

Setco, LLC
Form S-4/A
January 09, 2007

As filed with the Securities and Exchange Commission on January 9, 2007

Registration No. 333-[

]

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO.3
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BERRY PLASTICS HOLDING CORPORATION

(Exact names of registrants as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	3089 (Primary Standard Industrial Classification Code Number)	35-1814673 (I.R.S. Employer Identification No.)
--	--	--

**101 Oakley Street
Evansville, Indiana 47710
(812) 424-2904**

(Address, including zip code, and telephone number, including area code,
the registrant's principal executive offices)

**Ira G. Boots
Chief Executive Officer
Berry Plastics Holding Corporation
101 Oakley Street
Evansville, Indiana 47710
(812) 424-2904**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

SEE TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Copies to:

**Jeffrey D. Thompson
Vice President and General Counsel
Berry Plastics Holding Corporation
101 Oakley Street
Evansville, Indiana 47710
(812) 424-2904**

**Andrew J. Nussbaum, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
(212) 403-1000**

Approximate date of commencement of proposed exchange offer: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Note(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
8 ⁷ / ₈ % Second Priority Senior Secured Fixed Rate Notes due 2014	\$525,000,000	100%	\$525,000,000	\$56,175
Second Priority Senior Secured Floating Rate Notes due 2014	\$225,000,000	100%	\$225,000,000	\$24,075
Guarantees of the 8 ⁷ / ₈ % Second Priority Senior Secured Fixed Rate Notes due 2014 and Second Priority Senior Secured Floating Rate Notes due 2014	\$750,000,000	N/A	N/A	(2)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) under the Securities Act.

(2) Pursuant to Rule 457(n) under the Securities Act, no additional registration fee is due for guarantees.

(3) The entities listed on the Table of Additional Registrant Guarantors on the following page have guaranteed the notes being registered hereby.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

W/1101465v1

Table of Additional Registrant Guarantors

Exact Name	Jurisdiction of Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.	Name, Address and Telephone Number of Principal Executive Offices
Berry Plastics Corporation	Delaware	3089	35-1813708	101 Oakley Street, Evansville, Indiana 47710
Aerocon, Inc.	Delaware	3089	35-1948748	101 Oakley Street, Evansville, Indiana 47710
Berry Iowa Corporation	Delaware	3089	42-1382173	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Design Corporation	Delaware	3089	62-1689708	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Technical Services, Inc.	Delaware	3089	57-1028638	101 Oakley Street, Evansville, Indiana 47710
Berry Sterling Corporation	Delaware	3089	54-1749681	101 Oakley Street, Evansville, Indiana 47710
CPI Holding Corporation	Delaware	3089	34-1820303	101 Oakley Street, Evansville, Indiana 47710
Knight Plastics, Inc.	Delaware	3089	35-2056610	101 Oakley Street, Evansville, Indiana 47710
Packerware Corporation	Delaware	3089	48-0759852	101 Oakley Street, Evansville, Indiana 47710
Pescor, Inc.	Delaware	3089	74-3002028	101 Oakley Street, Evansville, Indiana 47710
Poly-Seal Corporation	Delaware	3089	52-0892112	101 Oakley Street, Evansville, Indiana 47710
Venture Packaging, Inc.	Delaware	3089	51-0368479	101 Oakley Street, Evansville, Indiana 47710
Venture Packaging Midwest, Inc.	Delaware	3089	34-1809003	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation III	Delaware	3089	37-1445502	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation V	Delaware	3089	36-4509933	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation VII	Delaware	3089	30-0120989	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation VIII	Delaware	3089	32-0036809	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation IX	Delaware	3089	35-2184302	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition	Delaware	3089	35-2184301	101 Oakley Street,

Edgar Filing: Setco, LLC - Form S-4/A

Corporation X				Evansville, Indiana 47710
Berry Plastics Acquisition Corporation XI	Delaware	3089	35-2184300	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation XII	Delaware	3089	35-2184299	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation XIII	Delaware	3089	35-2184298	101 Oakley Street, Evansville, Indiana 47710
Berry Plastics Acquisition Corporation XV, LLC	Delaware	3089	35-2184293	101 Oakley Street, Evansville, Indiana 47710
Kerr Group, Inc.	Delaware	3089	95-0898810	101 Oakley Street, Evansville, Indiana 47710
Saffron Acquisition Corporation	Delaware	3089	94-3293114	101 Oakley Street, Evansville, Indiana 47710
Setco, LLC	Delaware	3089	56-2374074	101 Oakley Street, Evansville, Indiana 47710

