contractors and agents who may from time to time serve as directors or officers of the Client or any of its affiliates with direct coverage under the Client's policy for liability insurance covering its directors, officers and any equivalently placed employees (the "*D&O Insurance*"). Upon request of M-III, the Client shall provide M-III with a copy of the policy documentation for its then-current D&O Insurance, a certificate of insurance evidencing the policy is in full force and effect, and a copy of the signed board resolutions and any other documents as M-III may reasonably request evidencing the appointment and coverage of the indemnitees. The Client will maintain such D&O Insurance coverage for the period through which claims can be made against such persons. The Client disclaims a right to distribution from the D&O Insurance coverage with respect to such persons. In the event that the Client is unable to include the CRO or any other such M-III employee or agent under the Client's D&O Insurance coverage or does not have first dollar coverage reasonably



acceptable to M-III in effect for at least \$10 million (e.g., there are outstanding or threatened claims against officers and directors alleging prior acts that may give rise to a claim), then M-III may, at its option, attempt to purchase a separate D&O insurance policy that will cover the CRO and any such other M-III employees and agents only. The cost of such separate policy shall be invoiced to the Client as an out-of-pocket expense. If M-III is unable or unwilling to purchase such separate D&O insurance policy, then M-III reserves the right to immediately terminate the Agreement.

(c) The Client's indemnification obligations in this Section shall be primary to, and without allocation against, any similar indemnification obligations that M-III may offer to its personnel generally, and the Client's D&O Insurance coverage for the indemnitees shall be specifically primary to, and without allocation against, any other valid and collectible insurance coverage that may apply to the indemnitees (whether provided by M-III or otherwise).

(d) Notwithstanding anything to the contrary contained in this Section 13, the indemnity owing from the Client to the Indemnified Parties shall not exceed the terms of any indemnities provided to the Client's other officers and directors under the corporate bylaws and applicable state law, plus any insurance coverage under the Client's D&O Insurance.

(e) The provisions of this Section (including, without limitation, the provisions of Annex I) shall survive the termination or expiration of this Agreement.

14. Limitation on Damages. In no event shall M-III or any other Indemnified Party be liable to the Client or its affiliates, successors, or any person claiming on behalf of or in the right of the Client (including the Client's owners, parents, affiliates, successors, directors, officers, employees, agents, security holders, or creditors) for (i) any amount which, when taken together with all losses for which M-III and the Indemnified Parties are liable in connection with this Agreement or the Engagement, would exceed the amount of fees for the Services actually received by M-III from the Client in connection with the Engagement during the immediately preceding 12 months or (ii) any special, consequential, incidental or exemplary damages or loss (or any lost profits, savings or business opportunity) (the amounts described in clauses (i) and (ii) collectively, the "*Liability Cap*"). This paragraph shall apply regardless of the nature of any claim(s) (including claims based on contract, statute, negligence, tort, strict liability or otherwise), regardless of any failure of the essential purpose of any remedy and whether or not M-III was advised of the possibility of the damage or loss asserted, but shall not apply to the extent finally determined by final and non-appealable judgment of a court of competent jurisdiction to be prohibited by applicable law. The provisions of this Section shall survive the termination or expiration of this Agreement.

15. Client Acknowledgement. The Client hereby acknowledges and agrees that M-III may, in the ordinary course of its business, serve clients who are competitive with, or have conflicting interests with, the Client. Consistent with its confidentiality obligations hereunder and its confidentiality obligations to its other clients, M-III will not advise or consult to the Client with respect to any aspect of M-III's engagement or potential engagement with any other client, potential client or former client. Similarly, M-III will not advise or consult to any other client, potential client or former client with respect to any aspect of the Engagement. M-III will maintain the confidentiality of the Confidential Information in accordance with the terms of this Agreement



and, similarly, will not share confidential information of any client, potential client or former client of M-III with the Client. The provisions of this Section shall survive the termination or expiration of this Agreement.

16. Prior Engagement. The Client hereby acknowledges that M-III is party to the Engagement Letter, dated March 26, 2019 (the "*Prior Engagement Letter*"), to provide certain advisory services to Katten Muchin Rosenman LLP, counsel to certain creditors of the Company, with respect to matters relating to the Company. The Parties agree that M-III shall provide notice to Katten Muchin Rosenman LLP of the termination of the Prior Engagement Letter promptly following the execution and delivery by the parties of this Agreement and the Prior Engagement Letter thereafter shall terminate in accordance with its terms.

17. Miscellaneous. (a) This Agreement (i) constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes any other communications, understandings or agreements (both written and oral) among the Parties with respect to the subject matter hereof, and (ii) may be modified, amended or supplemented only by prior written agreement of each of the Parties.

(b) The invalidity, illegality, or unenforceability of any provision in or obligation under this Agreement in any jurisdiction shall not affect or impair the validity, legality, or enforceability of the remaining provisions or obligations under this Agreement or of such provision or obligation in any other jurisdiction. If feasible, any such offending provision shall be deemed modified to be within the limits of enforceability or validity; *provided* that, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

(c) M-III's services hereunder are personal in nature and may not be assigned without the written consent of the Client.

(d) In the event of any action, claim, suit or proceeding brought by the Client (or any person claiming on behalf of or in the right of the Client) against M-III which relates to the Services or the Engagement, the Client shall be obligated to promptly reimburse M-III for all reasonable expenses (including fees and disbursements of counsel) as they are incurred by M-III in connection with investigating, preparing for or defending, or providing evidence in, such action, claim, suit or proceeding. To the extent that M-III is finally determined by final and non-appealable judgment of a court of competent jurisdiction to liable on account of such action, claim, suit or proceeding, then M-III shall promptly reimburse the Client for a fair and equitable portion of the expenses previously reimbursed to M-III.

(e) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument, and all signatures need not appear on any one counterpart.

(f) This Agreement and all controversies and other matters arising from or related to performance hereunder shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be executed and performed within such state. The

Parties hereby submit to the exclusive jurisdiction of and venue in the federal and state courts located in New York City and waive any right to trial by jury in connection with any dispute related to this Agreement. The provisions of this paragraph shall survive the termination or expiration of this Agreement.

