

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

| | | |
|---|---|---|
| In re: KP ENGINEERING, LP, <i>et al.</i> , <div style="text-align: right;">Debtors.¹</div> | § § § § § § § § § | Chapter 11 Case No. 19-34698 (DRJ) (Jointly Administered) |
|---|---|---|

GLOBAL NOTES REGARDING KP ENGINEERING, LLC’S SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS

The Schedules of Assets and Liabilities (the “Schedules”) and the Statements of Financial Affairs (the “Statements,” and collectively with the Schedules, the “Schedules and Statements”) filed by KP Engineering, LLC (“KPE” or a “Debtor”), in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”), were prepared pursuant to section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure by management of the Debtors and are unaudited. While the Debtor’s management has made every reasonable effort to ensure that the Schedules and Statements are accurate and complete, based upon information that was available to them at the time of preparation, the subsequent receipt of information may result in material changes to the financial data and other information contained therein. The Debtor reserves the right to amend the Schedules and Statements from time to time as may be necessary or appropriate. These Global Notes Regarding Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs (the “Global Notes”) are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and reviewed in connection with any review of the Schedules and Statements.

The Schedules and Statements and Global Notes should not be relied upon by any person for information relating to current or future financial conditions, events or performance of any of the Debtors. Due to numerous unliquidated, contingent and/or disputed claims, summary statistics in the Schedule, Statements and Global Notes likely significantly understate the Debtors’ liabilities.

1. Reservation of Rights. The Schedules and Statements are unaudited. Accordingly, although current management has made reasonable efforts to insure that the Schedules and Statements are accurate and complete based on information that was available to them at the time

¹ 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 preparation, subsequent information or discovery may result in material changes to one or more of the Schedules and Statements; indeed inadvertent errors, omissions or inaccuracies may exist. Moreover, because the Schedules and Statements contain unaudited information, there can be no assurance that the Schedules and Statements are wholly accurate and Complete. The Debtors reserve the right to amend and/or supplement any and all of the Schedules and Statements from time to time as they deem necessary and appropriate.

2. Description of the Cases and “as of” Information Date. On August 23, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code in the Bankruptcy Court commencing this Chapter 11 Case. The Debtor continues to operate its business as debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. The U.S. Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”) on September 6, 2019. No request has been made for the appointment of a trustee or an examiner.

The Chapter 11 Cases have been procedurally consolidated for the purpose of joint administration under case number 19-34698. Unless otherwise stated, asset and liability information is as of the Petition Date. Additionally, the Debtors have made every effort to allocate liabilities between the prepetition and post-petition periods based on the information and research that was conducted in connection with the preparation of the Schedules and Statements. As additional information becomes available to and further research is conducted by the Debtors, the Debtors’ allocation of liabilities between pre-petition and post-petition periods may change.

3. Basis of Presentation. The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”).

4. Summary of Significant Reporting Policies. The following conventions were adopted by the Debtors in the preparation of the Schedules and Statements

- a. Book Value. Unless otherwise noted, each asset and liability of the Debtor is shown on the basis of the net book value of the asset or liability in accordance with the Debtor’s accounting records as of the Petition Date. Unless otherwise noted, the Schedules reflects the carrying value of the assets and liabilities as listed in the Debtor’s books, and are not based upon any estimate of their current market values.
- b. Currency. All amounts are reflected in U.S. Dollars.
- c. Debtors’ Consolidated Cash Management System. The Debtors utilize a central and consolidated cash management system, which consists of multiple bank accounts. The Debtors manage the cash within the cash management system by transferring funds among bank accounts as needed based on cash receipts and disbursements. The Debtors described the consolidated cash management system in detail in the *Debtors’ Emergency Motion for Order Authorizing the Debtors to Continue to (I) Operate Their Cash Management System, (II) Use Existing Checks and Business Forms and (III) Maintain Existing Bank Accounts; and for Related Relief* [Docket No. 9] (“the Cash Management Motion”). The Bankruptcy Court granted

the Cash Management Motion and authorized the Debtors to continue using the cash management system on an interim basis by order entered August 26, 2019 [Docket No. 52] (the "Cash Management Order"). As part of the cash management system, the Debtors maintain accounting records of daily transactions between and among the Debtor affiliates. Thus, the Debtors' debits and credits are known and recorded.