Edgar Filing: Setco, LLC - Form S-4/A

Sun Coast Industries, Inc.	Delaware	3089	59-1952968	101 Oakley Street, Evansville, Indiana 47710
Tubed Products, LLC	Delaware	3089	56-2374082	101 Oakley Street, Evansville, Indiana 47710
Cardinal Packaging, Inc.	Ohio	3089	34-1396561	101 Oakley Street, Evansville, Indiana 47710
Landis Plastics, Inc.	Illinois	3089	36-2471333	101 Oakley Street, Evansville, Indiana 47710

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated , 2007

PROSPECTUS

Berry Plastics Holding Corporation

OFFER TO EXCHANGE

\$750,000,000 Second Priority Senior Secured Fixed and Floating Rate Notes due 2014, comprised of \$525,000,000 8⁷/₈% Second Priority Senior Secured Fixed Rate Notes due 2014 and \$225,000,000 Second Priority Senior Secured Floating Rate Notes due 2014 registered under the Securities Act of 1933

For

**A Like Principal Amount of Second Priority Senior Secured Fixed and Floating Rate Notes
(\$750,000,000 Aggregate Principal Amount)**

We offer to exchange up to \$750,000,000 aggregate principal amount of our Second Priority Senior Secured Fixed and Floating Rate Notes due 2014, comprised of \$525,000,000 8⁷/₈% Second Priority Senior Secured Fixed Rate Notes due 2014 and \$225,000,000 Second Priority Senior Secured Floating Rate Notes due 2014 that are registered under the Securities Act of 1933, or the “exchange notes,” for an equal principal amount of our Second Priority Senior Secured Fixed and Floating Rate Notes due 2014, comprised of \$525,000,000 8⁷/₈% Second Priority Senior Secured Fixed Rate Notes due 2014 and \$225,000,000 Second Priority Senior Secured Floating Rate Notes due 2014, or the “outstanding notes,” which we issued previously without registration under the Securities Act. We refer to the outstanding notes and the exchange notes collectively in this prospectus as the “notes.” The exchange notes are substantially identical to the outstanding notes, except that the exchange notes will not be subject to transfer restrictions or entitled to registration rights, and the additional interest provisions applicable to the outstanding notes in some circumstances relating to the timing of the exchange offer will not apply to the exchange notes. The outstanding notes are, and the exchange notes will be, issued by Berry Plastics Holding Corporation and fully and unconditionally guaranteed by Berry Plastics Corporation, Aerocon, Inc., Berry Iowa Corporation, Berry Plastics Design Corporation, Berry Plastics Technical Services, Inc., Berry Sterling Corporation, CPI Holding Corporation, Knight Plastics, Inc., Packerware Corporation, Pescor, Inc., Poly-Seal Corporation, Venture Packaging, Inc., Venture Packaging Midwest, Inc., Berry Plastics Acquisition Corporation III, Berry Plastics Acquisition Corporation V, Berry Plastics Acquisition Corporation VII, Berry Plastics Acquisition Corporation VIII, Berry Plastics Acquisition Corporation IX, Berry Plastics Acquisition Corporation X, Berry Plastics Acquisition Corporation XI, Berry Plastics Acquisition Corporation XII, Berry Plastics Acquisition Corporation XIII, Berry Plastics Acquisition Corporation XV, LLC, Kerr Group, Inc., Saffron Acquisition Corporation, Setco, LLC, Sun Coast Industries, Inc., Tubed Products, LLC, Cardinal Packaging, Inc. and Landis Plastics, Inc., all wholly-owned subsidiaries of Berry Plastics Holding Corporation. The exchange notes will represent the same debt as the outstanding notes and we will issue the exchange notes under the same Indentures.

Terms of the Exchange Offer

The exchange offer expires at 5:00 p.m., New York City time, on , 2007, unless extended. Completion of the exchange offer is subject to certain customary conditions, which we may waive. The exchange offer is not conditioned upon any minimum principal amount of the outstanding notes being tendered for exchange. You may withdraw tenders of outstanding notes at any time before the exchange offer expires.

All outstanding notes that are validly tendered and not withdrawn will be exchanged for exchange notes. The exchange of outstanding notes for exchange notes pursuant to the exchange offer should not be a taxable event for U.S. federal income tax purposes.

There is no existing market for the exchange notes to be issued, and we do not intend to apply for listing or quotation on any exchange or other securities market.

See “Risk Factors” beginning on page 24 for a discussion of the factors you should consider in connection with the exchange offer and exchange of outstanding notes for exchange notes.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OUTSTANDING NOTES OR THE EXCHANGE NOTES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is , 2007.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date on the front of this prospectus.

