

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
Met-Coil Systems Corporation,	)	Case No. 03-12676 (MFW)
	)	
Debtor.	)	<b>Objs. due by: 9/5/03 @ 11:30 a.m. (Eastern Time) (Requested) Hearing Date: 9/5/03 @ 11:30 a.m. (Eastern Time)</b>

**DEBTOR'S MOTION FOR ENTRY OF ORDER AUTHORIZING  
CONTINUED USE OF CERTAIN PREPETITION BANK ACCOUNTS**

Met-Coil Systems Corporation (the "**Debtor**" or "**Met-Coil**"), debtor and debtor-in-possession in the above-captioned chapter 11 case (the "**Case**"), hereby presents this motion for entry of Order authorizing continued use of certain prepetition bank accounts (the "**Motion**"). In support hereof, the Debtor respectfully represents as follows:

**JURISDICTION**

1. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334.
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. Consideration of the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b).
3. The statutory predicates for the relief requested herein are §§ 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Local Bankruptcy Rule for the District of Delaware 1007-2(b).

**INTRODUCTION**

4. On August 26, 2003 (the "**Petition Date**"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtor is operating its business as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed.

6. On August 26, 2003, the Debtor filed its Motion for Entry of Order Authorizing (A) Continued Use of (I) Business Forms and (II) Cash Management System and (B) Waiver of Investment Guidelines (the "Cash Management Motion").

7. On August 28, 2003, the Court held a hearing on the Cash Management Motion and thereafter entered the Interim Order Authorizing (A) Continued Use of (I) Business Forms and (II) Cash Management System and (B) Waiver of Investment Guidelines.

#### **RELIEF REQUESTED**

8. By this Motion, the Debtor seeks an order authorizing continued use of its prepetition petty cash bank accounts and the escrow account and money market accounts arising from the settlement of the matter LeClerq et al. v. The Lockformer Company et al. Case No. 00 C 7164, pending in the United States District Court for the Northern District of Illinois.

#### **BASIS FOR RELIEF REQUESTED**

9. The United States Trustee for the District of Delaware has established operating guidelines for debtors in possession that operate their businesses. Under these guidelines, debtors in possession must do the following at the commencement of a chapter 11 case:

- (a) replace all existing bank accounts with debtor-in-possession accounts;

- (b) create a single debtor-in-possession account out of which to pay all taxes;
- (c) create a single debtor-in-possession account for maintaining cash collateral; and
- (d) replace all old checks with new ones drawn on the debtor-in-possession accounts and bearing the designation "debtor-in-possession," the bankruptcy case number, and the type of account upon which such checks are drawn.

These requirements serve two purposes: they provide a simple way to distinguish between prepetition and postpetition transactions, and they help prevent the inadvertent postpetition payment of prepetition claims by preventing the banks from honoring checks drawn before the Petition Date.

10. Through the Cash Management Motion, the Debtor advised the Court that it had opened at Fleet Bank which is service as the Debtor's postpetition bank account, from which all operational expenses shall be paid. The Debtor sought and obtained a waiver of the requirement that it open a separate bank account for payment of taxes.

11. Before the Petition Date, the Debtor, in the ordinary course of business, maintained a local petty cash-checking account at LaSalle Bank in Lisle, Illinois (Account No. 52009875590) and a local petty cash-checking account at Firststar in Cedar Rapids, Iowa (Account No. 12337802) (the "Petty Cash Accounts"). The Petty Cash Accounts have been utilized for deposits of miscellaneous income and to make miscellaneous disbursements. In addition, the Petty Cash Account in Lisle, Illinois is utilized to process credit card charges for sales of replacement parts to customers. The Petty Cash Account in Cedar Rapids, Iowa is also used for miscellaneous payments by scrap dealer purchases.

12. As a result of the settlement of the LeClerq action, the Debtor established an escrow account at LaSalle Bank in Lisle, Illinois (Account No. 5201172532) and two money market accounts at LaSalle Bank in Lisle, Illinois (Account Nos. 8602447404 and 8602447479) (the "Escrow Accounts" and together with the Petty Cash Accounts, the "Accounts"). To ensure compliance with the prepetition settlement agreement, including the project to hook-up certain homes to the public water supply, the Debtor needs to maintain the Escrow Accounts.

13. The Debtor seeks a waiver of the United States Trustee's requirement that the Accounts be closed and new post-petition bank accounts be opened in their place. Maintenance of the Accounts would greatly facilitate the Debtor's "seamless transition" to post-petition operations.

