IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: BOOMERANG TUBE, LLC, a Delaware limited liability company, *et al.*,[1] Debtors.	Chapter 11 Case No. 15-11247 (MFW) Jointly Administered

DECLARATION OF KEVIN NYSTROM IN SUPPORT OF CONFIRMATION OF DEBTORS' SECOND AMENDED JOINT CHAPTER 11 PLAN

I, Kevin Nystrom, do hereby submit this declaration (this "**Declaration**") and declare under penalty of perjury that the following information is true and correct to the best of my knowledge, information, and belief.

1. I am the Chief Restructuring Officer ("**CRO**"), Interim Chief Executive Officer ("**Interim CEO**"), and President of Boomerang Tube, LLC ("**Boomerang**"). Boomerang is organized under the laws of the State of Delaware and is the direct parent of each of the other debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**"). Zolfo Cooper Management, LLC ("**Zolfo Cooper**"), of which I am a Managing Director, was engaged by Boomerang in January 2015 to assist the Debtors in managing their business and evaluating strategic alternatives. On February 19, 2015, I was appointed as CRO, Interim CEO, and President of Boomerang.

2. In my capacities with the Debtors and Zolfo Cooper, I have developed a detailed knowledge of and experience with the business and financial affairs of the Debtors as well as diversified business experience in restructuring, financial management, and accounting. More

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Boomerang Tube, LLC (9415); BTCSP, LLC (7632); and BT Financing, Inc. (6671). The location of the Debtors' corporate headquarters is 14567 North Outer Forty, Suite 500, Chesterfield, Missouri 63017.

specifically, I have extensive experience in the development of reorganization plans, creditor negotiations, business plan preparation and long-term forecasting, developing and implementing cost reduction programs, and financial management of public and privately-held companies. I have advised companies, boards, investors, and lender groups and served in interim management roles and led assignments in numerous industries. My representative experience includes serving as the Chief Restructuring Officer of The Dolan Company, Barnes Bay Development, and American Home Mortgage, and as the Chief Operating Officer of Hawaiian Telecom. I am a graduate of the University of South Dakota with a degree in business administration. Beginning prior to June 9, 2015 (the "**Petition Date**"), I worked closely with the Debtors' Board of Directors, management team, and professionals, as well as their key stakeholders, and have become well-acquainted with the Debtors' operations, debt structure, business, and related matters.

3. In my capacity as CRO, Interim CEO, and President of Boomerang, I am responsible for implementing the Debtors' business plans and strategies and for generally overseeing the Debtors' business and operations as they relate to the Debtors' financial affairs. Accordingly, I have been involved in the Debtors' restructuring process (the "**Restructuring**"), which includes but is not limited to: (i) leading and directing the implementation of the Debtors' business plan; (ii) meeting and negotiating with creditors and their advisors; (iii) evaluating restructuring alternatives; (iv) reviewing and modifying the 13-week cash flow forecasts and long-term business plan; (v) continued development of the Plan (as defined below) and obtaining confirmation of the Plan; and (vi) such other restructuring areas and issues as are customarily performed by a chief restructuring officer, chief executive officer, and president.

4. I submit this Declaration in support of the confirmation of the *Debtors' Second Amended Joint Chapter 11 Plan*, dated December 29, 2015 [Docket No. 766] (together with all exhibits and as amended, modified and supplemented in accordance the Plan and the Confirmation Order, the "**Plan**").[2] Except as otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge, information provided by professionals or consultants retained by the Debtors, or information I obtained by reviewing relevant documents. If called to testify, I could and would testify competently as to the facts set forth herein.

a. Commencement of the Chapter 11 Cases

5. On the Petition Date, each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. Each Debtor is authorized to continue to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 19, 2015, the Office of the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors. No trustee or examiner has been appointed in these chapter 11 cases.

