

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

IN RE:

MUD KING PRODUCTS, INC.

DEBTOR.

§
§
§
§
§
§

CASE NO. 13-32101-H5-11

(Chapter 11)

**DEBTOR’S RESPONSE AND OBJECTION TO NATIONAL OILWELL
VARCO, L.P.’S MOTION FOR RELIEF FROM THE AUTOMATIC STAY
TO PROCEED WITH A STATE COURT ACTION AGAINST DEBTORS[sp]
AND EMPLOYEE DEFENDANTS**
[Related to Docket #91]

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Debtor MUD KING PRODUCTS, INC. (“Debtor” or “Mud King”), debtor and debtor in possession in this case, files this Response and Objection to the Motion For Relief from the Automatic Stay to Proceed with a State Court Action Against Debtors[sp] and Employee Defendants (“Motion”) filed by National Oilwell Varco, LP (“NOV”) and would show the Court the following:

Summary of Objection

The automatic stay should not be terminated to allow the NOV Litigation to proceed against the Debtor or its Employee Defendants. No valid basis exists to warrant termination. The Debtor cannot reorganize until NOV’s claim, if any, is liquidated and a determination is made as to related employee indemnification claims. Liquidation of NOV’s alleged claim in the District Court is likely to take at least three more years. The negative publicity associated with the NOV Litigation has negatively impacted Debtor’s sales. Moreover, the Debtor cannot wait three years to liquidate NOV’s claim - the Debtor is a small company and does not have the unlimited “war chest” available to NOV to pay the tremendous attorneys fees and expenses required to fight this

litigation. This Court has scheduled a hearing for October 3 and 4 on Debtor's Motion to Estimate NOV's claim. Once the claim is estimated, the Debtor will be able to file a plan, which provides for payment of any claim that NOV may hold, and proceed with its reorganization. Debtor's exclusivity period to file a plan expires November 1, 2013 and the Debtor intends to file a plan prior to its expiration.

Further, NOV has filed a Proof of Claim in this case and has therefore submitted to this Court's jurisdiction and its ability to estimate NOV's claim. Filing this motion is simply another litigation tactic by NOV to continue its pattern of vexatious litigation in order effectively kill the Debtor's business.

Moreover, the Debtor's bylaws provide for indemnification of the Employee Defendants. Thus, any liability imposed against the Employee Defendants is likely to result in additional claims against the Debtor. To the extent these claims arise, they would also be paid pursuant to a plan of reorganization. Judge Atlas has found that if the indemnification is enforceable, there is an "actual" identity of interests between the indemnified [Employee] Defendant[s] and Debtor Mud King itself." Termination of the automatic stay as to the Employee Defendants would only increase indemnity claims against the Debtor and deplete the Debtor's estate.

Accordingly, the automatic stay should not be terminated. Terminating the automatic stay as to the Debtor or the Employee Defendants would result in a continuation of protracted litigation against the Debtor and its employees, payment of significant attorneys fees and expenses during this period, significantly impact Debtor's ability to reorganize and severely diminish any return to unsecured creditors in this case.

Finally, this Motion does not comply with Local Bankruptcy Rule 4001-1. NOV failed to conduct the required conference call with the Debtor prior to filing the motion. This is

evidenced by the lack of a certificate of conference. Thus, the motion should be denied on this basis as well.

I. MUD KING AFFIRMATIVE DEFENSES

A. Incorporation of Pleadings

1. Mud King incorporates into this response and objection, its arguments and defenses in the Motion to Estimate Claim of National Oilwell Varco, LP (“Motion to Estimate”)[Docket #46]. A copy of the Motion to Estimate is attached hereto as Exhibit “A”.

2. Mud King further incorporates into this response and objection, its arguments and defenses in its Response and Objection to the Motion to Dismiss Case or For Appointment of a Trustee (“Objection to Motion to Dismiss”) [Docket #73]. A copy of the Objection to the Motion to Dismiss is attached hereto as Exhibit “B”.

3. Mud King further incorporates into this response and objection, the Memorandum and Order entered by Judge Atlas on May 9, 2013 in the NOV Litigation, Case No. 4:12-3120 (“Atlas Opinion”) [Docket #110]. A copy of the Atlas Opinion is attached hereto as Exhibit “C”.

B. Factual Background

4. On April 5, 2013, (the “Petition Date”) the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the Bankruptcy Code, 11 U.S.C. §§101 et sq. (the “Bankruptcy Code”). The Debtor continues to operate its business and manage its property as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No trustee or Committee has been appointed.