TABLE OF CONTENTS

Prospectus Summary	1
Where You Can Find More Information About Us	20
Disclosure Regarding Forward-Looking Statements	21
Terms Used in this Prospectus	22
Risk Factors	24
Risks Related to Our Business	35
The Exchange Offer	42
Use of Proceeds	53
Capitalization	54
Unaudited Pro Forma Condensed Consolidated Financial Information	55
Selected Historical Financial Data	63
Management's Discussion and Analysis of Financial Condition and Results of Operations	65
Business	80
Management	92
Certain Relationships and Related Party Transactions	98
Principal Stockholders of Berry Plastics Group	99
Description of Other Indebtedness	101
Description of the Exchange Notes	104
Material United States Federal Income Tax Consequences	178
Plan of Distribution	180
Legal Matters	181
Experts	181
Where You Can Find Additional Information	181
Index to Financial Statements	F-1

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. The accompanying letter of transmittal relating to the exchange offer states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after consummation of the registered exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any resale. See “Plan of Distribution.”

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere in this prospectus and incorporated by reference into this prospectus. This summary is not complete and may not contain all of the information that may be important to you. You should carefully read the entire prospectus and all information which has been incorporated by reference into the prospectus, including the “Risk Factors” section and our consolidated financial statements and notes to those statements, before making an investment decision.

Our Company

We manufacture a broad range of innovative, high quality plastic packaging solutions using our collection of over 1,500 proprietary molds and an extensive set of internally developed processes and technologies. Our principal products are sold in a diverse selection of markets, including food and beverage, healthcare, personal care, quick service and family dining restaurants, custom and retail.

Industry Overview

We operate in the plastic segment of the \$109 billion U.S. packaging sector, which accounted for \$39 billion, or 36%, of total packaging industry sales in 2003, the most recently reported year. Plastic packaging has gained, and is expected to continue to gain, market share versus other packaging materials, driven by factors including consumer preference, weight advantages, shatter resistance and barrier properties. The Freedonia Group, Inc. (“Freedonia”) estimates annual plastic packaging market growth of 5.2% through 2013, compared to 3.4% annual growth for the overall packaging industry. The product categories on which we focus utilize similar manufacturing processes, share common raw materials (principally polypropylene and polyethylene resin) and sell into end markets where customers demand innovative packaging solutions and quick and seamless design and delivery.

Our Strengths

Our strengths include:

Leading positions across a broad product offering. We have achieved leading competitive positions in many of our major product lines including thinwall, pry-off, dairy and clear polypropylene containers; drink cups; spice and pharmaceutical bottles and prescription vials; and spirits, continuous thread and pharmaceutical closures.

Large, diverse and stable customer base. We sell our products to over 12,000 customers in diverse industries, including pharmaceuticals, food, dairy and health and beauty. Our top 10 customers accounted for less than 30% of net sales and our largest customer accounted for less than 7% of net sales for fiscal 2005. The average term of our relationships with our top 10 customers is 21 years.

Strong organic growth through continued focus on best-in-class technology and innovation. We currently own over 1,500 proprietary molds and have pioneered a variety of production processes and new products, recent examples of which include an innovative

prescription package for Target Stores, a proprietary flip-top closure for tubes and our Vent Band™ compression closure for isotonic beverages (e.g., Gatorade®).

Scale and low-cost operations drive profitability. Our large, high volume equipment and flexible, cross-facility manufacturing capabilities result in lower unit-production costs than many of our competitors as we can leverage our fixed costs, higher capacity utilization and longer production runs. Our scale also enhances our purchasing power and lowers our cost of raw materials such as resin. In addition, we have broad distribution capabilities, which reduce shipping costs and allow for quick turnaround times to our customers. Our managers are charged with meeting specific cost reduction and productivity improvement targets each year, with a material amount of their compensation tied to their performance versus these targets.

Ability to pass through changes in the price of resin. We have generally been able to pass through to our customers increases in costs of raw materials, especially resin, the principal raw material used in manufacturing our products. We have contractual price escalators/de-escalators tied to the price of resin with customers representing more than 60% of net sales that result in relatively rapid price adjustments to these customers. In addition, we have experienced high success rates in quickly passing through increases and decreases in the price of resin to customers without indexed price agreements.

Track record of strong, stable free cash flow. Our strong earnings, combined with our modest capital expenditure profile, limited working capital requirements and relatively low cash taxes due to various tax attributes, result in the generation of significant free cash flow.

Motivated management team with highly successful track record. Our 12 senior executives possess an average of 20 years of packaging industry experience, and have combined experience of over 236 years at Berry. This team has been responsible for developing and executing our strategy that has generated a track record of earnings growth and strong free cash flow and has successfully integrated 22 acquisitions since 1988. Members of our senior management team and other employees own approximately 23% of the equity of Berry Plastics Group, our parent company, on a fully diluted basis.

Business Strategy

Our business strategy is to maintain and enhance our market position and leverage our core strengths to increase profitability and maximize free cash flow through the continued implementation of the following:

Increase sales to our existing customers. We are expanding our product portfolio, extending existing product lines and penetrating new markets with new products, the aim of which is to provide our customers with a cost-effective, single source from which to purchase a broad range of their plastic packaging needs.

