

HEARING DATE AND TIME: JUNE 13, 2019 AT 10:00 A.M. (ET)

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
	)	
MIAMI METALS I, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 18-13359 (SHL)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>RELATED DOC. NO. 899</b>

**DEBTORS' RESPONSE IN OPPOSITION TO APPLICATION FOR  
ADMINISTRATIVE EXPENSE FILED BY PYROPURE, INC., D/B/A PYROMET**

**TO: The Honorable Sean H. Lane,  
United States Bankruptcy Judge:**

Miami Metals I, Inc. (f/k/a Republic Metals Refining Corporation) and its affiliated debtors and debtors-in-possession as defined below (collectively, the "Debtors") in the above-captioned chapter 11 cases hereby file this response ("Response") in Opposition to the

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Miami Metals I, Inc. (f/k/a Republic Metals Refining Corporation), 15 West 47th Street, Suites 206 and 209, New York, NY 10036 (3194); Miami Metals II, Inc. (f/k/a Republic Metals Corporation), 12900 NW 38th Avenue, Miami, FL 33054 (4378); Miami Metals III LLC (f/k/a Republic Carbon Company, LLC), 5295 Northwest 163rd Street, Miami Gardens, FL 33014 (5833); Miami Metals IV LLC (f/k/a J & L Republic LLC), 12900 NW 38th Avenue, Miami, FL 33054 (7604); Miami Metals V LLC (f/k/a R & R Metals, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (7848); Miami Metals VI (f/k/a RMC Diamonds, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (1507); Miami Metals VII (f/k/a RMC2, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (4696); Miami Metals VIII (f/k/a Republic High Tech Metals, LLC), 13001 NW 38 Avenue, Miami, FL 33054 (6102); Republic Metals Trading (Shanghai) Co., Ltd., 276 Ningbo Road, Huangpu District, Shanghai, P.R. 200001 China (1639); and Republic Trans Mexico Metals, S.R.L., Francisco I. Madero No. 55 Piso 5, Local 409, Centro Joyeria Edificio Central, Delegación Cuauhtémoc, Mexico DF 6000 (2942).

Application for Administrative Expense [ECF No. 899] (the "Application") filed by Pyropure, Inc. d/b/a Pyromet ("Pyromet"). In support of this Response, the Debtors say:

### **General Background**

1. On November 2, 2018, Miami Metals I, Inc., Miami Metals II, Inc., and Miami Metals III, LLC each filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), initiating these chapter 11 cases (the "Cases"). On November 21, 2018, the remaining Debtors filed voluntary petitions for relief under the Bankruptcy Code, initiating their Chapter 11 cases.

2. No trustee has been appointed in these Cases. The Debtors continue to operate their businesses and manage their properties as Debtors in possession pursuant to 11 U.S.C. §§ 1107(a) and 1109. On November 19, 2018, the United States Trustee gave notice of the appointment of an Official Committee of Unsecured Creditors [ECF No. 113].

3. Additional details regarding the Debtors and their assets, liabilities, and operations are set forth in the *Declaration of Scott Avila, as Chief Restructuring Officer, in Support of Chapter 11 Petitions and First Day Motions* [ECF No. 2.]

### **The Application**

4. On April 10, 2019, Pyromet filed the Application, seeking, *inter alia*, allowance and payment of an administrative claim of \$1,388,660.35 (the "Requested Claim").

5. Pyromet asserts that it is entitled to the Requested Claim pursuant to 11 U.S.C. § 503(b)(1) or, alternatively, pursuant to 11 U.S.C. § 503(b)(9).

6. The Debtors deny the allegations in the Application and request the Court deny it.

7. The Application raises the issue of ownership of certain metals Pyromet alleges it shipped to the Debtors (the "Disputed Metals").

8. On January 11, 2019, the Court entered its Order Approving Uniform Procedures for Resolution of Ownership Disputes [ECF No. 395] (as amended, the "Customer Procedures Order"). The Customer Procedures Order provides that customers such as Pyromet who file a Customer Statement pursuant to the Customer Procedures Order agree to the resolution ownership disputes in the Bankruptcy Court pursuant to the procedures set forth in the Customer Procedures Order (the "Ownership Procedures").

9. On November 21, 2018, Pyromet filed an Objection to the Debtors' Cash Collateral Motion [ECF No. 164], and on January 15, 2019, Pyromet filed a letter designating that Objection as its Customer Statement [ECF No. 411] (collectively, the "Pyromet Customer Statement").

10. Pursuant to the Customer Procedures Order, Pyromet also filed its Initial Disclosures [ECF No. 791] and a Supplement to the Pyromet Customer Statement [ECF No. 900].

11. Pyromet is participating in the Ownership Procedures approved by the Customer Procedures Order, and its ownership claims as to the Disputed Metals will be adjudicated therein.

### **Conclusion**

12. Accordingly, the Debtors respectfully request the Court deny the Application, without prejudice to any rights and remedies properly asserted by Pyromet pursuant to the Customer Procedures Order.

WHEREFORE, Miami Metals I, Inc., *et al.*, as debtors and debtors in possession, respectfully request the Court (i) deny the Application, without prejudice to any rights and remedies properly asserted by Pyromet pursuant to the Customer Procedures Order, and (ii) grant such other and further relief the Court deems just and proper.

Dated: June 6, 2019

AKERMAN LLP

By: /s/Katherine C. Fackler

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