6. Additional information about the Debtors' business and the events leading up to the Petition Date can be found in (i) the Declaration of Kevin Nystrom, Chief Restructuring Officer, Interim Chief Executive Officer, and President of Boomerang Tube, LLC, in Support Chapter 11 Petitions and First Day Pleadings [Docket No. 2] ("**First Day Declaration**"), (ii) my testimony at the July 17, 2015 hearing, (iii) the *Declaration of Kevin Nystrom in Support of Confirmation of Debtors' Amended Joint Prearranged Chapter 11 Plan, Dated September 4,*

[2] Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Plan or Disclosure Statement, as applicable. The rules of interpretation set forth in Article I of the Plan are fully incorporated herein. In addition, in accordance with Article I of the Plan, any term used in the Plan that is not defined in the Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules, has the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

2015 [Docket No. 520], and (iv) my testimony at the September 21, 2015 hearing before the Court, all of which is incorporated herein by reference.

b. Negotiations Surrounding the Prior Plan and Plan

7. As described in detail in my prior testimony to the Court, the dramatic decline in oil prices and drilling rig counts in the United States resulted in the Debtors' revenues decreasing by 62% in the first quarter of 2015 as compared to the fourth quarter of 2014. As such, the Debtors experienced serious liquidity problems.

8. For almost four months prior to the Petition Date, the Debtors worked tirelessly with the ABL Facility Lenders, Term Loan Lenders, and numerous other creditors, as well as the Sponsor, to address the Debtors' severe liquidity issues and ensure that the business would continue as a going concern for the benefit of the Debtors' employees, vendors, customers and other stakeholders. The Debtors' liquidity disappeared overnight on February 25, 2015, when the ABL Lenders received an updated inventory valuation that led to a default under the ABL Facility. The Debtors then entered into a series of short-term forbearance agreements with the ABL Facility Lenders in March 2015, pursuant to which the ABL Facility Lenders provided limited advances to fund payroll and other operation-critical expenses. The Sponsor provided a $500,000 limited guarantee to the ABL Facility Lenders as a condition to advances under the second agreement, and the Term Loan Lenders consented to a limited priming lien on their collateral to secure advances on the ABL Facility.

9. At that time, the Debtors strongly believed that an out-of-court restructuring was the best way to inject new capital into the business, restructure their balance sheet and maximize value for the benefit of all stakeholders. To that end, Access Tubulars, LLC ("**Access**"), one of the Sponsor entities, offered to make a substantial new equity investment as part of an out-of-

court transaction conditioned on a significant reduction of the Term Loan Facility, continuation of the ABL Facility on modified terms, and full payment of general unsecured creditors (other than pursuant to, and contingent on, consensual arrangements with certain creditors). All parties worked around the clock to negotiate and document that transaction, which ultimately received the support of all parties except for one Term Loan Lender.

10. As a result, the Debtors were forced to consider in-court restructuring alternatives that did not require the consent of all Term Loan Lenders and, on April 6, 2015, certain Term Loan Lenders provided the Bridge Loan Facility to allow the Debtors to prepare for an orderly prepackaged bankruptcy filing. The Debtors continued to press for an out-of-court deal to avoid the costs, risks and delay associated with a bankruptcy filing. During this period, Access renewed its offer to make a substantial new equity investment in the business as part of an out-of-court restructuring, which again was unsuccessful.

11. Following extensive negotiations, on May 6, 2015, the parties finalized a plan support agreement that contemplated a $50 million debtor-in-possession facility to be provided by consenting Term Loan Lenders in conjunction with a prepackaged plan of reorganization under which the Term Loan Facility would be equitized, the ABL Facility continued on modified terms, and general unsecured creditors paid in full (other than certain creditors who agreed to different treatment). At what appeared to be the conclusion of those prepackaged bankruptcy negotiations, the Term Loan Lenders halted the process to conduct further due diligence.

12. At all times, the Debtors expressed their clear position that a prepackaged plan under which general unsecured creditors were not impaired – even without settlements with certain creditors – would maximize recoveries for all stakeholders. Again, notwithstanding the Debtors' efforts, the Term Loan Lenders decided to support a prearranged plan providing no

distribution to general unsecured creditors, but suggested that a prepackaged plan might be viable if acceptable settlements were reached with certain creditors, including SBI. The Debtors attempted to negotiate a settlement with SBI that would be acceptable to the Term Loan Lenders in the weeks following the Term Loan Lenders' decision, but these efforts were not successful.

