IN THE UNITED STATES BANKRUPTCY COURT FOR
THE NORTHERN DISTRICT OF ALABAMA
NORTHERN DIVISION

In the Matter of:	)	
	)	CASE NO.: 26-81630-CRJ11
DOC'S DIVINE PROPERTIES, LLC,	)	
EIN: XX-XXX3485	)	CHAPTER 11, SUBCHAPTER V
	)	
Debtor.	)	
	)	

DEBTOR'S MOTION FOR AUTHORIZATION TO USE CASH COLLATERAL

COMES NOW, Doc's Divine Properties, LLC, as Debtor and Debtor-in-possession ("Debtor"), and files this Motion for Authorization to Use Cash Collateral and, in support thereof, would show:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Chapter 11 case under 28 U.S.C. §1334. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper in this district and division under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for relief sought in this Motion are Bankruptcy Code §§ 105(a), 363(b) and (c), and Bankruptcy Rules 6003 and 6004.

BACKGROUND

3. On July 22, 2026 (the "Petition Date"), the Debtor filed a voluntary petition for relief in this district and division under Chapter 11 of the Bankruptcy Code, thereby commencing a Chapter 11 Subchapter V case.

4. Since the Petition Date, the Debtor has continued to operate and manage its business as debtor-in-possession under §§ 1107(a) and 1108 of the Bankruptcy Code.

5. Linda Gore has been appointed as the Sub-Chapter V Trustee in this case.

6. The Debtor is an Alabama limited liability company which is primarily engaged in the purchase, sale, and rental of real property. One of its properties is located at 7278 Highway 72 West, Madison, Alabama 35758 (the "Madison Property") which it leases to two commercial tenants. Another property it owns is located at 1504 High Street, Sheffield, Alabama 35660 (the "Sheffield Property") which it also leases.

7. Through the filing of the chapter 11 case, the Debtor seeks to successfully reorganize its business operations, which will allow its income to meet its operating cash requirements as well as the financial obligations incurred pursuant to a confirmed plan.

8. Pre-petition, Debtor entered into a Future Advanced Mortgage with ServisFirst Bank ("ServisFirst") on or about December 22, 2015. The loan was secured by the Sheffield Property, and an Assignment of Rents was also provided as additional security. The current balance of that loan is approximately $20,000.

9. ServisFirst subsequently filed a UCC-1 financing statement with the Alabama Secretary of State on December 23, 2015, asserting a lien on property owned by the Debtor, including the Debtor's rents[1].

10. Thereafter, on March 17, 2020, ServisFirst loaned the Debtor $1,466,250. This loan is secured by a Real Estate Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing on the Madison Property. In conjunction with this Loan ServisFirst recorded a UCC-1 on March 20, 2020 with the Secretary of State, asserting liens on all tangible equipment, machinery goods and other tangible personal property of the Debtor. This UCC-1 was terminated on November 19, 2024.

[1] Continuation statements were filed on July 28, 2020, and July 26, 2025.

11. On August 14, 2020[2], and November 23, 2022, ServisFirst filed additional UCC-1 Financing Statements with the Alabama Secretary of State, asserting liens on all tangible and intangible personal property owned by the Debtor including its rents, leases, inventory, fixtures, accounts and accounts receivable. See, Exhibits 1 and 2.

CASH COLLATERAL

12. Section 363(a) of the Bankruptcy Code defines "cash collateral" to mean "cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest".

13. "Cash collateral" is property "in which the estate and an entity other than the estate have an interest." 11 U.S.C. §363(a). To have such an interest, a party must have some ownership or property interest in the cash collateral. *In re Las Vegas Monorail Co*., 429 B.R. 317, 328 (Bankr. D. Nev. 2010). This component is satisfied if the "interest" is a security interest or lien recognized under non-bankruptcy law. *Id.*

14. Section 363(c) provides that a Debtor may use property of the estate, including "cash collateral" subject to Court approval with a secured party's consent or upon a finding that the secured party's interest in the cash collateral is adequately protected. § 363(c)(2). See, *In re Delco Oil, Inc.,* 599 F.3d 1255, 1258 (11th Cir. 2010).

INTERESTED CREDITORS

15. In addition to the ServisFirst, the records for the Alabama Secretary of State reflect that the Alabama Department of Revenue ("ADOR") may claim an interest in the Debtor's property and rights to property. A search of the Madison County, Alabama records shows that ADOR recorded Certificates of Lien for Taxes on December 8, 2025.

2 Continuation statement was filed on March 18, 2025.

16. Additionally, on August 26, 2024, Debtor obtained a Mortgage on the Madison Property through Enterprise Bank & Trust ("Enterprise"), and an Assignment of Rents was provided to secure the $2,000,000 loan although the public records for Madison County, Alabama do not show a recorded UCC-1 evidencing this assignment.

17. Thus, the potential liens of all remaining creditors who have an interest in the Debtor's Cash Collateral are subordinate to the lien of ServisFirst.

REQUESTED RELIEF

18. As such, for purposes of this Motion, it is submitted that ServisFirst has priority over all other creditors in the Debtor's Cash Collateral. Accordingly, pursuant to §363(c)(2), the Debtor seeks authorization from this Court, after notice and hearing, to use the Cash Collateral *nunc pro tunc* to the date of this motion pursuant to the terms and conditions encompassed by this motion.

19. The Debtor has an immediate need for the use of Cash Collateral in its ongoing business operations in order to fund, *inter alia,* its business expenses.

