

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF BOOMERANG TUBE, LLC *et al.***

CHAPTER 11 CASE NO. 15-11247 (MFW)

c/o Brown Rudnick LLP
One Financial Center
Boston, MA 02111

August 13, 2015

**TO: HOLDERS OF CLASS 6 GENERAL UNSECURED CLAIMS IN THE CHAPTER 11
CASES OF BOOMERANG TUBE, LLC *et al.***

Brown Rudnick LLP and Morris, Nichols, Arsht & Tunnell LLP are co-counsel to the Official Committee of Unsecured Creditors (the “Creditors Committee”) in the above-referenced chapter 11 bankruptcy cases (the “Chapter 11 Cases”) of Boomerang Tube, LLC, *et al.*, the debtors and debtors-in-possession (collectively, the “Debtors”). The Creditors Committee was appointed by the United States Trustee to represent the interests of all of the Debtors’ general unsecured creditors. We write to advise you of the Creditors Committee’s position regarding the Debtors’ Amended Joint Prearranged Chapter 11 Plan filed on August 13, 2015 (the “Plan”). The Plan is described in, and attached as an exhibit to, the accompanying Disclosure Statement for Debtors’ Amended Joint Prearranged Chapter 11 Plan Dated August 13, 2015 (the “Disclosure Statement”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Disclosure Statement or the Plan.

The Creditors Committee—which includes many of the Debtors’ largest unsecured creditors—urges holders of Class 6 General Unsecured Claims to vote to REJECT the Plan. It is critically important that holders of General Unsecured Claims vote to REJECT the Plan to preserve the ability to consider alternative plan transactions that may afford better treatment to the holders of General Unsecured Claims and to enable the Creditors Committee to raise potential arguments that the total enterprise value of the Debtors entitles holders of General Unsecured Claims to a recovery that is better than what is currently proposed under the Plan.

As background, prior to the commencement of these Chapter 11 Cases on June 9, 2015, the Debtors and certain of their secured creditors reached agreement in principle on a restructuring pursuant to a Plan Support Agreement dated May 6, 2015 (the “May 6 PSA”) which, among other things, provided for payment in full to holders of General Unsecured Claims. However, shortly thereafter—chiefly as the result of the influence of one secured creditor—the May 6 PSA was replaced with a revised restructuring through a Plan Support Agreement dated June 8, 2015 (the “PSA”). That new PSA, originally filed with the Bankruptcy Court on June 19, 2015, provided for a zero recovery for holders of General Unsecured Claims. Moreover, the Debtors did not provide a valuation analysis to justify their assertion that the Debtors’ enterprise value is less than the value of their secured debt.

The United States Trustee appointed the Creditors Committee on June 19, 2015, and soon thereafter we were selected as co-counsel. Upon being retained, we immediately conducted a review of the circumstances leading up to the Petition Date. Based on what we learned during our review, we challenged some of the Debtors’ efforts, including their attempts to fast-track these Chapter 11 Cases and preclude a competitive, open bidding process in favor of the PSA and accompanying Plan that would pay unsecured creditors little or nothing and hand over the reorganized company to the Debtors’ secured creditors.

Through our efforts, at a hearing on July 17, 2015, Judge Walrath entered rulings in our favor that (i) relieved the Debtors from the PSA's prohibition on considering other restructuring alternatives and ordered the Debtors to entertain all alternative plan proposals consistent with their fiduciary duties, and (ii) carved out all of the Debtors' Avoidance Actions (i.e., rights to recover certain payments made prior to the filing or to challenge certain transfers) for the benefit of unsecured creditors. Concurrently, and in connection with obtaining relief from the PSA's onerous provisions, the Creditors Committee's financial advisors at Alvarez & Marsal ("A&M") began canvassing the market for potential third-party plan sponsors or purchasers for the Debtors' assets. As of the date of this letter, at least three parties are actively performing due diligence on the Debtors. Pursuant to a Bankruptcy Court order, interested parties have until September 11, 2015 to submit alternative transaction proposals.