5. Mud King Products, Inc. is a Texas corporation that is a global supplier of quality oilfield replacement parts with its primary offices located at 15211Woodham Dr., Houston, Texas. Mud King currently has approximately 30 employees.

6. On or about September 21, 2012, litigation was initiated in Harris County District Court against the Mud King Products, Inc. and various other defendants, including several Mud King former and current employees (“Employee Defendants”), for misappropriation of trade secret and related actions. On or about October 19, 2012, this litigation was subsequently removed to the Federal District court in Houston, where it remains pending, in the case styled as *National Oilwell Varco v. Mud King Products, Inc.. et al*, Case No. 4:12-cv-03120, in the United States District Court for the Southern District of Texas, Houston Division (“NOV Litigation”). Debtor has denied the allegations in the NOV Litigation. The NOV Litigation remains pending and has been stayed due to the bankruptcy filing. The District Court has also extended the automatic stay to the Employee Defendants.

7. Prior to the bankruptcy filing, the Debtor spent in excess of \$413,000 in legal fees and related expenses in connection with the NOV Litigation. Due to the complex nature of the Litigation, the case is expected to continue for at least three more years and attorneys’ fees and expenses for the Debtor will continue to average \$60,000 per month, or an additional \$2 million.

8. The NOV Litigation has also negatively impacted Debtor’s sales. Since the NOV Litigation was initiated, Debtor’s sales have decreased by an average of \$728,000 per month. This significant decline in sales, coupled with the astronomical legal fees and expense, are the primary reasons for this bankruptcy filing. Absent Chapter 11 restructuring, the company is likely to continue suffer from deteriorating sales, huge legal fees and expenses, and potentially close.

9. The Debtor has filed the Motion to Estimate in order to determine any liability owed to National Oilwell Varco with respect to the NOV Litigation and treat the claim, if any, in a Chapter 11 plan of reorganization.

C. “Cause Does Not Exist to Warrant Termination of the Automatic Stay

10. “Cause” does not even come close to existing in the case to terminate the automatic stay in this case. Termination of the automatic stay would unduly burden the administration of this bankruptcy case because the protracted litigation would prevent the Debtor from timely confirming a plan of reorganization and prosecuting this case. In fact, termination of the automatic stay would effectively kill this Chapter 11 case since the sheer size of NOV’s alleged claim (between \$5 million and \$20 million) prevents the Debtor from even preparing a disclosure statement and plan which advises the creditors of the percentage return they can expect after confirmation.

D. NOV Claim will be Liquidated in Bankruptcy Court

11. There is absolutely no good reason why NOV’s claim cannot be determined by this Court along with the claims of other creditors in this case as this court does with virtually every other bankruptcy case. The NOV Litigation is in the preliminary stages and will not be ready for trial for three years. Thus, the only alternative is to have NOV’s claim estimated in the bankruptcy court. Any potential harm to NOV in having its claim estimated by the bankruptcy court is clearly outweighed by the harm to the Debtor and its other creditors if the stay is terminated.

12. The Debtor is unable to reorganize until NOV’s claim, if any, is liquidated. The Debtor is a small company and does not have the unlimited “war chest” available to NOV to pay the tremendous amount of attorneys’ fees and expenses required to fight this protracted litigation. The Debtor cannot wait three years to liquidate NOV’s claim – astronomical attorneys’ fees and expenses, along with deteriorating sales, will kill the company before the litigation is concluded.

13. This Court has scheduled a hearing for October 3 and 4 on Debtor's Motion to Estimate NOV's claim. Once the claim is estimated, the Debtor will be able to file a plan, which provides for payment of any claim that NOV may hold, and proceed with its reorganization. Debtor's exclusivity period to file a plan expires November 1, 2013 and the Debtor intends to file a plan prior to its expiration.

E. NOV has submitted to Court's Jurisdiction

14. On August 5, 2013, NOV filed a proof of claim in this case ("NOV Claim") (Claim #14) in an unliquidated amount related to damages for theft of trade secrets and other torts.

