

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
SOUTHERN DIVISION

In re:)	
)	
MISSISSIPPI PHOSPHATES)	
CORPORATION, <i>et al.</i> ¹)	CASE NO. 14-51667-KMS
)	Chapter 11
)	
Debtors)	Jointly Administered
_____)	

**EMERGENCY MOTION OF THE DEBTORS FOR
SHORTENED NOTICE PERIOD AND EXPEDITED HEARING
ON THE MOTION TO RENEW AND EXTEND INTERIM DIP ORDER
[Dkt. #548]**

Mississippi Phosphates Corporation, *et al.*, the Debtors and debtors-in-possession herein (the “*Debtors*”), by and through their attorneys, respectfully file this *Emergency Motion of the Debtors for Shortened Notice Period and Expedited Hearing on the Motion to Renew and Extend Interim DIP Order* (the “*Motion*”), with respect to its simultaneously filed *Motion of the Debtors to Renew and Extend Interim Order Pursuant to Sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002, 4001 and 9014 (I) Authorizing the Debtors to Incur Post-Petition Senior Secured Superpriority Indebtedness; (II) Authorizing Use of Cash Collateral; (III) Granting Post-Petition Priming and Senior Priority Security Interests and Superpriority Claims; (IV) Granting Adequate Protection; (V) Modifying the Automatic Stay; and (VI) Scheduling a Final Hearing on the Motion* [Dkt. #548] (the “*Motion to Renew and Extend*”) in which the Debtor requests the Court to extend and renew

¹ The chapter 11 cases of the following affiliated Debtors have been administratively consolidated for joint administration pursuant to that certain *Order Granting Motion of the Debtor for Order Directing Joint Administration of Affiliated Cases Pursuant to Bankruptcy Rule 1015(b)*, dated October 29, 2014 [Dkt. # 62]: Mississippi Phosphates Corporation (“*MPC*”), Case No. 14-51667, Ammonia Tank Subsidiary, Inc. (“*ATS*”), Case No. 14-51668 and Sulfuric Acid Tanks Subsidiary, Inc. (“*SATS*”), Case No. 14-51671. These chapter 11 cases are sometimes referred to herein as the “*Bankruptcy Cases*.”

that certain *Interim Order Pursuant to Sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002, 4001 and 9014 (I) Authorizing the Debtors to Incur Post-Petition Senior Secured Superpriority Indebtedness; (II) Authorizing Use of Cash Collateral; (III) Granting Post-Petition Priming and Senior Priority Security Interests and Superpriority Claims; (IV) Granting Adequate Protection; (V) Modifying the Automatic Stay; and (VI) Scheduling a Final Hearing on the Motion* [Dkt. # 66] (the “*Interim DIP Order*”) and for such other, further, and general relief to which the Debtors may be entitled. In support of the Motion, the Debtors present the following matters:

1. This Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). This Motion is governed procedurally by 11 U.S.C. § 102(1) and Federal Bankruptcy Rules 2002 and 9006(c).

2. On October 27, 2014 (the “*Petition Date*”), the Debtors filed their voluntary petitions for relief and thereby commenced these Bankruptcy Cases under chapter 11, title 11 of the United States Code (the “*Bankruptcy Code*”), in the United States Bankruptcy Court for the Southern District of Mississippi, Southern Division (the “*Bankruptcy Court*”). Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are operating their businesses and managing their properties as debtors-in-possession. No trustee or examiner has been appointed in any of these Bankruptcy Cases.

3. An Official Committee of Unsecured Creditors (the “*Committee*”) was appointed by the United States Trustee in these Bankruptcy Cases on November 12, 2014 [Dkt. # 161], and the Court has approved the Committee’s retention of Burr & Forman LLP as counsel for the Committee [Dkt. # 473].

4. On March 5, 2015, the Debtors filed the Motion to Renew and Extend, which seeks the entry of an order to supplement and amend, in certain respects, the Interim DIP Order.

5. The Debtors respectfully request that the Court set the Motion to Renew and Extend for hearing (the "*Hearing*"), on an expedited basis, on **Wednesday, March 11, 2015, or as soon as the Motion to Renew and Extend may be heard**, in the Dan M. Russell, Jr. United States Courthouse, 2012 15th Street, 7th Floor, United States Bankruptcy Courtroom, Gulfport, MS 39501.

