

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

IN RE:) **CHAPTER 11**
)
MARVIN H. RICHER and GAIL L. RICHER,) **Case No. 10-74803**
)
Debtors.)

NOTICE OF HEARING

TO: See attached service list.

Marvin H. Richer and Gail L. Richer, Debtors have filed with this Court their Emergency Motion to Use Cash Collateral.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not want the Court to grant the Motion, you or your attorney must:

1. File a written response to the Motion on or before the date set for the hearing on the motion at:

Clerk of Court
United States Bankruptcy Court
211 South Court Street
Rockford, IL 61101

OR

2. Attend the hearing scheduled to be held on **Wednesday, October 6, 2010 at 10:30 a.m.** at the United States Bankruptcy Court, 211 South Court Street, Rockford, Illinois 61101.

If you mail your Response to the Court for filing, you must mail it early enough so that the Court will receive it on or before the date stated above.

You must also mail a copy of your Response to:

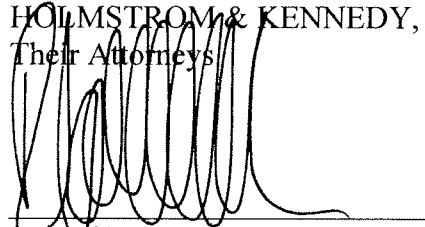
Attorney Bradley T. Koch
Holmstrom & Kennedy, P.C.
P.O. Box 589
Rockford, IL 61105-0589

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion or Objection and may enter an Order granting that relief.

Dated: October 1, 2010

Marvin H. Richer and Gail L. Richer,
Debtors,

BY: HOLMSTROM & KENNEDY, P.C.,
Their Attorneys

BY: 
One of its Attorneys

BRADLEY T. KOCH #3122997
KIM M. CASEY #6181726
JOCELYN L. KOCH #6298482
Holmstrom & Kennedy, P.C.
800 N. Church St.
P.O. Box 589
Rockford, IL 61105
(815) 962-7071

PROOF OF SERVICE

The undersigned, being first duly sworn, states that a copy of the foregoing *Notice of Hearing and Emergency Motion to Use Cash Collateral* was served upon the parties and attorneys of record herein, by depositing said envelope, with postage fully prepaid by first class mail, in the United States Post Office mailbox in Rockford, Illinois on the 1st day of October, 2010:

AT&T
P.O. Box 8100
Aurora, IL 60507-8100

Blue Cross Blue Shield of IL
P.O. Box 1186
Chicago, IL 60690-1186

Com Ed
P.O. Box 6112
Carol Stream, IL 60197-6112

Cook & Franke
660 E. Mason Street
Milwaukee, WI 53202

Darell Richer
1754 Monument Drive
Lincoln, CA 95648

Friendship House
100 S. Main Street
Crystal Lake, IL 60014

IWM Corporation
399 Hammon Ave.
Elgin, IL 60120

KRW Insurance Agency, Inc.
338 Memorial Drive, Suite 100
Crystal Lake, IL 60014-6262

Tessendorf Mechanical Services
45 Center Drive
Gilberts, IL 60136

Volo Classic Cars, LLC
27582 Volo Village Road
Volo, IL 60073

Winona National Bank
204 Main Street
Winona, MN 55987

United Parcel Service
Lockbox 577
Carol Stream, IL 60132-0577

Walko & Associates
10 S. LaSalle Street
Suite 3500
Chicago, IL 60663

Attorney Raymon J. Ostler
Gomberg, Sharfman, Gold &
Ostler, P.C.
208 S. LaSalle, Suite 1410
Chicago, IL 60604

Jay Wheaton
501 Elm Street
Houston, MN 55943

McHenry Co. Treasurer
2100 N. Seminary Ave.
Woodstock, IL 60098

Banco Popular
P.O. Box 4601
Oak Park, IL 60303

Brilliance Honda
210 N. Rte 31
Crystal Lake, IL 60014

Constellation New Energy Gas Division
Bank of America Lockbox Services
15473 Collections Center Drive
Chicago, IL 60693-0001

