

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION**

IN RE: § CASE NO. 16-70281-M-11
MASO SUITES, LLC, Debtor § (CHAPTER 11)

**RICARDO REYNOSO AND RAQUEL REYNOSO'S MOTION
TO PROHIBIT DEBTOR'S USE OF ITS CASH COLLATERAL,
TO REQUIRE AN ACCOUNTING AND BUDGET AND FOR TURNOVER**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN TWENTY-ONE (21) DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE JUDGE OF SAID COURT:

Now comes RICARDO REYNOSO and RAQUEL REYNOSO (“Movants”), and file this, their Motion to Prohibit Debtor’s Use of Its Cash Collateral, to Require an Accounting and Budget and for Turnover (the “Motion”), and would show the Court as follows:

1. On or about July 1, 2016, MASO SUITES, LLC (the “Debtor”) filed a Voluntary Petition under 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), Chapter 11. This court has jurisdiction of this matter pursuant to 28 U.S.C. § 1334, and this is a core proceeding under 28 U.S.C. § 157.
2. Debtor is a Texas limited liability company and may be served with Notice of this Motion and this Motion pursuant to Bankruptcy Rule 7004 and Bankruptcy Local Rule 9013-1 at the address given in Debtor’s Voluntary Petition as follows:

Maso Suites, LLC
1915 Oakland Ave.
McAllen, TX 78501-7284.

3. Movants are secured claimants and parties in interest in this case.
4. On or about September 24, 2010, Debtor, for valuable consideration made, executed and delivered to Movants a Real Estate Lien Note (the Note”) in the principal sum of \$55,000.00.
5. Debtor secured the Note by executing and granting a Deed of Trust to J. Kurt Stephen, Trustee for the benefit of Movants, dated September 24, 2010, recorded under Document No. 2143370 in the Official Records of Hidalgo County, Texas (the “Deed of Trust”), through which Debtor pledged all of Lot 50, Block I, S.P. Industrial Subdivision, an Addition to the City of McAllen, Hidalgo County, Texas, according to the map recorded in Volume 3, Page 59, Map Records in the Office of the County Clerk of Hidalgo County, Texas, and the improvements thereon, more commonly known as 1421 S. 19-1/2 Street, McAllen, Texas 78501 (the “Property”) owned by Debtor. The Deed of Trust contains a clause whereby Debtor assigned to Movants all present and future rent and other income and receipts generated from the Property.
6. Movants believe there is cash collateral being generated by the Property in the form of rents, payments or other cash consideration. Movants claim a lien on the cash collateral under their deed of trust.
7. No adequate protection has been offered to Movants for the use of the cash collateral by Debtor.
8. Debtor has not filed a motion to obtain this Court’s permission to allow it to use cash collateral in this case, and Movants oppose Debtor’s use of its cash collateral.
9. The Bankruptcy Code denies debtors the use of cash collateral except with permission of the lienholder or pursuant to a Court order.

10. Movants additionally request that Debtor account for all cash collateral generated from the Property since this case was filed and furnish a copy of its budget.

WHEREFORE, PREMISES CONSIDERED, Movants pray that this Court issue an order prohibiting Debtor’s use of its cash collateral, requiring the Debtor to produce an accounting of all of Debtor’s cash collateral funds and a copy of Debtor’s budget, ordering the Debtor to turnover said cash collateral funds to Movants, and for such other and further relief to which Movants may show themselves entitled.

Respectfully submitted,

/S/ MARK A. TWENHAFEL
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State Bar No. 20350600
S.D. Tex. Admission No. 2268
P. O. Drawer 3766
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Attorney for Ricardo Reynoso and Raquel Reynoso

OF COUNSEL:
WALKER & TWENHAFEL, L.L.P.

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CERTIFICATE OF CONFERENCE

Counsel for Movants certifies that prior to filing this objection, an attempt was made to confer with the Debtor’s counsel either by telephone, by e-mail or by facsimile, by the following person on the following date and time:

Mark A. Twenhafel via e-mail on September 9, 2016, at 3:48 p.m. to Jose Luis Flores.

Mr. Flores did not respond. An agreement could not be reached.

/S/ MARK A. TWENHAFEL
Mark A. Twenhafel

CERTIFICATE OF SERVICE

I, MARK A. TWENHAFEL, hereby certify that I am, and at all times hereinafter mentioned, more than eighteen (18) years of age, that on the 30th day of September, 2016, a true and correct copy of the foregoing RICARDO REYNOSO AND RAQUEL REYNOSO'S MOTION TO PROHIBIT DEBTOR'S USE OF ITS CASH COLLATERAL, TO REQUIRE AN ACCOUNTING AND BUDGET AND FOR TURNOVER has been served electronically pursuant to Local Bankruptcy Rule 5005 and the Administrative Procedures for Electronic Filing or, to those not served electronically, by first class mail, postage prepaid, to the following parties:

Debtor

Maso Suites, LLC
1915 Oakland Ave.
McAllen, TX 78501

Debtor's Counsel

Jose Luis Flores
Law Office of Jose Luis Flores
1111 W. Nolana Ave.
McAllen, TX 78504

U.S. Trustee

Stephen Douglas Statham
Office of the U.S. Trustee
515 Rusk, Ste. 3516
Houston, TX 77002

Unsecured Creditors

Internal Revenue Service
300 E. 8th Street M/S 5026 AUS
Austin, TX 78701

Transworld Systems

P. O. Box 1864
Santa Rosa, CA 95402

Parties Requesting Notice

Diane Sanders

Linebarger, Goggan, Blair & Sampson, LLP
P. O. Box 17428
Austin, TX 78760-7428

Internal Revenue Service

P. O. Box 7346
Philadelphia, PA 19101-7346

/S/ MARK A. TWENHAFEL

Mark A. Twenhafel