

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF RHODE ISLAND**

In re:	)	
	)	Chapter 11
UTGR, INC. d/b/a TWIN RIVER, <u>et al.</u> , <sup>1</sup>	)	Case No. 09 - _____ ( )
	)	
Debtors.	)	Joint Administration Pending
	)	

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER AUTHORIZING  
DEBTORS TO (A) CONTINUE PREPETITION INSURANCE COVERAGE  
AND (B) MAINTAIN POSTPETITION FINANCING OF INSURANCE PREMIUMS**

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The above-captioned debtors, as debtors and debtors in possession (collectively, the “Debtors”), file this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A**, authorizing the Debtors to (a) continue their prepetition insurance policies and programs and to pay any prepetition amounts related to those policies and programs to the extent the Debtors determine that such payments are necessary or appropriate to maintain adequate insurance coverage for the Debtors’ estates and assets and (b) maintain the premium financing agreement for insurance coverage entered into prepetition. In support of the Motion, the Debtors respectfully state as follows:

**Jurisdiction**

1. The United States Bankruptcy Court for the District of Rhode Island has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> The Debtors in these chapter 11 cases are BLB Management Services, Inc., BLB Worldwide Holdings, Inc., and UTGR, Inc.

3. The statutory bases for the relief requested herein are sections 105(a), 363, 364, 541, and 1112 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 6003(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **Background**<sup>2</sup>

4. The Debtors’ principal asset is Twin River, a greyhound track and casino located in Lincoln, Rhode Island. BLB Investors, L.L.C. (“BLB Investors”), the direct and indirect parent of each of the Debtors, acquired Twin River in 2005. BLB Investors is a joint venture among three of the world’s most accomplished leisure and gaming operators, developers, and managers: Starwood Capital Group I Global, L.L.C., Kerzner International Holdings Ltd., and Waterford Group, LLC. (collectively, the “Sponsors”). The Sponsors purchased Twin River for \$470 million and then invested another \$220 million towards renovating Twin River into a world class facility.

5. Twin River today is the preeminent racing-casino (sometimes referred to as a “racino”) in New England. In many respects, the Debtors’ businesses have been great successes. Since 2005, the Debtors have grown Twin River to over 500,000 square feet, including more than 156,000 square feet of gaming space and over 4,700 slot machines, and have improved revenues year over year as their primary regional competitors’ revenues have slipped.

6. As successful as the Debtors’ operations have been, their revenues cannot support the substantial demands imposed by the State of Rhode Island (the “State”) tax rate and the Debtors’ debt service obligations. Significantly, the State retains 61.5% of every dollar

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<sup>2</sup> The facts and circumstances supporting this Motion are further set forth in the Declaration of George Papanier, President and Chief Operating Officer of UTGR, Inc. in Support of First Day Motions (the “First Day Declaration”), filed contemporaneously herewith.

generated at Twin River (after winning customers have been paid), and reimburses Twin River less than 28% of every dollar.

7. Shortly before the filing of these chapter 11 cases (the “Chapter 11 Cases”), the Debtors reached an agreement with holders holding over 50% of the first lien debt and a substantial amount of the second lien debt, and the executive branch of the State on the terms of a preliminary restructuring transaction (the “Restructuring”), which is expected to eliminate approximately \$290 million in debt. The Restructuring provides for approximately \$11 million in annual support from the State in the form of promotional and marketing initiatives. Significantly, the Restructuring is conditioned on obtaining certain legislative enactments and amendments to the Master Video Lottery Terminal Contract (the “VLT Contract”) between the State’s Division of Lotteries and UTGR, Inc., which, among other things, will eliminate the requirement to maintain greyhound racing, approve 24-hour gaming at the facility, seven days a week, and enable the exercise of extension options under the VLT Contract, thus maintaining the tax rate for the facility. The Restructuring requires the Lenders to conduct a marketing process to identify a new operator of Twin River immediately, so that the Sponsors may transition out of the management and ownership of the facility.

8. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases. The Debtors have requested that the Court grant procedural consolidation and joint administration of these Chapter 11 Cases.

### **The Debtors’ Insurance Policies**

9. As set forth in the First Day Declaration, in the ordinary course of business the Debtors maintain a number of insurance policies that comprise a comprehensive risk

management program for their operations and assets. The Debtors believe that their risk management program is customary for enterprises of a size, scope, and nature similar to the Debtors' businesses. The Debtors maintain policies with respect to, among other things, potential liability arising from general tort, automobile, property, fiduciary, crime and pollution, as well as directors' and officers' and total umbrella liability policies (collectively, the "Policies").<sup>3</sup> A schedule of the Debtors' Policies is attached hereto as **Exhibit B**, and is incorporated herein by reference (the "Policy Schedule").<sup>4</sup> The Policies are essential to the preservation of the value of the Debtors' businesses, properties, and assets. In many cases, insurance coverage such as that provided by the Policies is required by the diverse regulations, laws, and contracts that govern the Debtors' commercial activities. As of the Petition Date, the Debtors do not believe they owe any premium payments on the Policies.<sup>5</sup>

10. Furthermore, the Debtors employ an insurance broker, Beecher Carlson Holdings, Inc. ("Beecher Carlson"), to assist with the procurement and negotiation of their Policies. In connection with these services, the Debtors pay Beecher Carlson an annual broker fee, payable in quarterly installments (the "Broker's Fees"). For the period June 1, 2008 to June 1, 2009, the

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<sup>3</sup> The Debtors' workers' compensation insurance policies are discussed in further detail in the Debtors' Motion for Entry of an Order Authorizing the Payment of Prepetition (A) Wages, Salaries and Other Compensation; (B) Reimbursable Employee Expenses; and (C) Employee Medical and Similar Benefits, filed contemporaneously herewith.

<sup>4</sup> The Debtors have provided a non-exhaustive list of Policies on the Policy Schedule attached hereto as **Exhibit B**, and the Debtors reserve the right, pursuant to the terms and conditions of this Motion and without further order of the Court, to amend **Exhibit B** to add any Policies that were inadvertently omitted therefrom, and the relief requested herein shall apply equally to all such Policies.

<sup>5</sup> This amount reflects only those Policy premiums for which premiums are currently due and payable. The Debtors may, in the future, be invoiced for additional premiums that relate, in whole or in part, to the prepetition period.

Debtors paid approximately \$184,940 in Broker's Fees. The Debtors currently believe they do not owe any Broker's Fees to Beecher Carlson for services related to the prepetition period.

**The Debtors' Financed Policies**

11. The annual premiums for the Debtors' Policies total approximately \$3.1 million. In the ordinary course of business, the Debtors finance the premiums on their general tort, automobile and umbrella policies (collectively, the "Financed Policies") pursuant to a premium financing agreement (the "Financing Agreement") with Premium Assignment Corporation. The Financing Agreement benefits the Debtors by spreading out the cost of the Financed Policies over the applicable coverage period. While there are no prepetition amounts due and owing to Premium Assignment Corporation as of the Petition Date, the Debtors' next scheduled monthly payment in the amount of \$68,624.80 is due by July 1, 2009.

12. In summary, the Financing Agreement provides financing subject to, among other things, the following terms:

<b>Policy Date</b>	<b>Total Premium</b>	<b>Down Payment</b>	<b>Amount Financed</b>	<b>Finance Charges</b>	<b>Monthly Payment</b>	<b>Expiration Date</b>
6/1/2009	\$846,942.00	\$169,388.40	\$677,553.60	\$8,694.40	\$68,624.80	6/1/2010

13. The terms of the Financing Agreement provide that the Debtors pay Premium Assignment Corporation an initial down payment, followed by ten installments (bearing an interest rate of 2.79%) in exchange for Premium Financing Corporation's agreement to pay the annual insurance premium to the Debtors' insurers for the Financed Policies.

