

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

IN RE: KNIGHT ENERGY HOLDINGS, LLC, <i>ET AL.</i> ¹ DEBTORS	CASE NO. 17-51014 (JOINT ADMINISTRATION REQUESTED) CHAPTER 11 CHIEF JUDGE ROBERT SUMMERHAYS
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MOTION TO LIMIT NOTICE

Knight Energy Holdings, LLC; Knight Oil Tools, LLC; Knight Manufacturing, LLC; KDCC, LLC f/k/a Knight Well Services, LLC; Tri-Drill, LLC; Advanced Safety & Training Management, LLC; Knight Security, LLC; Knight Information Systems, LLC; El Caballero Ranch, Inc.; Rayne Properties, LLC; Knight Aviation, LLC; Knight Research & Development, LLC; Knight Family Enterprises, LLC; HMC Leasing, LLC; and HMC Investments, LLC (collectively, the “Debtors”), as debtors-in-possession, file this *Motion to Limit Notice* (the “Motion”), and respectfully represent as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Knight Energy Holdings, LLC (1930) (Case No. 17-51014); Knight Oil Tools, LLC (2667) (Case No. 17-51015); Knight Manufacturing, LLC (0600) (Case No. 17-51016); KDCC, LLC, f/k/a Knight Well Services, LLC (4156) (Case No. 17-51017); Tri-Drill, LLC (4957) (Case No. 17-51018); Advanced Safety & Training Management, LLC, (0510) (Case No. 17-51019); Knight Security, LLC (0923) (Case No. 17-51020); Knight Information Systems, LLC (0000) (Case No. 17-51021); El Caballero Ranch, Inc. (7345) (Case No. 17-51022); Rayne Properties, LLC (0000) (Case No. 17-51023); Knight Aviation, LLC (3329) (Case No. 17-51024); Knight Research & Development, LLC (3760) (Case No. 17-51025); Knight Family Enterprises, LLC (7190) (Case No. 17-51026); HMC Leasing, LLC (0814) (Case No. 17-51027) and HMC Investments, LLC (0000) (Case No. 17-51029). The Debtors’ service address is 2272 SE Evangeline Thruway, Lafayette, Louisiana 70508 other than Knight Manufacturing, LLC and Advanced Safety & Training Management, LLC. Knight Manufacturing, LLC’s service address is 2810-A Melancon Road, Broussard, Louisiana 70518 and Advanced Safety & Training Management, LLC’s service address is 1042 Forum Drive, Broussard, Louisiana 70518.

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Jurisdiction and Venue

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The authority for the relief requested herein is Rule 2002(i) and (m) of the Federal Rules of Bankruptcy Procedure.

Background

3. On this date (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of title 11 of the U.S. Code (the “Bankruptcy Code”). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

4. An official committee of unsecured creditors has yet to be appointed in these Chapter 11 cases. Further, no trustee or examiner has been requested or appointed in any of these Chapter 11 cases.

5. The Debtors have filed with the Court the *Statement of Background Information and Declaration in Support of Debtors’ Chapter 11 Petitions and First-Day Motions* (the “First Day Declaration”), which is incorporated by reference in this Motion.

Relief Requested

6. The Debtors seek an order from this Court, pursuant to Bankruptcy Code § 105(a) and Federal Rules of Bankruptcy Procedure 1015(c), 2002 and 9007, to implement notice procedures, substantially in the form of the proposed order attached to this Motion (the “Notice Procedures”). The Debtors request that, to the extent that any of the Notice Procedures conflict with the provisions of the Bankruptcy Code, the Bankruptcy Rules, or the Local Bankruptcy

Rules for the Western District of Louisiana (the “Local Rules”), the Notice Procedures shall govern and supersede such provisions and rules.

Basis for Relief Requested

7. In the course of these cases, the Debtors and many of their creditors and other parties-in-interest will file numerous pleadings with this Court. Collectively, the Debtors have more than 5,000 potential creditors, equity holders and other parties in interest.

8. Rule 2002 of the Federal Rules of Bankruptcy Procedure sets forth the general rule for notifying creditors in bankruptcy cases. Generally, under Rule 2002(a), notice must be given to “the debtor, the Trustee, all creditors and indenture trustees.”

9. However, Rule 2002(m)² grants this Court the authority to enter orders designating entities to whom notice may be sent. In addition, 11 U.S.C. § 105(a) authorizes this Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”

10. The Debtors submit that an order limiting notice of all pleadings and other papers filed in these cases to all creditors and parties-in-interest under 11 U.S.C. § 105(a) and Rule 2002(m) is necessary to (i) reduce costs and expenses, and (ii) to expedite the orderly administration of the estates.

11. In other chapter 11 cases, this Court and other courts have recognized the importance of the relief requested herein and have limited notice. *See, e.g., In re Rooster Energy, L.L.C, et al.*, 17-50705 (Bankr. W.D. La. June 6, 2017); *In re Acadiana Management Group*,

² FED. R. BANKR. PROC. 2002(m) provides:

The court may from time to time enter orders designating the matters in respect to which, the entity to whom, and the form and manner in which notices shall be sent except as otherwise provided by these rules.

