

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

In re:	)	
	)	Chapter 11
ZACHRY HOLDINGS, INC., <i>et al.</i> <sup>1</sup>	)	
	)	Case No. 24-90377 (MI)
Reorganized Debtors.	)	(Jointly Administered)
	)	

**REORGANIZED DEBTORS' OBJECTION  
TO FLANAGAN PARTNERS, LLP'S PROOF OF CLAIM NO. 1747**

This is an objection to your claim. This objection asks the Court to disallow the claim that you filed in this bankruptcy case. If you do not file a response within 30 days after the objection was served on you, your claim may be disallowed without a hearing.

The above-captioned reorganized debtors and debtors in possession (collectively, the “**Reorganized Debtors**”) file this Objection (the “**Objection**”) to Claim No. 1747 (the “**Claim**”) filed by Flanagan Partners, LLP (the “**Claimant**”). In support of this Objection, the Reorganized Debtors submit the Declaration of Faith Gingrich attached hereto as **Exhibit A**. In further support of this Objection, the Reorganized Debtors respectfully state as follows:

**Preliminary Statement**

1. Claimant is a law firm seeking payment from Zachry Industrial, Inc. (“**ZII**”) for invoices that are several years old. ZII does not owe payment on the invoices because they were untimely and in violation of ZII’s billing requirements for law firms.

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<sup>1</sup> The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Reorganized Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Reorganized Debtors’ claims and noticing agent at [www.veritaglobal.net/ZHI](http://www.veritaglobal.net/ZHI). The location of the Reorganized Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.

### **Relief Requested**

2. By this Objection, the Reorganized Debtors seek entry of an order, substantially in the form attached hereto (the “**Proposed Order**”) (i) disallowing and expunging the Claim in its entirety and (ii) granting such other and further relief as the Court deems just and proper.

### **Jurisdiction, Venue, and Predicates for Relief**

3. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2)(B) and this Court has constitutional authority to enter a final order because the matter involves allowance or disallowance of claims against the estate.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The predicates for the relief requested herein are sections 105(a) and 502(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rule 3007-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”).

### **Background**

#### **A. The Chapter 11 Cases**

6. On May 21, 2024 (the “**Petition Date**”), each Reorganized Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code commencing the above-captioned chapter 11 cases. The Reorganized Debtors continue to operate their businesses and manage their properties as Reorganized Debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). No party has requested the appointment of a trustee or examiner in these chapter 11 cases. On June 4, 2024, the Office of the United States Trustee for the Southern District of Texas

(the “**U.S. Trustee**”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “**Committee**”) [Docket No. 176].

7. A detailed description of the Reorganized Debtors and their businesses, including the facts and circumstances giving rise to these chapter 11 cases, is set forth in the *Declaration of Mohsin Y. Meghji in Support of Debtors’ Petitions and Requests for First Day Relief* [Docket No. 7].

8. On July 16, 2024, the Reorganized Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the “**Schedules and Statements**”) *See* Docket Nos. 510–531. On August 30, 2024 and December 2, 2024, several of the Reorganized Debtors filed amendments to their Schedules and Statements. *See* Docket Nos. 855-865, 1564.

9. On July 26, 2024, the Court entered the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief* [Docket No. 636] (the “**Bar Date Order**”). The Bar Date Order established September 16, 2024, at 5:00 p.m. (prevailing Central Time) as the deadline for all non-governmental entities holding or wishing to assert a “claim” (as defined in section 101(5) of the Bankruptcy Code) against any of the Reorganized Debtors that arose before the Petition Date to file proof of such claim (the “**General Bar Date**”). The bar date for claims related to the amended Schedules and Statements was October 4, 2024, at 5:00 p.m. (prevailing Central Time), and for filing proofs of claim related to the second amended Schedules and Statements was January 2, 2025, at 5:00 p.m. (prevailing Central Time). The deadline for all governmental entities holding or wishing to assert a claim against any of the Reorganized Debtors that arose prior to the

Petition Date to file proof of such claim was November 18, 2024, at 5:00 p.m. (prevailing Central Time) (the “**Governmental Bar Date**”).