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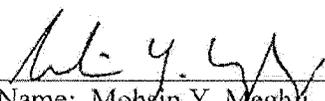


This Agreement shall be binding upon the Parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

Please confirm the foregoing is in accordance with your understanding by signing and returning a copy of this Agreement, whereupon it shall become binding and enforceable in accordance with its terms.

Very truly yours,

M-III ADVISORY PARTNERS, LP

By 
Name: Mohsin Y. Meghji
Title: Managing Member

ACCEPTED AND AGREED
as of the date first set forth above:

HOULIHAN'S RESTAURANTS, INC.

By: 
Name: Cynthia D. Farres
Title: Secretary & VP



Annex I

AGREEMENTS REGARDING INDEMNIFICATION

In consideration of M-III performing the Services for the benefit of the Client, the Client (the "*Indemnitor*") shall indemnify M-III and its affiliates, equity holders, partners, directors, employees, agents, representatives and contractors, including past, present or future partners, principals and personnel of each (collectively hereinafter called the "*Indemnitees*"), against all costs, fees, expenses, damages, and liabilities (including defense costs) associated with any pending or threatened claim, action or proceeding (a "*Claim*") relating to or arising as a result of the Engagement or the provision of the Services, the Client's use or disclosure of the Deliverables, or this Agreement ("*Losses*"). This provision is intended to apply regardless of the nature of any Claim (including contract, statute, any form of negligence, whether of the Client, M-III, or others, tort, strict liability or otherwise), except to the extent such Losses are determined to be the result of M-III's bad faith, gross negligence or willful misconduct.

The Indemnitor shall not, without M-III's prior written consent (which will not be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification could reasonably be sought hereunder (whether or not M-III or any other Indemnitee is an actual or potential party to such Claim), if such settlement, compromise, or consent does not include an unconditional release of each Indemnitee from all liability arising out of such Claim; *provided, however*, that the Indemnitor shall not enter into any such settlement, compromise or consent of a Claim without M-III's prior written consent (which may be granted or withheld in M-III's sole discretion) if such settlement, compromise or proceeding provides for injunctive relief against an Indemnitee or an admission of liability by an Indemnitee or would require payment of any amount by an Indemnitee or any insurer of an Indemnitee. The Indemnitor shall not be liable hereunder to any Indemnitee for any amount paid or payable in the settlement of any action, proceeding or investigation entered into by such Indemnitee without the Indemnitor's written consent.

Upon receipt by an Indemnitee of actual notice of a Claim against such Indemnitee in respect of which indemnity may be sought hereunder, such Indemnitee shall promptly notify the Indemnitor with respect thereto. In addition, an Indemnitee shall promptly notify the Indemnitor after any action is commenced (by way of service with a summons or other legal process giving information as to the nature and basis of the claim) against such Indemnitee in respect of which indemnity may be sought hereunder. In any event, failure to notify the Indemnitor shall not relieve the Indemnitor from any liability which the Indemnitor may have on account of this indemnity or otherwise, except to the extent, and only to the extent, that the Indemnitor shall have been materially prejudiced by such failure.

Indemnitor shall advance all expenses indemnifiable hereunder that are reasonably incurred by or on behalf of Indemnitee in connection with any proceeding within thirty (30) days after receipt by Indemnitor of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such proceeding. Such statement or statements shall reasonably evidence the expenses incurred by Indemnitee and shall include or

be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such expenses. Any advances and undertakings to repay pursuant to this paragraph shall be unsecured and interest free.

To the extent that the Indemnitor so elects, it shall be entitled to assume the defense, with counsel selected by the Indemnitor (and approved by M-III, with such approval not to be unreasonably withheld), of any action that is the subject of the proceeding in respect of which indemnity may be sought. After notice to the Indemnitees of its election to assume the defense thereof, the Indemnitor will not be liable to the Indemnitee under this Agreement for any expenses subsequently incurred by such Indemnitee in connection with the defense thereof except as otherwise provided below. Such Indemnitee shall have the right to employ counsel of its choice in such proceeding, but the fees and expenses of such counsel incurred after notice from the Indemnitor of the assumption of the defense thereof shall be at the expense of the Indemnitee unless the employment of counsel by the Indemnitee has been authorized by the Indemnitor, in which case the reasonably incurred fees and expenses of such counsel of the Indemnitee shall be at the expense of the Indemnitor.

The Client agrees that neither M-III nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Client or any person or entity asserting claims on behalf of or in right of the Client caused by, relating to, based upon or arising out of (directly or indirectly) this Agreement or the Engagement, except for losses, claims, damages, penalties or liabilities incurred by the Client which are finally determined by a non-appealable judgment of a court of competent jurisdiction to have resulted primarily and directly from the bad faith, willful misconduct or gross negligence of M-III or any other Indemnified Party. In no event, however, shall M-III's or any other Indemnified Party's liability to the Client or their respective affiliates, successors, or any person claiming on behalf of or in the right of the Client (including the Client's owners, parents, affiliates, directors, officers, employees, agents, security holders, or creditors) exceed the Liability Cap.

In the event that any M-III personnel are requested or required to appear as a witness in connection with any claim, action or proceeding relating to or arising as a result of the Engagement or the provision of the Services, the Client's use or disclosure of the Deliverables, or this Agreement, the Indemnitor shall, to the extent permitted by applicable law, reimburse M-III for all reasonable and documented out-of-pocket expenses incurred by it in connection with such personnel appearing and preparing to appear as a witness, including, without limitation, the reasonable and documented fees and disbursements of its legal counsel, and to compensate M-III at a rate equal to M-III's then standard hourly rate for the relevant personnel for each day that such personnel is involved in preparation, discovery proceedings or testimony pertaining to such Claim.

The provisions of this Annex I shall be deemed to be an integral part of this Agreement to which this Annex I is affixed and shall survive the termination or expiration of this Agreement for any reason. The provisions of this Annex I shall be binding upon the Client and its successors and assigns.