Aggressively pursue new customers. We believe that our national direct sales force, our ability to offer new customers a cost-effective, single source from which to purchase a broad range of plastic packaging products and our proven ability to design innovative new products position us well to continue to grow and diversify our customer base.

Manage costs and capital expenditures to drive free cash flow and returns on capital. We employ a team culture of continuous improvement operating under an ISO management system and employing Six Sigma throughout the organization. Our principal cost-reduction strategies include (i) leveraging our scale to reduce material costs, (ii) efficiently reinvesting capital into our manufacturing processes to maintain technological leadership and achieve productivity gains, (iii) focusing on ways to streamline operations through plant

and overhead rationalization and (iv) monitoring and rationalizing the number of vendors from which we purchase materials in order to increase our purchasing power.

Selectively pursue strategic acquisitions. Our industry is highly fragmented and our customers are focused on working with a small set of key vendors. We have a successful track record of executing and integrating acquisitions, having completed 22 acquisitions since 1988, and have developed an expertise in synergy realization. We intend to continue to apply a selective and disciplined acquisition strategy.

Recent Developments

On September 20, 2006, Merger Sub merged with and into BPC Holding Corporation pursuant to an agreement and plan of merger (the "Merger Agreement") with BPC Holding Corporation, Berry Plastics Group, Inc. (f/k/a BPC Holding Acquisition Corp.) and Merger Sub (a wholly-owned subsidiary of Berry Plastics Group, Inc.). Following the consummation of the merger of BPC Holding Corporation and Merger Sub, BPC Holding Corporation changed its name to Berry Plastics Holding Corporation. Pursuant to the Merger Agreement, we are now a wholly-owned subsidiary of Berry Plastics Group, Inc., the principal stockholders of which are Apollo Investment Fund VI, L.P., AP Berry Holdings, LLC and Graham Partners II, L.P. Apollo Investment Fund VI, L.P. and AP Berry Holdings, LLC are affiliates of Apollo, which is a private investment firm that was founded in 1990. Companies owned or controlled by Apollo or in which Apollo or its affiliates have a significant equity investment include, among others, Goodman Global, Inc., Hexion Specialty Chemicals, Inc., Nalco Company, MetalsUSA, Inc., United Agri Products and Covalence Specialty Materials Holdings Corp. Graham Partners II, L.P. is an affiliate of Graham Partners, Inc., a private equity firm with over \$850 million under management which has global interests in plastics, packaging, machinery, building products and outsource manufacturing. Companies owned or controlled by Graham Partners or in which Graham Partners have significant equity investment include, among others, National Diversified Sales, Inc., Supreme Corq LLC, Infiltrator Systems, Inc., Nailite International, Inc., Line-X LLC and Western Industries, Inc. We refer to the merger and payment of merger consideration as the "Acquisition."

The Acquisition was funded with shareholders' equity and the following debt components:

- Proceeds from our issuance of \$750.0 million aggregate principal amount of outstanding notes;
- New borrowings of \$675.0 million in Term B loans and \$20.0 million under the revolving credit facility, both as available under the senior secured credit facilities; and
- Proceeds from our issuance of \$425.0 million aggregate principal amount of senior subordinated notes to affiliates of Goldman.

Pursuant to the Merger Agreement, certain members of our senior management team and other employees have invested in shares of Berry Plastics Group, Inc.'s common stock (the "management shares"). Options to purchase shares of Berry Plastics Group, Inc.'s common stock have also been granted to all members of our senior management team. We expect to grant additional options to purchase common stock of Berry Plastics Group, Inc. to other employees in the future from time to time. Approximately 23% of the outstanding common stock of Berry Plastics Group, Inc. on a fully-diluted basis is currently owned by members of our senior management team and other employees.

On September 20, 2006, we used a portion of the proceeds of the Acquisition funding to repay the outstanding term loans under our old senior secured credit agreement and to repurchase all of the \$335.0 million in aggregate outstanding principal amount of our 10 ³/₄% Senior Subordinated Notes due 2012 (the “old notes”) pursuant to a previously launched tender offer (the “tender offer”). This prospectus is not an offer to exchange, a solicitation of an offer to exchange or a solicitation of consents with respect to the old notes. This exchange offer has been made solely pursuant to a registration rights agreement, dated as of September 20, 2006 (the “registration rights agreement”).

Unless the context indicates otherwise, references in this prospectus to the “senior secured credit facilities” refers to such facilities following the Acquisition.

Risk Factors

You should consider carefully all the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under “Risk Factors” for risks you should consider in connection with the exchange offer.

Additional Information

Berry Plastics Holding Corporation is a Delaware Corporation. Our principal executive offices are located at 101 Oakley Street, Evansville, Indiana 47710. Our telephone number is (812) 424-2904. Our website address is located at www.berryplastics.com. The information that appears on our website is not a part of, and is not incorporated into, this prospectus.