**B. The Claim**

10. On August 18, 2024, the Claimant filed the Claim against ZII. A true and correct copy of the Claim is attached hereto as **Exhibit B**.

11. Claimant seeks \$18,574.54. The alleged basis for the claim is “[l]egal fees incurred on behalf of Zachry Industrial, Inc.” *Id.*

12. Claimant has provided no documentation in support of the Claim. However, from communication with the Claimant, ZII understands the Claim to be based upon certain untimely invoices for legal services performed between 2018 and 2020. *See* **Exhibit A**.

13. The Reorganized Debtors, their advisors, and/or counsel (collectively, the “Reviewing Parties”) have been working diligently to review the Claim, including any supporting documentation.

14. Based on the Reviewing Parties’ analysis to date, the Reviewing Parties believe that the Claim should be disallowed as set forth herein.

**Objection**

15. Section 502(a) of the Bankruptcy Code provides, in pertinent part, that “[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). Further, section 502(b)(1) of the Bankruptcy Code provides that a court “shall determine the amount of such claim . . . as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that—such claim is unenforceable against the debtor and the property of the debtor, under any agreement or applicable law.” 11 U.S.C. §502(b)(1). This statutory exception to the allowance of

a claim is “generally complemented by § 558, which provides that ‘[t]he estate shall have the benefit of any defense available to the debtor as against any entity other than the estate, including statutes of limitation, statutes of fraud, usury, and other personal defenses.’” *In re W.R. Grace & Co.*, 626 B.R. 217, 235 (Bankr. D. Del. 2021) (quoting 11 U.S.C. § 558).

16. As set forth in Bankruptcy Rule 3001(f), a properly executed and filed proof of claim constitutes *prima facie* evidence of the validity and the amount of the claim under section 502(a) of the Bankruptcy Code. *See, e.g., In re Jack Kline Co., Inc.*, 440 B.R. 712, 742 (Bankr. S.D. Tex. 2010). However, a proof of claim loses the presumption of *prima facie* validity under Bankruptcy Rule 3001(f) if an objecting party refutes at least one of the allegations that is essential to the claim’s legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988). Once such an allegation is refuted, the burden reverts to the claimant to prove the validity of its claim by a preponderance of the evidence. *See id.* Despite this shifting burden during the claim objection process, “the ultimate burden of proof always lies with the claimant.” *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006) (citing *Raleigh v. Ill. Dep’t of Revenue*, 530 U.S. 15 (2000)).

17. In July 2022, Claimant contacted ZII regarding invoices for legal services dated in 2018, 2019, and 2020 which ZII had not paid. Claimant alleged that it discovered the invoices after a “change in billing programs.” Ex. A at ¶ 4. In August 2023, Claimant contacted ZII again regarding the invoices, stating that Claimant “replaced [its] office manager and discovered some billing mistakes.” *Id.*

18. ZII’s billing procedures for law firms governing the relevant time period states that “[i]nvoices that are submitted with charges that are six months old are subject to non-payment due to late billing.” *See Zachry Holdings, Inc. and its Affiliates Engagement Terms for Outside*

Counsel, attached as **Exhibit A-1** at 9, “Billing Procedures.” Each of the invoices were submitted with charges that were more than six months old at the time of submission. Ex. A at ¶ 6. Therefore, ZII is not required to pay the invoices.

19. The Claim should be disallowed. The failure to disallow the Claim could result in the Claimant receiving an unwarranted recovery against the Reorganized Debtors’ estates to the detriment of creditors with valid claims.