L.L.C., et al., (Bankr W.D. La. June 23, 2017); *In re Harvest Oil & Gas, LLC et al.*, 15-50748 (Bankr. W.D. La. June 19, 2015); *In re Piccadilly, LLC, et al.*, 12-51127 (Bankr. W.D. La. Sept. 21, 2012); *In re La. Riverboat Gaming P'ship*, 08-10824 (Bankr. W.D. La. Mar. 12, 2008); *In re Communications Corp. of Am.*, 06-50410 (Bankr. W.D. La. June 7, 2006).

12. The Debtors respectfully submit that notice of the filing of pleadings and other papers which relate to these cases would be sufficient if such notice is given to (i) the Office of the United States Trustee, (ii) the Debtors and their counsel, (iii) Clearlake Capital Group, L.P. and/or its counsel; (iv) Cantor Fitzgerald Securities and/or its counsel; (v) Whitney National Bank and/or its counsel; (vi) JP Morgan Chase Bank and/or its counsel; (vii) Iberia Bank and/or its counsel, (viii) all other secured creditors, (ix) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis (until such time an official committee is established pursuant to Bankruptcy Code §1102), (x) all parties filing notices of appearance in these cases, (xi) any examiner or trustee (and their attorneys) appointed in these cases, (xii) the members of and counsel to any official committee established pursuant to Bankruptcy Code § 1102, (xiii) any parties and entities (including local governmental units) previously known to the Debtors to have a particularized interest in the subject of the notice(s) required to be served, and (xiv) the United States and its agencies as required by Bankruptcy Rule 2002(j).

13. The Debtors have prepared an initial limited service list (the "Limited Service List"), which includes the parties listed above. The Debtors will regularly update the Limited Service List and will file such updated Limited Service List with the Court.

14. The Debtors submit that the foregoing limitation on notice shall not be effective with respect to the following: (a) notice of the first meeting of creditors pursuant to section 341 of the Bankruptcy Code, (b) the time fixed for filing proofs of claim, (c) the hearing(s) to

consider approval of disclosure statement(s) and confirmation of plan(s), (d) the times fixed for filing objections to disclosure statement(s) and plan(s), and (e) any hearing(s) on dismissal or conversion of these cases. Unless otherwise ordered by this Court, these matters shall be noticed by the Debtors as required by Bankruptcy Rule 2002.

15. A copy of the order granting this Motion shall be served upon the entire consolidated mailing matrix, which will provide each party with the opportunity to request notice pursuant to Bankruptcy Rule 2002.

16. The Debtors propose that the Court enter an order that, to the extent allowed, limits the parties upon whom the Debtors must serve notices in these cases. This order should also designate the manner of service regarding all matters for which the Bankruptcy Code and the Bankruptcy Rules authorize the Court to designate the manner of service, including matters subject to Bankruptcy Rules 2002(i), 4001, 6004, 6006 and 6007. It is within the Court's authority to regulate notices and to approve the notice procedures proposed by the Debtors. Furthermore, these proposed notice procedures will minimize administrative burdens in these cases without diminishing creditor participation.

17. Specifically, the Debtors propose that the method of service be (i) ECF for the Limited Service List parties that are signed up to receive ECF notifications in these cases, (ii) electronic mail for any Limited Service List parties that are not signed up to receive ECF notifications in these cases but that provide email addresses to counsel for the Debtors, and (iii) via first class mail on any of the parties on the Limited Service List that are not signed up for ECF notifications and for which the Debtors have no email address.

18. These proposed limited notice procedures are necessary and appropriate in these cases. Requiring notice and service of all pleadings upon the number of parties on the

consolidated mailing matrix would substantially increase the cost and administrative burden on the Debtors, without conferring any meaningful benefit to the Debtors' estates, and would thus diminish the assets ultimately available for distribution to creditors.

Notice

19. Notice of this Motion has been provided to: (i) the Office of the United States Trustee; (ii) the Debtors and their counsel; (iii) Clearlake Capital Group, L.P. and/or its counsel; (iv) Cantor Fitzgerald Securities and/or its counsel; (v) Whitney National Bank and/or its counsel; (vi) JP Morgan Chase Bank and/or its counsel; (vii) Iberia Bank and/or its counsel; (viii) all other secured creditors, (ix) any party whose interests are directly affected by this specific pleading; (x) those persons who have formally appeared and requested notice and service in these proceedings pursuant to Bankruptcy Rules 2002 and 3017; (xi) counsel for and the members of any official committees appointed by this Court; (xii) the consolidated 30 largest unsecured creditors of the Debtors; and (xiii) all governmental agencies having a regulatory or statutory interest in these cases. No other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that the Court (i) grant the Motion and (ii) grant such other and further relief as is just and proper.

[signature on next page]

Dated: August 8, 2017.

Respectfully submitted,

/s/William H. Patrick, III

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