

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
ABERDEEN

In re: _____)
Express Grain Terminals, LLC, _____)
Debtor(s) _____)
_____)

Case No. 21-11832-SDM
Chapter 11

UMB BANK N.A.’S RESPONSE TO MOTION TO APPROVE ORDER (I) AUTHORIZING SECURED POST-PETITION FINANCING ON A SUPERPRIORITY BASIS PURSUANT TO 11 U.S.C. § 364, (II) AUTHORIZING FIFTH AMENDMENT TO CREDIT AGREEMENT AND DIP FACILITY, AND (III) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(c)

UMB Bank, N.A. (the “UMB”), by and through counsel, for its Response to *Motion to Approve Order (I) Authorizing Secured Post-Petition Financing on a Superpriority Basis Pursuant to 11 U.S.C. 364, (II) Authorizing Fifth Amendment to Credit Agreement and DIP Facility, and (III) Scheduling and Final Hearing Pursuant to Bankruptcy Rule 4001(c)*(the “Motion”) states as follows:

1. Debtors Express Grain Terminals, LLC (“EGT”), Express Biodiesel, LLC (“EB”), Express Processing, LLC (“EP,” and together with EGT and EB, the “Business Debtors”), filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Code”) on September 29, 2021 (the “Petition Date”).

2. As of the Petition Date, Business Debtors owed UMB approximately \$70,321,952.12 in principal, \$222,001.54 in interest and all other costs, fees, and obligations owing under the Loan Documents (the “Pre-Petition Indebtedness”). UMB asserts a security interest in substantially all of the Business Debtors’ real and personal property including, without limitation,

inventory, accounts, and farm products. In addition to its interests as a secured creditor, UMB holds title to 1,285,000 bushels of soybeans as a warehouse receipt holder.

3. As the Court and all parties know, this case is headed towards a liquidation. As originally posed by UMB in previous briefing, the question becomes (a) whether such liquidation will be an orderly one maximizing going concern value (and with it the employment of over a 150 employees), or (b) a crash landing where going concern value is lost and it is literally every entity and person for themselves. UMB favors the former and that is why it has been negotiating, in good faith, with the Business Debtors to provide debtor-in-possession financing. As stated in the Motion, the financing attempts to resolve several issues that have plagued the case since its inception.

4. Given the complexity of not only the pre-existing credit facilities, but the bankruptcy case itself, in addition to the prospect of going deeper into an already troubled credit, there have been many factors at play in this case that have slowed the ability of the parties to reach consensus and get the Motion before the Court. Accordingly, UMB appreciates the Court's indulgence as it attempts to finalize negotiations with the Business Debtors including addressing several of the concerns that have already been raised.

5. In that respect, UMB will be prepared to specifically address the objections raised by the various parties to the Motion in addition to addressing the concerns of the Court. However, as a preliminary matter, UMB wants to address certain production lenders' inclusion of a complaint filed against UMB in the Southern District of Mississippi, which it speculates the purpose was to tarnish it before the eyes of the Court. So not to give such a spurious pleading more credence than it deserves, UMB will simply attach its memorandum in support of its Motion Dismiss which it filed on December 21, 2021 as **Exhibit 1**.

6. Several of the parties have demonstrated throughout the case that they have a singular focus in mind with respect to the Business Debtors and that is the complete and immediate shutdown of operations. Notwithstanding being the frequent target of unfounded allegations and conjecture, UMB, however, will continue to work to complete its negotiations with the Business Debtors in support of the post-petition financing and ultimately the going concern sale of the Debtors.

WHEREFORE, UMB respectfully requests that the Motion be granted subject to UMB and the Business Debtors reaching consensus on the final terms of the position petition financing, and that the Court grant such other and further relief as it deems just and proper.

Date: December 22, 2021.

Respectfully Submitted,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was filed electronically through the Court's CM/ECF system and served electronically on all parties enlisted to receive service of electronic notice, and the Notice of Electronic Filing indicates that Notice was electronically mailed to all parties in interest.

SO CERTIFIED, this the 22nd day of December 2021.

/s/ Eric L. Johnson _____
Eric L. Johnson