13. Despite months of efforts to implement a consensual restructuring that essentially only impaired the Term Loan Lenders, the Debtors again found themselves in a precarious situation, having nearly exhausted the liquidity provided by the Bridge Loan Facility and their only available financing source tied to a prearranged plan under which general unsecured creditors would receive nothing. To avoid a liquidation and further negative impact on the business which subsisted on limited liquidity for months, on June 9, 2015, the Debtors entered into the Plan Support Agreement with the ABL Facility Lenders, the Term Loan Lenders, and Access. The Debtors ultimately filed and pursued confirmation of the *Debtors' Amended Joint Prearranged Chapter 11 Plan*, Dated September 4, 2015 [Docket No. 470] (together with all exhibits and as amended, modified and supplemented, the "**Prior Plan**").

14. The Bankruptcy Court denied confirmation of the Prior Plan. In doing so, the Court found that the evidence demonstrated a range for the Reorganized Debtors' total enterprise value ("**TEV**") that would potentially allow holders of General Unsecured Claims to share in the value of the Reorganized Debtors.

15. Thereafter, the Debtors, the Creditors Committee, the Term Loan Agent, certain holders of Term Loan Facility Claims, the ABL Facility Lenders, and the Sponsor engaged in extensive negotiations regarding the Debtors' continued operations and the terms of a revised chapter 11 plan that would account for the Court's TEV ruling. I participated directly in these negotiations. I believe that they were conducted in good-faith and at arm's length. All parties

vigorously asserted their positions during these negotiations and did so in light of the evidence adduced and the Court's ruling at the confirmation hearing, as well as their respective views on the TEV of the Debtors. The negotiations were hard-fought and ultimately arrived at a settlement (the "**Plan Settlement**") that is embodied in the Plan. The Plan Settlement retains a number of the material elements of the Prior Plan, but includes some additional developments, specifically that the holders of General Unsecured Claims will share in the $2.25 million cash GUC Consideration, and that as a result of the Plan Settlement, the Creditors Committee would support the Debtor Releases that are included in the Plan.

16. Failure to confirm the Prior Plan led to the termination of the Plan Support Agreement, which was an event of default under the DIP Facilities. The DIP Facilities are currently in default and have matured without repayment. Nonetheless, pursuant to a series of forbearance agreements, the DIP Term Facility Agent and the DIP ABL Agent, at the direction of their respective lenders, have agreed to forbear on exercising their remedies under the respective DIP Facilities until January 29, 2016 and agreed to allow the Debtors continued access to cash collateral during that period to allow the Debtors an opportunity to solicit and obtain confirmation of the Plan. The Plan Settlement was an instrumental element of obtaining this consent to the use of cash collateral.

c. <u>The Plan Satisfies All Requirements for Confirmation</u>

17. <u>The Plan Complies with All Applicable Provisions of the Bankruptcy Code (Section 1129(a)(1))</u>. Based on my review of the Plan and my discussions with the legal advisors to the Debtors, it is my understanding that the Plan satisfies all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code.

18. The Classification of Claims and Interests in the Plan Satisfies the Requirements of Section 1122 of the Bankruptcy Code. I am informed and believe that each of the twelve (12) Classes of Claims against and Interests in each Debtor, as applicable, set forth in Article III of the Plan contains only those Claims or Interests that are substantially similar to the other Claims or Interests within that Class. I believe that valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims against and Interests in the Debtors under the Plan.

19. The Plan Satisfies the Requirements of Section 1123(a) of the Bankruptcy Code. I am informed and believe that the Plan complies with section 1123(a) of the Bankruptcy Code, which sets forth seven (7) requirements with which every plan under chapter 11 of the Bankruptcy Code must comply. 11 U.S.C. § 1123(a). As demonstrated below, the Plan complies with each such requirement:

(a) Section 1123(a)(1). Article III of the Plan properly designates all Claims and Interests that require classification, as required by section 1123(a)(1) of the Bankruptcy Code. Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Facility Claims, Professional Claims, and Priority Tax Claims are not required to be designated into Classes.

(b) Section 1123(a)(2). Article III of the Plan specifies each Class of Claims or Interests that is Unimpaired under the Plan. In particular, Article III of the Plan provides that Class 1 (Other Secured Claims), Class 2 (Other Priority Claims), Class 7 (Intercompany Claims), and Class 8 (Intercompany Interests) are Unimpaired under the Plan.