Annex II

WIRE TRANSFER INSTRUCTIONS

Bank Name: First Republic Bank
Bank Address: 44 Montgomery Street
San Francisco, CA 94104
ABA Number: 321081669
Account Name: M-III Advisory Partners, LP
Account Number: 80007112800
Reference: HRI-CRO



EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(~~Joint Administration Requested~~) Jointly Administered

Ref. No. 41

ORDER AUTHORIZING DEBTORS TO (I) RETAIN M-III ADVISORY PARTNERS, LP AND (II) DESIGNATE MATTHEW R. MANNING AS CHIEF RESTRUCTURING OFFICER, NUNC PRO TUNC TO THE PETITION DATE

Upon the application (the "Application")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") authorizing the Debtors to (a) retain and employ M-III Advisory Partners, LP ("M-III") and (b) designate Matthew R. Manning as Chief Restructuring Officer ("CRO") pursuant to the terms of the engagement letter by and among the Debtors and M-III, dated June 21, 2019 (the "Engagement Letter"), a copy of which is attached hereto as **Exhibit 1**, *nunc pro tunc* to the Petition Date, all as more fully set forth in the Application; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended*

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: HRI Holding Corp. (4677), Houlihan's Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson's/Kansas, Inc. (5739), Darryl's of St. Louis County, Inc. (7177), Darryl's of Overland Park, Inc. (3015), Houlihan's of Ohio, Inc. (6410), HRI O'Fallon, Inc. (4539), Algonquin Houlihan's Restaurant, L.L.C. (0449), Geneva Houlihan's Restaurant, L.L.C. (3156), Hanley Station Houlihan's Restaurant, LLC (4948), Houlihan's Texas Holdings, Inc. (5485), Houlihan's Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HO P Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan's of Chesterfield, Inc. (5073). The Debtors' corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.

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

Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties-in-interest; and this Court having found that the Debtors' notice of the Application and opportunity for a hearing on the Application were appropriate and no other notice need be provided; and this Court having reviewed the Application and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED that the Application is APPROVED as set forth herein; and it is further

ORDERED that pursuant to Bankruptcy Code sections 105(a) and 363(b), the Debtors are authorized to (i) retain and employ M-III and (ii) designate Matthew R. Manning as Chief Restructuring Officer, in each instance *nunc pro tunc* to the Petition Date; and it is further

ORDERED that the terms of the Engagement Letter, including without limitation the compensation provisions and the indemnification provisions, are reasonable terms and conditions of employment and are hereby approved; and it is further

ORDERED that upon employment and retention by the Debtors, Mr. Manning shall be empowered and authorized to carry out all duties and responsibilities set forth in the Engagement Letter; and it is further

ORDERED that notwithstanding anything to the contrary in the Application or the Engagement Letter, M-III's engagement is subject to the following terms:

- M-III and its affiliates shall not act as a financial advisor, claims agent/claims administrator, or investor/acquirer in connection with the above-captioned Chapter 11 Cases;
- In the event the Debtors seek to have M-III personnel assume executive officer positions that are different than the positions disclosed in the Application or to materially change the terms of the engagement, a motion to modify the retention shall be filed;
- M-III shall submit reports of compensation earned and expenses incurred on a monthly basis ("Compensation Reports") to the Court with copies to the U.S. Trustee, and provide notice of the same to the Notice Parties. M-III will endeavour to submit Compensation Reports by the last day of the month for the previous month. Compensation reports shall summarize the services provided, and identify the compensation earned and expenses incurred by M-III Personnel. The Notice Parties shall have ten (10) days after the date each Compensation Report is served upon them to object. Such reports shall contain summary charts which describe the services provided, identify the compensation and expenses will be subject to Court earned by each executive officer and staff employee provided, and itemize the expenses incurred. Time records shall (i) be appended to the reports, (ii) contain detailed time entries describing the task(s) performed, and (iii) be organized by project category. Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in 1/10 hour increments and the corresponding charge (time multiplied by hourly rate) for each task; where personnel are providing services at a "flat" rate, the time entries shall be kept in hourly increments. All compensation and expenses shall be subject to review by the Court in the event an objection is filed. M-III will file its first Compensation Report by December 31, 2019, for the period covering the Petition Date through November 30, 2019;
- M-III shall file with the Court (and serve copies to the Notice Parties) a report reflecting the M-III Personnel that worked on the

engagement for the intervening period (“Staffing Reports”). Staffing Reports shall include the names of all full- and part-time M-III Personnel that provided services in these Chapter 11 Cases during the prior period and each individual’s hourly billing rate. M-III will submit Staffing Reports by the last day of the month for the previous month. The Notice Parties shall have ten (10) days after the date each Staffing Report is served upon them to object. The Staffing Reports and M-III’s staffing decisions will be subject to review by the Court in the event an objection is filed. M-III will endeavour to file its first Staffing Report by December 31, 2019, for the period covering the Petition Date through November 30, 2019. The filing of Compensation Reports shall satisfy M-III’s obligations to file and serve a separate monthly Staffing Report as set forth herein, provided that the information required to be included in the Staffing Report is contained in the Compensation Report discussed herein;

- Notwithstanding anything to the contrary contained in the Application, Engagement Letter or any exhibits thereto, during the course of the Chapter 11 Cases, M-III will only seek reimbursement of actual and necessary expenses;
- No principal, employee, or independent contractor of M-III and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the Chapter 11 Cases;
- The Debtors are permitted to indemnify those persons serving as corporate officers on the same terms as provided to the Debtors’ other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors’ D&O policy;
- For a period of three years after the conclusion of the engagement, neither M-III nor any of its affiliates shall make any investments in the Debtors or the reorganized Debtors;
- M-III shall follow the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules regarding limitations on reimbursement of expenses; and
- M-III shall make appropriate disclosures of any and all facts that may have a bearing on whether M-III, its affiliates, or any individuals working on the engagement have any conflict of interest with or hold/represent a material adverse interest to, the Debtors, their creditors, or other parties-in-interest. The obligation to disclose identified in this subparagraph (l) is a continuing obligation; and it is further

ORDERED that the Indemnification Provisions set forth in the Engagement Agreement are approved, subject during the pendency of these Chapter 11 Cases to the following:

