

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

IN RE:)	
)	
PAROLE BESTGATE LLC)	Case No. 16-11840-DER
)	Chapter 11
Debtor)	

**DEBTOR'S MOTION FOR AN ORDER
AUTHORIZING USE OF CASH COLLATERAL**

Parole Bestgate LLC (the "Debtor"), debtor and debtor-in-possession in the above-captioned case, respectfully represents:

Background

1. On March 29, 2016 (the "Petition Date"), this Court entered an Order for relief in this Chapter 11 case (the "Bankruptcy Case"). The Debtor continues in the possession of its property and in the management and operation of its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue of the Debtor's case and this matter is proper under 28 U.S.C. §§1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 361, 363 and 105 of the Bankruptcy Code, as supplemented by Rule 4001(b) of the Federal Rules of Bankruptcy Procedure.

3. Prior to the Petition Date, the Debtor owned and operated a commercial office building located in Annapolis, Maryland and holds an interest in a related leasing business.

4. During the pendency of its Chapter 11 reorganization, the Debtor has continued to operate its business in the ordinary course.

The Pre-Petition Loan and Security Agreements

5. The Debtor entered into a certain loan agreement in favor of Allstate Life Insurance Company predecessor-in-interest to Elizon DB Transfer Agent LLC (the “Lender”) as described below (the “Pre-petition Agreement”).

6. The Lender asserts that the aggregate outstanding secured indebtedness Owed pursuant to the Pre-petition Agreement was \$6,946,849.49 as of October 15, 2016, plus accrued interest and attorneys’ fees (the “Pre-petition Indebtedness”).

7. As security and collateral for the repayment of the Pre-petition Indebtedness, the Debtor granted to the Lender a certain payment guaranty (“IDOT Guaranty”) which is secured by, among other things, an Indemnity Deed of Trust, Assignments of Leases, Rents and Contracts, Security Agreement and Fixture Filing (“Deed of Trust”) (collectively, the “Pre-petition Collateral”), which generally includes substantially all of the Debtor’s assets.

8. “Cash Collateral” as defined by Section 363(a) of the Bankruptcy Code includes post-petition proceeds, products, offspring, rents or profits of property and the fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties subject to a security interest as provided in Section 552(b) and as the term “proceeds” is described in UCC Section 9-306.

9. The Debtor does not have any currently available source of funds other than the Cash Collateral with which to operate its business.

Requested Relief

10. By this Motion, the Debtor seeks entry of an Order, pursuant to section 363(c) of the Bankruptcy Code and Bankruptcy Rule 4001(b), authorizing the Debtor’s use of Cash

Collateral. Pursuant to section 363(c)(2), the Debtor cannot utilize the Cash Collateral unless the Lender consents to such use or such use is authorized by this Court.

11. The Debtor and the Lender have negotiated a cash collateral agreement (the “Consent Order”). The Debtor seeks entry of the Consent Order.

12. Under the Consent Order, the Debtor will be permitted to use such Cash Collateral for a period of time commencing December 1, 2016 and expiring on February 28, 2017 but only for the purposes and in the amounts provided in the Consent Order.

13. As adequate protection to the Lender for the use of Cash Collateral, the Consent Order grants to the Lender: (a) continuing liens and security interests in the Pre-petition Collateral on the same terms and conditions provided under the Pre-petition Agreements; and (b) replacement liens and security interests in and against all property that would have constituted Pre-petition Collateral but for the commencement of these cases generated or acquired on and after the Petition Date; and (c) certain Post-petition liens.

14. All Cash Collateral shall be held and maintained in the Debtor’s DIP account, pursuant and subject to the terms of the Consent Order.

Grounds for Requested Relief

15. The Debtor submits that the entry of the Consent Order is in the best interests of its creditors and the estate. Most importantly, the Order will enable the Debtor to have immediate access to the funds required during the pendency of this Chapter 11 proceeding. Absent immediate access to such funds, the Debtor would be unable to pay its current operating expenses, would be forced to terminate employees, and would be left with no choice but to seek relief under Chapter 7.

16. The Debtor believes the Consent Order represents a fair and reasonable arrangement for the use of Cash Collateral.

Scheduling, Notice, Prior Motions and Waiver of Brief

17. The Debtor also requests that the Court schedule a hearing to consider the entry of the Consent Order. The Debtor has given notice of this Motion to (i) the United States Trustee, (ii) counsel for the Lender, (iii) all Federal, State and local taxing authorities, (iv) the 20 largest unsecured creditors, and (v) any party having filed a notice of appearance in these cases as of the date prior to the date of such service (collectively, the “Interested Parties”).

18. The Debtor submits that the Motion does not present novel issues of law requiring the citation to any authority other than the authority cited herein and, accordingly, no brief is necessary.

19. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests that the Court enter the proposed Consent Order and grant such other and further relief as may be just and proper.

Respectfully submitted,

**SHULMAN, ROGERS, GANDAL,
ORDY & ECKER, P.A.**

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