15. By filing a claim, NOV has submitted to this Court's jurisdiction and ability to estimate its claim.

F. Stay Should Not Be Terminated as to Employee Defendants

16. Moreover, the Debtor's bylaws provide for indemnification of the Employee Defendants. Thus, any liability imposed against the Employee Defendants is likely to result in additional claims against the Debtor. To the extent these claims arise, they would also be paid pursuant to a plan of reorganization. Termination of the automatic stay as to the Employee Defendants would only increase indemnity claims against the Debtor due to the protracted NOV Litigation and deplete the Debtor's estate.

17. NOV has asserted that the Debtor's April 4, 2013 amendment to the existing indemnification provision of the bylaws is invalid. In the Atlas Opinion extending the automatic stay to Employee Defendants, Judge Atlas provided that the NOV Litigation would remain stayed as to the Debtor and its Employee Defendant so as to allow this Court an opportunity "to

conduct a fulsome investigation of the facts and the law as to the indemnities purportedly created by the [Debtor's] Amended Bylaws." See *Atlas Opinion* at p.15.

18. Judge Atlas also stated that if this Court determines that "the indemnity is enforceable and applicable, there is an "actual" identity of interests between the indemnified [Employee] Defendant[s] and Debtor Mud King itself." *Id* at p. 14

19. Thus, it is evident that Judge Atlas contemplated that this Court will determine the applicability of the Debtor's indemnity of its employees. Any enforceable indemnity creates an identity of interests between the Debtor and indemnified employee. Since the automatic stay should not be terminated as to the Debtor, the same is true for the Employee Defendants. Accordingly, the automatic stay should not be terminated as to the Employee Defendants.

G. Procedural Defects in Motion

a. Motion Does Not Contain the Required Certificate of Conference and Should be Denied

20. Local Bankruptcy Rule 4001-1(a)(1) requires, in pertinent part, that

Motions for relief from the stay must contain a certificate that the movant has conferred with opposing counsel (or, in the event of *pro se* parties, opposing parties) and been unable to reach an agreement on the requested relief. If no conference has been conducted, movant must certify the dates and times on which movant has attempted to confer.

LBR 4001-1. The Motion does not contain the required certificate of conference nor did movant attempt to confer with counsel for Mud King prior to filing the same. Accordingly, the Motion is defective and must therefore be denied.

II. MUD KING SPECIFIC RESPONSES

******The Motion does not contain numbered paragraphs as required in Bankruptcy Rule 7010. In these responses, the Debtor will attempt to identify the corresponding paragraph with sufficient particularity.******

Debtor incorporates its responses and objections from Debtor's Response and Objection to the Motion to Dismiss the Debtor's Petition Under 11 U.S.C. §1112(b), or In the Alternative, Appointment of a Chapter 11 Trustee Under §1104(a) filed by National Oilwell Varco, LP [Docket # 73] and its Motion to Estimate Claim of National Oilwell Varco, LP [Docket #46].

DUE TO THE PROBLEM OF RESPONDING TO NON-NUMBERED PARAGRAPHS AND TO AVOID CONFUSION, THE DEBTOR GENERALLY DENIES ANY ALLEGATION CONTAINED IN THE MOTION WHICH IS NOT SPECIFICALLY ADMITTED HEREIN.

THE PARAGRAPH CAPTIONS UTILIZED IN THE MOTION HAVE BEEN USED HEREIN IN ORDER TO HELP CORRELATE RESPONSES WITH ALLEGATIONS

I. [Movant's] Preliminary Statement

21. Debtor admits that there is pending litigation before Judge Atlas in the US District Court against Mud King, certain employees and directors and other third parties subject to various allegations including corporate espionage, which allegations have been denied by the Debtor. Debtor also admits that this litigation has been stayed against the Debtor and its current employees. Debtor denies the remaining allegations contained in Paragraph one (1) of the Motion. Debtor would further state that the Debtor's organizational documents have always contained an indemnification provision. Except to the extent specifically admitted, the allegations in this paragraph are denied.

22. Debtor admits that it filed this Chapter 11 case to "stop the bleeding" associated with the litigation and seeks to estimate NOV's claim, if any. Debtor denies the remaining allegations contained in Paragraph two (2) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

23. Debtor admits that an amendment to the indemnification provision of the Corporate Bylaws was enacted prior to the bankruptcy filing. Debtor denies the remaining allegations contained in Paragraph three (3) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

II. [Movant's] Background Facts

A. [Movant's] Status of The District Court Action

24. Debtor denies the allegations contained in Paragraph four (4) of the Motion.

25. Debtor admits certain of its employees have pled the Fifth Amendment. Debtor denies the remaining allegations contained in Paragraph five (5) of the Motion. Debtor would further state that the Fifth Amendment pleading was necessitated by NOV's admitted referral of criminal complaints against Mud King's employees while simultaneously prosecuting its civil case. Except to the extent specifically admitted, the allegations in this paragraph are denied.