20. The Reorganized Debtors request that the Court enter an order disallowing the Claim.

### **Reservation of Rights**

This Objection is limited to the grounds identified therein. The Reorganized Debtors expressly reserve all further substantive or procedural objections. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Reorganized Debtors’ or any other party in interest’s rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Objection or any order granting the relief requested by this Objection or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Reorganized Debtors’ or any other party in interest’s rights under the Bankruptcy Code or any other applicable law; (h) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other

encumbrance of property of the Reorganized Debtors' estates; or (i) a concession by the Reorganized Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Objection are valid and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

### **Notice**

The Reorganized Debtors will provide notice of this Motion to: (a) the United States Trustee for the Southern District of Texas; (b) counsel for the Committee; (c) the Prepetition Agent; (d) the United States Attorney's Office for the Southern District of Texas; (e) the state attorneys general for the states in which the Reorganized Debtors operate; (f) the Internal Revenue Service; and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, no other or further notice need be provided.

### **Conclusion**

For the foregoing reasons, the Reorganized Debtors respectfully request that the Court enter the Proposed Order (i) disallowing the Claim, and (ii) granting such other and further relief as the Court deems just and proper.

Respectfully submitted,

/s/ D. Ryan Cordell, Jr.  
John B. Thomas (Attorney-in-Charge)  
Texas Bar No. 19856150  
S.D. Tex. ID No. 10675  
jthomas@hicks-thomas.com  
D. Ryan Cordell, Jr.  
Texas Bar No. 24109754  
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Houston, Texas 77002  
Telephone: (713) 547-9100  
Facsimile: (713) 547-9150

*Counsel for Reorganized Debtors*

**Certificate of Service**

I certify that on June 9, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ D. Ryan Cordell, Jr.  
D. Ryan Cordell, Jr.



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

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In re:	)	
	)	Chapter 11
	)	
ZACHRY HOLDINGS, INC., <i>et al.</i> <sup>1</sup>	)	Case No. 24-90377 (MI)
	)	
Reorganized Debtors.	)	(Jointly Administered)
	)	

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**ORDER SUSTAINING  
REORGANIZED DEBTORS' OBJECTION  
TO CLAIM NO. 1747**

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Upon the objection (the “**Objection**”)<sup>2</sup> of the above-captioned reorganized debtors and debtors in possession (collectively, the “**Reorganized Debtors**”) for entry of an order (this “**Order**”) disallowing the Claim, as more fully set forth in the Objection; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and that this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Objection is in the best interests of the Reorganized Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Reorganized Debtors’ notice of the Objection and opportunity for a hearing on the Objection were appropriate and no other notice need be provided; and this Court having reviewed the Objection and having heard the statements in support of the

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<sup>1</sup> The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ claims and noticing agent at [www.veritaglobal.net/ZHI](http://www.veritaglobal.net/ZHI). The location of the Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

relief requested therein at a hearing before this Court, if any (the “**Hearing**”); and this Court having determined that the legal and factual bases set forth in the Objection and at the Hearing, if applicable, establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Proof of Claim is hereby disallowed in its entirety.
2. Kurtzman Carson Consultants, LLC (doing business as Verita Global), as claims, noticing and solicitation agent, is authorized and directed to update the claims register maintained in these chapter 11 cases to reflect the relief granted in this Order.
3. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order or the Objection shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Reorganized Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Reorganized Debtors’ or any other party in interest’s rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Objection or any order granting the relief requested by this Objection or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Reorganized Debtors’ or any other party in interest’s rights under the Bankruptcy Code or any other applicable law; (h) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance of property of the Reorganized Debtors’ estates; or (i) a concession by

the Reorganized Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Objection are valid and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

4. The Reorganized Debtors are authorized, but not directed, to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

5. Notice of the Objection as provided therein shall be deemed good and sufficient notice of such Objection and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

6. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

7. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

Houston, Texas

Dated: \_\_\_\_\_, 2025

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THE HON. MARVIN P. ISGUR  
UNITED STATES BANKRUPTCY JUDGE

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

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In re:

ZACHRY HOLDINGS, INC., *et al.*<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 24-90377 (MI)  
)  
) (Jointly Administered)  
)

**DECLARATION OF FAITH GINGRICH  
IN SUPPORT OF REORGANIZED DEBTORS' OBJECTION TO  
PROOF OF CLAIM NO. 1747**

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I, Faith Gingrich, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am a Paralegal II at Zachry Industrial, Inc. ("**ZII**"). I have worked for ZII and/or its affiliates for over 13 years. The facts set forth in this Declaration are based upon my personal knowledge, personal conversations with ZII's in-house counsel and management, and my review of records kept in the ordinary course of ZII's business. Further, I have reviewed proof of claim No. 1747 (the "**Claim**"). If called and sworn as a witness, I could and would testify competently to the matters set forth herein.