Summary of the Exchange Offer

The following is a brief summary of the terms of the exchange offer. For a more complete description of the exchange offer, see “The Exchange Offer.”

Securities Offered

Up to \$750,000,000 aggregate principal amount of the exchange notes which have been registered under the Securities Act.

The form and terms of these exchange notes are identical in all material respects to those of the outstanding notes of the same series except that:

- the exchange notes have been registered under the U.S. federal securities laws and will not bear any legend restricting their transfer;
- the exchange notes bear a different CUSIP number than the outstanding notes;
- the exchange notes will not be subject to transfer restrictions or entitled to registration rights; and
- the exchange notes will not be entitled to additional interest provisions applicable to the outstanding notes in some circumstances relating to the timing of the exchange offer. See “The Exchange Offer Terms of the Exchange Offer; Acceptance of Tendered Notes.”

The Exchange Offer

We are offering to exchange the exchange notes for a like principal amount of the outstanding notes.

We will accept any and all outstanding notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on , 2007. Holders may tender some or all of their outstanding notes pursuant to the exchange offer. However, outstanding notes may be tendered only in integral multiples of \$1,000 in principal amount, subject to a minimum denomination of \$2,000.

In order to be exchanged, an outstanding note must be properly tendered and accepted. All outstanding notes that are validly tendered and not withdrawn will be exchanged. As of the date of this prospectus, there are \$750,000,000 aggregate principal amount of outstanding notes, comprised of \$525,000,000

Edgar Filing: Setco, LLC - Form S-4/A

8⁷/₈% Second Priority Senior Secured Fixed Rate Notes due 2014 and \$225,000,000 Second Priority Senior Secured Floating Rate Notes due 2014. We will issue exchange notes promptly after the expiration of the exchange offer. See “The Exchange Offer Terms of the Exchange Offer Acceptance of Tendered Notes.”

Transferability of Exchange Notes

Based on interpretations by the staff of the U.S. Securities and Exchange Commission, or the "SEC", as detailed in previous no-action letters issued to third parties, we believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as:

- you are acquiring the exchange notes in the ordinary course of your business;
- you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in a distribution of the exchange notes; and
- you are not our "affiliate" as defined in Rule 405 under the Securities Act.

If you are an affiliate of ours, or are engaged in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the exchange notes:

- you cannot rely on the applicable interpretations of the staff of the SEC;
- you will not be entitled to participate in the exchange offer; and
- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker or dealer that receives exchange notes for its own account in the exchange offer for outstanding notes that were acquired as a result of market-making or other trading activities must acknowledge that it will comply with the prospectus delivery requirements of the Securities Act in connection with any offer to resell or other transfer of the exchange notes issued in the exchange offer.

Furthermore, any broker-dealer that acquired any of its outstanding notes directly from us, in the absence of an exemption therefrom,

- may not rely on the applicable interpretation of the staff of the SEC's position contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan, Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1993); and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

See "Plan of Distribution."

We do not intend to apply for listing of the exchange notes on any securities exchange or to seek approval for quotation through an automated quotation system. Accordingly, there can be no assurance that an active market will develop upon completion of the exchange offer or, if developed, that such market will be sustained or as to the liquidity of any market.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on , 2007, unless we extend the expiration date.

Exchange Date; Issuance of Exchange Notes

The date of acceptance for exchange of the outstanding notes is the exchange date, which will be the first business day following the expiration date of the exchange offer. We will issue the exchange notes in exchange for the outstanding notes tendered and accepted in the exchange offer promptly following the exchange date. See "The Exchange Offer Terms of the Exchange Offer; Acceptance of Tendered Notes."

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions. We may assert or waive these conditions in our reasonable discretion. See "The Exchange Offer Conditions to the Exchange Offer" for more information regarding conditions to the exchange offer.

Special Procedures for Beneficial Holders

If you beneficially own outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender in the exchange offer, you should contact such registered holder promptly and instruct such person to tender on your behalf. See “The Exchange Offer Procedures for Tendering Outstanding Notes.”

Effect of Not Tendering

Any outstanding notes that are not tendered in the exchange offer, or that are not accepted in the exchange, will remain subject to the restrictions on transfer. Since the outstanding notes have not been registered under the U.S. federal securities laws, you will not be able to offer or sell the outstanding notes except under an exemption from the requirements of the Securities Act or unless the outstanding notes are registered under the Securities Act. Upon the completion of the exchange offer, we will have no further obligations, except under limited circumstances, to provide for registration of the outstanding notes under the U.S. federal securities laws. See “The Exchange Offer Effect of Not Tendering.”

Withdrawal Rights

You may withdraw your tender at any time before the exchange offer expires.