(c) Section 1123(a)(3). Article III of the Plan specifies the treatment of each Class of Claims and each Class of Interests that is Impaired under the Plan. In particular, Article

III of the Plan specifies the treatment of Class 3 (ABL Facility Claims), Class 4 (Term Loan Facility Claims), Class 5 (Heat Treat Line Secured Claims), Class 6 (General Unsecured Claims), Class 9 (Boomerang Preferred Units), Class 10 (Boomerang Common Units), Class 11 (Boomerang Other Equity Securities), and Class 12 (section 510(b) Claims).

(d) Section 1123(a)(4). Article III of the Plan provides the same treatment for each Claim or Interest in a given Class unless the holder of such Claim or Interest agrees to less favorable treatment.

(e) Section 1123(a)(5). Article IV of the Plan provides adequate means for the Plan's implementation. For example, the Plan provides for the discharge of Claims and Interests through: (a) the issuance of New Holdco Common Stock and New Opco Common Units; (b) the issuance of the Subordinated Notes; (c) the reinstatement of certain Claims and Interests; and (d) the payment of Cash. Article IV also provides for the execution of the Exit ABL Facility Loan Documents and the Exit Term Facility Loan Documents and the vesting of all property in each Debtor's Estate (other than the SBI Heat Treat Lien Collateral, if it is abandoned as of the Effective Date), all Causes of Action, and any property acquired by the Debtors under the Plan in each respective Reorganized Debtor.[3] Accordingly, the Plan satisfies the requirements set forth in section 1123(a)(5) of the Bankruptcy Code.

(f) Section 1123(a)(6). Under Article IV of the Plan, the New Holdco Certificate of Incorporation, the New Holdco Bylaws, and the New Opco Governance Documents shall be consistent with the provisions of the Plan and the Bankruptcy Code. The New Holdco Documents shall, among other things: (a) authorize the issuance of the New

[3] For the avoidance of doubt, no funds to be held (i) in the GUC Consideration Escrow Account (or any Disputed Claims Reserve funded from the GUC Consideration), or (ii) in the Professional Fee Escrow Account, shall be property of the Estates or the Reorganized Debtors.

Holdco Common Stock; and (b) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting Equity Securities. The New Opco Governance Documents shall, among other things: (a) authorize the issuance of the New Opco Common Units and the Subordinated Notes; and (b) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, include a provision prohibiting the issuance of non-voting Equity Securities. Accordingly, it is my understanding that section 1123(a)(6) of the Bankruptcy Code is satisfied.

(g) Section 1123(a)(7). It is my understanding that the Plan satisfies the requirements set forth in 1123(a)(7) of the Bankruptcy Code. As set forth in the Plan, the members of the board of directors of any subsidiary of the Reorganized Debtors shall be satisfactory to the Majority Term Loan Lenders. In addition, the current members of Boomerang's board of directors shall be deemed to have resigned as of the Effective Date. On the Effective Date, the New Board will consist of seven (7) members, (i) one (1) of whom will be New Holdco's chief executive officer, (ii) four (4) of whom will be appointed initially by the Majority Holder, (iii) one (1) of whom will be appointed initially by the second largest holder (including any affiliated holder or holders under common control with respect to such holder) of New Holdco Common Stock on the Effective Date, and (iv) one (1) of whom will be appointed initially by the holders of a majority of the New Holdco Common Stock on the Effective Date other than the two largest holders (including, with respect to each such holder, any affiliated holder or holders under common control with respect to such holder) of the New Holdco Common Stock. On the Effective Date, the existing officers of the Debtors shall serve in their current capacities for the Reorganized Debtors. I have been advised that the members of the New Board that have been selected to date were identified in the Plan Supplement.

20. The Plan Complies with the Requirements of Section 1123(b) of the Bankruptcy Code. It is my understanding that the Plan employs various provisions in accordance with the discretionary authority under section 1123(b) of the Bankruptcy Code.