14. In light of the importance of maintaining insurance coverage with respect to their business activities and preserving the Debtors' liquidity by financing the premiums for the Financed Policies, the Debtors believe it is in the best interests of their estates to authorize them to honor the obligations under the Financing Agreement.

**Relief Requested**

15. By this Motion, the Debtors request authority to (a) continue their prepetition insurance policies and programs and to pay any prepetition amounts related to those policies and programs to the extent the Debtors determine that such payments are necessary or appropriate to maintain adequate insurance coverage for the Debtors' estates and assets and (b) maintain the existing Financing Agreement (as defined herein).

**Basis for Relief**

**I. Payment of the Insurance Obligations is Appropriate Under the Bankruptcy Code.**

16. The Court may authorize payment of prepetition claims in appropriate circumstances based on sections 105(a) and 363(b) of the Bankruptcy Code. Section 105(a) codifies the inherent equitable powers of the Bankruptcy Court and empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). The Court's general equitable powers provided under section 105(a) include authorizing the payment of prepetition debts under the "necessity of payment" rule; *i.e.* when such a payment is necessary to help preserve the debtor's operations and important business relationships. See, e.g. In re Boston and Maine Corp., 634 F.2d 1359, 1382 (1st Cir. 1980) (recognizing judicial power to authorize a trustee to pay prepetition claims for goods and services that are indispensable to the debtor's continued operation); see also In re Lehigh & New England Ry. Co., 657 F.2d 570, 581 (3d Cir. 1981) (recognizing the necessity of payment rule and stating that courts may authorize payment of prepetition claims when there exists "the possibility that the creditor will employ an immediate economic sanction, failing such payment."); In re Just For Feet, Inc., 242 B.R. 821, 824 (D. Del. 1999) ("courts have used their equitable powers under section 105(a) . . . to authorize the payment of pre-petition claims when such payment is deemed necessary for the survival of a debtor in a chapter 11 reorganization.");

In re Columbia Gas Sys., Inc., 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (noting that debtors may pay prepetition claims that are essential to the continued operation of their business).

17. Today, the rationale for the necessity of payment rule — the rehabilitation of a debtor in reorganization cases — is “the paramount policy and goal of Chapter 11.” In re Ionosphere Clubs, Inc., 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989); see also Just For Feet, 242 B.R. at 826 (finding that payment of prepetition claims to certain trade vendors was “essential to the survival of the debtor during the chapter 11 reorganization”); In re Quality Interiors, Inc., 127 B.R. 391, 396 (Bankr. N.D. Ohio 1991) (“[P]ayment by a debtor-in-possession of pre-petition claims outside of a confirmed plan of reorganization is generally prohibited by the Bankruptcy Code”, but “[a] general practice has developed . . . where bankruptcy courts permit the payment of certain pre-petition claims, pursuant to 11 U.S.C. § 105, where the debtor will be unable to reorganize without such payment.”); In re Eagle-Picher Indus., Inc., 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (approving payment of prepetition unsecured claims of tool makers as “necessary to avert a serious threat to the Chapter 11 process”); Burchinal v. Cent. Wash. Bank (In re Adams Apple, Inc.), 829 F.2d 1484, 1490 (9th Cir. 1987) (recognizing that allowance of “unequal treatment of pre-petition debts when necessary for rehabilitation . . .” is appropriate); Mich. Bureau of Workers’ Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.), 80 B.R. 279, 287 (S.D.N.Y. 1987) (authorizing payment of prepetition worker’s compensation claims on grounds that the fundamental purpose of reorganization and equity powers of bankruptcy courts “is to create a flexible mechanism that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately”); 3 COLLIER ON BANKRUPTCY ¶ 105.04[5][a] (15th ed. rev. 2004) (discussing cases in which courts have relied

on the “doctrine of necessity” or the “necessity of payment” rule to pay prepetition claims immediately).