14. Courts have routinely granted similar relief in other cases in this District and elsewhere. See, e.g., In re USG Corp, Case No. 01-2094 (RJN) (Bankr. D. Del. June 27, 2001) (J. Farnan) (order authorizing, among other things, the continued postpetition use of debtors' existing bank accounts); In re Pillowtex, Inc., Case No. 00-4211 (SLR) (Bankr. D. Del. Nov. 14, 2000) (same); In re Eagle Food Ctrs., Inc., Case No. 00-01311 (RRM) (Bankr. D. Del. March 2, 2000); In re Purina Mills, Inc., Case No 99-3938 (SLR) (Bankr. D. Del. Oct. 29, 1999) (same); In re Borden Chems. & Plastics Operating Ltd. P'ship, Case No. 01-1268 (RRM) (Bankr. D. Del April 5, 2001) (Judge Newsome) (same); In re Weblink Wireless, Inc., Case No. 01-34275 (Bankr. N.D. Tex. May 30, 2001) (same); In re LTV Steel Co., Inc., Case No. 00-43866 (Bankr. N.D. Ohio Dec 29, 2000) (same); In re Fansteel, Inc., Case No 02-10109 (Bankr. D. Del. January 17, 2002).

15. Accordingly, the Debtor requests that it be permitted to continue to use the Accounts in the same manner and with the same account numbers, styles and document forms as those employed prior to the Petition Date, and that all such Accounts be deemed to be debtor-in-possession accounts.

16. The Debtor requests that it be permitted to deposit funds and withdraw funds from the Accounts by all usual means, including, without limitation, checks, wire transfers, Automated Clearing House transfers and other debits.

17. The Debtor requests that the Court authorize and direct all banks with which the Debtor maintains the Accounts to continue to maintain, service and administer such Accounts, provided that these banks shall not be authorized to honor any check issued or dated prior to the date of commencement of this Case, except as otherwise provided by further order of this Court.

18. If the relief requested in this Motion is granted, the Debtor shall direct all of its banks to honor only post-petition checks, except as authorized in the order attached to this Motion, or by separate order of this Court.<sup>1</sup>

#### **NOTICE AND PRIOR APPLICATION**

19. Use of the Accounts is necessary for the Debtor's daily operations and to ensure a "seamless transition" in bankruptcy. The Debtor requires hearing on this Motion on shortened notice because its inability to continue to utilize the Accounts until September 23, 2003, the next hearing date scheduled in this matter, would cause difficulties with certain of its customers, as outlined above, and could disrupt the hook-up to public water process

---

<sup>1</sup> Through the Cash Management Motion, the Debtor sought authority to utilize its existing business forms, including checks, without the debtor-in-possession being placed in a legend on the checks. To the extent such relief was not obtained through the Order entered granting the Cash Management Motion, the Debtor requests authority herein to be able to use the preprinted checks and other forms existing with respect to the Accounts.

which is part of the LeClerq settlement. Due to the shortened notice, the Debtor is seeking interim relief at the hearing on September 5, 2003, with a final hearing to be held on September 23, 2003.

20. Notice of this Motion has been given to (a) the Office of the United States Trustee for the District of Delaware; (b) counsel for the Debtor's prepetition and postpetition secured lenders; (c) the Debtor's twenty (20) largest unsecured creditors; (d) the United States Environmental Protection Agency; (e) the Attorney General of the State of Illinois; (f) the DuPage County State's Attorney; (g) counsel to the plaintiffs in the environmental litigation matters pending before the United States District Court for the Northern District of Illinois and the Circuit Court for the Eighteenth Judicial District, DuPage County (collectively, the "Core Group"); and (h) all banks at which accounts are maintained. As this Motion is seeking, in essence, "first day" relief, notice of this Motion and any order entered respecting this Motion will be served as required by Del. Bankr. LR 9013-2(d). The Debtor submits that the notice provided is appropriate under the circumstances and that no other or further notice need be given.

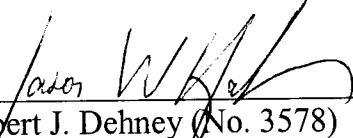
21. No previous motion for the relief sought herein has been made to this or any other court.

**CONCLUSION**

**WHEREFORE**, the Debtor respectfully requests entry of an order substantially in the form attached hereto: (A) authorizing continued use of the Accounts; and (B) granting such other and further relief as the Court deems just and proper.

Dated: September 3, 2003

MORRIS, NICHOLS, ARSHT & TUNNELL

By:   
Robert J. Dehney (No. 3578)  
Eric D. Schwartz (No. 3134)  
Jason W. Harbour (No. 4176)  
James C. Carignan (No. 4230)  
1201 North Market Street  
P.O. Box 1347  
Wilmington, Delaware 19899-1347  
Telephone: (302) 658-9200  
Facsimile: (302) 658-3989

GOLDBERG, KOHN, BELL, BLACK,  
ROSENBLUM & MORITZ, LTD.  
Ronald Barliant (Illinois ARDC# 0112984)  
Alan P. Solow (Illinois ARDC# 03125199)  
Kathryn A. Pamerter (Illinois ARDC# 6231191)  
55 East Monroe Street, Suite 3700  
Chicago, Illinois 60603  
Telephone: (312) 201-4000  
Facsimile: (312) 332-2196

Proposed attorneys for the Debtor and  
Debtor-in-Possession