- a) 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), and (ii) the entry of an order closing these Chapter 11 Cases, M-III 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 Engagement Agreement, as modified by this Order, including without limitation the advancement of defense costs, M-III must file an application therefore in this Court, and the Debtors may not pay any such amounts to M-III before the entry of an order by this Court approving such payment. This subparagraph (a) is intended only to specify the period during which the Court shall have jurisdiction over any request by M-III for indemnification, contribution or reimbursement and is not a provision limiting the duration of the Debtors' obligation to indemnify;
- b) Subject to the provisions of subparagraph (c), below, the Debtors are authorized to indemnify, and shall indemnify, M-III in accordance with the Engagement Agreement for any claim arising from related to or in connection with the services provided for, whether prepetition or postpetition, in the Engagement Agreement;
~~and~~
- c) Notwithstanding any provisions of the Engagement Agreement to the contrary, the Debtors shall have no obligation to indemnify M-III or provide contribution or reimbursement to M-III for any claim or expense that is either (i) judicially determined to have resulted primarily from the willful misconduct, gross negligence, bad faith or self-dealing of M-III, or (ii) settled prior to a judicial determination as to M-III's willful misconduct, gross negligence, bad faith or self-dealing, but determined by the Court, after notice and a hearing pursuant to this subparagraph (c), to be a claim or expense for which M-III should not receive indemnity, contribution or reimbursement under the terms of the Engagement Agreement;
and
- d) There shall be no limitation of liability in favor of M-III for claims arising with respect to services performed during the pendency of this bankruptcy case; and it is further

ORDERED that to the extent there may be any inconsistency between the terms of the Application, the Engagement Agreement and this Order, this Order shall govern; and it is further

ORDERED that success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of these Chapter 11 Cases on a reasonableness standard and are not being pre-approved by entry of this Order. No success fee, transaction fee or back-end fee shall be sought upon conversion of the Chapter 11 Cases, dismissal of the Chapter 11 Cases for cause or appointment of a trustee; and it is further

ORDERED that M-III is authorized to apply the Retainer to satisfy any unbilled or other remaining prepetition fees and expenses M-III becomes aware of during its ordinary course billing review and reconciliation. The remaining balance of the Retainer held by M-III shall be treated as an evergreen retainer and be held by M-III as security throughout the Chapter 11 Cases until M-III's fees and expenses are fully paid; and it is further

ORDERED that M-III shall use reasonable efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in these Chapter 11 Cases; and it is further

ORDERED that 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 Local Rules are satisfied by such notice; and it is further

ORDERED that notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters related to

the interpretation or implementation of this Order.

Dated: ~~November~~ December, 2019
Wilmington, Delaware

HONORABLE MARY F. WALRATH
BANKRUPTCY JUDGE

~~The Honorable Mary F. Walrath~~ THE
~~United States Bankruptcy Judge~~ UNITED STATES

Exhibit 1

Engagement Agreement



June 21, 2019

Houlihan's Restaurants, Inc.
8700 State Line Road - Suite 100
Leawood, Kansas 66206
Attention: Michael J. Archer

Engagement Letter
STRICTLY CONFIDENTIAL

Ladies and Gentlemen:

This letter agreement (this "*Agreement*") sets forth the terms and conditions of the engagement of M-III Advisory Partners, LP to provide the Services described below (the "*Engagement*") to Houlihan's Restaurants, Inc. and certain of its affiliates (collectively, the "*Client*"). M-III and the Client are collectively referred to in this Agreement as the "*Parties*."

1. Services. The Client hereby retains M-III to provide, and M-III hereby agrees to provide, Matthew Manning to serve as Chief Restructuring Officer (the "*CRO*") of the Client. The CRO will provide the following services (the "*Services*"), subject to the direction of the Client's Board of Directors, upon the terms and subject to the conditions set forth in this Agreement:

(i) Supervise, and if necessary, assist the Client in the development and administration of its short-term cash flow forecasting and related methodologies, as well as its cash management planning;

(ii) Provide such assistance as reasonably may be required by management of the Client in connection with (i) development of its business plan, (ii) any restructuring plans and strategic alternatives intended to maximize the enterprise value and (iii) any related forecasts that may be required by creditor constituencies in connection with negotiations or by the Client for other corporate purposes;

(iii) Supervise, and if necessary, assist the professionals who are representing the Client in the reorganization process or who are working for the Client's various stakeholders to coordinate their effort and individual work product in order to be consistent with the Client's overall restructuring goals;

(iv) Assist, if required, the Client in communications and negotiations with its outside constituents, including creditors, trade vendors and their respective advisors;

(v) In the event that the Client commences a bankruptcy case (the “*Case*”), the Client so requests and, to the extent necessary, the relevant United States Bankruptcy Court (the “*Court*”) so approves, assist the Client in obtaining and presenting such information as may be required by the parties in interest to the Case and bankruptcy process, including any creditors’ committees and the Court; and

(vi) Provide such other services as are reasonable and customary for a CRO in connection with the administration and prosecution of a bankruptcy proceeding or as M-III and the Client shall otherwise agree in writing.

(b) The CRO shall, in consultation and coordination with the Board of Directors of the Client (the “*Board*”):

(a) serve as the principal liaison of the Client to the Client’s creditor constituencies and other stakeholders with respect to the financial and operational matters relating to the Client; and

(b) lead and direct the efforts of the Client and its professional advisors to develop and implement restructuring plans and other strategic alternatives intended to maximize the enterprise value of the Client.

The CRO shall be assisted by such other M-III personnel, and the CRO and such personnel shall dedicate such time to the Engagement, as the CRO shall determine, in consultation with the Board of Directors of the Client, is required to provide the Services in a professional manner and in accordance with the terms of this Agreement. The CRO shall report to the Board of Directors of the Client.

2. Engagement Term. The Engagement shall commence on the date of acceptance of this Agreement and may be terminated by either Party at any time upon ten business days’ written notice. Following any such termination, neither Party shall have further liability to the other, except with respect to fees and expenses earned and incurred through the date of termination and any provisions of this Agreement which are expressly stated to survive its termination or expiration.

3. Staffing. (a) It is anticipated that the team providing the Services initially will be comprised of the CRO and two other professionals. It is M-III’s intent to deliver the Services in an effective and cost-efficient manner in accordance with the terms of this Agreement. In the event that the CRO determines that an increase in the size of the team is warranted, then the CRO shall review such determination with the General Counsel and the Board of Directors prior to making a change in the size of the team in order to confirm that such increase does not duplicate the activities of other employees of, or professional advisors to, the Client. The members of the team (other than the CRO) are subject to change by the CRO from time to time in its sole discretion.

