

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

In re:	§	Chapter 11
SHERWIN ALUMINA COMPANY, LLC, <i>et al.</i> , <sup>1</sup>	§	Case No. 16-20012 (___)
Debtors.	§	(Joint Administration Requested)
	§	(Emergency Hearing Requested)

**EMERGENCY MOTION OF SHERWIN ALUMINA COMPANY, LLC, ET AL.,  
FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING  
DEBTORS TO (I) CONTINUE THEIR PREPETITION INSURANCE  
COVERAGE, SATISFY PAYMENT OF PREPETITION OBLIGATIONS  
RELATED THERETO AND (II) RENEW, SUPPLEMENT, OR ENTER  
INTO NEW INSURANCE COVERAGE IN THE ORDINARY COURSE OF BUSINESS**

**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.**

<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Sherwin Alumina Company, LLC (2376); and Sherwin Pipeline, Inc. (9047). The debtors' service address is: 4633 Highway 361, Gregory, Texas 78359.



The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) respectfully state the following in support of this motion (this “**Motion**”).

**Jurisdiction, Venue, and Procedural Background**

1. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a) and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and rule 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

4. On the date hereof (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description of the facts and circumstances surrounding these chapter 11 cases is set forth in the *Declaration of Kent Britton, Chief Financial Officer of Sherwin Alumina Company, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the “**First Day Declaration**”), filed contemporaneously with this Motion.

5. Since the Petition Date, the Debtors have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date of this Motion, the Office of the United States Trustee has not appointed an official committee of unsecured creditors.

**Relief Requested**

6. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “**Interim Order**” and the “**Final Order**”), authorizing the Debtors to (a) continue prepetition practices regarding the

Insurance Policies (as defined below), satisfy payment of prepetition obligations related thereto, and (b) renew, supplement, or enter into new insurance coverage in the ordinary course of business. In addition, the Debtors request that the Court schedule a final hearing within approximately 25 days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis.

**The Insurance Policies  
and Related Payment Obligations**

7. In the ordinary course of business, the Debtors maintain approximately seven insurance policies that are administered by multiple third-party insurance carriers (collectively, the “**Insurance Carriers**”). These policies provide coverage for, among other things, the Debtors’ property, equipment, excess, foreign, marine cargo, accident/health, employment practices, commercial crime, fiduciary, cyber, special crime, and director and officer liability (collectively, the “**Insurance Policies**”). A schedule of the current Insurance Policies is attached hereto as **Exhibit C** and incorporated herein by reference.<sup>2</sup>

8. Over the past twelve months, the Debtors have paid an aggregate amount of approximately \$1.27 million on account of annual premiums under the Insurance Policies. Most Insurance Policies renew annually. The Debtors currently do not finance any of their premium obligations through a premium financing agreement. As of the Petition Date, the Debtors do not believe there are any accrued but unpaid obligations, including premium obligations, on account

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<sup>2</sup> The descriptions of the Insurance Policies set forth in this Motion constitute a summary only. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the description in this Motion. Moreover and in addition to the Insurance Policies listed on **Exhibit C** attached hereto, the Debtors maintain numerous insurance policies with respect to, among other things, workers’ compensation, employee health, dental, disability, and life insurance benefits. These programs are described, and relief is requested with respect to such programs in the *Emergency Motion of Sherwin Alumina Company, LLC, et al., for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Prepetition Wages, Salaries, and Other Compensation, and Reimbursable Expenses and Continue Employee Benefits Programs in the Ordinary Course of Business, Including Payment of Certain Prepetition Obligations Related Thereto and (II) Directing Financial Institutions to Receive, Process, Honor, and Pay All Checks Presented for Payment and Electronic Payment Requests Related Thereto*, filed contemporaneously herewith.

of the Insurance Policies. Nevertheless, out of an abundance of caution, the Debtors seek authority in consultation with the lender under the Debtors' proposed postpetition credit facility (the "**DIP Lender**"), to honor any amounts owed on account of the Insurance Policies in the ordinary course of business to ensure uninterrupted coverage under the Insurance Policies.

