

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

IN RE:

KNIGHT ENERGY HOLDINGS, LLC, *ET AL.*<sup>1</sup>

DEBTORS

CASE NO. 17-51014

(JOINT ADMINISTRATION REQUESTED)

CHAPTER 11

CHIEF JUDGE ROBERT SUMMERHAYS

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<sup>1</sup> 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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**INTERIM ORDER AUTHORIZING THE DEBTORS TO EMPLOY AND RETAIN (I) OPPORTUNE LLP AS CRISIS MANAGERS AND (II) GARY L. PITTMAN AS CHIEF RESTRUCTURING OFFICER AND CERTAIN ADDITIONAL PERSONNEL, IN EACH INSTANCE NUNC PRO TUNC TO THE PETITION DATE**

Upon consideration of the *Application of Debtors Pursuant to Section 363(b) of the Bankruptcy Code to Employ and Retain (I) Opportune LLP as Crisis Manager and (II) Gary L. Pittman as Chief Restructuring Officer and Certain Additional Personnel, in Each Instance Nunc Pro Tunc to the Petition Date* [P-\_\_\_] (the “**Application**”)<sup>2</sup> of the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) for an order, pursuant to section 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) authorizing, but not directing, the Debtors to employ and retain (i) Opportune LLP (“**Opportune**”) as crisis managers to the Debtors to provide interim management and restructuring advisory services, and (ii) Gary L. Pittman of Opportune as Chief Restructuring Officer (“**CRO**”) for the Debtors and certain other personnel from Opportune to assist the CRO in the performance of his duties, in each instance *nunc pro tunc* to the Petition Date, all as more fully described in the Application; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28, U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided; and it appearing that no other or further notice need be provided; and, if necessary, a hearing having been held to consider the relief requested in the Application (the “**Hearing**”); and due and proper notice of the Hearing having been provided; and the appearances of all interested parties having been noted in the record of the Hearing; and upon the record of the Hearing, if any, and all of the

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<sup>2</sup> Capitalized terms not used but not defined herein shall have the meaning ascribed to them in the Application.

proceedings had before the Court; and upon the *Declaration of Gary L. Pittman in Support of Application of Debtors Pursuant to Section 363(b) of The Bankruptcy Code to Employ and Retain (i) Opportune LLP as Crisis Managers and (ii) Gary L. Pittman as Chief Restructuring Officer and Certain Additional Personnel, In Each Instance Nunc Pro Tunc to the Petition Date* (the “*Pittman Declaration*”), annexed to the Application as **Exhibit C**; and the Court having found and determined that Opportune does not hold or represent an interest adverse to the Debtors’ estate and that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Application is **GRANTED** on an interim basis to the extent set forth herein.
2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to employ and retain Opportune as crisis managers and Gary L. Pittman as CRO, each in accordance with the terms and conditions set forth in the Engagement Letter annexed to the Application as **Exhibit B** and in each instance *nunc pro tunc* to the Petition Date.
3. Upon employment and retention by the Debtors, Mr. Pittman shall be empowered and authorized to carry out all duties and responsibilities set forth in the Engagement Letter.
4. Notwithstanding anything to the contrary in the Application, the Pittman Declaration and/or the Engagement Letter, Opportune’s engagement is subject to the following terms:
  - a. Opportune and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator or investor/acquirer) in connection with the above-captioned

chapter 11 cases;

- b. In the event the Debtors seek to have Opportune personnel assume executive officer positions that are different than the positions disclosed in the Application or to materially change the terms of the engagement by either (i) materially modifying the functions of personnel, (ii) adding new personnel, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed;
- c. Opportune shall file with the Court (and serve copies to (i) the Office of the United States Trustee for the Western District of Louisiana, Lafayette Division (the “*U.S. Trustee*”), (ii) Cantor Fitzgerald Securities, (iii) Clearlake Capital Group, L.P., (iv) JP Morgan Chase Bank, N.A., and (v) IberiaBank, (vi) any official committees contemporaneously with such filing) a report on staffing on the engagement and compensation earned and expenses incurred for the previous month. Such report shall include the names and functions filled by the individuals assigned and a summary chart that describes the compensation earned by each executive officer and staff employee and itemizes the expenses incurred for the relevant period. Time records shall (i) be appended to such reports, (ii) contain detailed time entries describing the task(s) performed and (iii) be organized by project category. Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in half-hour increments and corresponding charge (multiplied by hourly rate) for each task. Parties shall have 21 days after the date such staffing report is served to object. In the event an objection is raised and not consensually resolved by the Debtors and the objecting party, the objected to portion of the staffing report shall be subject to review by the Court. No payments shall be made to Opportune on account of the objected to portion of such staffing report until such objection is resolved
- d. Notwithstanding anything to the contrary contained in the Application, Engagement Letter or any exhibits thereto, during the course of the chapter 11 cases, Opportune will only seek reimbursement of actual and necessary expenses itemized in the monthly staffing report;
- e. No principal, employee or independent contractor of