(b) Notwithstanding anything to the contrary contained herein, neither M-III nor any of its personnel performing the Services hereunder is being retained as, or shall be deemed to be, an agent, employee, or director of the Client, but rather M-III shall be deemed to be an independent



contractor for the Client and such personnel shall remain employees of M-III. M-III is being retained by Client only as a consultant and shall have no fiduciary duty to the Client or any of its affiliates.

4. Compensation for Services. (a) M-III's compensation for services rendered under this Agreement shall be paid by the Client by wire transfer of immediately available funds (in accordance with the instructions attached hereto as Annex II or any subsequent instructions that M-III may from time to time provide to you) and will consist of the following:

(i) Retainer: M-III has previously been provided with a \$25,000 retainer pursuant to the Prior Engagement Letter described below. Simultaneously with or as promptly as practicable after the execution of this Agreement, M-III is to receive an additional \$25,000 from the Client, such that M-III shall hold \$50,000 in the aggregate (the "Retainer") as a retainer for the Engagement. All billings hereunder will be paid by drawings against the Retainer and the Client shall be obligated to promptly (and, in any event, within five business days) replenish the Retainer to its initial amount. The Retainer is not intended to be an estimate of the fees and expenses for the Engagement. M-III will hold the Retainer until the conclusion of the Engagement, at which time the final billing shall be applied against it, with any excess being returned promptly to the Client and any deficiency being promptly paid by the Client.

(ii) Monthly Fees: As compensation for providing the Services hereunder, M-III shall be entitled to non-refundable professional fees based on the actual hours incurred by M-III personnel on matters pertinent to this case (the "Monthly Fees"). The Monthly Fees shall be based upon the following hourly rates:

Professional	Hourly Rate
Managing Partner	\$1,050
Managing Director	\$875 - \$975
Director	\$675 - \$775
Vice President	\$600
Senior Associate	\$500
Associate	\$425
Analyst	\$350

At the end of each month, M-III shall furnish to the Client copies of a reasonably detailed invoice for the Monthly Fees in respect of that month. As previously noted, M-III is authorized to apply the Retainer to such amounts and, to the extent that the Retainer is insufficient to pay the amounts then due, the Client shall pay such excess wire transfer of immediately available funds within five days after the date of service of the relevant invoice. From time to time in the normal course of business M-III may adjust its billing rates upon notice to the Client.

(iii) Out-of-Pocket Expenses: In addition to any compensation for providing the Services, the Client shall reimburse M-III for all reasonable and documented out-of-pocket expenses incurred in the performance of the Services (including, without limitation,

reasonable travel costs) and enforcement of the obligations of the Client hereunder (including, without limitation, fees and expenses of counsel).). Such reimbursement shall be paid by application of the Retainer and, to the extent that the Retainer is insufficient to pay such amounts, by wire transfer within five business days after service of the relevant invoice for such reimbursement (which shall be reasonably detailed and include back-up for expenses in excess of \$100.⁰⁰ and as otherwise required by applicable law).

(b) In the event that amounts payable hereunder are not paid within ten days of the invoice date, such amounts shall be deemed "past due" and M-III shall have the right to suspend further Services until payment is received on past due invoices and/or the Retainer is restored. In the event that M-III so suspends the Services, M-III shall not be responsible or liable for any resulting loss, damage or expense due to such suspension.

5. Cooperation from Client. In order to properly perform the Services and fulfill its responsibilities on a timely basis, M-III will rely on the timely cooperation of the Client and its other professional advisors, including, without limitation, making available to M-III relevant data, information and personnel, performing any tasks or responsibilities assigned to the Client and notifying M-III of any issues or concerns that the Client may have relating to the Services. The Client will provide M-III with full access to all personnel, books and records of the Client, as well as to all advisors and professionals retained by the Client. The Client understands and acknowledges that M-III's proper delivery of the Services is dependent upon timely decisions and approvals by the Client and its management. M-III shall have no responsibility or liability for any delays, additional costs or other deficiencies caused by the Client failing to properly fulfill its responsibilities under this Agreement.

6. Deliverables. (a) In connection with the Engagement, M-III may furnish the Client with information, advice, reports, analyses, presentations or other materials (the "**Deliverables**"). The Deliverables may contain factual data, the interpretation of which may change over the project term as more information or better understanding becomes available. The Client acknowledges that M-III will not have an obligation to update the Deliverables as part of the Services in the event of such a change.

(b) Because the Deliverables may contain proprietary or other information of M-III that is deemed to be Confidential Information (as defined below) for purposes of this Agreement, the Parties agree that (i) all Deliverables (whether written or oral) furnished by M-III in connection with the Engagement are intended solely for the benefit and use of the Client in connection with this Agreement, and (ii) no such information shall be used for any other purpose, disseminated to any third parties, or quoted or referred to, with or without attribution to M-III, at any time, in any manner or for any purpose without M-III's prior written approval (which shall not be unreasonably withheld or delayed), except as required by applicable law or by order or act of any court or governmental or regulatory authority or body.

(c) The provisions of this Section shall survive the termination or expiration of this Agreement.



7. Limitations on Services. (a) The Services are limited to those specifically noted in this Agreement.

(b) M-III does not provide accounting or tax-related assistance and no Deliverable or other information or advice provided to the Client shall be deemed to be accounting or tax-related assistance. The Client shall be solely responsible for determining the accounting and tax-related implications of the Deliverables and other information and advice provided to it by M-III. M-III shall not express any professional opinions on financial statements or perform attest procedures with respect to other information in conjunction with the Engagement. The Services are not designed, nor should they be relied upon, to disclose weaknesses in internal controls, financial statement errors, irregularities or illegal acts. M-III shall assume the accuracy and completeness of all information submitted by or on behalf of the Client to M-III for analysis and which will form the basis of M-III's conclusions, without any obligation of M-III to verify the accuracy or completeness of such information, and M-III shall not be responsible for any analysis, advice or other Services to the extent based on inaccurate or incomplete information provided or accepted by or on behalf of the Client.

