

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

In re: §  
SNEED SHIPBUILDING, INC. § Case No. 16-60014  
Debtor. § (Chapter 11)

**DEBTOR'S EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING  
AND APPROVING DEBTOR-IN-POSSESSION ENTERING INTO INSURANCE  
PREMIUM FINANCING AGREEMENT**

**NOTICE UNDER BLR 9013(b) AND 9013(i)**

**THIS MOTION SEEKS ENTRY OF AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**

**EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED; YOU SHOULD FILE AN IMMEDIATE RESPONSE.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

TO THE HONORABLE DAVID R. JONES, UNITED STATES BANKRUPTCY JUDGE:

The application of Sneed Shipbuilding, Inc., Debtor-in-Possession ("Debtor"), respectfully represents:

1. Debtor's Bankruptcy Code Chapter 11 petition was filed on March 4, 2016.

2. Emergency consideration of this Motion is necessary because the Debtor's current insurance policies expire on October 1, 2016. The Debtor cannot enter into an arrangement for insurance premium financing without an order from this Court.

3. The Debtor is engaged in the business of building and repairing inland towboats and barges. In the ordinary course of the Debtor's business, the Debtor must maintain various insurance policies as set forth in the "Schedule of Policies" on the Premium Finance Agreement annexed hereto and made a part hereof.

4. The policies will bear total premiums of \$119,615.35, which total sum the Debtor cannot pay in cash at this time. The Debtor proposes to make nine (9) monthly payments of \$9,624.17 on a monthly basis beginning on November 1, 2016 with a cash down payment of \$35,884.61. The proposed premium finance agreement is attached hereto as Exhibit A.

5. The policies are extremely valuable policies and it is essential to maintain them in the interest of the preservation of the property, assets and business of the Debtor. The policies cannot presently be obtained for the Debtor unless the premiums are financed.

6. The Debtor has been unable to locate any source of unsecured premium financing.

7. The premiums for the policies are to be financed through IPFS Corporation ("IPFS") which requires the Debtor to enter into a Premium Finance Agreement that includes a Security Agreement which grants IPFS a secured interest in the gross unearned premiums which would be payable in the event of cancellation of the insurance policies and which further authorizes IPFS to cancel the financed insurance policies and obtain the return of any unearned premiums in the event of a default in the payment of any installment due.

8. In view of the importance of maintaining insurance coverage with respect to business activities and the preserving of the Debtor's cash flow and estate by financing the insurance

premiums, the Debtor believes that it would be in the best interests of the Debtor's estate and creditors to induce IPFS to enter into such Premium Finance Agreement.

WHEREFORE, the Debtors pray that an Order pursuant to Section 364(c)(2) of the Bankruptcy Code be made and entered herein authorizing the Debtor to enter into the Premium Finance Agreement and approving the terms thereof, including all rights and privileges granted IPFS therein and authorizing IPFS to exercise all or its rights without first securing an Order of the Court, and for such other and further Order as to this Court seems just and proper.

RESPECTFULLY SUBMITTED this 29<sup>th</sup> day of September 2016.

**MCCATHERN, PLLC**

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**COUNSEL FOR DEBTOR AND  
DEBTOR-IN-POSSESSION**

**CERTIFICATE OF SERVICE**

An omnibus Certificate of Service concerning the foregoing was filed and served on the notice list filed with this case via CM/ECF, email, and/or First Class Mail as required by the Federal Rules of Bankruptcy Procedure.

By: /s/ Nicholas Zugaro  
Nicholas Zugaro