Creekside Landscape Development
P.O. Box 451
Crystal Lake, IL 60039

Fort Dearborn Life Ins. Co.
36788 Eagle Way
Chicago, IL 60678-1367

Home State Bank
40 Grant Street
Crystal Lake, IL 60014

Patrick Morehead
525 S. Valley Hill Road
Woodstock, IL 60098

Tennant Sales & Service Co.
P.O. Box 71414
Chicago, IL 60694-1414

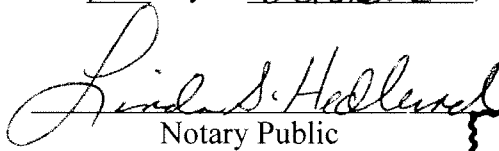
Mercedes Richer - Crouser
4467 Trailside Lane
Castle Rock, CO 80109

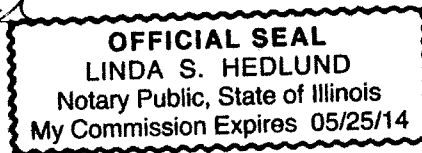
Northwestern Lighting
663 Villa Street
Elgin, IL 60120

Attorney Carole J. Ryczek
US Trustees' Office
780 Regent Street, Suite 304
Madison, WI 53715

Katie Novis

Subscribed and sworn to before me
this 1st day of October, 2010.


Notary Public



BRADLEY T. KOCH #3122997
KIM M. CASEY #6181726
JOCELYN L. KOCH #6298482
Holmstrom & Kennedy, P.C.
800 N. Church St.
P.O. Box 589
Rockford, IL 61105
(815) 962-7071

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

IN RE:) **CHAPTER 11**
)
MARVIN H. RICHER and GAIL L. RICHER,) **Case No. 10-74803**
)
Debtors.)

EMERGENCY MOTION TO USE CASH COLLATERAL

Marvin H. Richer and Gail L. Richer, Debtors, by their attorneys, Holmstrom & Kennedy, P.C., for their Emergency Motion to Use Cash Collateral, state:

1. Marvin H. Richer and Gail L. Richer, Debtors, filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code with this Court on September 27, 2010.
2. Debtors are presently in possession, operating and managing their business.
3. No Creditors' Committee, as provided for under Section 1102 of the Bankruptcy Code, has been appointed in the Debtors' bankruptcy proceeding.
4. The Debtors are engaged in the business of managing and leasing nonresidential real property commonly described as 100 S. Main St., Crystal Lake, Illinois 60014 ("Real Estate").
5. Home State Bank ("Bank") is the Debtors' largest creditor, possessing a claim against the Debtors in the approximate amount of \$7,050,000.00.
6. To secure the repayment of the Debtors' obligations, Bank claims to possess a mortgage, lien and encumbrance against the Real Estate and rents derived therefrom (hereinafter collectively referred to as "Collateral"). The Debtors estimate the fair market value of the Real Estate to be \$19,750,000.00.
7. A portion of the Real Estate is leased to Friendship House and Brilliance Honda for a monthly rental payment in the following amounts:

Friendship House: \$21,144.48

Brilliance Honda: \$4,750.00

8. Prior to the commencement of this bankruptcy proceeding for a period of several months the rentals payable by Friendship House and Brilliance Honda were paid to the Bank and held in escrow pursuant to an Order entered by the Circuit Court of the 22nd Judicial Circuit, McHenry County, Illinois ("Circuit Court") in a case entitled *Home State Bank N.A. v. Marvin H. Richer, Gail Richer, Home State Bank as Trustee under Trust Agreement dated January 30, 2003 and known as Trust No. 5094, Patrick O. Morehead, Unknown Owners, and Non-Record Claimants*, Case No. 10 CH 1882, a photocopy of which order is attached hereto and hereby incorporated by reference as Exhibit A.

9. An immediate need exists for the Debtors to utilize cash collateral derived from the rents payable by Friendship House and Brilliance Honda in the operation of their business.

10. The Debtors' estimated monthly expenses to operate their business are summarized upon Exhibit "B", a photocopy of which is attached hereto, made a part hereof and incorporated herein by reference.

11. Debtors will provide adequate protection to Bank for the use of cash collateral by granting Bank a post-petition security interest, lien and encumbrance in and to the Collateral which security interest, lien and encumbrance shall have the same priority as the security interest, lien and encumbrance possessed by Bank in and to the Collateral as of the commencement of this bankruptcy proceeding.

12. The Debtors will require the use of cash collateral derived from the collection of rentals from the Real Estate in order to continue to operate their business, which is essential to any effective reorganization of their business in this Chapter 11 bankruptcy proceeding.

