

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:	:	BANKRUPTCY CASE NO. 17-10342-TPA
	:	
North Coast Tool, Inc.	:	CHAPTER 11
Debtor	:	
	:	Document Number: 83
North Coast Tool, Inc.	:	
Movant	:	
	:	
vs.	:	
	:	
Northwest Bank,	:	
Commonwealth of Pennsylvania,	:	
PA Department of Labor & Industry,	:	
Biz Finance,	:	
United States of America,	:	
Department of Treasury,	:	
Internal Revenue Service,	:	
Heather Sprague, Esquire,	:	
On Behalf of United States Trustee,	:	
Respondents	:	

**EXPEDITED MOTION OF DEBTOR TO AUTHORIZE THE AUCTION SALE OF DEBTOR'S EXCESS
EQUIPMENT FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. §363(b)(1) AND LR 6004-1(a):
6004-1(d)(2) and 9013-3(c)**

AND NOW, comes the Debtor, North Coast Tool, Inc. ("Debtor"), by and through its undersigned counsel, and files this *Expedited Motion of Debtor to Authorize the Auction Sale of Debtor's Excess Equipment Free and Clear of Liens Pursuant to 11 U.S.C. §363(b)(1) AND LR 6004-1(a): 6004-1(d)(2) and 9013-3(c)* ("Motion") and in support thereof, avers as follows:

1. This is Debtor's Motion presented on an expedited basis to approve the Auction Sale of Debtor's Excess Equipment which is less than all of the property of the estate.
2. This is a Core proceeding over which the Court exercises jurisdiction under 28 U.S.C. §157(2)(M).
3. Debtor filed a voluntary **Petition** under Chapter 11 of the **Bankruptcy Code** on April 5, 2017 at Case No. 17-10342-TPA.

4. The Debtor is a Pennsylvania corporation having a primary business address located at 2705 West 17th Street, Erie, PA 16506.
5. Northwest Bank is the primary secured creditor of the Debtor maintaining a first lien perfected security interest in all of the Debtor's personal property assets.
6. Debtor is engaged in certain manufacturing business for which it has acquired an array of equipment, all of which is subject to the first lien of Northwest Bank.
7. Debtor, North Coast Tool, Incorporated, has identified certain equipment owned by the Debtor, which is excess equipment and can be sold to reduce the outstanding obligation owed to Northwest Bank. A list of the excess equipment is attached hereto as Exhibit A.
8. The following persons and entities are identified as Respondents, each of which has or may have an interest in the excess equipment identified in Exhibit A.
 - A. Northwest Bank, PO Box 128, Warren, Pennsylvania 16365 filed a Uniform Commercial Code Financing Statement at 2014050204217 and is owed approximately \$131,179.00.
 - B. Commonwealth of Pennsylvania, Department of Labor & Industry, 651 Boss Street—Room 608, Harrisburg, PA 17121 filed Unemployment Tax Liens against the Debtor in Erie County Court of Common Pleas dockets 2016-30601, 2016-30850, 2016-31196, 2017-30087 and is owed approximately \$ 24,992.46.
 - C. Biz Finance, 460 Park Avenue South, 6th Floor, New York, NY 10016 filed a Uniform Commercial Code Financing Statement on proceeds of future sales. Amount owed is unknown.
 - D. United States of America, Department of Treasury, Internal Revenue Service, c/o Insolvency Unit, PO Box 7346, Philadelphia, PA 19101 filed Federal Tax Liens against the Debtor in Erie County Court of Common Pleas dockets 2017-30372, 2016-31578, 2016, 2016-31152 and is owed \$121,705.06.
9. Debtor has filed a Motion seeking Court approval to employ Mike Peterson Auction & Realty Service ("Peterson") to conduct an auction sale.

10. Time is of the essence with respect to the auction since the Lease on the Debtor's present business location expires June 30, 2017 and it is necessary to conduct the auction to have the equipment removed from the premises by that date.
11. 11 U.S.C. §363(b)(1) permits the Debtor to sell outside the ordinary course of business property of the estate free and clear of liens.
12. LR 6004-1(d)(2) provides that the Seller may move the Court to establish a sale procedure where less than all of the estate assets are to be sold.
13. As an auction sale of the Debtors' excess equipment cannot conveniently be conducted in the Bankruptcy Court, Debtor requests that the Court authorize Peterson to conduct an online auction sale with bidding to conclude by June 26, 2017 and all sold equipment to be removed from the Debtor's place of business on or before June 30, 2017. Debtor requests that the Court authorize Peterson to advertise the auction as Peterson would in its usual course of business in machinery auctions and; that Notice of the auction sale be given in accordance with LR 6004-1(d) and; that Debtor upload to the EASI website the information concerning the sale.
14. Debtor anticipates the net proceeds of the sale of its excess equipment, after payment of expenses directly related to the sale, will be paid to Northwest Bank to reduce its loan balance, the Debtor and other creditors will benefit because the application of the proceeds will reduce the Debtor's obligation to Northwest Bank. Debtor anticipates that the reduction will enable the Debtor to formulate a Chapter 11 Plan of Organization, which will address the Debtor's obligation to other creditors, including unsecured creditors.
15. In order for the auction sale to be successful, the Debtor's assets must be sold free and clear of all liens, claims and encumbrances.
16. 11 U.S.C. §363(b)(1) permits the sale of the property to be made free and clear of any and all liens, claims, security interests, mortgages, pledges, charges, indentures, loan agreements, options, rights of refusal, offset recoupment, rights of recovery, judgments, orders, and decrees of any

Court of governmental entity, interest, successor, products, tax and other liabilities, and claims against the Debtor or Debtor's property of any kind or nature, whether secured, unsecured, choate, inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, liquidated or un-liquidated, matured or un-matured, known or unknown collectively the liens and claims.

