

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

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In re:	§	
	§	Chapter 11
	§	
KP ENGINEERING, LP, <i>et al.</i> ,	§	Case No. 19-34698 (DRJ)
	§	
	§	(Joint Administration Requested)
Debtors. <sup>1</sup>	§	(Emergency Hearing Requested)
	§	

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**DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO FILE A CONSOLIDATED CREDITOR MATRIX AND LIST OF THE 30 LARGEST UNSECURED CREDITORS, (II) AUTHORIZING REDACTION OF CERTAIN PERSONAL IDENTIFYING INFORMATION, AND (III) APPROVING THE FORM AND MANNER OF NOTIFYING CREDITORS OF THE COMMENCEMENT OF THE CHAPTER 11 CASES AND OTHER INFORMATION**

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**EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON MONDAY, AUGUST 26, 2019 AT 12:00 PM (PREVAILING CENTRAL TIME) IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION, LOCATED IN COURTROOM 400 AT 515 RUSK AVENUE, HOUSTON, TEXAS.**

**IF YOU OBJECT TO THE RELIEF REQUESTED HEREIN OR YOU BELIEVE THAT EMERGENCY CONSIDERATION OF THIS MATTER IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

**RELIEF IS REQUESTED NOT LATER THAN AUGUST 26, 2019.**

The above-captioned debtors and debtors in possession (the “**Debtors**”) respectfully state the following in support of this emergency motion (the “**Motion**”):

**RELIEF REQUESTED**

1. The Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A (the “**Order**”), (i) authorizing the Debtors to file a consolidated creditor matrix and list

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: KP Engineering, LP (7785) and KP Engineering, LLC (0294). The location of the Debtors’ corporate headquarters and the Debtors’ service address is: 5555 Old Jacksonville Highway, Tyler, TX 75703.

of the 30 largest unsecured creditors, (ii) authorizing redaction of certain personal identifying information, and (iii) approving the form and manner of notifying creditors of the commencement of the chapter 11 cases and other information.

### **JURISDICTION AND VENUE**

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334.

3. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and this Court may enter a final order consistent with Article III of the United States Constitution.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory predicates for the relief requested herein are Sections 105(a) and 107 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended and modified, the “**Bankruptcy Code**”), Bankruptcy Rules 1007, 2002, 6003, 9007, and 9018 and Rule 9013-1 of the Local Bankruptcy Rules for the Southern District of Texas (the “**Local Bankruptcy Rules**”), and the Procedures for Complex Chapter 11 Cases in the Southern District of Texas (the “**Complex Case Procedures**”).

### **BACKGROUND**

6. On the date hereof (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code and commenced these Chapter 11 cases (the “**Chapter 11 Cases**”). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no official statutory committees have been appointed or designated by the Office of the United States Trustee (the “**U.S. Trustee**”).

7. The facts and circumstances supporting this Motion are set forth in the *Declaration of Kyle McCoy, Executive Vice President and Chief Financial Officer of Debtor KP*

*Engineering, LP, in Support of Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”),<sup>2</sup> filed contemporaneously herewith. A description of the Debtors’ business, the reasons for commencing these Chapter 11 Cases, and the relief sought from the Court are set forth in the First Day Declaration. The Debtors hereby adopt and incorporate such description as if fully set forth herein.<sup>3</sup>

## **BASIS FOR RELIEF**

### **I. Consolidated Creditor Matrix**

8. Pursuant to Bankruptcy Rule 1007, a debtor “shall file with the petition a list containing the name and address of each entity included or to be included on Schedules D, E, F, G, and H as prescribed by the Official Forms.” Fed. R. Bankr. P. 1007(a)(1). Although the list of creditors usually is filed on a debtor-by-debtor basis, in a complex chapter 11 bankruptcy case involving more than one debtor, the debtors may file a consolidated creditor matrix.<sup>4</sup> Here, the preparation of separate lists of creditors for each Debtor would be expensive, time consuming, administratively burdensome, and of little incremental benefit, particularly given that Debtor KP Engineering, LLC is the general partner of KP Engineering, LP and the Debtors have substantially the same liabilities and creditors. Accordingly, the Debtors respectfully request authority to file one consolidated list of creditors for all of the Debtors (the “**Creditor Matrix**”) on the lead case docket instead of uploading a text file to avoid duplicate notice.

### **II. Consolidated List of 30 Largest General Unsecured Creditors**

9. Pursuant to Bankruptcy Rule 1007(d), a debtor shall file “a list containing the

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<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meanings in the First Day Declaration.