20. Accordingly, pursuant to § 363(c)(2)(B), the Debtor seeks authority from this Court, after notice and hearing, to use Cash Collateral pursuant to the terms and conditions encompassed generally as follows:

a. Use of Cash Collateral. The Debtor shall strictly account for all income received and used by it. All such income shall be deposited into the Debtor-in-Possession bank account or other Court approved bank account. The Debtor may use Cash Collateral to satisfy (i) those expenses reasonable and necessary to the operation and maintenance of Debtor's business as shown on the attach Budget and (ii) the allowed fees and expenses payable under §§ 330 and 331 of the Bankruptcy Code

to any professional persons retained by an order of this Court.

b. Adequate Protection. As additional adequate protection for the Debtor's use of the Cash Collateral, Debtor consents to granting the ServisFirst and any other properly perfected allowed creditor which holds an interest in Cash Collateral (hereinafter, jointly "Creditor"), as of the Petition Date, the following liens, with the same priority as pre-petition, and without prejudice to its right to assert in the future that its interest in the Cash Collateral is not adequately protected or to seek any other relief in this Bankruptcy Case:

i. *Replacement Liens*. A perfected security interest under § 361(2), in all future rents, leases, accounts and accounts receivable of the Debtor and proceeds thereof to the extent and with the same priority that the Creditor held in the Debtor's pre-petition accounts receivable (the "Replacement Liens"), subject and subordinate only to the Carveout (as hereinafter defined).

ii. *Deemed Perfected*. The Replacement Liens granted are in addition to the liens and security interests existing in favor of the ServisFirst on the Petition Date and are automatically deemed perfected as of the Petition Date without the necessity of the execution, filing or recordation of any financing statements, security agreements or any other filings with any filing office.

iii. As used in this Motion, "Carveout" means the aggregate allowed unpaid fees and expenses payable under §§ 330 and 331 of the Bankruptcy Code to any professional persons retained by an order of this Court.

21. In support of this Motion, the Debtor submits the attached cash basis budget showing the amount of income and expenses on a monthly basis. See, Exhibit 3. This budget indicates

that Debtor expects that its income will marginally exceed its monthly operating expenses for this period of time by approximately $970.27 Thus, ServisFirst is adequately protected by the additional liens on incoming accounts receivable which the Debtor has consented to as part of this Motion. So, ServisFirst' s overall lien position will not be diminished by the Debtor's use of Cash Collateral. Furthermore, any other interest party will be more than adequately protected by the liens granted herein.

22. No Waiver of Rights: The Replacement Liens and their perfection set out above is without waiver by ServisFirst or the Debtor to subsequently file either a motion for additional adequate protection or complaint to determine the validity, priority, and extent of such lien(s) or a motion for valuation of collateral under §506 of the Bankruptcy Code.

23. Termination. The rights of the Debtor to use Cash Collateral shall automatically terminate, (a) if the Debtor makes any payment which is not authorized by the Court's order, (b) if any representation or warranty made by the Debtor herein shall have been false when made, (c) upon the dismissal or conversion of the chapter 11 case to a chapter 7 case or appointment of a trustee without the consent of the creditors.

24. If Debtor does not receive the requested authority for use of Cash Collateral, it will have to close without further prospects of reorganization. Accordingly, the Debtor requests that the Court grant this Motion on an Emergency Basis for a period of not more than 30 days, during which Debtor requests that the Court schedule a final hearing on the Debtor's Motion for Use of Cash Collateral.

NOTICE

25. This Motion has been served in accordance with Rule 4001(b) and (c) of the Federal Rules of Bankruptcy Procedure upon the Bankruptcy Administrator and the Debtor's Twenty

Largest Unsecured Creditors. Counsel for the Debtor further represents that they emailed this Motion to Richard Blythe (Richard_Blythe@alnba.uscourts.gov) as attorney for the Bankruptcy Administrator, to Chad W. Ayres (CWA@lanierford.com) as counsel for the ServisFirst and Linda Gore, Subchapter V Trustee (linda@ch13gadsden.com). As well as those creditors who may have a subordinate interest in the Cash Collateral.

WHEREFORE, PREMISES CONSIDERED, Debtor, Doc's Divine Properties, LLC, respectfully requests that this Honorable Court hold a preliminary hearing pursuant to Rule 4001(b) of the Federal Bankruptcy Rules of Procedure on its Motion for Use of Cash Collateral pending a final hearing on this motion. Debtor further requests that this Court hold a final hearing on this motion in the event an objection is timely filed and, after such hearing, grant the motion, as well as grant such further and additional relief to which the Debtor may be justly entitled.

Respectfully submitted this 24th day of July, 2026.

/s/ Kevin D. Heard
Kevin D. Heard

Counsel for Debtor
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CERTIFICATE OF SERVICE

I hereby certify on this the 24th day of July, 2026, I served a copy of the foregoing **Debtor's Motion for Authorization to Use of Cash Collateral** on the parties listed below and on the attached matrix by depositing the same in the United States Mail, postage prepaid and properly addressed, via electronic email at the e-mail address below, unless the party being served is a registered participant in the CM/ECF System for the United States Bankruptcy Court for the Northern District of Alabama, service has been made by a "Notice of Electronic Filing" pursuant to FRBP 9036 in accordance with subparagraph II.B.4. of the Court's Administrative Procedures as indicated below:

Notice will be electronically mailed to:
Richard Blythe Richard_Blythe@alnba.uscourts.gov
Linda Gore linda@ch13gadsden.com
Chad W. Ayres CWA@lanierford.com

Notice will be electronically mailed and served via U.S. Mail to:
All parties on the attached matrix were served via U.S. Mail.

/s/ Kevin D. Heard
Kevin D. Heard