

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA**

In re:)
ATLANTIC FABRICATION & DESIGN LLC,) **BK-17-14891-JDL**
Debtor.) **Chapter 11**

**RESPONSE OF THE UNITED STATES TRUSTEE TO THE DEBTOR'S
EXPEDITED MOTION FOR ORDER PURSUANT TO 11 U.S.C. §105 AUTHORIZING
PAYMENT OF PREPETITION CLAIMS OF CRITICAL TRADE CREDITORS AND
NOTICE AND OPPORTUNITY FOR HEARING**

[Docket #14]

The United States Trustee (“UST”) files this response to the Debtor’s Expedited Motion for Order Pursuant to 11 U.S.C. §105 Authorizing Payment of Prepetition claims of Critical Creditors and Notice and Opportunity for Hearing (Docket #14). In support of this response, the UST states:

1. The Debtor seeks to pay pre-petition claims for material and staffing vendors as well as subcontractors.
2. The UST has no objection to the Debtor paying the materials vendors so long as no insiders are being paid.
3. The UST has no objection to the Debtor paying the staffing vendors so long as no insiders are being paid.
4. However, it is important to clarify that the staffing vendors are separate and apart from any Debtor employees.
5. The Debtor’s motion references that it employs three individuals. These three employees are in addition to the labor provided by temporary staffing entities. After speaking with Debtor’s counsel, it is the UST’s understanding that none of these three employees will be paid as critical vendors. One of the employees was not employed pre-petition and the other two, the two LLC members of Debtor, are not making a claim for pre-petition wages. As such, none of those employees will be paid as critical vendors. Moreover, a separate request to pay pre-petition employees will not be made.
6. The UST has no objection to the payment of the subcontractors so long as no insiders are being paid and to the extent the subcontractors are involved in current

works in progress and/or to prevent the loss of future contracts which may result from the non-payment of subcontractors.

7. Based on the foregoing, a review of the Debtor's schedules and statement of financial affairs, as well as representations made by Debtor's counsel to the UST, the UST asserts that the Debtor should be authorized to pay, but not directed to pay, the critical vendors only in light of the above comments.

WHEREFORE, based on the foregoing the UST has no objection to the Debtors' request as presented.

Respectfully submitted,

s/ Marjorie J. Creasey
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