On August 9, 2015, the Debtors filed their Amended Joint Prearranged Chapter 11 Plan, which provides for the creation of a post-Effective Date vehicle (the "GUC Trust") which will retain and liquidate all Avoidance Actions (the "GUC Trust Assets") for the benefit of holders of Class 6 General Unsecured Claims. Under the amended Plan, each holder of an Allowed General Unsecured Claim will receive its pro rata share of the proceeds of the GUC Trust. On the same day, the Debtors finally provided us with their view on valuation, which posits that the Debtors' enterprise value is less than the amount of the Debtors' secured debt. Although the potential recovery provided by the GUC Trust in the amended Plan represents an improvement over the certainty of a zero recovery under the PSA, we, along with A&M, remain of the view that the Debtors' enterprise value may be higher than the valuation the Debtors have proposed and, consequently, there may be additional value available for holders of General Unsecured Claims. Simply put, we think general unsecured creditors can do better, and are entitled to more value, than what the Debtors have offered under the Plan. By **rejecting** the Plan, you will allow us to continue to pursue this additional value for the benefit of all general unsecured creditors.

For the reasons set forth above and further explained below, the treatment proposed by the Plan for Class 6 General Unsecured Claims should be **rejected**:

- First, the Plan offers holders of General Unsecured Claims an uncertain (and potentially zero) percentage of a *de minimis* asset pool. Based on information provided by the Debtors, A&M estimates that the total Allowed General Unsecured Claims pool will be approximately \$40 million. Given the Debtors' limited disclosure with respect to Avoidance Actions and our ongoing diligence regarding the potential value of Avoidance Actions, the Creditors Committee is unable to even provide an estimate of potential recoveries therefrom for holders of General Unsecured Claims. Since the Plan does not provide a specified percentage recovery on your claim or an identifiable value source from which you will be entitled to your pro rata share (other than Avoidance Actions), it is possible that you will be entitled to no recovery under the Plan. This is because, as described in the Disclosure Statement, holders of Allowed General Unsecured Claims under the Plan are limited to their pro rata share of any remaining proceeds from Avoidance Actions after reimbursement to the Reorganized Debtors of the costs of administering the GUC Trust and Professional Fee Claim Amounts paid by the Debtors or Reorganized Debtors in excess of the amounts authorized under the DIP Budget. After any such reimbursements, there may be little to no funds available for holders of General Unsecured Claims.
- Second, and perhaps most critically, one of the primary reasons the Creditors Committee recommends that you vote to **reject** the Plan is that by **rejecting** the Plan, the Creditors Committee will be entitled to challenge the Debtors' valuation at the Plan Confirmation Hearing. As noted above, this may give the Creditors Committee a better chance to fight for

increased recoveries to holders of General Unsecured Claims. Importantly, a vote to **reject** the Plan does not impair your ability to receive distributions thereunder.

Accordingly, *the Creditors Committee strongly encourages holders of General Unsecured Claims to vote to REJECT the Plan.*

The foregoing description is not intended as a substitute for the Disclosure Statement, which has been approved by the Bankruptcy Court. Creditors should read the Disclosure Statement and the Plan in their entirety, and then make their own respective independent decision as to whether the Plan is acceptable.

The Debtors have provided you with a Ballot with which to vote to accept or reject the Plan. In order to have your vote counted, you must complete and return the Ballot in accordance with the procedures set forth therein and in the accompanying Disclosure Statement and Solicitation Procedures Orders. **PLEASE READ THE DIRECTIONS ON THE BALLOT CAREFULLY AND COMPLETE YOUR BALLOT IN ITS ENTIRETY BEFORE RETURNING IT TO THE DEBTORS' SOLICITATION AGENT.**

Should you have any questions about this letter or the Debtors' Plan, Disclosure Statement and Solicitation Procedures, we would be pleased to discuss them with you at your convenience. Please direct any such questions to Sunni P. Beville (617-856-8475; sbeville@brownrudnick.com) or Bennett S. Silverberg (212-209-4924; bsilverberg@brownrudnick.com).

Very truly yours,

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF BOOMERANG TUBE, LLC, *ET AL.*

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