9. Continuation of the Insurance Policies and entry into new Insurance Policies are essential to preserving the value of the Debtors' businesses, properties, and assets. Moreover, in many cases, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the requirements of the Office of the United States Trustee. Accordingly, the Debtors request the Court's authority to maintain their existing Insurance Policies, pay prepetition obligations (if any) related thereto, and renew, supplement, or enter into new Insurance Policies, in consultation with the DIP Lender, in the ordinary course of business on a postpetition basis.

#### **The Debtors' Insurance Broker**

10. The Debtors typically obtain the Insurance Policies through their insurance brokers, Willis of Tennessee, Inc. and AmWINS Brokerage of Georgia (collectively, the "**Insurance Brokers**"). The Insurance Brokers assist the Debtors with the procurement and negotiation of the Insurance Policies, enabling the Debtors to obtain Insurance Policies on advantageous terms at competitive rates and in a cost-effective manner. In connection with the Insurance Policies, the Insurance Brokers are compensated through commissions from insurers (collectively, the "**Brokerage Fees**") as a flat annual fee or part of the premiums on the Insurance Policies. The Brokerage Fees are typically paid at the time of placement or renewal of an Insurance Policy. As of the Petition Date, the Debtors do not believe that there are any unpaid obligations due and owing to the Insurance Brokers on account of Brokerage Fees or any other prepetition obligations. Nevertheless, out of an abundance of caution, the Debtors seek

authority, in consultation with the DIP Lender, to honor any amounts owed to the Insurance Brokers in the ordinary course of business on a postpetition basis to ensure uninterrupted coverage under the Insurance Policies.

### **Basis for Relief**

#### **I. Paying Obligations under and Renewing the Insurance Policies in the Ordinary Course of Business Is Warranted.**

11. Section 363 of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under section 363(b), courts in this jurisdiction require only that the debtor “show that a sound business purpose” justifies the proposed use of property. *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (finding that a sound business justification existed to justify payment of prepetition wages); *In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring “good business reason” for use under section 363(b) of the Bankruptcy Code). Moreover, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (“Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task.”). Section 105(a) of the Bankruptcy Code further provides that a court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code, pursuant to the “doctrine of necessity.”

12. In addition, the “doctrine of necessity” functions in a chapter 11 case as a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of

critical prepetition claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re Lehigh & New Eng. Ry.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that a court may authorize payment of prepetition claims if such payment is essential to debtor's continued operation); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 824 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code "provides a statutory basis for payment of prepetition claims" under the doctrine of necessity); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (explaining that the doctrine of necessity is the standard in the Third Circuit for enabling a court to authorize the payment of prepetition claims prior to confirmation of a chapter 11 plan).

13. Maintaining the Insurance Policies in the ordinary course of the Debtors' business is warranted under section 363(b) of the Bankruptcy Code and the doctrine of necessity. As described above, continuation of the Insurance Policies is essential to preserving the value of the Debtors' assets and minimizing exposure to risk. Furthermore, insurance coverage is required by the U.S. Trustee as well as the laws of various jurisdictions in which the Debtors operate. *See Region 7 Guidelines for Debtors-in-Possession*. Section 1112 of the Bankruptcy Code provides that "failure to maintain appropriate insurance that poses a risk to the estate or the public" constitutes "cause" for mandatory conversion or dismissal of a chapter 11 case. Therefore, continuation of the Insurance Policies during these chapter 11 cases is an essential part of preserving the value of the Debtors' estates. Accordingly, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Court may grant the relief requested herein.

