UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re:	:	**Case No. 21-__________ (___)**
SEISENBACHER INC.,	:	**Subchapter V**
Debtor.[1]	:	

DECLARATION OF ANDREW CALLAHAN IN SUPPORT OF FIRST-DAY MOTIONS

I, Andrew Callahan, declare, pursuant to section 1746 of title 28 of the United States Code, that:

I. PERSONAL BACKGROUND

1. I am the Chief Executive Officer ("CEO") of Seisenbacher Inc. (the "Debtor"). As CEO, I manage the operations of the Debtors and I am familiar with its day-to-day operations, business, financial affairs and history of the Debtor. I joined the Debtor as CEO on August 19, 2019.

2. I hold a Bachelor of Science in Industrial Engineering and a Masters of Business Administration in International Business, with 22 years' experience in industrial manufacturing and supply chain management, with the last 6 thereof in the railway industry.

3. In my role as CEO of the Debtor, I oversee all operational aspects of the business including organization, human resources, operations, finance, administration and oversight. In my capacity as CEO, I have general knowledge of the books and records of the Debtor and am familiar with the Debtor's financial and operational affairs.

[1] The last four digits of the Debtor's federal tax identification number are 1744.

4. I submit this declaration in support of the Debtor's petitions for relief under subchapter V of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Except as otherwise indicated, all of the facts set forth in this Declaration are based upon my personal knowledge, upon information supplied to me by other members of the Debtor's management team or professionals, upon information learned from my review of the relevant documents, or opinion based upon my experience and knowledge of the Debtor's operations and financial condition and my experience in the railway industry generally. If called as a witness, I could and would testify to the facts set forth in this Declaration.

II.
DEBTORS' BUSINESS

A. Company Overview

5. The Debtor manufactured various interior components for passenger railway car manufacturers. These components, primarily aluminum, consist of anything above shoulder level in a passenger car (such as overhead luggage racks, ceiling panels, and components for HVAC and lighting systems).

B. Management and Current Ownership

6. The Debtor is wholly owned by its Austrian parent company Seisenbacher GmbH. Werner Pumhösel is the Managing Director and sole owner of the Debtor and Seisenbacher GmbH. Andrew Callahan is the current CEO of the Debtor and employed by Seisenbacher GmbH, reporting to Werner Pumhoesel.

III.
EXISTING CAPITAL STRUCTURE

7. The Debtor has no secured debt. The Debtor estimates that it has approximately $1.9 million in outstanding trade debt.

IV.
EVENTS LEADING TO THE CHAPTER 11 CASES

8. While the Debtor had several contracts with major passenger train manufacturing companies, such contracts mostly operated at a loss. In fact, after losing millions through the first 3 years of operation beginning in 2016, and although the Debtor had approximately $[16] million in booked business in 2020, it experienced an operating loss in 2020 of approximately [$1.9] million (through July). Although these contracts had been negotiated by a prior management team as well the Austrian parent, the Debtor's current management team's efforts to renegotiate the terms of these contracts were unsuccessful.

9. In addition, as a result of the COVID-19 pandemic, the Debtor's manufacturing infrastructure was significantly impacted. The Debtor's labor force shrunk from 67 in January 2020 to 43 in December 2020.- The Debtor was forced to split the workforce across two shifts at the outset of the pandemic and completely ceased operations for one week in October due to a COVID-related case in the workforce. Additionally, several key suppliers were impacted by COVID, causing significant delivery problems with raw materials and parts. Thereafter, while manufacturing resumed, it was done at greatly reduced capacities. In fact, the reduced manufacturing capacity lead to delayed deliveries to customers which resulted in the accrual of penalties under the contracts and delayed payment on receivables. Without a significant line of credit or other cash infusion, and lack of any financial support from the Austrian parent, the Debtor was destined for a total shutdown.

10. In July of 2020, the Debtor engaged Virtas Partners ("Virtas") in order to assist in its restructuring efforts. At first, the Debtor focused on a debt financing. In connection with these efforts the Debtor approached approximately 6 parties which lead to three engaging in significant

diligence. However, after reviewing the economics further, each of these financing partners declined to provide any significant financing to the Debtor.

11. As a result of this liquidity crunch, and the lack of any financial support in 2020 from the Austrian parent, the Debtor entered into an agreement with one of its key customers Alstom Transportation, Inc. ("Alstom") whereby Alstom agreed to prepay the Debtor for future deliveries and to pay the Debtor's vendors for products and services required under the Debtor's contract with Alstom. In turn, the Debtor agreed that any inventory purchased by Alstom would be Alstom's property. In all, Alstom provided the Debtor with approximately $1,400,000 in 2020 to assist in completing these projects.

12. Thereafter, the Debtor sought a party to purchase its assets. Virtas embarked in a three-month marketing and sales process which resulted in bids from two potential purchasers. One purchaser's bid (Airworthy) contained no upfront cash component while the other (made by Elmira Stamping & Mfg. Corp. ("Elmira Stamping")) offered to purchase some of the Debtor's inventory and equipment at approximately 80% of appraised value.

13. In addition to the sale with Elmira Stamping, the Debtor agreed to sell other inventory to one of its other key customers, Stadler U.S. Inc. ("Stadler").

14. Unfortunately, none of these offers were sufficient to pay the Debtor's creditors in full, however, it was clear to the Debtor that they did offer a greater recovery then would be realized in a chapter 7 liquidation or other fire sale. It also allowed the Debtor to seek and obtain partial or full releases from significant liquidated damages and penalties which were asserted by Alstom and Stadler had the Debtor not been able to deliver its contracted goods and services in accordance with the governing contracts.

V.
DEVELOPMENT AND OVERVIEW OF PLAN OF LIQUIDATION

15. Prior to the filing, the Debtor sold substantially all of its assets to Stadler and Elmira Stamping. The proceeds of those sales generated approximately $750,000 of gross proceeds. In addition, the Debtor has approximately $425,000 of accounts receivable as well as $100,000 which served as collateral on a now terminated line of credit. With no secured debt, the Debtor believes that the most efficient way to distribute these proceeds is through a simple plan of liquidation.

CONCLUSION

16. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief. Accordingly, I respectfully request that the Court grant such other and further relief as may be just.

Dated: January 19, 2021
New York, New York

On behalf of Seisenbacher Inc.

By:
Andrew Callahan
Chief Executive Officer