2. Because of my role as Paralegal, I am familiar with ZII's day-to-day operations, including the receipt, processing, and payment as applicable of invoices received from law firms hired by ZII. I have direct personal knowledge regarding the invoices for legal services forming the alleged basis for the Claim, and ZII's communications with the Claimant regarding the invoices.

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<sup>1</sup> The last four digits of Zachry Holdings, Inc.'s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors' proposed claims and noticing agent at [www.veritaglobal.net/ZHI](http://www.veritaglobal.net/ZHI). The location of the Debtors' service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.

**THE CLAIM**

3. I have read the Objection and, to the best of my knowledge, information, and belief, the assertions made in the Objection are accurate.

4. In July 2022, Claimant contacted ZII regarding invoices for legal services performed in 2018, 2019, and 2020 which ZII had not paid. Claimant alleged that it discovered the invoices after a “change in billing programs. In August 2023, Claimant contacted ZII again regarding the invoices, stating that Claimant “replaced [its] office manager and discovered some billing mistakes.”

5. The Claim should be disallowed. ZII’s “*Engagement Terms for Outside Counsel*” states that “[i]nvoices that are submitted with charges that are six months old are subject to non-payment due to late billing.” A true and correct copy of ZII’s “*Engagement Terms for Outside Counsel*” is attached to this declaration as **Exhibit A-1**.

6. I have reviewed ZII’s records relating to the Claimant’s invoices. The Claimant’s invoices were not timely submitted. Each of the invoices were submitted with charges that were more than six months old at the time of submission. As a result, ZII correctly disputed and rejected the invoices.

7. Therefore, the Claim should be disallowed. The failure to disallow the Claim could result in the Claimant receiving an unwarranted recovery against the Debtors’ estates to the detriment of creditors with valid claims. As such, I believe that the disallowance of the Claim on the terms set forth in the Objection is appropriate.

Dated: June 9, 2025

By: /s/ Faith Gingrich

Faith Gingrich

Paralegal II, Zachry Industrial, Inc.

**EXHIBIT**

**A-1**

**ZACHRY HOLDINGS, INC. AND ITS AFFILIATES  
ENGAGEMENT TERMS FOR OUTSIDE COUNSEL**

**GENERAL TERMS FOR ALL MATTERS**

**INTRODUCTION**

Zachry Holding, Inc. is a privately-owned company located in San Antonio, Texas. The projects of Zachry and its affiliates are located from coast to coast, with a concentration in the southern United States. Also performed are international projects according to the company's strategic goals.

**ENGAGEMENT TERMS APPLICATION**

These engagement terms in conjunction with any engagement letter shall constitute the written contract for any matter in which you are engaged on behalf of Zachry or its affiliates unless there is an explicit agreement to the contrary. We are confident that you will help us succeed in satisfying our need for prompt and cost effective legal assistance by adhering to all of the terms of this policy.

This engagement policy is effective beginning April 1, 2013 and will apply to all invoices submitted after April 22, 2013. We reserve the right to modify this policy at any time. You will be notified at least thirty (30) days prior to the effective date of any change.

A copy of this policy should be given to all individuals in your firm that may submit billing on any Zachry matter or any billing personnel that may create the invoices submitted to us.

We understand that there may be a time when it is necessary to make an exception to one or more of the terms outlined in this document. Please consult with the matter contact at Zachry to request a waiver or modification. Unless a written modification is granted, we expect that all terms of the policy will be followed.