Opportune and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the chapter 11 cases;

- f. Success fees or other back-end fees shall be approved by the Court at the conclusion of the case on a reasonableness standard and shall not be pre-approved under section 328(a) of the Bankruptcy Code. No success fee or back-end fee shall be sought upon conversion of the case, dismissal of the case for cause or appointment of a trustee;
- g. The Debtors are permitted to indemnify those persons serving as corporate officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O policy;
- h. For a period of three years after the conclusion of the engagement, neither Opportune nor any of its affiliates shall make any investments in the Debtors or the reorganized Debtors;
- i. Notwithstanding anything to the contrary contained in the Application, the Engagement Letter or any exhibits thereto, Opportune shall not assign any tasks for which Opportune is responsible to any person or entity other than employees of Opportune or its affiliates other than for ministerial tasks for which Opportune is not entitled to compensation hereunder. For the avoidance of doubt, this subparagraph (i) is meant solely to restrict Opportune's ability to legally assign and/or subcontract its obligations and is not meant to prohibit Opportune personnel from assigning tasks in the course of their role (*i.e.*, as CRO) to the Debtors' other personnel, professionals, and contractors;
- j. Notwithstanding anything to the contrary contained in the Application, the Engagement Letter or any exhibits thereto, absent a termination for "Good Reason," Opportune shall provide at least fourteen (14) days' written notice to the Debtors of Opportune's intention to terminate the engagement. "Good Reason" shall mean the Debtors' misrepresentation of or failure to disclose material facts, failure to pay fees or expenses when due (or circumstances indicating to Opportune that fees or expenses will not be paid when due), circumstances such that it is unethical or

unreasonably difficult for Opportune personnel to continue performance of the related services, or other just cause;

- k. Opportune personnel serving as corporate officers of the Debtors shall be subject to the same fiduciary duties and obligations applicable to other persons serving in such capacity;
- l. Opportune shall follow the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware regarding limitations on reimbursement of expenses; and
- m. Opportune shall make appropriate disclosures of any and all facts that may have a bearing on whether Opportune, its affiliates and/or any individuals working on the engagement have any conflict of interest with or hold/represent a material adverse interest to, the Debtors, their creditors or other parties in interest. The obligation to disclose identified in this subparagraph (o) is a continuing obligation

*provided, however,* that the foregoing does not and shall not be deemed to modify or abridge any of the provisions of sections 15 and 16 of the Terms and Conditions attached to the Engagement letter.

5. Notwithstanding any applicability of Bankruptcy Rules 6004(h), 7062 or 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

7. To the extent there is any inconsistency between this Order and the Engagement Letter and/or the Application, the provisions of this Order shall govern.

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

9. A final hearing will be held on the Application on \_\_\_\_\_ at \_\_:00 a.m., before the Honorable Robert Summerhays, United States Bankruptcy Court, Western District of Louisiana – Lafayette Division, 214 Jefferson Street, Suite 100, Lafayette, Louisiana 70501. Any interested party having an objection or response to the Application must file a written objection or response with the Clerk of Court, United States Bankruptcy Court, Western District of Louisiana – Lafayette Division by **5:00 p.m. no later than seven (7) calendar days** prior to the scheduled hearing and must serve a copy of the written objection or response on the Debtors through undersigned counsel by that date.

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This order was prepared and is being submitted by:

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**PROPOSED COUNSEL FOR DEBTORS**