<sup>3</sup> The First Day Declaration and other relevant case information is available on the following website maintained by the Debtors’ proposed claims and noticing agent, Omni Agent Solutions, in connection with these Chapter 11 Cases: [www.omniagentsolutions.com/KPEngineering](http://www.omniagentsolutions.com/KPEngineering).

<sup>4</sup> See *General Order in the Matter of Procedures for Complex Chapter 11 Cases*, Exhibit G - Guidelines for Service Lists and Shortened Service Lists in Complex Chapter 11 Cases, available at [http://www.txs.uscourts.gov/sites/txs/files/tx\\_ch11\\_comp\\_rules.pdf](http://www.txs.uscourts.gov/sites/txs/files/tx_ch11_comp_rules.pdf).

name, address and claim of the creditors that hold the 20 largest unsecured claims, excluding insiders.” Fed. R. Bankr. P. 1007(d). Because a large number of creditors may be shared amongst the Debtors, the Debtors request authority to file a single, consolidated list of their 30 largest general unsecured creditors (the “**Top 30 List**”). The Top 30 List will help alleviate administrative burdens, costs, and the possibility of duplicative service. Although the Debtors reserve the right to do so in the future, in this Motion and at this time, the Debtors are not requesting authority to file consolidated schedules of assets and liabilities and statements of financial affairs or to substantively consolidate the Debtors.

### **III. Redaction of Certain Confidential Information**

10. Section 107(c) of the Bankruptcy Code provides that the Court “for cause, may protect an individual, with respect to the following types of information to the extent the court finds that disclosure of such information would create undue risk of identity theft . . . [a]ny means of identification . . . contained in a paper filed, or to be filed in a case under” the Bankruptcy Code. 11 U.S.C. § 107(c)(1)(A). The Debtors respectfully submit that cause exists to authorize the Debtors to redact address information of employees from the Creditor Matrix because such information could be used to perpetrate identity theft. The Debtors propose to provide an unredacted version of the Creditor Matrix to the Court, the U.S. Trustee, and counsel to any official committees appointed in these Chapter 11 Cases.

### **IV. Service of Notice of Commencement**

11. Bankruptcy Rule 2002(a) provides, in relevant part, that “the clerk, or some other person as the court may direct, shall give the debtor, the trustee, all creditors and indenture trustees at least 21 days’ notice by mail of: (1) the meeting of creditors under § 341 or § 1104(b) of the Code . . . .” Fed. R. Bankr. P. 2002(a). Subsection (f) provides that notice of the order for

relief shall be sent by mail to all creditors. Fed. R. Bankr. P. 2002(f).

12. Through Omni Management Group, Inc., the Debtors' proposed claims and noticing agent (the "**Noticing Agent**"), the Debtors propose to serve the Notice of Commencement, substantially in the form attached as Exhibit 1 to Exhibit A hereto (the "**Notice of Commencement**"), on all parties entitled to notice of commencement of these Chapter 11 Cases. Service of the single Notice of Commencement on the Creditor Matrix will not only avoid confusion among creditors, but will prevent the Debtors' estates from incurring unnecessary costs associated with serving multiple notices to the parties listed on the Debtors' voluminous Creditor Matrix. Accordingly, the Debtors submit that service of a single Notice of Commencement is warranted and in the best interest of the Debtors' estates.

#### **EMERGENCY CONSIDERATION**

13. Pursuant to Local Bankruptcy Rule 9013-1(i), the Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which authorizes a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." The Debtors believe that an immediate and orderly transition into Chapter 11 is critical to the viability of their operations and the success of these Chapter 11 Cases. As discussed in detail below and in the First Day Declaration, any delay in granting the relief requested could cause a delay and negatively impact the Debtors' operations. As such, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003, and the Debtors believe that emergency consideration is necessary and request that this Motion be heard at the Debtors' first day hearing.

#### **WAIVER OF BANKRUPTCY RULE 6004(a) AND 6004(h)**

14. To implement the foregoing immediately, the Debtors seek a waiver of the notice

requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As set forth herein, the Debtors believe ample cause exists to justify the finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the fourteen-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and stay apply.

**NOTICE**

15. The Debtors have provided notice of this Motion to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors on a consolidated basis; (c) Texas Capital Bank, as Prepetition Lender; (d) counsel for Texas Capital Bank; (e) BTS Enterprises, Inc., as proposed DIP Lender; (f) the United States Attorney's Office for the Southern District of Texas; (g) the Internal Revenue Service; (h) the United States Securities and Exchange Commission; (i) the state attorneys general for states in which the Debtors conduct business; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no other or further notice is required or needed under the circumstances.