B. [Movant's] Mud King Sought Bankruptcy Protection to Gain an Unfair Litigation Advantage

26. Debtor denies the allegations contained in Paragraph six (6) of the Motion.

27. Mud King admits that it sells after-market mud pump replacement parts. Debtor denies the remaining allegations contained in Paragraph seven (7) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

28. Debtor denies the allegations contained in Paragraph eight (8) of the Motion. Debtor further states that the mud pump parts at issue are based on old designs, some of which are over thirty years old. Debtor denies NOV's claims regarding any such parts that were originally manufactured by it or by other companies and further denies that NOV has established trade secret protection for the mud pump parts or drawings of such parts, as such parts have commonly been openly used in the industry for years and were sold by many companies other

than NOV prior to Debtor's sale of such parts. Except to the extent specifically admitted, the allegations in this paragraph are denied.

29. Debtor denies the allegations contained in Paragraph nine (9) of the Motion.

30. Debtor denies the allegations contained in Paragraph ten (10) of the Motion. Debtor would further state that Judge Atlas recognized that NOV's choice to make threats of criminal prosecution from the outset of its initiation of the civil case has needlessly complicated the discovery process due to constitutional issues. Debtor would further state that it agreed to schedule the corporate representative deposition for April 9, 2013, but states that on April 4, 2013, in advance of the bankruptcy filing, NOV asked to delay the deposition to April 25, 2013.

31. Debtor admits that it filed the instant case as a result of the repercussions associated with the negative publicity from the NOV Litigation, including significantly reduced revenues, along with the high legal costs and expenses of the litigation. Debtor denies the remaining allegations in Paragraph eleven (11) of the Motion. Debtor would further state that any alleged projections do not factor litigation risk or effect. Except to the extent specifically admitted, the allegations in this paragraph are denied.

32. Debtor admits that it amended its bylaws prior to the bankruptcy filing and would state that, as further discussed in its Response and Objection to NOV's Motion to Dismiss [Docket #73], an indemnification already existed. The amendment was made to clarify the indemnification. Debtor denies the remaining allegations contained in Paragraph twelve (12) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

33. Debtor denies the allegations contained in Paragraph thirteen (13) of the Motion.

34. Debtor admits that bonuses of \$50,000 were paid to its officers in December 2012, as well as bonuses to its employees in accordance with normal business practices. Debtor

admits that Brassington has received a “target letter”. Debtor denies the remaining allegations contained in Paragraph fourteen (14) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

35. Debtor admits that it made payment to Christiainus Sofjian which are properly disclosed in its statement of financial affairs. Debtor would further state that Sofjian performs sales for Mud King and MK Pumps, a related entity with common ownership (which has also been properly disclosed in Debtor’s statement of financial affairs). Debtor further states that these payments have been fully disclosed and adequately explained in the 2004 examination of Mud King’s corporate representative. Debtor denies the remaining allegations contained in Paragraph fifteen (15) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

36. Debtor denies the allegations contained in Paragraph sixteen (16) of the Motion.

C. [Movant’s] NOV Needs Ample Discovery in Order to Prosecute Its Claim

37. Debtor denies the allegations contained in Paragraph seventeen (17) of the Motion.

38. Debtor admits that NOV has served extensive discovery. Debtor denies that this discovery is necessary to support NOV’s alleged claims against Mud King. Debtor denies the remaining allegations contained in Paragraph eighteen (18) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

D. [Movant’s] Mud King Extends Indemnification to the Employee Defendants on the Eve of Bankruptcy

39. Debtor admits the first sentence in Paragraph nineteen (19) of the Motion. Debtor admits that NOV has made allegations against the Employee Defendants. Debtor denies the

remaining allegations contained in Paragraph nineteen (19) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

40. Debtor admits that NOV has made allegations against the Manufacturing Defendants and SMC Defendants. Debtor denies the remaining allegations contained in Paragraph twenty (20) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

41. Debtor admits that NOV has asserted the various causes of action and that the District Court has ruled on various pleadings. Debtor denies the remaining allegations contained in Paragraph twenty-one (21) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