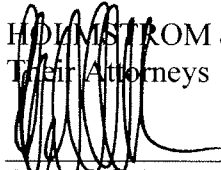
13. The entry of an Order authorizing the Debtors to utilize cash collateral in the operation of their business will minimize the disruption of the business of the Debtors, will increase the possibility of a successful reorganization, and is in the best interest of the Debtors, their creditors and their estate.

14. Debtors will suffer immediate and irreparable harm if the Debtors are not allowed to utilize cash collateral to meet their obligations and operating expenses incurred in the ordinary course of business pending a final hearing.

WHEREFORE, Marvin H. Richer and Gail L. Richer, Debtors, respectfully request the entry of a preliminary Order by this Court containing the following relief:

- A. Allowing the use of cash collateral derived from the collection of rentals from the Real Estate in the operation of their business;
- B. Scheduling a final hearing upon the use of cash collateral, pursuant to 11 U.S.C. §363(c)(2) and Bankruptcy Rule 4001;
- C. For such other and further relief as the Court deems just and equitable.

MARVIN H. RICHER and GAIL L. RICHER,
Debtors

BY:  HOLMSTROM & KENNEDY, P.C.,
Their Attorneys

BY: _____
One of their attorneys

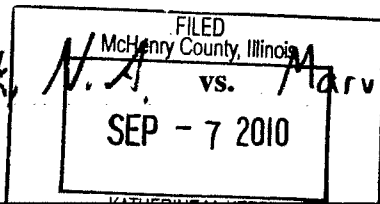
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STATE OF ILLINOIS }
COUNTY OF MCHENRY } SS

GEN. NO. 10 CH 1882

Jury Non-Jury

Home State Bank, N.A. vs. Marvin Richer, et al



KATHERINE M. KEEFE
Clerk of the Circuit Court

Date 9/17/10 Plaintiff's Attorney ZRM - Farrell Defendant's Attorney Gummerson (Lee)

ORDER

This matter coming before the court on Plaintiff's Motion to be placed as Mortgagee in Possession and to collect Rents, all parties having been notified, it is hereby ordered:

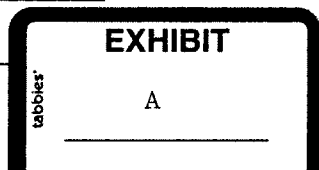
- ① Defendants shall have 21 days to file an answer to Plaintiff's Motion and Plaintiff shall have 7 days thereafter to respond to Defendants' Answer.
- ② The matter shall be set for hearing 9:00am on October 19, 2010 in Room 204.
- ③ Plaintiff shall be permitted to continue to collect rents relating to the mortgaged premises and, together with any rents collected by Plaintiff to date, Plaintiff shall hold any funds collected in escrow pending the outcome of the hearing on Plaintiff's Motion.
- ④ Defendants are further granted 30 days to file an answer to the underlying complaint and Plaintiff shall have 7 days thereafter to respond to Defendant's Answer.
- ⑤ The 9/15/10 status date is stricken.

Prepared by: Farrell

Attorney for: Plaintiff

Attorney Registration No.: 6286137

Michael J. Caldwell



Vendor Type	Item Purchased		Amount
Constellation New Energy/Nico	Gas Purchase/Delivery	\$	9,115.00
Commonwealth Edison	Electric utility	\$	7,240.00
Insurance-Property/Liability	Commercial Insurance	\$	3,600.00
Payroll/Payroll Taxes	Payroll/Other Illinois Taxes	\$	2,350.00
Insurance-Workman's Comp.	Workers Comp	\$	958.00
Landscaper	Lawn Service/Snow Removal	\$	950.00
Insurance-Personnel	Group Health/Life	\$	840.00
Operating Supplies	Office/Postage/Auto/Office Maint.	\$	500.00
Equipment Maintenance	Outside Services	\$	500.00
Telephone/Internet	Telephone/Internet Services	\$	480.00
Building Supplies	Maintenance supplies	\$	430.00
City of Crystal Lake	Water/Sewer	\$	425.00
Misc State Fees	-	\$	300.00
Accounting	-	\$	300.00
Fedex/UPS/USPS	Shipping Services	\$	290.00
Electrical Materials	Lighting/Electrical Maintenance	\$	245.00
City/State Inspections	-	\$	185.00
Waste Removal	-	\$	145.00
Security/Fire Alarm	Alarm Service	\$	125.00
Monthly Total		\$	28,978.00