18. In addition, the Court may authorize the Debtors to pay prepetition amounts related to their Policies pursuant to section 363(b) of the Bankruptcy Code, which provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under this section, a court may authorize a debtor to pay prepetition claims where a sound business purpose exists for doing so. See, e.g., In re Ground Round, Inc., No. 04-11235 (Bankr. D. Mass. Mar. 2, 2004) (authorizing the payment of prepetition wages, salaries, expenses and benefits); In re Ionosphere Clubs, Inc., 98 B.R. at 175 (finding sound business justification for payment of prepetition wages); see also Armstrong World Indus., Inc. v. James A. Phillips, Inc., (In re James A. Phillips, Inc.), 29 B.R. 391, 398 (S.D.N.Y. 1983) (relying on section 363 of the Bankruptcy Code to allow a debtor to pay prepetition claims of suppliers which were potential lien claimants, to induce general contractor to release funds owed to the debtor).

19. Failure to pay premiums and related expenses (including Broker’s Fees) when due may harm the Debtors’ estates in several ways. First, the Debtors’ insurance companies or its broker, Beecher Carlson, may refuse to renew (or, with respect to Beecher Carlson, assist in renewing) the Debtors’ Policies, which will require the Debtors to obtain replacement policies and possibly to reconfigure their risk management program. That, in turn, will require significant resources and may result in less favorable coverage or terms from the Debtors’ insurers. Second, the Debtors’ insurers may attempt to terminate the Debtors’ existing policies, which may create uncertainty as to the Debtors’ ability to continue operating their businesses given the myriad regulatory and contractual requirements imposed on the Debtors to maintain

specific amounts and types of insurance coverage. Any purported termination of the Debtors' Policies, and any material change in the terms of the Policies may also place additional strain on the Debtors' relationships with key employees, who benefit from the Debtors' insurance coverage.

20. In addition, the Policies are essential to the preservation of the value of the Debtors' businesses, properties, and assets, and their ability to successfully prosecute the Chapter 11 Cases. The Policies protect the Debtors and other parties in interest from loss in value caused by casualty, natural disaster, fraud, or another unforeseen event. This concern is so paramount that, under section 1112(b)(4)(C) of the Bankruptcy Code, "failure [of a debtor] to maintain appropriate insurance that poses a risk to the estate or to the public," is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C).

21. As of the Petition Date, the Debtors do not believe they owe any amounts relating to the Policies, Financed Policies, or Broker's Fees. In light of the importance of maintaining consistent and evident insurance coverage with respect to the Debtors' business activities, it is in the best interests of the Debtors' estates and all parties in interest to maintain the Policies pursuant to sections 105(a) and 363(b) of the Bankruptcy Code.

22. Courts regularly authorize debtors to maintain insurance coverage where, as here, it is in the best interest of the debtors' estates. See In re Syratech Corp., Case No. 05-11062 (Bankr. D. Mass. Apr. 4, 2005); see also In re Sun-Times Media Group, Inc., Case No. 09-11092 (Bankr. D. Del. Apr. 28, 2009); In re Masonite Corp., Case No. 09-10844 (Bankr. D. Del. Mar. 17, 2009); In re ACG Holdings, Inc., Case No. 08-11467 (Bankr. D. Del. July 16, 2008); In re Pierre Foods Inc., Case No. 08-11480 (Bankr. D. Del. July 16, 2008); In re Linens Holding Co., Case No. 08-10832 (Bankr. D. Del. June 27, 2008); In re Hoop Holdings, LLC, Case No. 08-

10544 (Bankr. D. Del. Mar. 28, 2008); In re Sharper Image Corp., Case No. 08-10322 (Bankr. D. Del. Feb. 20, 2008).