42. Debtor admits the first sentence. Debtor lacks sufficient information to admit or deny the second sentence. Debtor denies the remaining allegations contained in Paragraph twenty-two (22) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

43. Debtor admits that it amended its corporate indemnification to clarify the prior indemnification. Debtor further states that since the amendment, no attorneys' fees or expenses have been paid to or on behalf of Employee Defendants. Debtor denies the remaining allegations contained in Paragraph twenty-three (23) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

44. Debtor states that no actions have been taken under the current indemnification and that any prior actions were in full compliance with the indemnification in place at the time. Debtor denies the remaining allegations contained in Paragraph twenty-four (24) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

45. Debtor denies the allegations contained in Paragraph twenty-five (25) of the Motion.

III. [Movant's] Arguments

A. [Movant's] Good Cause Exists for Lifting the Automatic Stay as to NOV's Claims Against Mud King and the Employee Defendants

46. The allegations contained in Paragraph twenty-six (26) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied.

1. [Movant's] Mud King's Bad Faith Filing Provides Ample Cause for Lifting Stay

47. As further discussed in its Response and Objection to NOV's Motion to Dismiss [Docket #73], Debtor admits that it may not have been insolvent on the Petition Date. However, insolvency is not a requirement for filing bankruptcy. Moreover, recently, and subsequent to the Petition Date, NOV has for the first time alleged an amount of potential damages, which range between \$5 million and \$20 million. This potential claim certainly affects any insolvency analysis. Debtor denies the remaining allegations contained in Paragraph twenty-seven (27) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

48. Debtor denies the allegations contained in Paragraph twenty-eight (28) of the Motion.

49. Debtor denies the allegations contained in Paragraph twenty-nine (29) of the Motion.

2. [Movant's] Judicial Economy Provides an Alternative Basis for Lifting Stay

50. The allegations contained in Paragraph thirty (30) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied.

51. Debtor admits that an Unopposed Temporary Injunction is in place. Debtor admits that Judge Atlas has ruled on some preliminary discovery issues but further states that the District Court case is at the preliminary stage and there is no judicial economy in removing this case. Debtor denies the remaining allegations contained in Paragraph thirty-one (31) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

52. Debtor denies the allegations contained in Paragraph thirty-two (32) of the Motion.

53. Debtor denies that the factors listed in Paragraph thirty-three (33) weigh in favor of lifting the automatic stay. Debtor further states that disposition of NOV's claim is a core matter that must be determined in connection with the bankruptcy case through the claim estimation process which is already scheduled for hearing. Except to the extent specifically admitted, the allegations in this paragraph are denied.

3. [Movant's] The Employee Defendants are Not Entitled to the Benefits of the Automatic Stay

54. The allegations contained in Paragraph thirty-four (34) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied.

55. Debtor admits that Judge Atlas has imposed the automatic stay to protect Employee Defendants from continued litigation until this Court conducts a full investigation into

the facts and legal implications of the indemnification. Except to the extent specifically admitted, the allegations in this paragraph thirty-five (35) are denied.

56. The allegations contained in Paragraph thirty-six (36) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied.

57. Debtor denies the allegations contained in Paragraph thirty-seven of the Motion.

58. Debtor denies the allegations contained in Paragraph thirty-eight of the Motion.

59. Debtor denies the allegations contained in Paragraph thirty-nine of the Motion.

B. [Movant's] Brassington and Handoyo Violated their Directors' Duties of Loyalty and Care by Amending Mud King's Bylaws

60. Debtor denies the allegations contained in Paragraph forty (40) of the Motion.

61. Debtor denies that its officers violated any fiduciary duty owed to Mud King. The remaining allegations contained in Paragraph forty-one (41) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied.

62. Debtor denies the allegations contained in Paragraph forty-two (42) of the Motion.

63. The first two sentences of Paragraph forty-three (43) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied. Debtor denies the remaining allegations contained in Paragraph forty-three (43) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

64. Debtor denies the allegations contained in Paragraph forty-four (44) of the Motion.

65. Debtor denies the allegations contained in the first and last sentences of Paragraph forty-five (45) of the Motion. The remaining allegations in Paragraph forty-five (45) of the Motion contain legal argument and therefore do not require a response. To the extent that a response is required, the allegations in this paragraph are denied. Except to the extent specifically admitted, the allegations in this paragraph are denied.

