



ENTERED  
02/26/2016

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

**IN RE:**

**HII TECHNOLOGIES, INC., *et al.*,**

**Debtor(s).**

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**CASE NO: 15-60070  
Jointly Administered  
CHAPTER 11  
  
DAVID R. JONES**

**ORDER  
(Docket No. 387)**

At the request of the parties, the Court ordered mediation in this case and requested that Judge Marvin Isgur conduct the mediation (Docket No. 332). The Court's order required that at least one representative with full settlement authority for each of the parties attend the mediation (Docket No. 332). The Court understands that Judge Isgur conducted the mediation. Five creditors that represent themselves as the Ad Hoc Committee of Creditors of Apache Energy Services, Inc. (the "Ad Hoc Committee") have filed a motion requesting the award of monetary sanctions against McLarty Capital Partners SBIC, L.P. and Heartland Bank for failing to appear at the mediation in accordance with the Court's order. Specifically, the Ad Hoc Committee represents that McLarty Capital Partners SBIC, L.P. and Heartland Bank sent a junior attorney to the mediation with little or no authority. The representation is not contested. The Ad Hoc Committee also requests that the Court require the parties to attend another day of mediation before Judge Isgur on Monday, February 29, 2016, the date currently scheduled for a number of hearings in this case.

The Court is disappointed that parties would seek mediation, request a sitting judge paid by taxpayers conduct the mediation and then brazenly ignore the process. If the Ad Hoc Committee's allegations are true, McLarty Capital Partners SBIC, L.P. and Heartland Bank are in contempt of court. The Court reserves this issue for another day. It is embarrassing to the Court that having requested Judge Isgur's time and unique skill, the parties failed to respect Judge Isgur and the process. Judge Isgur volunteered to conduct a mediation expecting the full attendance and participation of the parties. That expectation will be fulfilled. Accordingly, it is

**ORDERED THAT:**

1. The Debtors, the Official Committee of Unsecured Creditors, the Ad Hoc Committee, McLarty Capital Partners SBIC, L.P. and Heartland Bank will appear in Judge Isgur's courtroom at 10:00 a.m. on February 29, 2016 for a continued mediation. Each party will have a principal representative present with full settlement authority. Each party representative will confirm under oath to Judge Isgur (i) the office held by the representative; and (ii) that it has full settlement authority. For purposes of clarity, McLarty Capital Partners SBIC, L.P. and Heartland Bank will each have a senior officer with full settlement authority present at the continued mediation.

2. The hearings scheduled for February 29, 2016 are continued pending further order. The parties may contact the Court's case manager after conclusion of the mediation for a continued hearing date.

3. The Challenge Deadline established in the prior order approving use and cash collateral and post-petition financing is extended until March 15, 2016.

4. The Ad Hoc Committee may file a separate motion for sanctions after conclusion of the mediation if appropriate.

**SIGNED: February 26, 2016.**



**DAVID R. JONES**  
**UNITED STATES BANKRUPTCY JUDGE**