*[The remainder of this page is intentionally left blank.]*

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: August 23, 2019  
Houston, Texas

Respectfully submitted,

/s/ Gregory G. Hesse

Gregory G. Hesse (TX Bar No. 09549419)

**HUNTON ANDREWS KURTH LLP**

1445 Ross Avenue, Suite 3700

Dallas, Texas 75202

Tel: (214) 979-3000

Fax: (214) 880-0011

Email: [ghesse@HuntonAK.com](mailto:ghesse@HuntonAK.com)

/s/ Christopher Adams

Christopher Adams (TX Bar No. 24009857)

**OKIN ADAMS LLC**

1113 Vine Street, Suite 240

Houston, Texas 77002

Tel: (713) 228-4100

Fax: (888) 865-2118

Email: [cadams@okinadams.com](mailto:cadams@okinadams.com)

*and*

*Proposed Counsel for the Debtor and  
Debtor in Possession KP Engineering LLC*

Edward A. Clarkson, III (TX Bar No. 24059118)

**HUNTON ANDREWS KURTH LLP**

600 Travis Street, Suite 4200

Houston, Texas 77002

Tel: (713) 220-4200

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Email: [edwardclarkson@HuntonAK.com](mailto:edwardclarkson@HuntonAK.com)

*and*

Justin F. Paget

Jennifer E. Wuebker (*pro hac vice pending*)

**HUNTON ANDREWS KURTH LLP**

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951 East Byrd Street

Richmond, Virginia 23219

Tel: (804) 788-8200

Fax: (804) 788-8218

Email: [jpaget@HuntonAK.com](mailto:jpaget@HuntonAK.com)

[jwuebker@HuntonAK.com](mailto:jwuebker@HuntonAK.com)

*Proposed Counsel for the Debtor and  
Debtor in Possession KP Engineering LP*

**CERTIFICATE OF SERVICE**

I certify that on August 23, 2019, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

*/s/ Gregory G. Hesse*

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Gregory G. Hesse

**Exhibit A**

**Proposed Order**

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

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In re:	§	
	§	Chapter 11
	§	
KP ENGINEERING, LP, <i>et al.</i> ,	§	Case No. 19-34698 (DRJ)
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	§	(Joint Administration Requested)
Debtors. <sup>1</sup>	§	(Emergency Hearing Requested)
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**ORDER (I) AUTHORIZING THE DEBTORS TO FILE A CONSOLIDATED  
CREDITOR MATRIX AND LIST OF THE 30 LARGEST UNSECURED  
CREDITORS, (II) AUTHORIZING REDACTION OF CERTAIN PERSONAL  
IDENTIFYING INFORMATION, AND (III) APPROVING  
THE FORM AND MANNER OF NOTIFYING CREDITORS OF THE  
COMMENCEMENT OF THE CHAPTER 11 CASES AND OTHER INFORMATION**

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**[Relates to Motion at Docket No. 4 ]**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for an order (i) authorizing the Debtors to file a consolidated creditor matrix and list of the 30 largest unsecured creditors, (ii) authorizing redaction of certain personal identifying information, and (iii) approving the form and manner of notifying creditors of the commencement of the chapter 11 cases and other information; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334; and the 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 the Court having found that venue of this proceeding and the

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: KP Engineering, LP (7785) and KP Engineering, LLC (0294). The location of the Debtors’ corporate headquarters and the Debtors’ service address is: 5555 Old Jacksonville Highway, Tyler, TX 75703.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no other or further notice is necessary; and the Court having determined that the legal and factual bases set forth in the Motion and the hearing with respect to the Motion establish just cause for the relief granted herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors are authorized to file a single consolidated Creditor Matrix for all of these Chapter 11 Cases.

2. The Debtors are authorized to file a consolidated Top 30 List.

3. The Debtors are authorized to redact address information of employees listed on the Creditor Matrix; provided that the Debtors shall provide an unredacted version of the Creditor Matrix to the Court, the U.S. Trustee, and counsel to any official committees appointed in these Chapter 11 Cases.

4. The Debtors are authorized to serve the Notice of Commencement, substantially in the form attached hereto as Exhibit 1, on the Creditor Matrix. Service of the Notice of Commencement shall be deemed adequate and sufficient notice of: (a) the commencement of these Chapter 11 Cases, and (b) the scheduling of the meeting of creditors under Section 341 of the Bankruptcy Code, if any.

5. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

7. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: \_\_\_\_\_, 2019

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UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Notice of Commencement**

**Information to identify the case:**Debtor KP Engineering, LP, et al.United States Bankruptcy Court for the: Southern District of Texas, Houston DivisionDate case filed for chapter 11: August 23, 2019Case number: 19-34698 (DRJ) (Jointly Administered)Official Form 309F (For Corporations of Partnerships)**Notice of Chapter Bankruptcy Case**

12/17

For the debtor listed above, a case has been filed under chapter 11 of the Bankruptcy Code. An order for relief has been entered.

**This notice has important information about the case for creditors, debtors, and trustees, including information about the meeting of creditors and deadlines. Read both pages carefully.**

The filing of the case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from the debtor by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.

Confirmation of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy clerk's office within the deadline specified in this notice. (See line 11 below for more information.)

To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at [www.pacer.gov](http://www.pacer.gov)).

You may sign up for email notices by completing the form that can be accessed at: <http://www.txs.uscourts.gov/sites/files/CRECFform.pdf>, attached hereto as **Exhibit 1A**

**The staff of the bankruptcy clerk's office cannot give legal advice.**

**Do not file this notice with any proof of claim or other filing in the case.**

**1. Debtor's full name**

<u>Name of Debtors</u>	<u>Prior Names</u>	<u>Case No.</u>	<u>EIN:</u>
1) KP Engineering, LP		19-34698 (DRJ)	32-0107785
2) KP Engineering, LLC		19-34699 (DRJ)	30-0230294

**2. All other names used in the last 8 years:** See chart above.**3. Address:** 5555 Old Jacksonville Highway  
Tyler, Texas 75703**4. Debtor KP Engineering LP attorneys:**

**HUNTON ANDREWS KURTH LLP**  
Attention: Gregory G. Hesse  
1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202  
Tel: (214) 979-3000  
Fax: (214) 880-0011  
Email: ghesse@HuntonAK.com

**Debtors' notice and claims agent (for court documents and case information inquiries):**

**If by First-Class Mail:**  
KP Engineering, LP, et al.  
Claims Processing Center  
c/o Omni Agent Solutions  
5955 De Soto Ave., Suite 100  
Woodland Hills, CA 91367

<p><b>Debtor KP Engineering LLC attorneys:</b></p> <p><b>OKIN ADAMS LLP</b>                  Attention: Christopher Adams                  1113 Vine Street, Suite 240                  Houston, Texas 77002                  Tel: (713) 228-4100                  Fax: (888) 865-2118                  Email: cadams@OkinAdams.com</p>	<p><b>If by Hand Delivery or Overnight Mail:</b>                  KP Engineering, LP, <i>et al.</i>                  Claims Processing Center                  c/o Omni Agent Solutions                  5955 De Soto Ave., Suite 100                  Woodland Hills, CA 91367</p> <p>Telephone: (866) 662-2044 (Domestic)                  (818) 906-8300 (International)                  Email: kpengeering@OmniAgent.com                  Case website: <a href="https://omniagentsolutions.com/kpengeering">https://omniagentsolutions.com/kpengeering</a></p> <p>This form, as well as copies of all other documents in this case, are available free of charge on the website of the Debtors' notice and claims agent: _____</p> <p>You may also request free electronic notification of documents filed in these cases by completing an electronic Request for Electronic Notification of Documents on the website of the Debtors' notice and claims agent: <a href="https://omniagentsolutions.com/kpengeering">https://omniagentsolutions.com/kpengeering</a></p>
<p><b>5. Bankruptcy clerk's office</b></p> <p>Documents in this case may be filed at this Address.</p> <p>You may inspect all records filed in this case at this office or online at <a href="http://www.pacer.com">www.pacer.com</a>.</p>	
<p>David J. Bradley                  Clerk of Court                  P.O. Box 61010                  Houston, TX 77208</p> <p>Hours open: 8:00 a.m. to 5:00 p.m. Central                  Monday through Friday                  Contact phone: (713) 250-5500</p>	
<p><b>6. Meeting of creditors</b></p> <p>The debtor's representative must attend the meeting to be questioned under oath.</p> <p>Creditors may attend, but are not required to do so.</p>	
<p>_____ at _____</p> <p>Date                      Time</p> <p>Location:</p> <p>The meeting may be continued or adjourned to a later date. If so, the date will be on the court docket.</p>	
<p><b>For more information, see page 3 ►</b></p>	



**Exhibit 1A**

**United States Bankruptcy Court Southern District of Texas  
Creditor Registration Form for Electronic Filing**

*See attached; also available at: <http://www.txs.uscourts.gov/sites/files/CRECFform.pdf>*