14. Courts in this district and in others routinely grant relief similar to that requested herein. *See, e.g., In re Univ. Gen. Health Sys., Inc.*, No. 15-31086 (LZP) (Bankr. S.D. Tex. Mar. 2, 2015); *In re ATP Oil & Gas Corp.*, No. 12-36187 (MI) (Bankr. S.D. Tex. Aug. 21,

2012); *In re ASARCO LLC*, No. 05-21207 (RSS) (Bankr. S.D. Tex. Aug. 10, 2005); *In re Tropicana Entm't LLC*, No. 08-10856 (KJC) (Bankr. D. Del. May 6, 2008); *In re Leiner Health Prods, Inc.*, No. 08-10466 (KJC) (Bankr. D. Del. Feb. 5, 2008); *In re Polymer Group, Inc.*, No. 02-5773 JW (Bankr. D.S.C. May 29, 2002).<sup>3</sup>

**II. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers.**

15. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral and debtor-in-possession financing. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Insurance Policies. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

**Emergency Consideration**

16. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and

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<sup>3</sup> Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

that any delay in granting the relief requested could hinder the Debtors' operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture and imperil the Debtors' restructuring. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

17. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

**Reservation of Rights**

18. Nothing contained herein or any actions taken pursuant to such relief is intended or should be construed as: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

**Notice**

19. The Debtors will provide notice of this Motion to the following parties or their respective counsel (if known): (a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a

consolidated basis); (c) the lender under the Debtors' proposed postpetition financing facility; (d) the lender under the Debtors' prepetition secured credit agreement; (e) the United States Attorney's Office for the Southern District of Texas; (f) the Internal Revenue Service; (g) the Environmental Protection Agency; (h) the office of the attorneys general for the states in which the Debtors operate; (i) the Insurance Carriers and Insurance Broker; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

20. No prior request for the relief sought in this Motion has been made to this or any other court.

*[Remainder of page intentionally left blank]*

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Respectfully Submitted,

Dated: January 11, 2016

*/s/ Zack A. Clement*

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Zack A. Clement (TX Bar No. 04361550)

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*Proposed Counsel for the  
Debtors and Debtors in Possession*

**Certificate of Service**

I certify that on January 11, 2016, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Zack A. Clement*

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One of Counsel

**Exhibit A**

**Proposed Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
CORPUS CHRISTI DIVISION**

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In re:	§	
	§	Chapter 11
SHERWIN ALUMINA COMPANY, LLC, <i>et al.</i> , <sup>1</sup>	§	
	§	Case No. 16-20012 (___)
Debtors.	§	(Joint Administration Requested)
	§	
	§	<b>Re: Docket No. ___</b>

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**INTERIM ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE THEIR  
PREPETITION INSURANCE COVERAGE, SATISFY PAYMENT OF PREPETITION  
OBLIGATIONS RELATED THERETO AND (II) RENEW, SUPPLEMENT, OR ENTER  
INTO NEW INSURANCE COVERAGE IN THE ORDINARY COURSE OF BUSINESS**

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Upon the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an interim order (this “**Interim Order**”) authorizing the Debtors to (a) continue prepetition practices regarding the Insurance Policies, satisfy payment of prepetition obligations related thereto, and (b) renew, supplement, or enter into new insurance coverage in the ordinary course of business, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Sherwin Alumina Company, LLC (2376); and Sherwin Pipeline, Inc. (9047). The debtors’ service address is: 4633 Highway 361, Gregory, Texas 78359.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2016, at \_\_:\_\_ .m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on \_\_\_\_\_, 2016, and shall be served on: (a) the Debtors, Sherwin Alumina Company, LLC, 4633 Highway 361, Gregory, Texas 78359, Attn.: Kent Britton; (b) proposed counsel for the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Gregory F. Pesce, Esq.; (c) counsel to the lender under the Debtors' proposed postpetition financing facility, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178, Attn.: Steven J. Reisman, Esq.; (d) counsel to any statutory committee appointed in these cases; and (e) Office of The United States Trustee, Region 7, 606 North Carancahua Street, Suite 1107, Corpus Christi, Texas 78401, Attn.: [\_\_\_\_], Esq. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized to continue the Insurance Policies in the ordinary course of business and to pay any prepetition or postpetition obligations related thereto, including, without limitation, any amounts owed to the Insurance Broker.