**II. Sufficient Cause Exists for the Court to Authorize the Debtors to Maintain the Financing Agreement.**

23. Section 364 of the Bankruptcy Code provides, in relevant part, “[i]f the [debtor] is unable to obtain unsecured credit . . . , the court, after notice and a hearing, may authorize the obtaining of [secured] credit or the incurring of [secured] debt . . .” 11 U.S.C. § 364(c). In short, section 364 authorizes a debtor, in the exercise of its business judgment, to incur secured debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interests of the estates. See, e.g., In re Budget Group, Inc., No. 02-12152, 2002 Bankr. LEXIS 1050 (Bankr. D. Del. Aug. 1, 2002) (court authorized funding of acquisition of property on a secured basis where acquired property was necessary to maintain operations and debtors could not obtain such funding on an unsecured basis); In re Mastercraft Interiors, Ltd., Nos. 06-12769, 06-12770, 2006 WL 4595946, at \*4 (Bankr. D. Md. Aug. 10, 2006) (authorizing the debtor’s purchase of secured financing because the debtor’s financing needs were “immediate and critical” to the success of the proceedings and the debtor was unable to obtain unsecured credit); In re Ames Dept. Stores, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (with respect to postpetition credit, courts “permit debtors-in-possession to exercise their basic business judgment consistent with their fiduciary duties”); see also 3 COLLIER ON BANKRUPTCY ¶ 364.03, at 364-7 (15th ed. Rev. 1999). Further, section 364(c) does not impose a duty on the debtor to request unsecured credit from every potential lender before seeking secured credit. See In re Snowshoe Co., Inc., 789 F.2d 1085, 1088 (4th Cir. 1986).

24. Generally, lenders are unwilling to finance insurance premiums on an unsecured basis. Here, the Financing Agreement provides financing at an interest rate that is considerably less than the Debtors' other financing sources and, therefore, is justified under section 364(c).

25. Moreover, the ability to maintain the Financed Policies helps the Debtors manage their cash flow. If the Debtors are unable to continue making payments pursuant to the Financing Agreement, under the terms of the Financing Agreement, Premium Financing Corporation may be permitted to terminate the applicable insurance policies. The Debtors then would be required to obtain replacement insurance on an expedited basis. If the Debtors were required to obtain replacement insurance and to pay a lump sum premium for such insurance policy in advance, this payment likely would be greater than what the Debtors currently pay. Even if Premium Financing Corporation was not permitted to terminate the insurance policies, any interruption of payment would have a severe, adverse effect on the Debtors' ability to finance premiums for future policies. Accordingly, the Debtors believe that they have articulated a valid business justification for maintaining the Financing Agreements.

26. In view of the importance of maintaining insurance coverage throughout the entire duration of the Chapter 11 Cases with respect to their business activities and preserving their liquidity by financing certain insurance premiums, the Debtors believe it is in the best interests of their estates to authorize the Debtors to honor their monthly obligations under the Financing Agreement.

27. Courts regularly grant the relief requested herein. See In re Modern Continental Construction Co., Inc., Case No. 08-14558 (Bankr. D. Mass. Aug. 18, 2008); see also In re Masonite Corp., Case No. 09-10844 (Bankr. D. Del. Mar. 17, 2009); In re ACG Holdings, Inc., Case No. 08-11467 (Bankr. D. Del. July 16, 2008); In re Pope & Talbot, Inc., Case No. 07-11738

(Bankr. D. Del. Dec. 7, 2007); In re Tweeter Home Entm't Group, Inc., Case No. 07-10787 (Bankr. D. Del. June 13, 2007); In re Dura Auto. Sys., Inc., Case No. 06-11202 (Bankr. D. Del. Nov. 20, 2006); In re Freedom Rings, LLC, Case No. 05-14268 (Bankr. D. Del. Oct. 19, 2006); In re Foamex Int'l Inc., Case No. 05-12685 (Bankr. D. Del. Sept. 20, 2006); In re Calpine Corp., Case No. 05-60200 (Bankr. S.D.N.Y. Jan. 4, 2006); (authorizing the debtors to maintain their insurance policies and to pay any outstanding prepetition amounts); In re Tower Auto., Inc., Case No. 05-10578 (Bankr. S.D.N.Y. Feb. 3, 2005) (authorizing the debtors to pay any unpaid prepetition insurance premiums and enter into postpetition insurance financing agreements); In re The Boyds Collection, Ltd., Case No. 05-43793 (Bankr. D. Md. Nov. 1, 2005) (same).