(a) Assumption and Rejection of Executory Contracts (11 U.S.C. § 1123(b)(2)). Section 5.1 of the Plan provides for the rejection of the Executory Contracts and Unexpired Leases of the Debtors as of the Effective Date, except for any Executory Contract or Unexpired Lease (a) that has been previously been assumed or rejected by the Debtors, (b) that previously expired or terminated pursuant to its own terms, (c) that is subject to a separate motion to assume or reject under section 365 of the Bankruptcy Code pending on the Effective Date, or (d) that is identified in the Plan Supplement to be assumed, as contemplated by section 1123(b)(2) of the Bankruptcy Code. The Debtors have reviewed their Executory Contracts and Unexpired Leases, which review is on-going, and the agreements identified in the Plan Supplement to be assumed will be useful to the Debtors and assist them in operating their businesses following the Effective Date. The agreements that will be rejected as of the Effective Date are either or both (i) not essential to the operation of the Reorganized Debtors' business or (ii) unduly burdensome to the Reorganized Debtors under their existing terms. Based on my review of the Plan and my personal knowledge of the Debtors' post-emergence businesses and operations, I believe that the treatment of Executory Contracts and Unexpired Leases under the Plan, including any amendments thereof that the Debtors may enter into prior to the Effective Date in contemplation of the assumption of any agreement, is a sound exercise of the Debtors' business judgment and is in the best interest of the Debtors, their Estates, and creditors.

Furthermore, based on, among other things, the Financial Projections (as defined below) and the liquidity available under the exit facilities, I believe that the Debtors will have the

financial wherewithal to pay all Cures and to perform all obligations under the contracts to be assumed under the Plan (as such agreements may be amended prior to the Effective Date), and therefore, the Debtors have demonstrated adequate assurance of future performance under the Executory Contracts and Unexpired Leases they are assuming under the Plan.

(b) Treatment of SBI Heat Treat Line Collateral under the Plan. At present, the Plan contemplates that the Debtors will abandon the SBI Heat Treat Line Collateral on the Effective Date. The Debtors have assessed their need for the SBI Heat Treat Line Collateral, which is one of two pieces of heat treat equipment, in connection with preparing their long-term business plan. The Debtors have determined that the cost of retaining the SBI Heat Treat Line Collateral, namely the payment of the $9.75 million to SBI and SBI Lender, exceeds the benefits that the Debtors would receive if they retained the SBI Heat Treat Line Collateral. As a result, I believe a sound business purpose exists and supports the Debtors' determination to abandon the SBI Heat Treat Line Collateral.

21. The Debtors Have Complied with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(2)). Based on my review of the Plan and my discussions with the legal advisors for the Debtors, it is my understanding that the Debtors have complied with all solicitation and disclosure requirements set forth in the Bankruptcy Code, the Bankruptcy Rules, and the *Order (A) Approving the Disclosure Statement on a Preliminary Basis, (B) Scheduling Combined Hearing on Approval of Disclosure Statement and Confirmation of Plan, (C) Establishing Procedures for Solicitations and Tabulation of Votes on Plan, and, (D) Approving Related Matters* [Docket No. 764] (the "**Combined Hearing Order**") governing notice, disclosure, and solicitation in connection with the Plan and the Disclosure Statement. It is also my understanding that, as evidenced by the affidavit filed with the Bankruptcy Court on January

6, 2016 [Docket No. 788], the Debtors, through the Solicitation Agent, have complied with all previous orders of the Court regarding solicitation of votes, including the Combined Hearing Order, and that the Debtors have complied with the Bankruptcy Code, the Bankruptcy Rules, and other applicable law with respect to the foregoing.

22. The Plan Has Been Proposed in Good Faith and Not by Any Means Forbidden by Law (Section 1129(a)(3)). I believe that the Debtors have proposed the Plan in good faith with the legitimate purpose of maximizing stakeholder value and not by any means forbidden by law. The Plan provides for the distribution of significant value to creditors and ensures for payment in full of Administrative Claims, DIP Facility Claims, Professional Claims, Priority Tax Claims, Other Secured Claims, Other Priority Claims, and statutory fees due and owing to the U.S. Trustee and for a distribution to holders of Allowed General Unsecured Claims. Additionally, I believe that the record of these cases demonstrates that the Debtors and their directors, officers, employees, agents, affiliates, and professionals (acting in such capacity) have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code.

23. The Plan Provides that Payments Made by the Debtors for Services or Costs and Expenses Are Subject to Approval (Section 1129(a)(4)). Based on my review of the Plan and my discussions with the legal advisors of the Debtors, it is my understanding that no payment for services or costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incidental to the Chapter 11 Cases, including Professional Claims, has been or will be made by the Debtors other than payments that have been authorized by order of the Bankruptcy Court. Article II of the Plan provides for the payment of various Professional Claims, which are subject to Bankruptcy Court approval and the standards of the Bankruptcy

Code. It is also my understanding that the provisions of the Plan comply with section 1129(a)(4) of the Bankruptcy Code.

