

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(at Baltimore)**

**IN RE:** \*  
**Experimental Machine, Inc.,** \* **Case No. 16-25294 NVA**  
**Debtor.** \* **(Chapter 11)**

\* \* \* \* \* \* \* \* \* \* \*

**EMERGENCY MOTION TO USE CASH COLLATERAL FOR OPERATING  
EXPENSES**

Experimental Machine, Inc., by Michael S. Myers and Scarlett, Croll & Myers, P.A., files this Emergency Motion to Use Cash Collateral, and states:

**Factual and Procedural Background**

1. On November 18, 2016, Experimental Machine, Inc., (“Debtor”), filed a Voluntary Petition under Chapter 11 of the United States Bankruptcy Code. The Debtor continues to maintain possession of its property and operates its business as a debtor in possession pursuant to sections 1107 and 1108 of the Code.
2. Upon information and belief, M&T Bank (“M&T”) is the only secured creditor that may have an interest in the Debtor’s Cash Collateral.
3. M&T Bank is owed an outstanding balance of approximately \$320,000.00 pursuant to 3 credit facilities. The largest is approximately \$250,000.00, the second is approximately \$40,000.00, and the third is approximately \$20,000.00.
4. In addition to cash collateral, M&T is secured by “all assets” according to UCC filings.
5. Upon information and belief, M&T has a first lien in the Debtor’s accounts

receivable, valued at \$200,000.00, the unencumbered property of the Debtor, valued at \$207,715.00 according to the Debtor's schedules.

6. At the present time, it is imperative that the Debtor obtain authority from this Court, in accordance with 11 U.S.C. § 363(c)(2)(B), to use cash collateral in order to maintain its business operations and protect its ability to reorganize in accordance with chapter 11 of the Code.

**Relief Requested**

7. In accordance with section 363(c)(2)(B) of the Code, the Debtor requests that this Court authorize and approve the Debtor's use of cash collateral for the payment of its operating expenses as set forth in the budget attached hereto as Exhibit 1. In order to continue its business activity in an effort to achieve successful reorganization, the Debtor must be permitted to use cash collateral in its ordinary business operations. The Debtor currently has no present alternative borrowing source from which the Debtor could secure additional funding to operate its business.

8. Specifically, the Debtor requires the use of cash collateral for the payment of certain operating expenses as set forth on the Budget attached hereto as Exhibit "A." The Debtor believes the expenses listed on the Budget are reasonable and necessary business expenses which must be paid in order to continue the Debtor's business.

9. In an effort to adequately protect the interests of Stabilis, in the Prepetition Collateral, the Debtor is offering M&T Bank the replacement liens pursuant to and in accordance with 11 U.S.C. § 361(2), in and to all property of the estate of the kind presently securing the indebtedness owed to M&T Bank and any post-petition collateral purchased or acquired with the cash collateral of M&T Bank.

10. Without the use of cash collateral, the Debtor will be seriously and irreparably harmed, resulting in significant losses to the Debtor's estate and its creditors.

WHEREFORE, Experimental Machine, Inc., respectfully requests that this Court enter an order pursuant to 11 U.S.C. § 363(c)(2)(B) authorizing the Debtor to use cash collateral for its general ongoing business operations as described in this Motion and the Budget attached hereto as Exhibit "A," and to grant Experimental Machine, Inc., such other and further relief as may be proper and just.

Respectfully submitted,

/s/ Michael S. Myers  
Michael S. Myers  
Federal Bar No. 28450

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*Attorney for Debtor*

Certificate of Service

I HEREBY CERTIFY that on this 18th day of November, 2016, I caused a copy of the foregoing Emergency Motion to Use Cash Collateral to be sent by electronic mail pursuant to CM/ECF guidelines to:

**Michael Charles Bolesta** [mbole@gebsmith.com](mailto:mbole@gebsmith.com)

**Michael Stephen Myers** [mmyers@scarlettcroll.com](mailto:mmyers@scarlettcroll.com),  
[krynarzewski@scarlettcroll.com](mailto:krynarzewski@scarlettcroll.com); [receptionist@scarlettcroll.com](mailto:receptionist@scarlettcroll.com)

**US Trustee - Baltimore** [USTPRegion04.BA.ECF@USDOJ.GOV](mailto:USTPRegion04.BA.ECF@USDOJ.GOV)

And by first-class mail, postage prepaid, to the Debtor's twenty (20) largest creditors.

Respectfully submitted,

/s/ Michael S. Myers

Michael S. Myers