**III. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers.**

28. The Debtors have sufficient availability of funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. Also, under the Debtors' existing cash management system, checks or wire transfer requests can be readily identified as relating to an authorized payment made to or for one of the Customer Programs. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. The Debtors therefore request that all applicable financial institutions be authorized and directed, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfers related to the payment of any Customer Programs.

**The Debtors Respectfully Assert They Have Satisfied The Requirements Of Rule 6003**

29. Bankruptcy Rule 6003 provides, in pertinent part, that:

Except to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 20 days after the filing of the petition, grant relief regarding . . . a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition . . . .

FED. R. BANKR. P. 6003(b).

30. Bankruptcy Rule 6003 empowers a court to grant relief within the first 20 days after the Petition Date to the extent that relief is “necessary to avoid immediate and irreparable harm.” Id. For the reasons discussed above, it is imperative that the Debtors continue their prepetition risk management program without interruption. Without the relief requested in this Motion, the Debtors and their estates may suffer immediate and irreparable harm, and accordingly the Court may (and should) grant the relief requested in this Motion without delay, notwithstanding the 20 day period provided in Bankruptcy Rule 6003(b).

**Waiver of Bankruptcy Rule 6004(h)**

31. The Debtors’ need for immediate authority to continue their risk management program through payment of certain prepetition amounts related to the Policies also justifies elimination of the stay period imposed by Bankruptcy Rule 6004(h). That rule provides that, unless a court orders otherwise, an order authorizing the use, sale or lease of property (other than cash collateral) is stayed until the expiration of 10 days after entry of the order. Fed. R. Bankr. P. 6004(h). The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before the order takes effect. See Advisory Committee Notes to Fed. R. Bankr. P. 6004(h).

32. As described above, the amounts the Debtors believe they will pay on account of prepetition claims pursuant to the relief requested herein is minimal when compared to the value of the Debtors' estates. Furthermore, any delay in the Debtors' obtaining the relief requested herein may undermine the purpose of that relief: to maintain the value of the Debtors' estates by granting the Debtors the authority necessary to ensure continuation of their risk management program. Accordingly, the Debtors respectfully request the Court waive the 10 day stay period provided for in Bankruptcy Rule 6004(h), and order that the Debtors are immediately authorized to pay prepetition claims related to the Policies as described in this Motion.

#### **The Debtors' Reservation of Rights**

33. Nothing contained herein is intended or should be construed as an admission of the validity of any claim against the Debtors, a waiver of the Debtors' or any other party's rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission of the validity of any claim or a waiver of the Debtors' or any other party's rights to dispute such claim subsequently.

#### **Motion Practice**

34. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application to the Motion. Accordingly, the Debtors submit that the Motion satisfies Rule 9013-1(a) of the Local Bankruptcy Rules and Forms for the United States Bankruptcy Court for the District of Rhode Island.

**Notice**

35. The Debtors have provided notice of this Motion either by electronic mail or facsimile and/or by overnight mail to: (a) the Office of the United States Trustee for the District of Rhode Island; (b) the entities listed on the Consolidated List of Creditors Holding the 40 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) applicable local, state, and federal regulatory entities; (d) counsel to the Administrative Agents for the First and Second Lien Lenders; (e) counsel to the equity sponsors; (f) counsel to those certain contractors who have asserted mechanic's liens against the Debtors; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; and (i) the counterparties to the Policies. Due to the urgency of the circumstances surrounding this Motion (as more fully described in the First Day Declaration) and the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required. Due to the urgency of the circumstances surrounding this Motion (as more fully described in the First Day Declaration) and the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Prior Request**

36. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, for the reasons set forth herein and in the First Day Declaration, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other and further relief as the Court deems appropriate.