24. The Debtors Have Disclosed the Identity of Directors and Officers and the Nature of Compensation of Insiders (Section 1129(a)(5)). Based on my review of the Plan and my discussions with the legal advisors of the Debtors, it is my understanding that the Plan will satisfy the requirements of section 1129(a)(5) of the Bankruptcy Code. Specifically, the Plan provides that existing officers will remain in place following the Effective Date and, it is my expectation that the terms of their compensation will be unchanged. I believe that this provision of the Plan is consistent with the interests of holders of claims against and equity interests in the Debtors and public policy.

25. Additionally, the Plan identifies the manner of selecting the New Board and the directors or managers of the Reorganized Debtors. I further understand that the parties serving on the New Board that have been identified to date have been disclosed in the Plan Supplement. I have no reason to believe that these appointments are not consistent with the interests of holders of claims against and equity interests in the Debtors and public policy.

26. The Plan Does Not Contain Any Rate Changes Subject to the Jurisdiction of Any Governmental Regulatory Commission (Section 1129(a)(6)). Based on my review of the Plan and my discussions with the legal advisors of the Debtors, it is my understanding that the Plan does not provide for any rate changes subject to the jurisdiction of any regulatory commission.

27. The Plan Is in the Best Interests of Creditors (Section 1129(a)(7)). Based on my review of the Plan, and based on my discussions with the legal and financial advisors of the Debtors, it is my understanding and belief that (i) the Plan satisfies the "best interests of creditors" test under section 1129(a)(7) of the Bankruptcy Code and (ii) with respect to each

Impaired Class of Claims, each holder of an Allowed Claim has either accepted the Plan or will receive or retain under the Plan, on account of such Claim, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date pursuant to Chapter 7 of the Bankruptcy Code. I believe that the liquidation analysis attached as Exhibit E to the Disclosure Statement, which assumed a conversion to chapter 7 on September 30, 2015, continues to accurately reflect the ultimate result of a liquidation of the Debtors under chapter 7—only the ABL Facility Lenders and the Term Loan Lenders would receive any value on account of their claims in the event that the Debtors were liquidated under chapter 7. I don't believe that there has been any material improvement in the liquidation value of the Debtors' assets since the time that the liquidation analysis was prepared.

28. The Plan Has Been Accepted by Certain Impaired Voting Class (Section 1129(a)(8)). Based on my discussions with the legal advisors of the Debtors, I am informed and believe that, of the four (4) Impaired Class of Claims and Interests entitled to vote to accept or reject the Plan, Classes 3, 4, and 6 voted to accept the Plan pursuant to section 1126(c) of the Bankruptcy Code with respect to each Debtor. I understand that no holders of claims in Class 5 against Boomerang Tube, LLC voted to accept or reject the Plan and that the Debtors are requesting those classes be deemed to have accepted the Plan pursuant to Section 3.5 of the Plan. Nonetheless, it is my understanding that Plan does not discriminate unfairly and is fair and equitable with respect to Classes 5 (which did not vote at all) and Classes 9 through 12 (which are deemed to reject the Plan).

29. The Plan Provides for Payment in Full of All Allowed Priority Claims (Section 1129(a)(9)). Based on my discussions with the legal advisors of the Debtors, it is my

understanding that the Plan meets the requirements of section 1129(a)(9) of the Bankruptcy Code. Article II of the Plan provides for full payment of all Allowed Administrative Claims, Allowed Priority Tax Claims, and Professional Claims (subject to the applicable Professional Fee Payment Amount agreed to by certain Professionals), other than as may have been otherwise agreed with a party.

30. At Least One Impaired, Non-Insider Class Has Accepted the Plan (Section 1129(a)(10)). Based on my discussions with the legal advisors of the Debtors, it is my understanding that at least one impaired class of claims must accept the plan, excluding the votes of insiders. 11 U.S.C. § 1129(a)(10). Classes 3, 4, and 6 voted to accept the Plan for each Debtor and, therefore, I believe that the requirements of section 1129(a)(10) are satisfied.