C. [Movant's] The Claims Against the Employee Defendants Do Not Meet the Requirements for Indemnification Specified in the Bylaw

66. Debtor admits that Gary Clayton is now a former employee. Debtor would further state that, to date, Mud King has never indemnified Gary Clayton for legal fees and expenses. Debtor denies the remaining allegations contained in Paragraph forty-six (46) of the Motion. Except to the extent specifically admitted, the allegations in this paragraph are denied.

D. [Movant's] The Indemnification Obligation Amounts to an Avoidable Transfer

67. Debtor denies the allegations contained in Paragraph forty-seven (47) of the Motion.

68. Debtor denies the allegations contained in Paragraph forty-eight (48) of the Motion.

69. Paragraph forty-nine (49) contains a request for relief and does not require a response. To the extent that a response is required, Debtor denies the allegations contained in Paragraph forty-nine (49) of the Motion.

Prayer

Debtor Mud King Products, Inc. respectfully requests that the Court deny the relief requested in the Motion and grant them such other relief as is just.

DATED: September 11, 2013

Respectfully submitted,

HOOVER SLOVACEK LLP

/s/ Melissa A. Haselden

By: _____

EDWARD L. ROTHBERG

State Bar No. 17313990

MELISSA A. HASELDEN

State Bar No. 00794778

5847 San Felipe, Ste. 2200

Phone: (713) 977-8686

Fax: (713) 977-5395

Attorneys for Debtor

CERTIFICATE OF CONFERENCE

I hereby certify that on September 5, 2013 at approximately 1:10 p.m., the undersigned contacted Matt Okin, bankruptcy counsel for Movant, National Oilwell Varco, LP to discuss this response. An agreement could not be reached.

/s/ Melissa A. Haselden

MELISSA A. HASELDEN

CERTIFICATE OF SERVICE

I hereby certify that on September 11, 2013, true and correct copies of the foregoing Response and Objection to National Oilwell Varco, L.P.'s Motion to Dismiss the Debtor's Petition Under 11 U.S.C. §1112(b), or in the Alternative, Appointment of a Chapter 11 Trustee Under 11 U.S.C. §119a) were forwarded by ECF electronic mail to the parties and/or their counsel listed below:

John P Dillman on behalf of Creditor Harris County
Houston_bankruptcy@publicans.com

Alexander Grier Dwyer on behalf of Interested Party Sean Cougot
adwyer@arnolditkin.com

Ellen Maresh Hickman on behalf of U.S. Trustee US Trustee
ellen.hickman@usdoj.gov

Yolanda M Humphrey on behalf of Creditor Spring Independent School District
houbank@pbfc.com, tpope@pbfc.com

Ariadne Montare on behalf of Creditor National Oilwell Varco, L.P.
amontare@azalaw.com, nmai@azalaw.com

R Christopher Naylor on behalf of Creditor Ford Motor Credit Company LLC
king@dntlaw.com

D. John Neese, Jr. on behalf of Interested Party Freddy Rubiano
jneese@hmgllp.com

Matthew Scott Okin on behalf of Creditor National Oilwell Varco, L.P.
mokin@okinadams.com

Ruth E Piller on behalf of Creditor National Oilwell Varco, L.P.
rpiller@okinadams.com

Ruth E Piller on behalf of Debtor Mud King Products, Inc.
rpiller@okinadams.com

Carl O Sandin on behalf of Creditor Spring Independent School District
csandin@pbfc.com, tpope@pbfc.com

Timothy Conway Shelby on behalf of Creditor National Oilwell Varco, L.P.
tshelby@azalaw.com, ksmith@azalaw.com;lnatelson@azalaw.com

Owen Mark Sonik on behalf of Creditor Spring Independent School District
osonik@pbfc.com, tpope@pbfc.com

US Trustee
USTPRegion07.HU.ECF@USDOJ.GOV

Monica Mahbuba Uddin on behalf of Creditor National Oilwell Varco, L.P.
muddin@azalaw.com

Kimberly A Walsh on behalf of Creditor Texas Comptroller of Public Accounts
bk-kwalsh@texasattorneygeneral.gov, sherri.simpson@texasattorneygeneral.gov

John Zavitsanos on behalf of Creditor National Oilwell Varco, L.P.
jzavitsanos@azalaw.com, atownsend@azalaw.com;lpeter@azalaw.com;ksmith@azalaw.com

/s/ Melissa A. Haselden

MELISSA A. HASELDEN