

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-2**

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In re:

RIH ACQUISITIONS, NJ, LLC, et al.,¹

Debtors.

Chapter 11
Case No. 13-34483 (GMB)
Jointly Administered

LIMITED RESPONSE OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO DEBTORS' MOTION FOR FINAL ORDER AUTHORIZING THE DEBTORS TO OBTAIN SUPERPRIORITY, SENIOR SECURED POST-PETITION FINANCING PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 364(C) AND 364(E)

To: The Honorable Gloria M. Burns,
Chief United States Bankruptcy Judge

The official committee of unsecured creditors by and through its proposed counsel, Klehr Harrison Harvey Branzburg LLP, hereby files this limited response (the "**Limited Response**") to the above-captioned debtors' (the "**Debtors**") *Motion for Final Order Authorizing the Debtors to Obtain Superpriority, Senior Secured, Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c) and 364(e)* (the "**DIP Motion**") and in support thereof respectfully represent as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: RIH Acquisitions NJ, LLC d/b/a The Atlantic Club Casino Hotel (1695) and RIH Propco NJ, LLC (5454).



I. Jurisdiction

1. The Court has jurisdiction to consider the DIP Motion and this objection under 28 U.S.C. §§ 157 and 1334. The matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this case in this district is proper under 28 U.S.C. §§ 1408 and 1409.

II. Background

2. On November 6, 2013 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief pursuant to Chapter 11, Title 11 of the United States Code.

3. On the Petition Date, the Debtors filed various first day motions, including the DIP Motion seeking the entry of a final order authorizing the Debtors to enter into a superpriority, senior secured post-petition financing facility with Northlight Trust I, a Delaware statutory trust and an affiliate of Northlight Financial LLC (the “**DIP Lender**”). [Doc. No. 16]. Attached as Exhibit C to the DIP Motion was that certain *Debtor-In-Possession Term Credit, Guaranty and Security Agreement* (the “**DIP Credit Agreement**”), as well as a proposed DIP Budget.

4. On November 8, 2013, the Court conducted the “first day hearing” after which it entered the *Interim Order: Authorizing Debtor to (A) Obtain Secured Postpetition Financing Pursuant to Sections 105, 361, 362, 363, 364(c) and 364(e) of the Bankruptcy Code, and (B) Utilize Cash Collateral Pursuant to Section 363 of the Bankruptcy Code; and (II) Scheduling Final Hearing Under Bankruptcy Rule 4001*. [Doc. No. 40].

5. On November 14, 2013, the Office of the United States Trustee held an organizational meeting for the purpose of organizing a creditors committee in this case.

6. An official committee of unsecured creditors (the “**Committee**”) was selected and organized late afternoon on November 14, 2013. Shortly thereafter, the Committee selected the undersigned counsel as its proposed counsel.

7. On November 19, 2013, the Debtors filed the *Supplemental Application in Support of Debtors’ Motion for Entry of a Final Order Authorizing the Debtors to Obtain Superpriority, Senior Secured Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c) and 364(e)*, which included an amendment to the DIP Credit Agreement (the “**Amended DIP Credit Agreement**”) and together with the DIP Credit Agreement and all other documents executed in connection therewith, the “**DIP Financing**”) as well as a revised budget. [Doc. No. 92].

8. Since its appointment, the Committee has engaged in discussions with the Debtor and the DIP Lender regarding what the Committee’s concerns with the DIP Financing. The Committee believes it has resolved its objections with the DIP Lender but the Committee has not yet approved a final order with the changes that have been agreed to by the DIP Lender. The Committee expects that the parties will present a consensual final order on the DIP Financing. Should the final order not be acceptable to the Committee, the Committee reserves the right to supplement this Limited Response prior to the final DIP hearing.

WHEREFORE, the Committee respectfully requests that this Court conduct a final hearing on the Final DIP Motion, and grant the Committee such other and further relief as may be appropriate.

Dated: November 26, 2013

KLEHR HARRISON HARVEY
BRANZBURG LLP

By: /s/ Morton R. Branzburg

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