

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

IN RE:
EXACT PLUMBING, INC
Debtor(s).

CASE NO.: 6:16- 7991
Chapter 11

_____/

EMERGENCY MOTION TO ALLOW USE OF CASH COLLATERAL
(Nunc Pro Tunc to Petition Date)

In accordance with 11 U.S.C. §363(b)(1) and (c)(2), the Debtor moves this Court for entry of an Order allowing the use of cash collateral, to the extent creditors hold any interest in cash collateral.

1. Debtor files the instant motion out of an abundance of caution to obtain court permission to use cash collateral, to the extent secured creditors may assert a limited interest in cash collateral.

Readycap Lending

2. Secured Creditor, Readycap Lending (“Readycap”), holds a claim secured by a mortgage on real property located at 401 Sanford Avenue, Sanford, FL 32771 (“401 Sanford”). Debtor uses the 401 Sanford property for storage.
3. Debtor executed an Assignment of Rents in relation to the Readycap Mortgage, however Readycap did not file a UCC-1 financing statement.
4. Due to the failure to file a UCC-1 financing statement, Readycap may not hold a perfected security interest in cash collateral.
5. Nevertheless, given the Mortgage and Assignment of Rents, Debtor proposes to maintain the regular payments to Readycap as adequate protection to Readycap.

BMO Harris, successor-in-interest to M&I Bank

6. BMO Harris filed a judgment lien certificate in the amount of \$11,263.70.
7. To the extent the judgment lien certificate grants BMO Harris an interest in cash collateral, Debtor proposes adequate protection payments of 4% interest only, estimated at \$40 per month.
8. BMO Harris holds a deficiency judgment in excess of \$250,000, however, while this larger judgment was recorded in Seminole County Official Records, no judgment lien certificate was filed in relation to this larger claim.
9. BMO Harris also filed a UCC-1 financing statement, however, this financing statement relates to real property the Debtor no longer owns as BMO Harris foreclosed on such real property.

Bond Plumbing Supply

10. Bond Plumbing Supply filed a judgment lien certificate in the amount of \$17,368.06.
11. To the extent the judgment lien certificate grants Bond Plumbing Supply an interest in cash collateral, Debtor proposes adequate protection payments of 4% interest only, estimated at \$60 per month.

Relief Requested

12. The Debtor utilizes its pledged cash collateral in order to meet post-petition obligations related to its plumbing business. Debtor employs approximately 14 employees as W2 employees or 1099 independent contractors. Without the ability to use the cash collateral and pay necessary expenses such as payroll, the Debtor's business operations will cease and the Debtor will be prevented from effectively reorganizing debts through the Chapter 11 case.

13. The Debtor is willing to enter into an agreement with the secured creditor(s) to provide a post-petition replacement lien, in the same priority and extent of any pre-petition lien, without determining the extent or existence of such lien.

14. A copy of the Proposed Cash Collateral Order is attached as Exhibit 1. A proposed budget is attached as Exhibit 2.

Accordingly, the Debtor requests this Court enter an Order allowing the use of the cash collateral with such protections that are necessary in favor of the secured creditor.

Respectfully submitted this 9th day of December, 2016.

Law Offices of Mickler & Mickler

By: /s/ Taylor J. King

Taylor J. King

Florida Bar No. 072049

Attorney for Debtor in Possession

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy hereof was furnished to:

Bond Plumbing Supply, Inc.
1250 N.W. 23rd Street
Miami, FL 33142-7620 (by U.S. Mail, postage pre-paid)

Which is the place it regularly conducts its business; and to

Readycap Lending, LLC
c/o Brendan Eccleston, Manager
420 Mountain Avenue
3rd Floor
New Providence, NJ 07974 (by U.S. Mail, postage pre-paid)

Which is the place it regularly conducts its business; and to

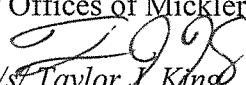
BMO Harris Bank, N.A.
640 East State Road 434
Longwood, FL 32750 (by Certified Mail postage pre-paid)

Which is the place he regularly conducts his business; and to

Office of United States Trustee
400 W. Washington, Suite 1100
Orlando, FL 32801 (by CM/ECF filing)

Which is the place he regularly conducts his business, this 9th day of December, 2016.