**INVOLVEMENT OF COMPANY COUNSEL**

We will assist you in developing the facts of the case. As with all business costs, we strive to control Zachry's legal costs. We can assist in evaluating whether certain projects can best be handled by your staff or by Zachry employees, working under your guidance. Specifically we would expect to be doing the following:

- Taking an active role in the analysis of a matter
- Coordinating contacts between you and the Zachry employees with relevant information
- Reviewing and commenting on draft documents
- Conferring with you concerning the scheduling of and attendance at meetings with Zachry personnel

### **CONFLICTS OF INTEREST**

Please notify Zachry in-house counsel immediately upon the discovery of a potential or actual conflict of interest to discuss the circumstances of the conflict. A potential conflict may exist if you or a member of your firm represents a competitor or another party whose interests may be adverse to Zachry or when your knowledge of either organization's information could influence your representation.

We will not pay for any task or activity related to your conflicts or due diligence processes.

### **STAFFING**

Zachry engages individual attorneys and not an entire law firm. The individual attorney chosen will be the attorney responsible for the matter and for all management of the legal matter, compliance with the terms of engagement and communications with Zachry.

The legal team chosen for a matter should remain static for the life of the matter, if possible. If a staffing change is required, authorization must be received from Zachry in-house counsel. We will not pay for the cost of new staff members "getting up to speed" unless the change was requested by Zachry.

If consultants, experts, investigators or jury consultants are to be employed for a matter, you must obtain approval from Zachry in-house counsel prior to retention. It is your responsibility to see that any third-party vendor hired for a Zachry matter complies with the billing policies in the engagement terms or submit their bills yourself.

Zachry will generally **not** pay for the services of the following timekeepers unless approval was received from Zachry in-house counsel:

- Secretary
- Librarian
- Billing, filing and document clerk



- Word processor
- Internal courier
- Temporary clerical help
- Law clerks (interns or law students)
- Summer associates

Only one attorney should attend hearings, conferences, meetings, site inspections, depositions and trials unless prior approval is obtained from Zachry in-house counsel. Zachry will also not pay for other staff members, such as paralegals, to attend any proceedings without prior approval.

We will only pay for charges by one timekeeper for internal law firm conferences involving substantive legal or procedural issues. We do not expect to be charged for conferences that involve staff assignments or status checks.

### **BUDGETS**

Budgets may be requested for specific matters. If a budget is required, you will be informed upon matter assignment. The budget should be submitted within ten (10) days of the matter assignment. The budget should support your forecasted fees and expenses at every phase of the matter using phase level UTBMS codes (i.e. P100 - Project Administration). The budget must be approved by in-house counsel at Zachry.

We will not pay for any task associated with budget preparation or updating a budget.

### **RATES**

The rates for a matter will be agreed upon prior to you commencing work on a matter. The rates for each timekeeper approved to work on the matter should not be increased without approval from in-house counsel at Zachry. Billed rates that exceed the approved rate for a timekeeper will be reduced to the rate approved by Zachry.

### **TRAVEL**

Travel utilizing air transportation or an overnight stay, must be authorized in advance by Zachry in-house counsel. Travel time will only be compensated when substantive work is performed on behalf of Zachry during the travel time. We encourage you to take advantage of all available technology by attending conferences, meetings, distant court appearances and depositions by teleconference or other means available.

Zachry will reimburse the travel expenses for approved travel only. Airfare should not exceed coach fare for domestic travel and should be arranged as far in advance as possible to obtain the lowest fares possible. Overnight accommodations should be reasonable and in-line with the average cost of the geographic area.

If your personal vehicle is used for business travel on behalf of Zachry, you will be reimbursed at the IRS rate for mileage. If vehicle rental is appropriate, costs up to the intermediate class of vehicles will be reimbursed.

You are expected to eat at reasonably priced restaurants for the travel venue. Meal costs that exceed \$75.00 per day will be closely scrutinized.

Zachry will not reimburse you for personal travel expenses such as entertainment, in-room movies, shoe shines, dry cleaning, toiletries, hair salons, spa treatments, pet sitting or lost or stolen items.

