

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
WESTERN DIVISION**

In re)	
)	
BERTELLI REALTY GROUP, INC.)	Chapter 11, No. 16-31081-MSH
)	
Debtor)	
)	

**MOTION FOR AUTHORITY TO PROVIDE FOR ADEQUATE PROTECTION AND FOR
USE OF RENTS AND LEASES**

To the **HONORABLE MELVIN S. HOFFMAN**, Bankruptcy Judge:

Pursuant to Sections 363 and 105 of the Bankruptcy Code (the "Bankruptcy Code"), Bankruptcy Rule 4001, and MBLR 4001-2, the Bertelli Realty Group, Inc., the debtor in possession in the above captioned Chapter 11 case (the "Debtor") (the "Case" or "Chapter 11 Case"), requests the entry of an order authorizing the Debtor to use rents and to provide adequate protection, and related relief. In support of this motion, the Debtor respectfully represents as follows:

1. On December 21, 2016 (the "Commencement Date"), the Debtor filed a voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code. Pursuant to 11 U.S.C. §§1107 and 1108, the Debtor is operating its business and managing its affairs as a debtor in possession.

2. The Debtor own real estate at 935 - 979 Main Street, Springfield, Massachusetts 01301 (the "Main Street Property"), which is a commercial rental property.

3. The immediate causes of the Debtor's Chapter 11 were the adverse actions taken by Lorenzo Bliss Realty Trust ("LBRT"), the

holder of a first mortgage holder on the Main Street Property, including a pending foreclosure sale by LBRT of the Debtor's Main Street Property. The principal of LBRT is Anthony Carnevale, who also holds a second mortgage on the Main Street Property. There may be real estate taxes owed on the Main Street Property.

4. The Debtor has listed the Main Street Property in its schedules with a value of \$1,800,000, based upon a written appraisal. The Main Street Property is diagonally across from the construction site for the MGM casino.

5. The Debtor is scheduled to receive rent of \$1,625 per month for the rental of the Debtor's parking facilities from the Davenport Advisors, which the Debtor understands is an affiliate of the MGM Resorts International or related to the entities providing construction services for the MGM casino presently being constructed.

6. The first mortgage is listed in the Debtor's schedules as owed \$500,000, and the second mortgage is listed in the amount of \$70,000, but are listed as unliquidated and disputed; prior to the Chapter 11 filing, a complaint was filed alleging 93A and other related violations (this action will be continued either in the state court or in this Court). Taxes are listed in an unknown amount.

7. The Debtor, in order to provide adequate protection to the secured creditors of the Main Street Property, proposes to pay insurance, taxes, and to maintain the Main Street Property, consistent with the attached projections.

8. The Debtor believes that this schedule of payments is in the best interest of the Debtor and his estate because it maintains the *status quo* while the Debtor analyzes its

operations, its future, its reorganization, and related issues. In all cases, the Debtor will continue to maintain the properties and, in some case, improve the respective properties; these actions, alone, provide adequate protection. See *In re Mullen* 172 B.R. 473 (Bankr. D. Mass. 1994). Accordingly, to the extent that rentals increase at any time or there are excess funds, the Debtor also requests authority to utilize the remaining rentals received in the management of its assets.

9. To the extent that there are any shortfalls, the Debtor's principal will advance the necessary funds for the Debtor to maintain its operations and payments consistent with the attached projections.

10. Upon a resolution of the validity of the mortgages, the Debtor will commence payment in the amount equal to the interest rate in the mortgage documents or as determined by this Court.

11. In the interim, the Debtor is considering the sale of the Main Street Property (at an amount that at least approaches the fair market value of the appraisal), or plans that will permit equity infusion or loans that will permit the Debtor to fully develop the Main Street Property, although substantial funds have been expended to improve and renovate the property, additional funds need to be expended; if successfully renovated, the Debtor has received interest that would realize approximately \$25,000 in rent, most of which is "triple rent".

12. Attached to this Motion as filed in the Bankruptcy Court is a complete appraisal of the Main Street Property stating a value "as is" of \$1,800,000. This greatly exceed the value (a complete copy will be provided to any party requesting the appraisal - in the interim, the pertinent pages will be sent to all parties).

13. The Debtor has not received the rent of \$1,625 from Davenport, in part because Davenport was contacted by the mortgage holder(s) (prior to the Commencement Date) and the mortgage holder(s) requested that the rent be paid to the mortgage holder(s). The Debtor understands that Davenport Advisors is holding these and future payments until it receives definitive instructions from all parties or the Court. Accordingly, by this Motion, the Debtor requests that the Court direct Davenport Advisors to pay these funds to the Debtor.

14. The Debtor anticipates that it will file a set of projections income and expenses within the next two days. Although the Debtor has not requested an expedited hearing in this motion, the Debtor assumes that the Court will schedule a hearing promptly on this matter as the issue of cash collateral is usually considered urgent, and the Debtor wanted to file this request as soon as possible.

WHEREFORE, the Debtor requests that the Court enter the following orders:

1. An order authorizing the Debtor to make the payments/agreement detailed above as adequate protection for the respective secured lenders' interests;

2. An order authorizing the Debtor to utilize any other rental income;

3. An order providing that the payments detailed above will be considered "adequate protection" of all debts owed by the Debtor to respective secured lenders and their interest during the pendency of this Chapter 11 case;

4. An order directing Davenport Associates to pay the Debtor any rent it owes the Debtor for past and future rent; and

5. An order providing such further and necessary relief as the Court finds is appropriate.

Bertelli Realty Group, Inc.

Dated: December 26, 2016

/s/ Louis S. Robin
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CERTIFICATE OF SERVICE

I, Louis S. Robin, hereby certify that by December 28, 2016, I will serve a copy of the preceding pleading by electronic filing and/or by mail, postage prepaid, and/or fax to all creditors, including those as provided on the attached list.

/s/ Louis S. Robin
Louis S. Robin

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