(c) The Services shall not include preparing, auditing or otherwise attesting in any way (including without limitation, with respect to the accuracy, achievability, reliability, relevance, usefulness or other appropriateness) to the Client's financial projections, and the Client has not engaged M-III for that purpose. The Services are provided based upon the understanding that the Client has sole responsibility for its financial projections (including preparation thereof), developing underlying assumptions and providing any disclosure related thereto. To the extent that, during the performance of Services hereunder, M-III is required to consider the Client's financial projections, the Client understands that M-III's procedures with respect to such projections do not constitute an examination in accordance with procedures established by the American Institute of Certified Public Accountants and do not and are not intended to provide any assurance on any aspect of such projections, including, without limitation, the reasonableness of the assumptions underlying such projections, nor do they provide assurance that M-III might not become aware of significant matters affecting the reasonableness of the projections that might be disclosed by more extensive procedures. There will usually be differences between projected and actual results, and those differences may be material. The Client understands and agrees that M-III will have no responsibility or liability relating to any such differences.

(d) To the extent that the performance of the Services requires that M-III form conclusions or reach opinions, M-III shall do so without regard to or consideration of the impact that such conclusions or opinions may have on the initiation or outcome of any litigation to which the Client is a party.

(e) M-III does not provide investment advice and the Services shall not include the provision of investment advice. The Client shall have sole responsibility for all investment decisions made by it.

(f) The provisions of this Section shall survive the termination or expiration of this Agreement.



8. Conflicts. M-III has performed an internal search for any potential conflicts of interest based on its understanding of the various parties involved in this matter, and such search has not revealed any relationships that it believes would conflict with its engagement hereunder. Should any potential conflict pertaining to M-III's engagement hereunder come to the attention of any Party, such Party shall promptly advise the others. Nothing contained herein should be construed to be a waiver of any potential conflict pertaining to M-III that may come to the attention of any Party. M-III reserves the right to immediately terminate this Engagement at any time, if a conflict of interest arises or becomes known to it that, in its judgment, would impair its ability to perform the Services objectively.

9. Non-Solicitation; No Investment. The Client covenants and agrees that, prior to the first anniversary of the termination or expiration of this Agreement, it will not, directly or indirectly, hire directly or as an independent contractor, or refer to another for employment, any person who was during the term of this Agreement an employee or contractor of M-III or any of its affiliated entities, in each case who was involved on behalf of M-III with the Engagement or the performance of the Services. In the event of the breach of the foregoing covenant, the Client shall be liable to M-III, and shall pay on demand to M-III, liquidated damages equal to 200% of the total annual compensation of each relevant employee for the preceding calendar year or, in the case of employees who were not employed by M-III for the full year and contractors, the amount equal to 200% of such annualized compensation. The Parties mutually agree that the actual damages that would be sustained by the Employer Party as the result of any such breach will be substantial and will be impossible to measure accurately, and that the foregoing liquidated damage amount is fair and reasonable. The provisions of this Section shall survive the termination or expiration of this Agreement.

10. Confidentiality. Each Party shall use reasonable efforts, but in no event less effort than it would use to protect its own confidential information, to keep confidential all non-public confidential or proprietary information obtained from the other Party in the scope of the Engagement (the "**Confidential Information**"), and neither Party will disclose any Confidential Information to any other person or entity. For the avoidance of doubt, the term "Confidential Information" shall include (i) the terms of this Agreement, (ii) all non-public confidential and proprietary data, plans, reports, schedules, drawings, accounts, records, calculations, specifications, flow sheets, computer programs, source or object codes, results and models and (iii) any work product relating to the business of either Party, its subsidiaries, distributors, affiliates, vendors, customers, employees, contractors and consultants. In performing the Services, M-III will use and rely primarily on the Confidential Information and on information available from public sources without having independently verified any of such information.

(b) The foregoing is not intended to prohibit, nor shall it be construed as prohibiting, M-III from making such disclosures of Confidential Information that M-III reasonably believes are required by law or any regulatory requirement or authority, or to clear client conflicts. M-III also may disclose Confidential Information to its partners, directors, officers, employees, independent contractors and agents who have a need to know the Confidential Information for the proper performance of the Services or otherwise in connection with the Engagement. M-III may make reasonable disclosures of Confidential Information to third parties to the extent that M-III reasonably believes that such disclosure is consistent with its performance of the Services. In



addition, M-III will have the right to disclose to any person that it provided services to the Client and its affiliates and a general description of such services.

11. The provisions of this Section shall survive the termination or expiration of this Agreement.

12. Intellectual Property. Upon payment in full of all amounts owing to M-III hereunder, the Client will own all Deliverables furnished by M-III to the Client in connection with the Services, *provided* that M-III will retain ownership of (a) all concepts, analyses, know-how, tools, frameworks, models and industry perspectives used and/or developed by M-III in connection with the Services and (b) all other intellectual property not containing Confidential Information which has been developed by M-III outside of the provision of the Services (the "*M-III Tools*"), it being understood that M-III will have no ownership right to, and will maintain in accordance with the provisions of this Agreement the confidentiality of, any Confidential Information contained in the M-III Tools. To the extent that the Deliverables include any M-III Tools, M-III hereby grants the Client a non-exclusive, non-transferable, non-sublicensable worldwide, royalty-free license to use and copy the M-III Tools solely as part of the Deliverables and subject to the confidentiality provisions contained in this Agreement. The provisions of this Section shall survive the termination or expiration of this Agreement.

13. Indemnification. The Client hereby irrevocably and unconditionally agrees to indemnify and hold harmless the Indemnitees (as defined in Annex I hereto) in accordance with the provisions of Annex I hereto, with such Annex I being incorporated herein by reference and constituting an integral and enforceable part of this Agreement. The indemnity and expense reimbursement obligations set forth herein (including, without limitation, in Annex I) shall (i) be in addition to any liability the Client may have to M-III at common law or otherwise, (ii) survive the termination or expiration of this Agreement and (iii) be binding on any successors and assigns of the Client.