- d. Payments Made within 90 Days Prior to the Petition Date. Payments made by the Debtor within 90 days prior to the Petition Date have been classified by Debtor based on the owner of the various accounts from which disbursements were made and without regard to which Debtor was obligated to make payment.
- e. Property and Equipment: Owned. Property and equipment are capitalized and stated at cost while maintenance and repairs are expenses currently. Depreciation and amortization of other property and equipment are provided when assets are placed in service using the straight line method based on estimated useful lives ranging from one to twenty years.
- f. Property and Equipment: Leased. In the ordinary course of their businesses, the Debtor leases real property and various articles of personal property from certain third-party lessors. All such leases are set forth in the Schedules. Leases not deemed to be capital leases are included on Schedule D and listed in the list of executory contracts contained in Schedule G; the property that is the subject of such leases therefore has been excluded from Schedule A (real property) and Schedule B

Unpaid lease payments are listed in Schedule F (unsecured claims). However, nothing in the Schedules or Statements is or shall be construed as an admission or determination as to the legal status of any lease (including whether it is a true lease or a financing arrangement) and the Debtor reserves all rights with respect to all such issues

- g. Deferred Finance Costs. The Debtors capitalize financing costs associated with the acquisition of debt. The financing costs are amortized over the finite life of the underlying debt instrument.
- h. Application of Vendor Credits. In the ordinary course of its business, the Debtor applies credits against amounts otherwise due to vendors. These credits arise, *inter alia*, in connection with goods that are ultimately not delivered, damaged goods, defective goods, prompt pay discounts and volume rebates and incentives. Certain of these credits are subject to change.
- i. Litigation. The Debtor has listed in Schedule F all known claimants related to any pending or threatened litigation action as contingent, disputed and unliquidated with unknown amounts. Although claim amounts were not estimated, allowed claims, if any, for these claimants may be substantial. Any information contained in Schedule F with respect to potential litigation shall not be a binding

representation of the Debtor's liabilities with respect to any of the potential suits and proceedings included therein

The Debtors have listed in Statements 4(a) the various litigation matters to which the Debtors were a party within the past year. The Statements do not include administrative or other proceedings concerning *de minimis* amounts. The Debtor expressly incorporates by reference into Schedule F all parties to pending litigation listed in Statement 4(a) as contingent, unliquidated, and disputed claims, to the extent not already listed on Schedule F.

- j. Liens and Encumbrances on Assets. In the ordinary course of the Debtor's businesses, tax liens mechanic's and materialmen's liens and other encumbrances (e.g., judgment liens) are occasionally filed against property owned by the Debtor. It is the Debtor's practice to timely resolve all liens by either satisfying the lien claim or formally contesting the validity of such liens. Any such lien claimants are included on Schedule F. Inclusion of such claims of parties asserting liens is not an admission of the Debtor that such parties are in fact secured and the Debtor reserves all rights in relation to the amount, extent, priority and validity of any such claims and liens.
- k. Causes of Action. The Debtor has not necessarily set forth all claims or causes of action against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any such claims or causes of action they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.
- l. Secured Claims. Except as otherwise agreed pursuant to a stipulation or agreed order or order entered by the Bankruptcy Court, the Debtor reserves its rights to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D of any Debtor. Moreover, although the Debtor may have scheduled claims of various creditors as secured claims, except as otherwise agreed pursuant to a stipulation or agreed order or order entered by the Bankruptcy Court, the Debtor reserves all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including without limitation, any intercompany agreement) related to such creditor's claim. Furthermore, secured claim amounts have been listed on Schedule D without regard to the value of assets secured thereby. No attempt was made by the Debtor to estimate the fair market value as of the Petition Date of assets pledged pursuant to a secured obligation. Accordingly, deficiency claims of secured creditors were not listed on Schedule F and such omission is not an admission by the Debtor as to the sufficiency of collateral related to any secured claim listed on Schedule D. In certain instances, a Debtor may be a co-obligor, co-mortgagor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of the Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided in Schedule D are intended only to be a

summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements.

- m. Priority Claims. Priority claims related to various tax obligations have been listed on Schedule E. Moreover, although the Debtor may have scheduled claims of various creditors as priority claims, the Debtor reserves all rights to dispute or challenge the priority treatment of any such creditor's claim (or portion thereof) or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim. While reasonable efforts have been made, determination of the date upon which each claim in Schedule E was incurred or arose would be unduly burdensome and cost prohibitive, and therefore, the Debtor may not list a date for each claim listed on Schedule E.
- n. Executory Contracts. The business of the Debtor is complex. While every effort has been made to ensure the completeness and accuracy of the listing of executory contracts, inadvertent errors or omissions may have occurred. The Debtor hereby reserves all of their rights to dispute the validity, status, or enforceability of any contracts, agreements or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. The contracts, agreements and leases listed on Schedule G may have expired, or been terminated, or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppels certificates, letter and other documents, instruments and agreements which may not be listed therein. Certain of the real property leases listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth on Schedule G. Certain of the executory agreements may not have been memorialized and could be subject to dispute. Schedule G does not include stand-alone equipment purchase orders. The presence of a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease. Similarly, the absence of a contract or agreement on Schedule G does not constitute an admission that any other contract or agreement to which the Debtor is a party is not executory. Parties to executory contracts and unexpired leases were not listed on Schedule F, except where past due amounts were recorded in the Debtors' accounts payable. The Debtor has not listed on Schedule F landlords and executory contract counter-parties which may have claims related to contract/lease rejection or other damages. The Debtor reserves all of their rights, claims and causes of action with respect to the contracts and agreements listed on the Schedules, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument.
- o. Interests in Subsidiaries. Interests in subsidiaries arise from stock ownership and from intercompany balances. Each Debtor's Schedule B sets forth its ownership interests, if any, in other Affiliated Debtors at net book value.