17. Debtor proposes to the extent that the liens and claims exists they shall attach to the proceeds to be paid in order of priority, as modified by applicable non-bankruptcy laws.
18. Debtor believes that the sale at the auction, at this time, will provide the highest and best offer that the Debtor has or shall receive for the items listed in Exhibit A in that purchasers at the auction will exercise good faith to provide fair value within the meaning of §363(m) of the Bankruptcy Code and In re: Abbott Diaries of Pennsylvania, Incorporated, 78 F. 2d 142 (3d. Cir. 1986).
19. As set forth above, the prompt sale of this property free and clear of liens is in the best interest of the estate and best interest of the creditors and is necessary in order for the Debtor to attempt to formulate a successful Chapter 11 Plan.

WHEREFORE, Debtor, North Coast Tool, Inc., prays for an Order which authorizes the sale of Debtor's excess equipment at auction to be conducted by Peterson to be sold to the respective purchasers free and clear of any and all liens and claims pursuant to the authority of 11 U.S.C. §363(b)(1) with net proceeds of the auction sale to be paid directly to Northwest Bank to the extent of its loan balance.

Date: June 6, 2017

Respectfully Submitted,

/s/ Daniel P. Foster, Esquire

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ITEMS TO SELL FOR THE DOWNSIZING OF NORTH COAST TOOL, INC.

5-17-2017

ITEM DESCRIPTION	QTY	SERIAL NUMBER	LOCATION	COMMENTS
48" X 96" Granite Surface Plate With Stand	1	22425	Quality	Has protective cover
15 Drawer D Size Drawing Storage Cabinet, Steel	1		Quality	Painted Black
Dell Color Printer	1	Bn7f991	Quality	
Ultra-vibe 45 small parts tumbler with stand	1		Quality	Includes media
42" round conference table with 4 matching chairs	1 set		Quality	
Book Case Cherry Laminate, 5 Shelf	1		Quality	
Steel 4 Drawer File Cabinet	1		Quality	Painted black
Rockwell Hardness Tester With Accessories	1	74110	Quality	
2" Global Brand Paper Tape Dispenser	1		Quality	
Cannon Copier With Stand	1	20221	Quality	
Steel Inspection Stool With Back	1		Quality	
Bridgeport Vertical Mill 9 X 42 With Readouts And Power Feed On X Axis	1		Machine shop	
Plastic sink	1		Machine shop	
Birmingham Engine Lathe Lux-1660-T Comes With Readouts, 3 And 4 Jaw Chuck , QC Tool Holder Set, Face Plate	1		Machine shop	
Atlas Vertical Mill 10 X 50 Table Comes With Readouts Acu-Rite And Power Feed On X And Z Axis	1		Machine shop	Need new scale for x axis
GMC Shear ¾ X 48	1		Machine shop	
Cincinnati Radial Arm Drill 36"	1		Machine shop	
2 Station Polishing Grinder With Stand	1		Machine shop	
Model 30 Parts Washer	1		Machine shop	06007138
48" W x 96" H Walk In Spray Booth	1		Machine shop	
Dispatch Vented Electric Oven 36" x 36" x 36"	1		Machine shop	
Roll-in Journeyman Saw Vertical	1		Machine shop	
Santec 300c EDM Sinker with Magnet Chuck	1		Machine shop	
12 Foot Rolling Safety Stairs	1		Machine Shop	
Ultra-Lok Air Dryer For Compressed Air Main Line Type	1		Tool Room	
Two Door Fire Safety Cabinet	1		Tool Room	
12" Bench Style Disc Sander	1		Tool Room	
Electric Floor Sweeper Rechargeable, Walk Behind Type	1		Tool Room	
Craftsman 10" Mitre Saw	1		Tool Room	
Task Force 10" Mitre Saw	1		Tool Room	

Exhibit A

ITEMS TO SELL FOR THE DOWNSIZING OF NORTH COAST TOOL, INC.

