J. David Folds, VSB No. 44068 Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. 901 K Street, N.W., Suite 900 Washington, DC 20001 Tel: (202) 508-3441 Fax: (202) 508-2241 dfolds@bakerdonelson.com

Counsel for Virium BV, VFR Holding B.V., Mas Arbos Invest BV, and Alveni Holdings B.V. f/k/a Piet Mazereeuw Beheer B.V.

IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA Alexandria Division

In re:)
LITHIUM TECHNOLOGY CORP.,) No. 14-14527)
Debtor)
VIRIUM BV, VFR HOLDING BV, MAS ARBOS INVEST BV, PIET) Chapter 11
MAZEREEUW BEHEER BV)
Movants,)
v.)) Contested matter
LITHIUM TECHNOLOGY CORP.,)
Respondent.)

MOTION FOR EXPEDITED HEARING AND SHORTENED NOTICE AND RESPONSE TIME AS TO MOTION FOR ENTRY OF ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY PURSUANT TO 11 U.S.C. §362

Virium BV, VFR Holding B.V., MAS Arbos Invest BV, and Alveni Holdings B.V. f/k/a

Piet Mazereeuw Beheer B.V. ("Movants"), by and through counsel, respectfully request this

Court to order an expedited hearing with a shortened notice and response period on Movants'

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Motion for Entry of Order Granting Relief from the Automatic Stay pursuant to 11 U.S.C. § 362 (ECF No. 17) (the "<u>Motion</u>"). As grounds for this Motion, Movants respectfully state as follows:

1. Pursuant to the Motion, Movants are requesting this Court to lift the automatic stay to prosecute certain contempt proceedings against the Debtor and numerous other non-debtor parties which have been scheduled for hearing in the United States District Court for the District of Delaware (the "<u>District Court</u>") on January 6, 2015.

2. Movants hold a secured claim against the Debtor in an amount greater than \$3 million, secured by a security interest in the Debtor's 100% ownership interest in its subsidiary corporation and the subsidiaries' subsidiaries. Such subsidiary is the Debtor's only material asset, and the Debtor's only business activity is the ownership and control of its subsidiary. The value of Movant's collateral and the Debtor's estate thus depends entirely on the assets and business activities of its subsidiary.

3. Movants acquired its security interest pursuant to certain injunctions entered by the District Court following a trial in July 2014.

4. The Motion alleges that the Debtor and certain non-parties engaged in a conspiracy to violate, and did violate, the District Court's status quo order by unlawfully filing UCC-1 financing statements in favor of such non-parties. Such violation was for the primary purpose of impairing Movants' collateral and preventing Movants' security interest from having first priority, as contemplated by the injunctions. In the contempt proceedings, Movants seek to purge the violation of the injunctions by the Debtor and other parties and vindicate the District Court's authority.

5. Movants' Motion must be heard on an expedited basis for the following reasons:

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a. The District Court has scheduled a January 6, 2015 hearing and a December 18, 2014 discovery deadline on Movants' Motion for Order to Show Cause why Lithium should not be held in contempt for violation of the District Court's injunction. The next available hearing date on this Court's calendar for the Motion is January 7, 2015. Movants require an expedited hearing in order to preserve the January 6, 2015 hearing date and December 18, 2014 discovery deadline in the District Court.

b. Time is of the essence. Movants assert a first priority security interest in all of the Debtor's assets, the most significant of which is the Debtor's equity interest in the Debtor's subsidiary corporation. Movants propounded discovery upon the Debtor in the District Court requesting information regarding the property and transactions of the Debtor's subsidiary. The Debtor refused to provide such information. The District Court subsequently ordered the Debtor to supply such information. Instead of complying with the District Court order, on the day that discovery information was due, the Debtor filed a bare-bones its petition initiating this case. Debtor's refusal to supply information regarding the property and transactions of its subsidiaries, together with the wrongful conduct alleged against the Debtor in the Motion, create a strong inference that the Debtor is using its control over its subsidiaries to engage in transactions which diminish the value of Movants' collateral and materially and adversely affect the Debtor's financial condition and the value of the Debtor's Chapter 11 estate.

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WHEREFORE, For the foregoing reasons, Movants respectfully request this Court to set the Motion for Entry of Order Granting Relief from the Automatic Stay pursuant to 11 U.S.C. § 362 on an emergency basis, to allow for the presentation of evidence and testimony at such hearing, and to shorten the notice and response time as to the Motion, as well as for such further and additional relief as the nature of the case may require, and which this Court shall deem just and proper.

Dated: December 17, 2014

Respectfully submitted,

/s/ J. David Folds

J. David Folds, VSB No. 44068 Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. 901 K Street, N.W., Suite 900 Washington, DC 20001 Tel: (202) 508-3441 Fax: (202) 508-2241 dfolds@bakerdonelson.com

and

Melvin A. Simon, Esq. Scott Rosen, Esq. Cohn Birnbaum & Shea P.C. 100 Pearl Street, 12th Floor Hartford, CT 06103 Tel: (860) 493-2200 Fax: (860) 727-0361 <u>msimon@cbshealaw.com</u> <u>srosen@cbshealaw.com</u> *Admitted Pro Hac Vice*

Counsel for Virium BV, VFR Holding B.V., Mas Arbos Invest BV, and Alveni Holdings B.V. f/k/a Piet Mazereeuw Beheer B.V.

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RULE 9013-1 CERTIFICATION

I, J. David Folds, Counsel for the Movants, hereby certify that I:

1. Have carefully examined the matter and concluded that there is a true need for an expedited hearing;

2. Have not created the emergency through any lack of due diligence; and

3. Have made a bona fide effort to resolve the matter without hearing.

Counsel for Movants and counsel for the Debtor have conducted multiple conference calls regarding the issues raised in the Motion and this Motion for Expedited Hearing. Despite these efforts, we have been unable to resolve these issues. Although the Debtor may oppose this Motion for Expedited Hearing, counsel for the Debtor has confirmed that he is available for a hearing on December 29, December 30, or December 31, 2014, should the Court grant this motion and have availability on any of those dates.

> <u>/s/ J. David Folds</u> J. David Folds

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CERTIFICATE OF SERVICE

This will certify that on December 17, 2014, I served a true copy of the foregoing upon

the following persons and entities by first-class United States mail, postage prepaid:

Lithium Technology Corporation 10660 Page Ave., Ste. 1222 Fairfax, VA 22038

U.S. Securities and Exchange Commission (and by email) Office of Reorganization 950 East Paces Road, N.E., Suite 900 Atlanta, GA 30326-1382 atlreorg@sec.gov

Michael E. Hastings, Esq. (and by email) Whiteford Taylor & Preston LLP 114 Market Street, Suite 210 Roanoke, VA 24011

> <u>/s/ J. David Folds</u> J. David Folds