#### **LAW FIRM OVERHEAD**

Zachry will not reimburse for firm overhead items it considers to be included in the billing rates for lawyers, unless the expense for the item is incurred at the specific request of Zachry in-house counsel. Such items include but are not limited to the following:

- Standard postage
- Office supplies
- Facsimile charges
- File opening/closing
- Conflict of interest checks
- Scheduling conferences
- Deliveries to or from vendors
- Receiving, reviewing and forwarding mail
- Budget preparation
- Invoice preparation
- Interest charges
- Accounting or bookkeeping fees
- Staff overtime
- Business meals during the course of ordinary work day, unless part of a travel expense
- Overtime meals
- Purchase of computer hardware or software
- Purchase or rental of office equipment such as scanners, copiers, fax machines, or postal machines
- Storage fees

- Rent or utilities
- Publications, subscriptions or periodicals
- Online legal research (i.e. LexisNexis)
- Internet connectivity
- Local telephone charges
- Cellular phone charges
- Training or continuing legal education
- Charges for secretarial or support staff during regular business hours
- Temporary, word processing or clerical staff (regular or overtime charges)
- Staff supervision or instructions regarding work assignments
- Internal messengers or couriers
- Transportation to and from home/office
- Line items containing miscellaneous or vague descriptions

### **CLERICAL FUNCTIONS**

Zachry will not reimburse for time spent performing clerical or secretarial tasks, unless a specific item was required or approved by Zachry in-house counsel. Such items include, but are not limited to:

- File room tasks, such as filing documents or updating files
- Organizing files or documents
- Document indexing
- Calendaring and docketing
- Proofreading
- Word processing
- Photocopying files or documents
- Faxing documents
- Bates stamping, labeling or collating documents
- Overtime for clerical or legal support staff (including temporary or contract staff)
- Data entry for case tracking systems
- Scanning or coding documents for database entry

### **DISBURSEMENTS**

Zachry expects that every effort will be made to avoid all unnecessary or wasteful expenses. For example, if a document is emailed to in-house counsel, please do not fax or mail the same document unless it is requested by Zachry in-house counsel or a signature is required on an original document.

Generally all reasonable disbursements incurred on behalf of Zachry will be reimbursed at the actual cost. Please refer to the Law Firm Overhead section for

costs and disbursements that are not compensable. The following are some examples of compensable disbursements:

- Internal photocopies at \$.10 per page
- External photocopies at cost
- Long distance telephone
- Fax long distance charges (no per page charges)
- Overnight mail (only when necessary)
- Copies of government, medical, real estate or other required records
- Deposition, hearing or trial transcripts (where approved)
- Filing and other court or governmental fees

## **OTHER GENERAL POLICIES**

### **MEDIA CONTACT**

Any outside inquiries regarding a Zachry matter should be deferred without comment until you consult with Zachry in-house counsel.

### **IDENTIFYING ZACHRY AS A CLIENT**

Your representation of Zachry should be kept confidential and you should not identify Zachry as a client in any advertisements, trade publications, web sites, presentations, or other written material distributed to the public without the written consent of the Zachry General Counsel.

## **LITIGATION MATTERS**

### **INITIAL MEETING**

You should endeavor to meet with Zachry in-house counsel to discuss internal strategy and any budget requirements within one week of a matter being assigned. It is preferred that the meeting be in person.

### **STRATEGY FOR RESOLUTION**

At the initial meeting you will discuss and approve a strategy with Zachry in-house counsel for achieving the desired outcome. The strategy will include the following:

- A general written statement of a proposed strategy to resolve the matter
- The strategy should indicate a target range for resolution of the matter with plaintiffs or contract negotiating participants

- The strategy should be flexible and should be frequently reviewed and revised to reflect developments
- No significant decision having a material bearing on the ultimate outcome of the case should be made without consulting us to allow input by in-house counsel and Zachry management.