Interest on Exchange Notes and the Outstanding Notes

The exchange notes will bear interest from the most recent interest payment date to which interest has been paid on the outstanding notes, or, if no interest has been paid, from September 20, 2006. Interest on the outstanding notes accepted for exchange will cease to accrue upon the issuance of the exchange notes.

Acceptance of Outstanding Notes and Delivery of Exchange Notes

Subject to the conditions stated in the section “The Exchange Offer Conditions to the Exchange Offer” of this prospectus, we will accept for exchange any and all outstanding notes which are properly tendered in the exchange offer before 5:00 p.m., New York City time, on the expiration date. The exchange notes will be delivered promptly after the expiration date. See “The Exchange Offer Terms of the Exchange Offer; Acceptance of Tendered Notes.”

Material United States Federal Income Tax Considerations

The exchange by a holder of outstanding notes for exchange notes to be issued in the exchange offer should not result in a taxable transaction for U.S.

federal income tax purposes. See “Material United States Federal Income Tax Consequences.”

Accounting Treatment

We will not recognize any gain or loss for accounting purposes upon the completion of the exchange offer. The expenses of the exchange offer that we pay will be charged to expense in accordance with generally accepted accounting principles. See “The Exchange Offer Accounting Treatment.”

Exchange Agent

Wells Fargo Bank, National Association, the trustee under the Indenture, is serving as exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are listed under the heading “The Exchange Offer Exchange Agent.”

Use of Proceeds

We will not receive any proceeds from the issuance of exchange notes in the exchange offer. We will pay all expenses incident to the exchange offer. See “Use of Proceeds.”

Summary of the Terms of the Exchange Notes

The form and terms of the exchange notes and the outstanding notes are identical in all material respects, except that the transfer restrictions, registration rights and additional interest provisions in some circumstances relating to the timing of the exchange offer, which are applicable to the outstanding notes, do not apply to the exchange notes. The exchange notes will evidence the same debt as the outstanding notes and will be governed by the same Indenture.

Issuer	Holdings
Securities	\$750,000,000 aggregate principal amount of Second Priority Senior Secured Notes due 2014, comprised of \$525,000,000 aggregate principal amount of our 8 ⁷ / ₈ % second priority senior secured fixed rate notes due 2014 and \$225,000,000 aggregate principal amount of our second priority senior secured floating rate notes due 2014.
Maturity Date	September 15, 2014.
Fixed Rate Notes	The fixed rate notes will bear interest at a rate of 8 ⁷ / ₈ % per annum, payable semiannually on March 15 and September 15 of each year, commencing March 15, 2007.
Floating Rate Notes	The floating rate notes will bear interest at a rate of LIBOR plus 3.875% per annum, which will reset quarterly. Interest on the floating rate notes will be payable quarterly on March 15, June 15, September 15 and December 15 of each year, commencing December 15, 2006.
Collateral	The exchange notes and the guarantees of the exchange notes will be secured by a second priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the exchange notes and other future parity lien debt that may be issued pursuant to the terms of the Indenture governing the exchange notes. These liens will be junior in priority to the liens on the same collateral securing our senior secured credit facilities and to all other permitted prior liens, including liens securing certain hedging obligations and cash management obligations. The liens securing priority lien obligations are held by the collateral agent under our senior secured credit facilities.

The collateral securing the exchange notes will be substantially all of our and the guarantors' property and assets that will secure our senior secured credit facilities, which excludes (i) any license, contract or agreement of ours or the guarantors, if and only for so long as the grant of a security interest under the security documents would result in a breach or default under, or abandonment, invalidation or unenforceability of that license, contract or agreement; (ii) any bank accounts, securities accounts or cash and (iii) certain other limited exclusions. While the collateral securing our senior secured credit facilities will include the equity interests of substantially all of our domestic subsidiaries and "first-tier" foreign subsidiaries, the collateral securing the exchange notes will not include securities and other equity interests of our subsidiaries (including all guarantor subsidiaries). For more information, see "Description of the Notes—Security for the Exchange Notes."

At July 1, 2006, the estimated book value of the collateral which secures the senior secured credit facilities and the exchange notes was \$793.6 million.

Intercreditor Agreement

The trustee under the Indenture governing the exchange notes and the collateral agent under our senior secured credit facilities have entered into an intercreditor agreement as to the relative priorities of their respective security interests in our assets securing the exchange notes and borrowings under our senior secured credit facilities and certain other matters relating to the administration of security interests. The terms of the intercreditor agreement are set forth under "Description of the Notes—Security for the Exchange Notes."