Law Offices of Mickler & Mickler

By:  Taylor J. King

Taylor J. King

Attorney for Debtor in Possession

EXHIBIT 1 – Proposed Interim Cash Collateral Order

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

IN RE: EXACT PLUMBING, INC.
Debtor(s).

Case No.: 6:16-bk-
Chapter 11

_____ /

INTERIM ORDER AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL
(Nunc Pro Tunc to Petition Date)

This case came on for hearing on _____, 2016 to consider the Debtor's Motion to Use Cash Collateral (the "Motion") (Doc. No. _____). For the reasons stated in Court, it is

ORDERED:

1. The Motion is granted.
2. Cash Collateral Authorization. Subject to the provisions of this order, the Debtor is authorized to use cash collateral to pay: (a) amounts expressly authorized by this Court, including payments to the United States Trustee for quarterly fees; (b) the current and necessary expenses set forth in the budget attached as Exhibit A; and (c) such additional amounts as may be expressly approved in writing by the lenders referenced in the Motion. This authorization will continue until further order of the Court. Except as authorized in this order, the Debtor is prohibited from use of cash collateral.
3. Debtor Obligations. Debtor shall timely perform all obligations of a debtor-in-possession required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and the orders

of this Court.

4. Insurance. Debtor shall maintain insurance coverage for its property in accordance with the obligations under the loan and security documents with the secured creditors.
5. Without Prejudice. This order is without prejudice to: (a) any subsequent request by a party in interest for modified adequate protection or restrictions on use of cash collateral; or (b) any other right or remedy which may be available to the Secured Creditor.
6. Creditors Committee. The provisions of this Order are without prejudice to the rights of the United States Trustee to appoint a committee or any rights of a duly appointed committee to challenge the validity, priority or extent of any lien(s) asserted against cash collateral.
7. Enforcement. The Court shall retain jurisdiction to enforce the terms of this Order.
8. The Debtor is Ordered to pay Adequate Protection payments in the following amounts:

LENDER	PAYMENT AMOUNT WITH START DATE OF FEBRUARY 1, 2017
Readycap	Regular contractual payment
BMO Harris	\$40 per month interest only
Bond Plumbing Supply	\$60 per month interest only

9. The Court will hold a final evidentiary hearing on the Debtor's Cash Collateral Motion on _____ at _____ a.m. / p.m. at the George C. Young Federal Courthouse, 400 W. Washington St., Courtroom 6D, Orlando, FL.

Attorney Taylor J. King is directed to serve a copy of this order on interested parties and file a proof of service within 3 days of entry of the order.

EXHIBIT 2 – Cash Collateral Budget

EXHIBIT A - Average Monthly Cash Collateral Budget

Income	Monthly Average Projection
	\$97,304.89
Total Income	\$97,304.89
Expenses	
Readycap	\$1,592.19
BMO Harris	\$40.00
Bond Plumbing Supply	\$60.00
Officer salary	\$2,600.00
Officer health insurance	\$320.41
Materials & Labor	\$12,169.56
COGS	\$26,802.00
Auto/truck expenses	\$906.33
Bank service charges	\$369.11
Blueprints	\$65.22
Child Support	\$952.00
Computer & Internet	\$95.78
Equipment Rental	\$1,455.44
Fuel	\$1,914.00
General Liability	\$2,017.78
Workers Comp Insurance	\$141.56
Insurance	\$2,553.89
Licenses	\$201.67
Meals	\$19.33
Miscellaneous	\$13.56
Out of Town Expenses	\$224.00
Payroll	\$26,783.56
Per Diem	\$47.22
Permits	\$296.44
Pest Control	\$46.11
Postage & Shipping	\$43.89
Real Estate Taxes	\$3,817.22
Reimbursement	\$546.89
Repairs & Maintenance	\$1,597.56
Subcontractors	\$612.22
Telephone Expense	\$1,364.00
Travel Expense	\$25.56
Uniforms	\$56.78
Utilities	\$463.22
Total Expenses	\$90,214.49
Net Income	\$7,090.40