31. The Plan Is Feasible (Section 1129(a)(11)). Based on my review of the Plan, the Disclosure Statement (and all exhibits thereto), and all documents in support of the Plan, it is my understanding and belief that the Plan is feasible. The Plan provides for the Reorganized Debtors to enter into a $25 million Exit ABL Facility and an $85 million Exit Term Facility that has an "accordion" feature that gives the Reorganized Debtors the ability to request up to $15 million of additional financing from the Exit Term Facility Lenders, which is uncommitted at this point and subject to their approval. Notably, in connection with the Debtors' request to confirm the Prior Plan the Court determined that the Debtors are a viable business with a TEV of over $300 million—an amount substantially higher than the total debt with which the Debtors will emerge from these chapter 11 cases.

32. I have reviewed and participated in putting together the Debtors' business plan. I believe that the Debtors' business plan, and the various assumptions upon which it is based, are reasonable and that the Debtors can execute on that business plan. The Debtors prepared and

included as Exhibit 4 to the Plan Supplement financial projections through the end of 2018 based on that business plan and related assumptions (the "**Financial Projections**"). Based on the Financial Projections, the Debtors will have emergence costs under the Plan of $17 million and cash available to pay such amounts on the Effective Date. The Projections also show that the Debtors will have positive EBITDA after 2016, reaching EBITDA of just under $60 million in 2018.

33. The Financial Projections support the finding that the Debtors will have sufficient liquidity to meet all of the obligations under the Plan as of the Effective Date. Further, the Financial Projections support a finding that the Debtors will be able to meet all obligations, including debt service obligations, in the ordinary course of business through the period covered by the Financial Projections. The Plan is feasible because it: (i) provides the financial wherewithal necessary to implement the Plan; and (ii) offers reasonable assurance that the Plan is workable and has a reasonable likelihood of success.

34. All Statutory Fees Have or Will Be Paid (Section 1129(a)(12)). Based on my review of the Plan, and my discussions with the legal advisors of the Debtors, Article 13.2 of the Plan provides for the payment, on or before the Effective Date, of any fees due pursuant to section 1930 of title 28 of the United States Code or other statutory requirement.

35. The Plan Appropriately Treats Retiree Benefits (Section 1129(a)(13)). Based on my discussions with the legal advisors of the Debtors, I am informed and believe the Debtors have no obligations to provide any such retiree benefits.

36. Sections 1129(a)(14)-(a)(16) of the Bankruptcy Code Are Inapplicable. Based on my review of the Plan and my discussions with the legal advisors of the Debtors, I am informed

and believe that none of the Debtors are (a) required to pay any domestic support obligations, (b) individuals, or (c) nonprofit corporations or trusts.

37. The Plan Is Fair and Equitable With Respect to the Impaired Class that Voted to Reject the Plan (Section 1129(b)). Based on my discussions with the legal advisors of the Debtors, it is my understanding and belief that the Plan satisfies the "fair and equitable" requirement and that the Plan does not unfairly discriminate against any Class. All Classes of Claims are legally and factually distinct from other Claims and Interests in other Classes and are properly classified in a separate Class.

38. With respect to Class 5, the Plan provides that the SBI Heat Treat Line will be abandoned and, as a result, SBI Lender and SBI will receive the return of their collateral. I believe that this provides them with the indubitable equivalent of their secured claim.

39. No Claim or Interest that is junior to any rejecting Class of Claims or Interests will receive or retain any property under the Plan on account of such junior Claim or Interests.

40. Accordingly, I believe the Plan satisfies the requirements of sections 1129(b)(2)(B) and 1129(b)(2)(C) for Classes 9 through 12 and, therefore, is fair and equitable with respect to those Classes.

41. The Plan Does Not Unfairly Discriminate With Respect to Any Class. (Section 1129(b)). Based on my discussions with the legal advisors of the Debtors, it is my understanding and belief that the Plan also does not discriminate *unfairly* with respect to an Impaired Class that has rejected the Plan. Therefore, I believe that the cram down test of section 1129(b) is satisfied.

42. The Plan Is Not an Attempt to Avoid Tax Obligations (Section 1129(d)). Based on my review of the Plan, my knowledge of the circumstances leading up to its development, and my discussions with the legal advisors of the Debtors, I submit that the principal purpose of the

Plan is not the avoidance of taxes or the avoidance of the application of the Securities Act, and no party in interest has filed an objection alleging otherwise.