Optional Redemption

Fixed Rate Notes

Prior to September 15, 2010, we may redeem some or all of the fixed rate exchange notes at a price equal to 100% of the principal amount of the fixed rate exchange notes redeemed plus accrued and unpaid interest and additional interest, if any, to the redemption date plus the "applicable premium." On or after September 15, 2010, we may redeem some or all of the fixed rate exchange notes at the redemption prices set forth in this prospectus. Additionally, on or prior to September 15, 2009, we

may redeem up to 35% of the aggregate principal amount of the fixed rate exchange notes with the net proceeds of specified equity offerings at the redemption price set forth in this prospectus. See “Description of the Exchange Notes—Optional Redemption—Fixed Rate Exchange Notes.”

Floating Rate Notes

On or after September 15, 2008, we may redeem some or all of the floating rate exchange notes at the redemption prices set forth in this prospectus. Additionally, on or prior to September 15, 2008, we may redeem up to 35% of the aggregate principal amount of the floating rate exchange notes with the net proceeds of specified equity offerings at the redemption price set forth in this prospectus. See “Description of the Exchange Notes—Optional Redemption—Floating Rate Exchange Notes.”

Change of Control

If a change of control occurs, we must give holders of the exchange notes an opportunity to sell to us their exchange notes at a purchase price of 101% of the principal amount of such exchange notes, plus accrued and unpaid interest to the date of purchase. The term “Change of Control” is defined under “Description of the Exchange Notes—Change of Control.”

Guarantees

The exchange notes will be guaranteed, jointly and severally, on a second priority senior secured basis, by each of our domestic subsidiaries that guarantees our senior secured credit facilities.

Ranking

The exchange notes and the guarantees thereof will be our and the guarantors’ second priority senior secured obligations and will:

- rank equally in right of payment with all of our and the guarantors’ existing and future senior indebtedness;
- rank senior to all of our and the guarantors’ existing and future subordinated indebtedness, including the senior subordinated notes; and
- be effectively subordinated to all of our first priority secured debt, including the borrowings under the senior secured credit facilities, to the extent of the collateral securing such debt.

The exchange notes will also be effectively junior to liabilities of the non-guarantor subsidiaries. As of July 1, 2006, our non-guarantor subsidiaries had liabilities of \$56.5 million.

As of September 20, 2006, we had outstanding on a consolidated basis:

- \$720.4 million of secured senior indebtedness constituting first priority lien obligations, primarily consisting of the term B loans under the senior secured credit facilities;
- \$1,470.4 million of secured senior indebtedness, consisting primarily of the term B loans under the senior secured credit facilities and the outstanding notes; and
- \$425.0 million of unsecured senior subordinated indebtedness, consisting of the senior subordinated notes.

Restrictive Covenants

The Indenture governing the exchange notes contains covenants that will limit our ability and certain of our subsidiaries' ability to:

- incur or guarantee additional indebtedness;
- pay dividends and make other restricted payments;
- create restrictions on the payment of dividends or other distributions to us from our restricted subsidiaries;
- create or incur certain liens;
- make certain investments;
- engage in sales of assets and subsidiary stock; and
- transfer all or substantially all of our assets or enter into merger or consolidation Acquisition.

These covenants are subject to a number of important limitations and exceptions as described under "Description of the Exchange Notes—Certain Covenants." Certain covenants will cease to apply to the exchange notes at all times after the exchange notes have investment grade ratings from both Moody's Investors Service, Inc., or Moody's, and Standard & Poor's Ratings Group, or S&P; provided that no event of default has occurred and is continuing. Similarly, the "Change of Control" covenant will be suspended with respect to the exchange notes during all periods when the notes have investment grade ratings from Moody's and S&P; provided that no event of default has occurred and is continuing.

Listing

We expect that the exchange notes will be eligible for trading in PORTAL, a subsidiary of The Nasdaq Stock Market, Inc.

Summary Historical and Unaudited Pro Forma Financial Data

The following table sets forth certain of our historical and pro forma financial data. Our fiscal years are 52- or 53-week periods ending generally on the Saturday closest to December 31. All references herein to “fiscal 2005,” “fiscal 2004” and “fiscal 2003” relate to the fiscal years ended December 31, 2005, January 1, 2005 and December 27, 2003, respectively. The summary historical financial data for fiscal 2005, fiscal 2004 and fiscal 2003 have been derived from our consolidated financial statements and related notes thereto included elsewhere in this prospectus, which have been audited by Ernst & Young LLP, an independent registered public accounting firm.

The summary historical financial data as of and for the 26 weeks ended July 1, 2006 and July 2, 2005 is derived from our unaudited financial statements included elsewhere in this prospectus. The summary historical financial data set forth below should be read in conjunction with and is qualified in its entirety by reference to the audited and unaudited consolidated financial statements and the related notes included elsewhere in this prospectus.