Dated: June 23, 2009  
Providence, Rhode Island

**WINOGRAD, SHINE & ZACKS, P.C.**

*/s/ Allan M. Shine*

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- and -

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Proposed Counsel to the Debtors and Debtors in Possession

**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF RHODE ISLAND**

In re:	)	Chapter 11
UTGR, INC. d/b/a TWIN RIVER, <u>et al.</u> , <sup>1</sup>	)	Case No. 09 - _____ ( )
Debtors.	)	Joint Administration Pending

**ORDER AUTHORIZING DEBTORS TO  
(A) CONTINUE PREPETITION INSURANCE COVERAGE  
AND (B) MAINTAIN POSTPETITION FINANCING OF INSURANCE PREMIUMS**

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Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order authorizing the Debtors to continue their prepetition insurance policies and programs and to pay any prepetition amounts related to those policies and programs to the extent the Debtors determine that such payments are necessary or appropriate to maintain adequate insurance coverage for the Debtors' estates and assets, and as more fully set forth in the Motion; and upon the Declaration of George Papanier, President and Chief Operating Officer of UTGR, Inc., in Support of the Debtors' Chapter 11 Petitions and First Day Motions (the "First Day Declaration"); and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested is in the best

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<sup>1</sup> The Debtors in these chapter 11 cases are BLB Management Services, Inc., BLB Worldwide Holdings, Inc., and UTGR, Inc.

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

interests of the Debtors' estates, their creditors, and other parties in interest; and the Court having found that notice of the Motion and of the hearing on the Motion (the "Hearing") was appropriate under the particular circumstances; and the Court having reviewed the Motion and the First Day Declaration, and having heard the statements in support of the relief requested therein at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth in this order (the "Order").
2. The Debtors are authorized to continue their insurance policies (collectively, the "Policies") uninterrupted and, in their sole discretion, to pay any prepetition amounts related to the Policies (including any Broker's Fees) to the extent that the Debtors determine that such payments are necessary or appropriate to maintain adequate insurance coverage for the Debtors' estates and assets.
3. The Debtors are authorized, in their sole discretion, to continue and honor the terms of their prepetition premium financing agreement (the "Financing Agreement").
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.
5. Nothing in the Motion or this Order, nor as a result of the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity or priority of any claim against the Debtors; (b) a waiver of the Debtors' or other parties in interest's rights to dispute any claim; or (c) an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code.

6. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion and the First Day Declaration or otherwise deemed waived.

7. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

8. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

9. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Dated: \_\_\_\_\_, 2009  
Providence, Rhode Island

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Arthur N. Votolato  
United States Bankruptcy Judge

**EXHIBIT B**

**Policy Schedule**

<b>Coverage</b>	<b>Carrier</b>	<b>Term</b>	<b>Amount of Annual Premium</b>	<b>Financed</b>
General Liability	Zurich American Insurance	6/1/2009-6/1/2010	\$576,640.00	Yes
Automobile	Zurich American Insurance	6/1/2009-6/1/2010	\$45,420.00	Yes
Umbrella	AIG (National Union Fire)	6/1/2009-6/1/2010	\$150,432.00	Yes
Umbrella	The Travelers Companies, Inc. (Saint Paul Fire & Marine Insurance Company)	6/1/2009-6/1/2010	\$45,000.00	Yes
Umbrella	Crum (North River Insurance Company)	6/1/2009-6/1/2010	\$29,450.00	Yes
Property/ Boiler	Affiliated FM	7/1/2009-7/1/2010	\$288,630.00	No
Fiduciary (Directors and Officers)	Great American Insurance Companies	7/15/2009-7/15/2010	\$3,216.00	No
Crime	Great American Insurance Companies	7/15/2009-7/15/2010	\$39,947	No
Environmental	XL Insurance (Indian Harbor Insurance Company)	4/11/2009-4/11/2010	\$129,000.00	No
Directors & Officers/EPLI	AIG (National Union Fire)	3/26/2009-3/26/2010	\$375,000.00	No
Directors & Officers/EPLI	Zurich American Insurance	3/26/2009-3/26/2010	\$145,000.00	No