6. The relief requested in the Motion to Renew and Extend is necessary to avoid immediate and irreparable harm to the Debtors and to the bankruptcy estates. The Debtors need to amend the Interim DIP Order in order to receive cash collateral to operate and pay necessary expenses of these Bankruptcy Cases, including the maintenance of the Debtors' environmental obligations and payroll. As of the date of this Motion, unless the Debtors are able to be paid on an outstanding disputed account receivable, the Debtors are projected to exhaust all cash reserves by Friday, March 13, 2015, but it must fund its payroll by Wednesday, March 11, 2015, absent a collection of a disputed account prior to that date. Accordingly, it is necessary that the Court address the Motion to Renew and Extend on an expedited basis to protect the bankruptcy estates, to allow the Debtors to continue to address the environmental obligations, to fund the Debtors' payroll obligations and to permit the Debtors to move forward in these Bankruptcy Cases on an emergency basis.

7. Paragraph 16 of the Interim DIP Order provided that the Interim DIP Order could be amended by the parties, subject to notice of any material modification to the Committee and the United States Trustee. The Interim DIP Order provides as follows:

16. Amendments. The Debtors, DIP Agent and DIP Lenders may enter into any amendments or modifications to the DIP Facility and the other DIP Loan

Documents without the need of further notice and hearing or order of this Court, in each case in such form as the Debtors, the DIP Agent and DIP Lenders may agree and a copy of which is delivered to the Committee and the United States Trustee; provided, however, that notice of any material modification or amendment shall be provided to the Committee and the United States Trustee, each of which shall have five (5) days from the date of such notice within which to object in writing; provided, further, however, that if any such objection is timely made, then such modification or amendment shall be permitted only pursuant to an order of the Court (or upon withdrawal of the objection). If no Committee is appointed, the Debtors shall docket a notice of any material modification or amendment and parties-in-interest shall have five (5) days to file an objection in writing, provided, however, that if such objection is timely made, then such modification or amendment shall be permitted only pursuant to an order of the Court.

8. The Debtors were relying on an amendment to the Budget and Term Sheet for additional advances requested. An question was raised whether Court approval of this additional advance was needed in light of Paragraph 1 of the Interim DIP Order, which provides, in part, as follows:

1. ... The term of this Order and the DIP Loan Documents authorized hereunder shall expire, and the loans made pursuant to this Order, the DIP Facility, and the DIP Loan Documents will mature and, together with all interest thereon and any other obligations accruing under the DIP Facility, will become due and payable (unless such loans and other obligations become due and payable earlier pursuant to the terms of the DIP Loan Documents and this Order by way of acceleration or otherwise) thirty (30) days from the date this Order is entered if the Final DIP Order has not been entered by the Court prior to such date.

9. Out of an abundance of precaution, the DIP Lenders required a Court order approving this advance under the Initial DIP Order as renewed and extended prior to advancing any additional funds, which necessitated the filing of the Motion to Renew and Extend.

10. Good cause exists to shorten the notice and objection periods and expedite the Hearing with respect to entry of an order on the Motion to Renew and Extend in these particular circumstances pursuant to 11 U.S.C. § 102(1) and Federal Bankruptcy Rules 2002 and 9006(c). Notice will be given through the Court's ECF system and served electronically on all persons

who are registered users of the CM/ECF System for the Bankruptcy Cases, as well as all persons and entities listed on the Shortened Service List approved by the Court in the Bankruptcy Cases.²

WHEREFORE, the Debtors respectfully request the Court to enter an order setting an expedited hearing on the Motion to Renew and Extend for Wednesday, March 11, 2015, or as soon as the Motion to Renew and Extend may be heard, in the Dan M. Russell, Jr. United States Courthouse, 2012 15th Street, 7th Floor, United States Bankruptcy Courtroom, Gulfport, MS 39501 and grant the Debtors such other and further relief as the Court deems just and proper.

Dated: March 5, 2015.

Respectfully submitted,

MISSISSIPPI PHOSPHATES CORPORATION, *et al.*

By: /s/ Stephen W. Rosenblatt

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ATTORNEYS FOR THE DEBTORS

² On January 26, 2015, the Court entered its *Order Approving Motion of the Debtors to Establish Limited Service List* [Dkt. # 425]. The “*Shortened Service List*” is those parties specified in that Order, as the Shortened Service List may be updated and amended from month to month.

CERTIFICATE OF SERVICE

I certify that the foregoing pleading was filed electronically through the Court's ECF system and served electronically on all persons who are registered users of the CM/ECF System for the Bankruptcy Cases, as well as all persons and entities listed on the Shortened Service List approved by the Court in the Bankruptcy Cases.

Dated: March 5, 2015.

/s/ Stephen W. Rosenblatt
STEPHEN W. ROSENBLATT

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