43. The Plan Contains Discharge, Injunction, Release, and Exculpation and Limitation of Liability Provisions That Are Integral Components of the Plan. Based upon my review of the Plan, my personal knowledge of the circumstances leading up to its development, and my discussions with the legal advisors of the Debtors, it is my understanding and belief that each of the discharge, injunction, release, and exculpation and limitation of liability provisions set forth in Article VIII of the Plan are proper because, among other things, they are the product of arms'-length negotiations, have been critical to obtaining the support of the various constituencies for the Plan and are an inherent part of the Plan and condition to the Plan Settlement.

44. It is my understanding that many of the Released Parties who are the beneficiary of the Debtor Release are entitled to indemnification from the Debtors under various documents and agreements, including the Debtors' organizational document and the Debtors' secured loan agreements. As a result, if the Debtors (or a representative of the Debtors' Estates) pursue claims and causes of action against the Released Parties, the Debtors will likely be subject to claims for reimbursement and indemnification from the Released Parties. Additionally, based on my service as an officer of the Debtors, I have observed the efforts made by the Released Parties to implement a restructuring of the Debtors. I believe that each of the Released Parties shares the common goal of successfully implementing a restructuring of the Debtors, and they have participated in good faith in seeking to achieve that goal.

45. The Debtor Release was an integral and bargained for element of the Plan. The Debtor Release is one of several interrelated elements of the Plan, which was heavily negotiated

between the Debtors, the Term Loan Lenders, the ABL Facility Lenders, the Sponsor, and the Creditors' Committee (collectively, the "**Plan Settlement Parties**"). Importantly, I believe that all of the provisions of the Plan work in concert with each other to provide the Plan Settlement Parties the consideration necessary for their support. I do not believe that the Plan Settlement would have been feasible absent the collective contributions and concessions of the Plan Settlement Parties.

46. Moreover, the Debtor Release includes parties that have provided direct benefits to these Chapter 11 Cases through diligently discharging their duties and contributing to the overall success of these Chapter 11 Cases. In addition, it is my understanding that the Released Parties under the Plan have made or will make significant contributions to these Chapter 11 Cases, including (i) pre-petition and DIP funding provided by the lender-Released Parties, including Access Tubular Lender, LLC, a Sponsor-affiliate and Term Loan Lender, (ii) the pre-petition Limited Sponsor Guarantee provided by Access Tubulars, LLC, a Sponsor-affiliate, in the amount of $500,000, (iii) the approximately $2.3 million prepetition priming lien that the Term Loan Agent extended to the ABL Facility Lender, (iv) the $2.25 million cash GUC Consideration being paid by the Debtors to holders of General Unsecured Claims, which has been consented to by the Term Loan Lenders (who will be the owners of the Debtors under the Plan following the Effective Date) as part of the Plan Settlement, (v) the $500,000 the Sponsor has agreed to contribute to the Reorganized Debtors for employee-related benefits, which facilitated the amount and form of the GUC Consideration, (vi) the waiver of General Unsecured Claims by the Sponsor and Mr. Kanthamneni, and (vii) the $25 million Exit ABL Facility and $85 million in Exit Term Facility (with an optional, but uncommitted, $15 million accordion feature), by the Term Loan Lenders. As a result of the contributions and concessions of the Plan

Settlement Parties, holders of General Unsecured Claims, who would otherwise have only been entitled to receive equity in the Reorganized Debtors, will now receive a cash recovery in the aggregate amount of $2.25 million. Further, if the Plan, which includes the Debtors' release of the Released Parties, is not confirmed, I do not believe that holders of unsecured claims will receive any recovery from the Debtors' estates.

47. It is thus my understanding that such provisions are fair and equitable, given for valuable consideration, and in the best interests of the Debtors and these Chapter 11 Cases. Notably, the Plan is the only viable proposal for a restructuring of the Debtors, and absent the commitments, concessions, and contributions of the Plan Settlement Parties described above, I do not believe that the Debtors would be able to successfully reorganize.

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

Executed on January 25, 2016

Kevin Nystrom
President, Interim Chief Executive Officer and
Chief Restructuring Officer
Boomerang Tube, LLC