(b) In addition to (and not in limitation of) the provisions of Section 13(a) and Annex I, the CRO and any other M-III employees who may from time to time serve as directors or officers of the Client or any of its affiliates will receive the benefit of the most favorable indemnification provisions provided by the Client to its directors, officers and any equivalently placed employees, whether under the Client's charter or by-laws, by contract or otherwise. Additionally, the Client shall specifically include and cover the CRO and any M-III employees, contractors and agents who may from time to time serve as directors or officers of the Client or any of its affiliates with direct coverage under the Client's policy for liability insurance covering its directors, officers and any equivalently placed employees (the "*D&O Insurance*"). Upon request of M-III, the Client shall provide M-III with a copy of the policy documentation for its then-current D&O Insurance, a certificate of insurance evidencing the policy is in full force and effect, and a copy of the signed board resolutions and any other documents as M-III may reasonably request evidencing the appointment and coverage of the indemnitees. The Client will maintain such D&O Insurance coverage for the period through which claims can be made against such persons. The Client disclaims a right to distribution from the D&O Insurance coverage with respect to such persons. In the event that the Client is unable to include the CRO or any other such M-III employee or agent under the Client's D&O Insurance coverage or does not have first dollar coverage reasonably



acceptable to M-III in effect for at least \$10 million (e.g., there are outstanding or threatened claims against officers and directors alleging prior acts that may give rise to a claim), then M-III may, at its option, attempt to purchase a separate D&O insurance policy that will cover the CRO and any such other M-III employees and agents only. The cost of such separate policy shall be invoiced to the Client as an out-of-pocket expense. If M-III is unable or unwilling to purchase such separate D&O insurance policy, then M-III reserves the right to immediately terminate the Agreement.

(c) The Client's indemnification obligations in this Section shall be primary to, and without allocation against, any similar indemnification obligations that M-III may offer to its personnel generally, and the Client's D&O Insurance coverage for the indemnitees shall be specifically primary to, and without allocation against, any other valid and collectible insurance coverage that may apply to the indemnitees (whether provided by M-III or otherwise).

(d) Notwithstanding anything to the contrary contained in this Section 13, the indemnity owing from the Client to the Indemnified Parties shall not exceed the terms of any indemnities provided to the Client's other officers and directors under the corporate bylaws and applicable state law, plus any insurance coverage under the Client's D&O Insurance.

(e) The provisions of this Section (including, without limitation, the provisions of Annex I) shall survive the termination or expiration of this Agreement.

14. Limitation on Damages. In no event shall M-III or any other Indemnified Party be liable to the Client or its affiliates, successors, or any person claiming on behalf of or in the right of the Client (including the Client's owners, parents, affiliates, successors, directors, officers, employees, agents, security holders, or creditors) for (i) any amount which, when taken together with all losses for which M-III and the Indemnified Parties are liable in connection with this Agreement or the Engagement, would exceed the amount of fees for the Services actually received by M-III from the Client in connection with the Engagement during the immediately preceding 12 months or (ii) any special, consequential, incidental or exemplary damages or loss (or any lost profits, savings or business opportunity) (the amounts described in clauses (i) and (ii) collectively, the "*Liability Cap*"). This paragraph shall apply regardless of the nature of any claim(s) (including claims based on contract, statute, negligence, tort, strict liability or otherwise), regardless of any failure of the essential purpose of any remedy and whether or not M-III was advised of the possibility of the damage or loss asserted, but shall not apply to the extent finally determined by final and non-appealable judgment of a court of competent jurisdiction to be prohibited by applicable law. The provisions of this Section shall survive the termination or expiration of this Agreement.

15. Client Acknowledgement. The Client hereby acknowledges and agrees that M-III may, in the ordinary course of its business, serve clients who are competitive with, or have conflicting interests with, the Client. Consistent with its confidentiality obligations hereunder and its confidentiality obligations to its other clients, M-III will not advise or consult to the Client with respect to any aspect of M-III's engagement or potential engagement with any other client, potential client or former client. Similarly, M-III will not advise or consult to any other client, potential client or former client with respect to any aspect of the Engagement. M-III will maintain the confidentiality of the Confidential Information in accordance with the terms of this Agreement



and, similarly, will not share confidential information of any client, potential client or former client of M-III with the Client. The provisions of this Section shall survive the termination or expiration of this Agreement.

16. Prior Engagement. The Client hereby acknowledges that M-III is party to the Engagement Letter, dated March 26, 2019 (the "*Prior Engagement Letter*"), to provide certain advisory services to Katten Muchin Rosenman LLP, counsel to certain creditors of the Company, with respect to matters relating to the Company. The Parties agree that M-III shall provide notice to Katten Muchin Rosenman LLP of the termination of the Prior Engagement Letter promptly following the execution and delivery by the parties of this Agreement and the Prior Engagement Letter thereafter shall terminate in accordance with its terms.

17. Miscellaneous. (a) This Agreement (i) constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes any other communications, understandings or agreements (both written and oral) among the Parties with respect to the subject matter hereof, and (ii) may be modified, amended or supplemented only by prior written agreement of each of the Parties.

(b) The invalidity, illegality, or unenforceability of any provision in or obligation under this Agreement in any jurisdiction shall not affect or impair the validity, legality, or enforceability of the remaining provisions or obligations under this Agreement or of such provision or obligation in any other jurisdiction. If feasible, any such offending provision shall be deemed modified to be within the limits of enforceability or validity; *provided* that, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

(c) M-III's services hereunder are personal in nature and may not be assigned without the written consent of the Client.

(d) In the event of any action, claim, suit or proceeding brought by the Client (or any person claiming on behalf of or in the right of the Client) against M-III which relates to the Services or the Engagement, the Client shall be obligated to promptly reimburse M-III for all reasonable expenses (including fees and disbursements of counsel) as they are incurred by M-III in connection with investigating, preparing for or defending, or providing evidence in, such action, claim, suit or proceeding. To the extent that M-III is finally determined by final and non-appealable judgment of a court of competent jurisdiction to liable on account of such action, claim, suit or proceeding, then M-III shall promptly reimburse the Client for a fair and equitable portion of the expenses previously reimbursed to M-III.

(e) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument, and all signatures need not appear on any one counterpart.

(f) This Agreement and all controversies and other matters arising from or related to performance hereunder shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be executed and performed within such state. The

Parties hereby submit to the exclusive jurisdiction of and venue in the federal and state courts located in New York City and waive any right to trial by jury in connection with any dispute related to this Agreement. The provisions of this paragraph shall survive the termination or expiration of this Agreement.

