

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI**

IN RE: ON-CALL STAFFING, Inc.

CASE NO. 16-13823 JDW

DEBTOR-IN-POSSESSION

CHAPTER 11

**MOTION OF RENASANT BANK TO PROHIBIT DEBTOR'S
USE OF CASH COLLATERAL AND FOR OTHER RELIEF**

NOW COMES Renasant Bank, Tupelo, Mississippi ("Bank"), by counsel, and moves the Court to enter an Order pursuant to 11 U.S.C. §363(c)(2) prohibiting the Debtor's use of certain cash collateral upon which Bank holds a lien, and for other relief including any adequate protection of Bank's interests which may be appropriate as contemplated by 11 U.S.C. §363(e) and states as follows:

1.

The court has jurisdiction of this matter under 28 U.S.C. §1334, and this contested matter is a core proceeding under multiple self-evident provisions of 28 U.S.C. §157(b)(2).

2.

This chapter 11 case was filed October 28, 2016. Bank is the holder of an allowed claim against the estate secured by liens on certain cash collateral of Debtor consisting

primarily of Debtor's chattel paper, accounts and general intangibles (the "Cash Collateral"). Bank has provided post-petition notification to Debtor through its counsel of Bank's non-consent to any use by Debtor of the Cash Collateral in this case. Debtor has not notified Bank that it seeks to use, or has used, the Cash Collateral in its post-petition operations.

3.

On or about October 29, 2015 Debtor for good and valuable consideration executed a promissory note to Bank in the original principal sum of \$250,718.00 bearing interest at a fixed rate of 5.00% per annum payable in one lump sum of outstanding principal plus interest on October 27, 2016. On or about October 29, 2015 Debtor for good and valuable consideration executed a Commercial Security Agreement granting to Bank a security interest in and lien upon, *inter alia*, Debtor's chattel paper, accounts and general intangibles, i.e., the Cash Collateral. Thereafter, Bank's security interest in and lien upon the Cash Collateral was perfected by the filing of that certain UCC Financing Statement with the office of the Mississippi Secretary of State. As a result, Bank holds a good, valid and perfected lien upon the Cash Collateral. True and correct copies of the Note, Security Agreement and Financing Statement are retained in counsel's files and are available for production and inspection to and by interested parties upon request.

4.

The Note is in default as a result of Debtor's failure to pay at maturity. The Note is now due and owing in full, plus accrued attorney's fees and costs of collection, all of which are included as part of Bank's secured claim under 11 U.S.C. §506. Bank believes the cumulative value of the Cash Collateral is equal to or in excess of the amount owing under the Note, and alleges that all post-petition interest, costs and attorney's fees constitute secured claims as well under section 506 of the Bankruptcy Code and the terms of the Note and Security Agreement.

5.

Debtor is on information and belief continuing to use, and to generate, Cash Collateral through the operation of the Debtor's business, though Debtor is required to preserve Cash Collateral for Bank's benefit, and is prohibited from using Cash Collateral without consent or an Order of this Court, neither of which has been granted. Consequently, Bank's interests are not only inadequately protected in such circumstances, but Bank is likely to suffer irreparable damage immediately in the event Debtor is not required to account for, segregate, protect, and/or pay over the Cash Collateral to Bank.

6.

Bank has neither received nor been offered any adequate protection for any continued, unauthorized use of cash collateral by Debtor.

WHEREFORE, PREMISES CONSIDERED, under these circumstances, Bank prays that upon hearing hereof, the Court will grant unto Bank the following relief, as well as any other relief to which it may appear upon hearing that Bank is entitled, by entry of an Order finding as follows:

- a) Debtor be directed to account to Bank and furnish all relevant documentation evidencing the collection and use of Cash Collateral from the Petition Date through the date of hearing of this Motion;
- b) Debtor be directed to turn over to Bank all Cash Collateral collected from the date of the Petition through the date of hearing of this Motion, and continuing;
- c) Debtor be directed to cease immediately any use of the Cash Collateral in its operations until authorized by a written Order of this Court upon terms to be either agreed or imposed by the Court;
- d) Bank be granted adequate protection of its interests in the Cash Collateral, including though not restricted to a replacement lien upon all Cash Collateral generated by Debtor post-petition;

e) Bank reserves the right to request additional and other relief as it deems necessary to protect its interests at a hearing of this matter.

SO MOVED, this the 12th day of December, 2016.

RENASANT BANK

By: /s/ James T. Milam, MBN #3259
Attorney for Renasant Bank

OF COUNSEL:

MILAM LAW PA

336 N Broadway St. (38804)

POB 1128

Tupelo, MS 38802-1128

662-205-4815

888-510-6331 (Fax)

jtm@milamlawpa.com

CERTIFICATE OF SERVICE

I, James T. Milam, Attorney for *Renasant Bank*, do hereby certify that per Section X(A.) of the Court's Standing Order regarding electronic case filing, I have this day filed the above styled document electronically with the Clerk of Court, which constitutes service by Notice of Electronic Filing upon participants registered in this case with ECF including the following:

Sammye J. Tharp, Trial Attorney
U.S. Trustee's Office

sammye.s.tharp@usdoj.gov

J. Walter Newman
Attorney for Debtor

wnewman95@msn.com

This the 12th day of December, 2016.

/s/ James T. Milam