

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 AMENDING THE
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:

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

1. Debtor's Bankruptcy Code Chapter 11 petition was filed on March 4, 2016.
2. 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 Debtor's Emergency Motion for Entry of an Order Authorizing and Approving Debtor-In-Possession Entering Into Insurance Premium Financing Agreement ("Insurance Motion") [Docket No. 197]. This Court approved the Insurance Motion by order dated September 30, 2016 ("Insurance Order") [Docket No. 204]. The counterparty to the Debtor's insurance policy, IPFS Corporation ("IPFS") has subsequently requested that the Debtor seek entry of an amended order to clarify its security.

3. Emergency consideration of this Motion is necessary because IPFS insists that the Debtor clarify the extent of its lien as part of its ability to finance the Debtor's coverage. The Debtor seeks to resolve IPFS's issues before any concern regarding coverage could arise.

4. The policies will remain unchanged from the policies set forth in the Insurance Motion. They will bear total premiums of \$119,615.35, which total sum the Debtor cannot pay in cash at this time. The Debtor's payment plan will not vary from the proposed plan in the Insurance Motion. 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.

5. The Debtor seeks entry of an amended order clarifying that, "notwithstanding anything to the contrary contained in any Order approving secured financing in this case, the lien granted to IPFS hereunder in connection with the Policies shall be senior to any security interests and/or liens granted to any other secured creditors in the Debtor's case."

6. The Debtor does not believe that the amended order requested will alter the relief previously granted in the Insurance Order other than as stated specifically in paragraph five herein.

WHEREFORE, the Debtors pray that an amended 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 14th day of October 2016.

MCCATHERN, PLLC

By: /s/ Eric M. Van Horn
Eric M. Van Horn
Texas Bar No. 24051465
ericvanhorn@mccathernlaw.com
Regency Plaza
3710 Rawlins, Suite 1600
Dallas, Texas 75219
Telephone: (214) 741-2662
Facsimile: (214) 741-4717

And

Nicholas Zugaro
Texas Bar No. 24070905
nzugaro@mccathernlaw.com
2000 West Loop South, Suite 2100
Houston, Texas 77027
Telephone: (832) 533-8689
Facsimile: (832) 213-4842

**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