### **BUDGET**

At the beginning of your representation you may be requested to propose an anticipated budget according to the resolution strategy for the matter. The budget should support your forecasted fees and expenses at every phase of the matter including preliminary analysis, proposed recommendations and implementation of strategy. We recognize the budget must remain a flexible tool. While the potential for unforeseeable developments injects uncertainty into any legal budget, this forecast of expected costs is necessary to enable the Company to evaluate the cost of all its legal matters, as well as provide a basis for strategic planning and internal control of costs.

### **STATUS REPORTS**

Unless otherwise instructed, a quarterly status report should be prepared and sent to Zachry in-house counsel. The status report should be prepared by you, be no longer than one to three pages, and contain your assessment of the following:

- Significant developments during the past calendar quarter
- Activities planned for the next quarter
- Any changes to the strategy
- Budget adjustments for bringing the case to a conclusion
- The likelihood of success and the amount of possible liability exposure
- The major reasons that support your assessment
- Other information you consider pertinent toward the settlement or resolution of the matter

### **STAFFING**

The responsible attorney should personally handle a matter. Upon engagement, you as the responsible attorney will recommend a staffing plan for the matter. We expect the staffing plan to contain the fewest personnel as possible consistent with providing quality representation. The staffing plan must be reviewed and approved by Zachry in-house counsel. Only timekeepers that are part of the approved staffing plan may bill on a matter. An invoice may be returned to your firm if it contains unapproved timekeepers.

### **INVOLVEMENT OF COMPANY COUNSEL**

We will assist you in developing the facts of the case. As with all business costs, we strive to control the Company's legal costs. We can assist in evaluating whether certain projects can best be handled by your staff or by Zachry employees, working under your guidance. Specifically we would expect to be doing the following:

- Taking an active role in investigation and analysis of a matter
- Coordinating contacts between you and the Company's employees and preparing employees for depositions
- Reviewing and commenting in advance of filing on draft memoranda, pleadings, motions, discovery responses, briefs, and other documents
- Conferring with you concerning the scheduling of and attendance at meetings, depositions, pre-trial hearings, and other formal proceedings

### **RESPONDING TO DISCOVERY**

Before sending discovery requests to Zachry in-house counsel, you should indicate those requests where assistance in answering is needed and the planned responses to other requests. Drafts of all discovery responses should be provided sufficiently in advance of discovery deadlines to allow Zachry in-house counsel to review and comment. Coordination of information to respond to discovery can be one of the most effective uses of Company resources.

### **DEPOSITIONS**

The supervising attorney should prepare company employees who serve as witnesses. If an associate does the initial preparation of an employee, the senior attorney should interview the employee prior to the deposition to verify the thoroughness of the witness preparation effort. Zachry in-house counsel should be given the opportunity to participate in deposition preparation of employees.

Depositions should not routinely be summarized or digested unless specifically requested by Zachry in-house counsel.

### **SETTLEMENT DISCUSSIONS**

Settlement options should receive ongoing consideration. Zachry generally favors mediation and other forms of alternative dispute resolution. Zachry must specifically authorize counsel to make settlement overtures or participate in any discussions concerning settlement. The appropriateness of settlement discussions and/or use of alternative dispute resolution methods to resolve the matter should receive ongoing consideration as the matter progresses. Normally,

Zachry in-house counsel will attend and participate in the alternative dispute resolution process.

## **BILLING PROCEDURES**

Invoices should be submitted every thirty (30) days. A separate invoice should be submitted for each Zachry matter. Invoices that are submitted with charges that are six months old are subject to non-payment due to late billing. Zachry will not pay for time spent preparing, uploading or correcting invoices.

### **INVOICE CONTENT**

Invoices submitted on Zachry matters should contain the following information:

- Invoice date
- Unique invoice number
- Zachry matter number
- UTBMS codes (where applicable)
- Timekeeper ID or name
- Timekeeper rate
- Charge date for each fee and disbursement
- Time increments in tenths of an hour
- Detailed description of services
- Description of disbursement
- Itemization of all disbursements

Task-based billing codes (UTBMS) where appropriate, should be submitted on all contract matters. You may be requested to submit task-based billing codes for other matters and will be informed by the matter contact at Zachry if codes are necessary.