The following table also includes summary unaudited pro forma financial information as of and for fiscal 2005 and for the 26 week periods ended July 2, 2005 and July 1, 2006. The summary unaudited pro forma financial information has been derived from the pro forma financial information set forth under “Unaudited Pro Forma Condensed Consolidated Financial Information,” which has been prepared to give pro forma effect to the Acquisition. The summary unaudited pro forma condensed consolidated statement of income data gives effect to the Acquisition as if it had occurred on the first day of the applicable period. The summary unaudited pro forma condensed consolidated balance sheet data as of July 1, 2006 gives effect to the Acquisition as if it had occurred on July 1, 2006.

The Acquisition has been accounted for using the purchase method of accounting. The final allocation of the purchase price in the Acquisition will be determined at a later date and depend on a number of factors, including the final valuation of our tangible and identifiable intangible assets acquired and liabilities assumed in the Acquisition. An independent third-party appraiser will perform a valuation of these assets as of the closing date of the Acquisition, and upon a final valuation the purchase allocation will be adjusted. Such final adjustments, including increases to depreciation and amortization resulting from the allocation of purchase price to amortizable tangible and intangible assets, may be material. This valuation will be based on the actual net tangible and intangible assets and liabilities that existed as of the closing date of the Acquisition. In addition, we will record an adjustment to stockholders’ equity at a later date to adjust the carryover basis of continuing ownership.

As a result of the Acquisition, Holdings is a wholly-owned subsidiary of Berry Plastics Group with assets liabilities and an equity structure that will not be comparable to historical periods. Consequently, our historical consolidated financial information may not be comparable to or indicative of our future performance.

The summary unaudited pro forma financial information is for informational purposes only and does not purport to represent what our results of operation or financial position would have been if the Acquisition had occurred as of the dates indicated or what such results will be for future periods, and such information does not purport to project the results of operations for any future period.

The following data should be read in conjunction with “Risk Factors,” “Unaudited Pro Forma Condensed Consolidated Financial Information,” “Selected Historical Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our consolidated financial statements and related notes thereto included elsewhere in this prospectus and our consolidated financial statements and related notes thereto of our November 14, 2006 Form 10-Q incorporated by reference herein.

	Historical					Pro Forma		
	Fiscal 2003	Fiscal 2004	Fiscal 2005	26 Weeks Ended		Fiscal 2005	26 Weeks Ended	
				July 2, 2005	July 1, 2006		July 2, 2005	July 1, 2006
	(dollars in thousands)							
Statement of								
Income Data:								
Net sales	\$ 551,876	\$ 814,213	\$ 1,169,704	\$ 508,181	\$ 731,078	\$ 1,338,019	\$ 676,496	\$ 731,078
Cost of goods sold	420,750	639,329	943,370	417,493	583,941	1,082,478	556,601	583,941
Gross profit	131,126	174,884	226,334	90,688	147,137	255,541	119,895	147,137
Operating expenses	59,936	81,008	110,545	40,227	70,282	134,162	62,344	71,921
Operating income	71,190	93,876	115,789	50,461	76,855	121,379	57,551	75,216
Other expenses (income) ⁽¹⁾	(7)	—	1,354	1,569	(299)	8,705	8,920	(299)
Loss on extinguished debt ⁽²⁾	250	—	7,045	7,045	—	—	—	—
Interest expense, net ⁽³⁾	45,413	53,185	73,274	30,123	44,511	167,861	83,815	84,114
Income (loss) before income taxes	25,534	40,691	34,116	11,724	32,643	(55,187)	(35,184)	(8,599)
Income taxes (benefit)	12,486	17,740	14,325	6,174	14,731	(24,835)	(15,832)	(3,869)
Net income (loss)	\$ 13,048	\$ 22,951	\$ 19,791	\$ 5,550	\$ 17,912	\$ (30,352)	\$ (19,352)	\$ (4,730)
Balance Sheet Data (at period end):								
Working capital ⁽⁴⁾	\$ 88,850	\$ 118,981	\$ 211,118	\$ 154,675	\$ 196,032			\$ 196,032
Total assets	1,015,806	1,005,144	1,647,830	1,553,641	1,673,286			2,672,929
Total debt	751,605	697,558	1,160,620	1,167,554	1,135,820			1,896,659
Stockholders' equity	152,591	183,891	203,388	182,692	227,669			483,519
Other Data:								
Depreciation and	\$ 44,078	\$ 60,816	\$ 88,720	\$ 34,149	\$ 53,996	\$ 105,368	\$ 50,797	\$ 53,996

Edgar Filing: Setco, LLC - Form S-4/A

Amortization ⁽⁵⁾								
Capital Expenditure ⁽⁶⁾	29,949	52,624	57,829	32,303	52,217	68,681	43,155	52,217
Ratio of Earnings to Fixed Charges ⁽⁷⁾	1.5X	1.7X	1.4X	1.4X	1.7X	(7)	(7)	(7)
EBITDA ⁽⁸⁾	115,275							