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5 Attorney for Movants

6 **UNITED STATES BANKRUPTCY COURT**  
7 **DISTRICT OF ARIZONA**

8 In re ) Case No.: 2:16-Bk-10790-PS  
9 ONSITE TEMPORARY HOUSING )  
CORPORATION, ) Chapter 11  
10 Debtor(s). )  
11 )  
12 )  
\_\_\_\_\_ )

13 **MOTION FOR SEQUESTRATION OF CASH COLLATERAL**

14 TO THE RESPONDENTS NAMED ABOVE:

15 JRS Funding, LLC, James Riley, Joseph Zerbib, Diane Zerbib, Michael Zerbib, Michelle Zerbib,  
16 David Riley, Daron Johnson, Richard T. Lommen as trustee of the Richard T. Lommen Jr. 2004 Revocable  
17 Trust, Scott A. Gould, Gould Investments, L.L.C., LLindell, LLC, Katherine McClerkin, 3 Dog Lending,  
18 RK Lending, LLC and Empire J. Investments, LLC, their successors and/or assigns (hereinafter collectively  
19 referred to as “Movants”), respectfully represents as follows:

20 1. This court has jurisdiction over the subject matter of this Motion pursuant to the provisions  
21 of 28 United States Code sections 157, 1334, and 11 United States Code section 363.

22 2. At various times from January 29, 2013 to August 28, 2014, Movants loaned Debtor monies  
23 to purchase travel trailers (hereinafter referred to as “Trailers”).

24 3. The Trailers are cash collateral pursuant to 11 U.S.C. § 363(a).

25 4. The loans were all evidenced by a security agreement and promissory note (hereinafter  
26 referred to as the “Loan Documents”). *See*, Exhibit “A”, copy of Movants’ security agreements and  
27 promissory notes (hereinafter referred to as the “Notes”), attached hereto.  
28



1 Movant, plus additional funds to compensate Movants for the Trailers' daily depreciation including all  
2 attorneys' fees and costs incurred in the filing of this Motion.

3 15. The significant depreciation the Trailers incur on a daily basis is reflected in Debtor's list  
4 of 20 largest creditors wherein the Trailers' value at purchase ranged between \$20,000 to \$35,000 and  
5 are now currently valued at \$9,000.00 a piece.

6 16. Movants are informed and believes that Debtor is presently unwilling or unable to  
7 provide adequate protection to the Movants and there is no probability that adequate protection can be  
8 afforded to Movants within a reasonable time.

9 17. By reason of the foregoing, Movants are entitled to have its Trailers sequestered and an  
10 order preventing Debtor from any further use of the Trailers pursuant to 11 U.S.C § 363(e).

11 18. Movants are informed and believe and based on Debtor's list of 20 largest creditors the fair  
12 market value of the Trailers is significantly less than the amount owed.

13 19. Pursuant to Debtor's list of 20 largest creditors, the Trailers' value is \$936,000 and the  
14 amount owed is approximately \$2,892,981.00. There is no equity in the Trailers for the bankruptcy estate.

15 **WHEREFORE**, Movants respectfully prays for an Order of this court as follows:

16 A. Preventing Debtor from using the Trailers and that all proceeds generated from the use  
17 thereof be sequestered;

18 B. Alternatively, in the event the Court declines to grant Movants the relief requested above,  
19 Movants requests that an Order for adequate protection be issued, requiring Debtor to reinstate and maintain  
20 in a current condition all obligations due under the Note including Debtor's obligations to pay when due (a)  
21 the monthly installments of principal and interest, as required under the Note; (b) tax/insurance obligations;  
22 and (c) any sums advanced by Movants on behalf of Debtor in order to protect Movants' interest in the  
23 Trailers, including all attorneys' fees and costs incurred in the filing of this motion;

24 C. That the attorneys' fees and costs incurred by Movants for filing the instant Motion be  
25 included in the outstanding balance of the Note as allowed under applicable non-bankruptcy law; and

26 D. For a periodic accounting to creditors, showing the use of the Trailers;

27 E. For the submission of an operating budget limiting the use of the Trailers to ordinary courses,  
28 reasonable and necessary expenses, and payment of any excess to Movants;

1 F. Granting a lien on post-petition accounts;

2 G. Granting of a priority claim for any cash collateral used prior to the Court's order and without  
3 the Movants' consent;

4 H. Granting the Movants the right to inspect or audit Debtor's records to insure compliance, on  
5 reasonable notice and conditions; and,

6 I. For such other and further relief as the court deems just and proper.

7 **DATED** this 28<sup>th</sup> day of September, 2016.

8 **DAVID T. BONFIGLIO, P.C.**

9 /s/ David T. Bonfiglio - 014964

10 David T. Bonfiglio  
11 Attorney for Movants

12 Original filed ECF and copy  
13 Mailed this 28<sup>th</sup> day of  
14 September, 2016, to:

15 Office of the United States Trustee  
230 N. First Ave., Ste. 204  
Phoenix, AZ 85003

16 By: David T. Bonfiglio