5. Employee Claims. The Bankruptcy Court has entered an order granting authority to the Debtors to pay certain prepetition and post-petition employee wages, salaries, benefits and other obligations.

6. Disputed, Contingent and/or Unliquidated Claims. Schedules D, E and F permit each of the Debtors to designate a claim as disputed, contingent and/or unliquidated. A failure to designate a claim on any of the Schedules as disputed, contingent and/or unliquidated does not constitute an admission that such claim is not subject to objection by the Debtors. The Debtors reserve the right to dispute, or assert offsets or defenses to, any claim reflected on the Schedules as to amount, liability or status.

7. Global Notes Control. In the event that the Schedules and Statements differ from the foregoing Global Notes, the Global Notes shall control.

Fill in this information to identify the case:

Debtor name KP Engineering, LLC

United States Bankruptcy Court for the: SOUTHERN DISTRICT OF TEXAS

Case number (if known) 19-34698

Check if this is an amended filing

Official Form 207**Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

04/19

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income**1. Gross revenue from business**

None.

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year

Sources of revenue
Check all that apply

Gross revenue
(before deductions and exclusions)

2. Non-business revenue

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

None.

Description of sources of revenue

Gross revenue from each source
(before deductions and exclusions)

Part 2: List Certain Transfers Made Before Filing for Bankruptcy**3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers--including expense reimbursements--to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,825. (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

None.

Creditor's Name and Address

Dates

Total amount of value

Reasons for payment or transfer
Check all that apply

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,825. (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

None.

Insider's name and address
Relationship to debtor

Dates

Total amount of value

Reasons for payment or transfer

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

Debtor **KP Engineering, LLC**

Case number (if known) **19-34698**

None

| Creditor's name and address | Describe of the Property | Date | Value of property |
|-----------------------------|--------------------------|------|-------------------|
|-----------------------------|--------------------------|------|-------------------|

6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

None

| Creditor's name and address | Description of the action creditor took | Date action was taken | Amount |
|-----------------------------|---|-----------------------|--------|
|-----------------------------|---|-----------------------|--------|

Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

None.

| Case title Case number | Nature of case | Court or agency's name and address | Status of case |
|---|----------------|---|---|
| 7.1. Hancock Mechanical, LLC d/b/a Hancock Mechanical Welding & Fabrication v. KP Engineering, LP, et al., 7:19-cv-204 | | Western District of Texas | <input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded |
| 7.2. Crawford Electric Supply Company, Inc. v. KP Engineering, LP, et al. 69959 | | Smith County Court of Law | <input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded |
| 7.3. Cherokee Integrations & Solutions, LLC v. KP Engineering, LP and Koch Partners, LLC 19-0377-C | | 241st District, Smith County, TX | <input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded |

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

None

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

None

| Recipient's name and address | Description of the gifts or contributions | Dates given | Value |
|------------------------------|---|-------------|-------|
|------------------------------|---|-------------|-------|

Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

None

Debtor **KP Engineering, LLC**

Case number (if known) **19-34698**

| Description of the property lost and how the loss occurred | Amount of payments received for the loss | Dates of loss | Value of property lost |
|--|---|---------------|------------------------|
| | If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property). | | |

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

None.

| Who was paid or who received the transfer? Address | If not money, describe any property transferred | Dates | Total amount or value |
|---|---|-------|-----------------------|
| | | | |

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device. Do not include transfers already listed on this statement.

None.

| Name of trust or device | Describe any property transferred | Dates transfers were made | Total amount or value |
|-------------------------|-----------------------------------|---------------------------|-----------------------|
| | | | |

13. Transfers not already listed on this statement

List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

None.

| Who received transfer? Address | Description of property transferred or payments received or debts paid in exchange | Date transfer was made | Total amount or value |
|-----------------------------------|--|------------------------|-----------------------|
| | | | |

Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

Does not apply

| Address | Dates of occupancy From-To |
|---------|-------------------------------|
| | |

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:
 - diagnosing or treating injury, deformity, or disease, or
 - providing any surgical, psychiatric, drug treatment, or obstetric care?