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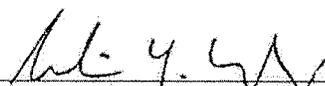


This Agreement shall be binding upon the Parties and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

Please confirm the foregoing is in accordance with your understanding by signing and returning a copy of this Agreement, whereupon it shall become binding and enforceable in accordance with its terms.

Very truly yours,

M-III ADVISORY PARTNERS, LP

By 
Name: Mohsin Y. Meghni
Title: Managing Member

ACCEPTED AND AGREED
as of the date first set forth above:

HOULIHAN'S RESTAURANTS, INC.

By: 
Name: Cynthia D. Parres
Title: Secretary & VP



Annex I

AGREEMENTS REGARDING INDEMNIFICATION

In consideration of M-III performing the Services for the benefit of the Client, the Client (the "*Indemnitor*") shall indemnify M-III and its affiliates, equity holders, partners, directors, employees, agents, representatives and contractors, including past, present or future partners, principals and personnel of each (collectively hereinafter called the "*Indemnitees*"), against all costs, fees, expenses, damages, and liabilities (including defense costs) associated with any pending or threatened claim, action or proceeding (a "*Claim*") relating to or arising as a result of the Engagement or the provision of the Services, the Client's use or disclosure of the Deliverables, or this Agreement ("*Losses*"). This provision is intended to apply regardless of the nature of any Claim (including contract, statute, any form of negligence, whether of the Client, M-III, or others, tort, strict liability or otherwise), except to the extent such Losses are determined to be the result of M-III's bad faith, gross negligence or willful misconduct.

The Indemnitor shall not, without M-III's prior written consent (which will not be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification could reasonably be sought hereunder (whether or not M-III or any other Indemnatee is an actual or potential party to such Claim), if such settlement, compromise, or consent does not include an unconditional release of each Indemnatee from all liability arising out of such Claim; *provided, however*, that the Indemnitor shall not enter into any such settlement, compromise or consent of a Claim without M-III's prior written consent (which may be granted or withheld in M-III's sole discretion) if such settlement, compromise or proceeding provides for injunctive relief against an Indemnatee or an admission of liability by an Indemnatee or would require payment of any amount by an Indemnatee or any insurer of an Indemnatee. The Indemnitor shall not be liable hereunder to any Indemnatee for any amount paid or payable in the settlement of any action, proceeding or investigation entered into by such Indemnatee without the Indemnitor's written consent.

Upon receipt by an Indemnatee of actual notice of a Claim against such Indemnatee in respect of which indemnity may be sought hereunder, such Indemnatee shall promptly notify the Indemnitor with respect thereto. In addition, an Indemnatee shall promptly notify the Indemnitor after any action is commenced (by way of service with a summons or other legal process giving information as to the nature and basis of the claim) against such Indemnatee in respect of which indemnity may be sought hereunder. In any event, failure to notify the Indemnitor shall not relieve the Indemnitor from any liability which the Indemnitor may have on account of this indemnity or otherwise, except to the extent, and only to the extent, that the Indemnitor shall have been materially prejudiced by such failure.

Indemnitor shall advance all expenses indemnifiable hereunder that are reasonably incurred by or on behalf of Indemnatee in connection with any proceeding within thirty (30) days after receipt by Indemnitor of a statement or statements from Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such proceeding. Such statement or statements shall reasonably evidence the expenses incurred by Indemnatee and shall include or

be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such expenses. Any advances and undertakings to repay pursuant to this paragraph shall be unsecured and interest free.

To the extent that the Indemnitor so elects, it shall be entitled to assume the defense, with counsel selected by the Indemnitor (and approved by M-III, with such approval not to be unreasonably withheld), of any action that is the subject of the proceeding in respect of which indemnity may be sought. After notice to the Indemnitees of its election to assume the defense thereof, the Indemnitor will not be liable to the Indemnitee under this Agreement for any expenses subsequently incurred by such Indemnitee in connection with the defense thereof except as otherwise provided below. Such Indemnitee shall have the right to employ counsel of its choice in such proceeding, but the fees and expenses of such counsel incurred after notice from the Indemnitor of the assumption of the defense thereof shall be at the expense of the Indemnitee unless the employment of counsel by the Indemnitee has been authorized by the Indemnitor, in which case the reasonably incurred fees and expenses of such counsel of the Indemnitee shall be at the expense of the Indemnitor.

The Client agrees that neither M-III nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Client or any person or entity asserting claims on behalf of or in right of the Client caused by, relating to, based upon or arising out of (directly or indirectly) this Agreement or the Engagement, except for losses, claims, damages, penalties or liabilities incurred by the Client which are finally determined by a non-appealable judgment of a court of competent jurisdiction to have resulted primarily and directly from the bad faith, willful misconduct or gross negligence of M-III or any other Indemnified Party. In no event, however, shall M-III's or any other Indemnified Party's liability to the Client or their respective affiliates, successors, or any person claiming on behalf of or in the right of the Client (including the Client's owners, parents, affiliates, directors, officers, employees, agents, security holders, or creditors) exceed the Liability Cap.

In the event that any M-III personnel are requested or required to appear as a witness in connection with any claim, action or proceeding relating to or arising as a result of the Engagement or the provision of the Services, the Client's use or disclosure of the Deliverables, or this Agreement, the Indemnitor shall, to the extent permitted by applicable law, reimburse M-III for all reasonable and documented out-of-pocket expenses incurred by it in connection with such personnel appearing and preparing to appear as a witness, including, without limitation, the reasonable and documented fees and disbursements of its legal counsel, and to compensate M-III at a rate equal to M-III's then standard hourly rate for the relevant personnel for each day that such personnel is involved in preparation, discovery proceedings or testimony pertaining to such Claim.

The provisions of this Annex I shall be deemed to be an integral part of this Agreement to which this Annex I is affixed and shall survive the termination or expiration of this Agreement for any reason. The provisions of this Annex I shall be binding upon the Client and its successors and assigns.



Annex II

WIRE TRANSFER INSTRUCTIONS

Bank Name: First Republic Bank
Bank Address: 44 Montgomery Street
San Francisco, CA 94104
ABA Number: 321081669
Account Name: M-III Advisory Partners, LP
Account Number: 80007112800
Reference: HRI-CRO