5-17-2017

Mikita 10" Chop Saw	1		Tool Room	
1 1/2 HP 3 Gallon Compressor Portable	1		Tool Room	
12" Horizontal Rotary Mill Table	1		Tool room	
8" Vert/Horiz Rotary Table For Mill	1		Tool room	
Kurt 8" Milling Vise	1		Tool room	
5000# Pallet Floor Jack	1		Tool room	Need front wheel
Caterpillar Fork Truck 3000 lb. Triple Stack, Propane	1		fabrication	
Aeroquip Reusable, Fitting Machine	1	0811-0029	Shipping	
Steel Braided Hose Saw	1		Shipping	
Lakeland Flaring Machine Up To 3/4 Dia. Capacity	1		Shipping	
Toyota Fork Truck 10,000 lb. Triple Stack	1		Shipping	
Zeus- Full CNC Automatic Band Saw, With Small Round Stock Bundling Attachment	1	p-00042	Shipping	
Conveyor 15 Foot	1		Shipping	
Roll-in EF-1459 Vertical Band Saw On Wheels	1		Shipping	
Cantilevered Steel Bar Stock Storage Rack For 20 Foot Lengths	1		Shipping	
Ingersol Rand Vertical Compressor	1		Shipping	
Air Dryer Single Station	2	40211	Shipping	
Dock Plate 60 " Aluminum	1		Shipping	
Bad Boy Brand 2 Station Sand Blaster	1		Shipping	W/ 20" Extension
Torit Vertical Exhaust 5-7000 CFM	1		Shipping	
Air-Cel Regenerative Style Air Dryer For Compressed Air, Uses Dessicant, 25 Cfm, Model Ahld-25	1	Hhk00768aa	Shipping	
48" X 48" Spray Booth Shelf Style	1		Shipping	
10' X 10' Walk In Spray Booth , With Lights , And New Fire Suppression System	1		Shipping	
Fire Safety Cabinets	2		Shipping	
Binks Air Assisted Spray System For 5 Gallon Pails	2		Shipping	
Champion 30HP Screw Style Tankless Compressor	1		Shipping	
Rig-u-rak 12 Foot Wide	2		Shipping	
42" Floor Fan	2		Shipping	
30" Wall Fan	2		Assembly	
Cherry Laminate Desk 30 X 60 With Glass Top	1		Dale	
Cherry Laminate Extension	1		Dale	
Cherry Laminate Hutch	1		Dale	
Cherry Laminate Credenza	1		Dale	
Cherry Laminate 30" X 84" Conference Table	1		Dale	
Cherry Color Pleather Conference Chairs With Side Arms	6		Dale	
Cherry Color Pleather Desk Chairs With Sides	2		Dale	
Night Stand Black	1		Dale	
Decorative Corner Table Black	1		Dale	
Cherry Laminate Book Case, With Glass Doors	1		Dale	
Heat Sealer Machine, Singer Brand, 18" Wide	1		Lunchroom	With Foot Pedal
Vacuum Sealer	1		Lunchroom	
Roll of 18" Wide Poly Heat Seal Tubing	200 Ft		Lunchroom	Approximate Amt.

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5-17-2017

Full Size Lockers	8		Lunchroom	
Double Lockers	14		Lunchroom	
Wiedeman CNC Turret Punch, 1981	1	Centrum 1000/Q	Fab	Insurance Claim for Repair in Place
Wiedeman CNC Turret Punch, 1984	1	Centrum 1000/Q	Fab	
Air Quality Self-Contained Plasma Burner Smoke Eater, Self-Cleaning, Approx. 14' High	1		Fab	
ESAB Plasma Burner with 5' x 12' Table	1		Fab	Display Out for Repair at ESAB
15' Rolling Safety Stairs	1		Fab	
101 Kramer Tumblér	1		Fab	
5' x 12' Weld Table	1		Fab	
5' x 10' Weld Table	1		Fab	
LVD 150 Ton CNC Press Brake	1		Fab	Insurance Claim For Repair
Rollin saw ef-1458	1		Fab	
Fortune 1640 engine lathe	1		Fab	
Spano gantry crane 16 w x 20 l x 13 h	1		Assy	
Harrington ½ electric hoist	1		Assy	
Lincoln procut 55 hand held plasma cutter	1		Fab	
½ ton jib hoist 12 foot h x 8 foot span	1		Fab	
Lincoln 255 mig welder	1		Assy	
½ ton milwaukee electric chain hoist	1		Weld	
3 ton arbor press	1		Assy	
Punch press 25ton	1		Fab	
480v step up transformer	1		Fab	
11 drawer steel tool cabinets	3		Fab	
Lincoln precision tig 275 , with sq. wave option	1		Weld	Need on/off switch (80.00)
Lincoln power mig 215	1		Weld	
Lincoln power mig 215	1		Weld	
Cobra-mig spool gun and control	1	Qc-1-110	Weld	
Lincoln power mig 225	4		Weld	
Transformer 480 step up style	1		Fab	
Lincoln stand alone individual exhaust units	4		Qc	
Torit exhaust unit for welding	1		Qc	
desk setup for office	8		Varies	
36 dia lunch room table	2		Lunch	
Folding chairs	12		Lunch	
3 x 5 lunch room table	1		Lunch	
Gun safe	1		Lunch	
Desk top safe	1		Main office	
Lateral file cabinet 4 drawer	3		Main office	
Misc carts 2000 lb capacity	10		Varies	
Rolling paint rack	26		Shipping	
Office divider light gray	15		Eng	
Computer setup with monitor	6		Varies	