### **INVOICE SUBMISSION**

Zachry will accept invoices submitted through Serengeti Tracker via the following website: <https://tracker.serengetilaw.com>. Commonly used formats for submitting invoices in Serengeti Tracker are LEDES (preferred by most companies), Microsoft Word, text or Adobe Acrobat. If you use a different format, please contact Zachry.

If you have problems submitting invoices, please contact the Serengeti Tracker Coordinator, Faith Gingrich, at [gingrichfa@zachrygroup.com](mailto:gingrichfa@zachrygroup.com) or the Serengeti Support Department at [Serengeti-support@ThomsonReuters.com](mailto:Serengeti-support@ThomsonReuters.com) and/or by telephone at 425-732-5555, Option 2.

### **INVOICE RETURNS**

Invoices that do not meet the minimum requirements may be returned to your firm for correction. Invoices may be returned for the following reasons:

- Uploaded invoice is not in a properly structured format
- Invoice contains a math error
- Invoice contains block-billed charges
- Invoice contains unknown or incorrect Law Firm Matter information
- No invoice number
- Invoice date is in the future
- Invoice number is a duplicate
- Invoice is a duplicate of a previous invoice
- Charges do not contain a date
- Invoice contains invalid UTBMS or no code (only when required)

Zachry has authorized the Serengeti Support Department to assist with any matter or billing issues.



## Fill in this information to identify the case:

Debtor Zachry Industrial, Inc.

United States Bankruptcy Court for the: Southern District of Texas  
(State)

Case number 24-90385

EXHIBIT

B

# Official Form 410

## Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

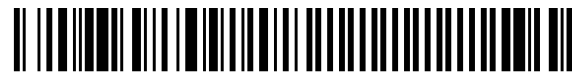
Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

## Part 1: Identify the Claim

1. Who is the current creditor?	<u>Flanagan Partners, LLP</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	<b>Where should notices to the creditor be sent?</b> Flanagan Partners, LLP Dennis Durocher 201 St. Charles Ave Suite 3300 New Orleans, LA 70170, United States  Contact phone <u>504-569-0235</u> Contact email <u>ddurocher@flanaganpartners.com</u>	<b>Where should payments to the creditor be sent? (if different)</b>  Contact phone _____ Contact email _____  Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6.	<b>Do you have any number you use to identify the debtor?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7.	<b>How much is the claim?</b> \$ <u>18,574.54</u>	<b>Does this amount include interest or other charges?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	<b>What is the basis of the claim?</b> Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.  <u>Legal fees incurred on behalf of Zachary Industrial, Inc.</u>	
9.	<b>Is all or part of the claim secured?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property.  <b>Nature or property:</b> <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____  <b>Basis for perfection:</b> _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  <b>Value of property:</b> \$ _____ <b>Amount of the claim that is secured:</b> \$ _____ <b>Amount of the claim that is unsecured:</b> \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)  <b>Amount necessary to cure any default as of the date of the petition:</b> \$ _____  <b>Annual Interest Rate</b> (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable	
10.	<b>Is this claim based on a lease?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. <b>Amount necessary to cure any default as of the date of the petition.</b> \$ _____	
11.	<b>Is this claim subject to a right of setoff?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____	



## 12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No☐ Yes. Check all that apply:☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Up to \$3,350\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).☐ Wages, salaries, or commissions (up to \$15,150\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).☐ Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.

## Amount entitled to priority

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

## 13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. 503(b)(9)?

☒ No☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ \_\_\_\_\_

## Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.☒ I am the creditor's attorney or authorized agent.☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

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

Executed on date 12/06/2024

MM / DD / YYYY

/s/Dennis Durocher

Signature

Print the name of the person who is completing and signing this claim:

Name

Dennis Durocher

First name

Middle name

Last name

Title

Associate Attorney and Firm Administrator

Company

Flanagan Partners

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Contact phone

Email