No. Go to Part 9.
 Yes. Fill in the information below.

| Facility name and address | Nature of the business operation, including type of services the debtor provides | If debtor provides meals and housing, number of patients in debtor's care |
|---------------------------|--|---|
| | | |

Part 9: Personally Identifiable Information

Debtor **KP Engineering, LLC**Case number (if known) **19-34698****16. Does the debtor collect and retain personally identifiable information of customers?**

- No.
 Yes. State the nature of the information collected and retained.

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- No. Go to Part 10.
 Yes. Does the debtor serve as plan administrator?

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units**18. Closed financial accounts**

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

- None

| Financial Institution name and Address | Last 4 digits of account number | Type of account or instrument | Date account was closed, sold, moved, or transferred | Last balance before closing or transfer |
|--|---------------------------------|-------------------------------|--|---|
|--|---------------------------------|-------------------------------|--|---|

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

- None

| Depository institution name and address | Names of anyone with access to it Address | Description of the contents | Do you still have it? |
|---|--|-----------------------------|-----------------------|
|---|--|-----------------------------|-----------------------|

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

- None

| Facility name and address | Names of anyone with access to it | Description of the contents | Do you still have it? |
|---------------------------|-----------------------------------|-----------------------------|-----------------------|
|---------------------------|-----------------------------------|-----------------------------|-----------------------|

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own**21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

- None

Part 12: Details About Environment Information

For the purpose of Part 12, the following definitions apply:

Environmental law means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).

Site means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.

Hazardous material means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

Debtor **KP Engineering, LLC**

Case number (if known) **19-34698**

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- No.
- Yes. Provide details below.

| Case title Case number | Court or agency name and address | Nature of the case | Status of case |
|---------------------------|-------------------------------------|--------------------|----------------|
|---------------------------|-------------------------------------|--------------------|----------------|

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

- No.
- Yes. Provide details below.

| Site name and address | Governmental unit name and address | Environmental law, if known | Date of notice |
|-----------------------|---------------------------------------|-----------------------------|----------------|
|-----------------------|---------------------------------------|-----------------------------|----------------|

24. Has the debtor notified any governmental unit of any release of hazardous material?

- No.
- Yes. Provide details below.

| Site name and address | Governmental unit name and address | Environmental law, if known | Date of notice |
|-----------------------|---------------------------------------|-----------------------------|----------------|
|-----------------------|---------------------------------------|-----------------------------|----------------|

Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

- None

| Business name address | Describe the nature of the business | Employer Identification number <small>Do not include Social Security number or ITIN.</small> | Dates business existed |
|---|---|---|------------------------|
| 25.1. KP Engineering, LP 5555 Old Jacksonville Hwy Tyler, TX 75703 | Engineering Services Firm; 1% interest | EIN: 32-0107785 | From-To |

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

- None

| Name and address | Date of service From-To |
|------------------|----------------------------|
|------------------|----------------------------|

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

- None

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

- None

| Name and address | If any books of account and records are unavailable, explain why |
|---|---|
| 26c.1. Kyle McCoy, CFO 5555 Old Jacksonville Hwy Tyler, TX 75703 | |

Debtor **KP Engineering, LLC**

Case number (if known) **19-34698**

Name and address **If any books of account and records are unavailable, explain why**

26c.2. **Kathryn Hesskew**
5555 Old Jacksonville Hwy
Tyler, TX 75703

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

None

Name and address

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

No
 Yes. Give the details about the two most recent inventories.

| Name of the person who supervised the taking of the inventory | Date of inventory | The dollar amount and basis (cost, market, or other basis) of each inventory |
|---|-------------------|--|
|---|-------------------|--|

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

| Name | Address | Position and nature of any interest | % of interest, if any |
|------------------------|--|-------------------------------------|-----------------------|
| BTS Enterprises | 5555 Old Jacksonville Hwy Tyler, TX 75703 | | 100% |

| Name | Address | Position and nature of any interest | % of interest, if any |
|--------------------------|--|-------------------------------------|-----------------------|
| Brandon T. Steele | 5555 Old Jacksonville Hwy Tyler, TX 75703 | President | |

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

No
 Yes. Identify below.

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

No
 Yes. Identify below.

| Name and address of recipient | Amount of money or description and value of property | Dates | Reason for providing the value |
|-------------------------------|--|-------|--------------------------------|
|-------------------------------|--|-------|--------------------------------|

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

No
 Yes. Identify below.

| Name of the parent corporation | Employer identification number of the parent corporation |
|--------------------------------|--|
|--------------------------------|--|

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

No
 Yes. Identify below.

Debtor KP Engineering, LLC

Case number (if known) 19-34698

Name of the pension fund

Employer Identification number of the parent corporation

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 8, 2019

/s/ Kyle McCoy
Signature of individual signing on behalf of the debtor

Kyle McCoy
Printed name

Position or relationship to debtor Chief Financial Officer

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- No
- Yes