4. The Debtors are authorized to renew, supplement, modify, or purchase new Insurance Policies to the extent the Debtors determine, in consultation with the DIP Lender, that such action is in the best interests of their estates.

5. Notwithstanding anything contained in the Motion or this Order, any payment authorized to be made by the Debtors herein shall be subject to the terms and conditions contained in any orders entered by this Court authorizing the Debtors to obtain debtor-in-possession financing, and any accompanying budgets approved by the Court in connection therewith.

6. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserved their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

9. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: \_\_\_\_\_, 2016  
Corpus Christi, Texas

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UNITED STATES BANKRUPTCY JUDGE

**Exhibit B**

**Proposed Final Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
CORPUS CHRISTI DIVISION**

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In re:	§	
	§	Chapter 11
SHERWIN ALUMINA COMPANY, LLC, <i>et al.</i> , <sup>1</sup>	§	
	§	Case No. 16-20012 (___)
Debtors.	§	(Joint Administration Requested)
	§	
	§	<b>Re: Docket No. ___</b>

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**FINAL ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE THEIR  
PREPETITION INSURANCE COVERAGE, SATISFY PAYMENT OF PREPETITION  
OBLIGATIONS RELATED THERETO AND (II) RENEW, SUPPLEMENT, OR ENTER  
INTO NEW INSURANCE COVERAGE IN THE ORDINARY COURSE OF BUSINESS**

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Upon the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of a final order (this “**Final Order**”) authorizing the Debtors to (a) continue prepetition practices regarding the Insurance Policies, satisfy payment of prepetition obligations related thereto, and (b) renew, supplement, or enter into new insurance coverage in the ordinary course of business, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Sherwin Alumina Company, LLC (2376); and Sherwin Pipeline, Inc. (9047). The debtors’ service address is: 4633 Highway 361, Gregory, Texas 78359.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized in consultation with the DIP Lender, to continue the Insurance Policies in the ordinary course of business and to pay any prepetition or postpetition obligations related thereto, including, without limitation, any amounts owed to the Insurance Broker.
3. The Debtors are authorized to renew, supplement, modify, or purchase new Insurance Policies to the extent the Debtors determine, in consultation with the DIP Lender, that such action is in the best interests of their estates.
4. Notwithstanding anything contained in the Motion or this Order, any payment authorized to be made by the Debtors herein shall be subject to the terms and conditions contained in any orders entered by this Court authorizing the Debtors to obtain debtor-in-possession financing, and any accompanying budgets approved by the Court in connection therewith.

5. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserved their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

8. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

9. Notice of the Motion as provided therein shall be deemed good and sufficient

notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Dated: \_\_\_\_\_, 2016  
Corpus Christi, Texas

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UNITED STATES BANKRUPTCY JUDGE

**Exhibit C**

**Insurance Policies**

<b><u>Type of Policy Coverage</u></b>	<b><u>Insurance Carrier</u></b>	<b><u>Policy Number</u></b>	<b><u>Policy Term</u></b>
Workers Compensation	Liberty Mutual Insurance	WA6-68D-004175-025	March 21, 2015, to March 21, 2016
Equipment	Colony Specialty Insurance Company	IM254167-1	April 20, 2015, to April 20, 2016
Commercial Property	ACE American Insurance Company	EPRN09171824	June 30, 2015, to June 30, 2016
Commercial Property	Lexington Insurance Company	17728229	June 30, 2015, to June 30, 2016
Management Liability, Professional Liability, and Crime Coverage	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	16936252	September 1, 2015, to September 1, 2016
Excess Marine Liabilities Clauses	Travelers Property Casualty Company of America	ZOX-41M17630-15-ND	September 30, 2015, to September 30, 2016
Stevedores Legal Liability/ Wharfinger Liability	Travelers Property Casualty Company of America	ZOL-21N31532-15-ND	September 30, 2015, to September 30, 2016