

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF ILLINOIS  
PEORIA DIVISION**

In re: ) Case No.16-81454  
)  
SPD, LLC )  
fka SPD NEXT, LLC )  
) Chapter 11  
)  
Debtor ) Judge Thomas L. Perkins

**DEBTOR'S MOTION TO USE THE CASH COLLATERAL OF  
SOUTH SIDE TRUST AND SAVINGS BANK**

SPD, LLC. fka SPD NEXT, LLC. (the "Debtor") Debtor and Debtor in possession herein moves this court pursuant to 11 U.S.C. §§361, 363 to authorize the use of the cash collateral of the South Side Trust and Savings Bank and in support thereof respectfully represents as follows:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction of this matter pursuant to 28 U.S.C. §1334.
2. Venue is proper pursuant to 28 U.S.C. §1409.
3. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(A) and (M).

**FACTUAL BACKGROUND**

4. Debtor commenced a voluntary chapter 11 bankruptcy case (the "Case") by filing a voluntary petition for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §101 *et seq.* (the "Bankruptcy Code") on October 26, 2016 in the United States Bankruptcy Court for the Central District of Illinois, Eastern Division (the "Court").

5. Debtor is an Illinois limited liability company that is engaged in the business of owning and operating real estate.

6. Debtor will continue to manage its property as a debtor-in- possession pursuant to §§1107 and 1108 of the Code. No trustee or examiner has been appointed in this case.

7. Debtor owns, or is in possession of, five single family homes located in Peoria, Illinois which are fully described on Exhibit A which is attached to this Motion ( the “Properties”).

8. On or about July 23, 2014, Debtor executed a Mortgage and granted South Side Trust and Savings Bank a first priority mortgage lien on the Properties. The Mortgage contains an assignment of rents and leases as one of its terms and conditions. A copy of the Mortgage is attached to this Motion as Exhibit B.

9. The Debtor intends to retain ownership, possession and control of the Properties and the rental income generated by the Properties.

**DEBTOR’S NEED TO USE THE CASH COLLATERAL OF SOUTH SIDE TRUST AND SAVINGS BANK**

10. The Debtor is generating rental income from the Properties. Pursuant to 11 U.S.C. § 363(a), the rental income may be cash collateral in which South Side Trust and Savings Bank has an interest.

11. The Debtor has an immediate need to use the cash collateral of South Side Trust and Savings Bank to maintain the Properties.

12. The Debtor will use the cash collateral of South Side Trust and Savings Bank to make the expenditures which are included on the budget attached to this Motion as Exhibit C. Debtor is unable to obtain unsecured credit allowable only under §503(b)(1) of the Code as an administrative expense to permit Debtor to maintain the Properties. Debtor is also unable to incur debt or obtain credit to fund the expenses of the Properties and the payments to South Side Trust and Savings Bank.

13. Without the use of its revenues and the cash collateral of South Side Trust and Savings Bank, the Debtor will be unable to pay the expenses for the Properties. The value of the Properties will be greatly diminished if the Debtor cannot maintain them.

**DEBTOR IS ABLE TO PROVIDE SOUTH SIDE TRUST AND SAVINGS BANK  
WITH ADEQUATE PROTECTION**

14. The Code provides that the Debtor may use South Side Trust and Savings Bank cash collateral if South Side Trust and Savings Bank consents or if the Court authorizes the Debtor's use of the cash collateral. 11 U.S.C §363(a). The Debtor is also required to establish that the interests of South Side Trust and Savings Bank are adequately protected. The adequate protection that South Side Trust and Savings Bank receives is meant to assure that the value of the secured creditor's interest in the collateral does not decline. *United States Ass'n of Texas v. Timbers of Inwood Forest Assocs, Ltd.*, 484 U.S. 365, 108 S.Ct. 626, 98 L.Ed. 2d. 740 (1988). *In re Addison Properties Limited Partnership*, 185 B.R. 766, 769, 770 (Bankr. N.D. Ill 1995).

15. The Debtor may provide South Side Trust and Savings Bank with adequate protection for the Debtor's use of its cash collateral in several ways. A debtor may offer adequate protection in the form of periodic payments, replacements liens or the indubitable equivalent of the creditor's interest. A debtor may reinvest the cash in the operation and maintenance of the debtor's property to increase the value of the creditor's interest in the collateral. A debtor may also demonstrate that the amount of cash on hand will not diminish as the cash collateral is used. 11 U.S.C §361, *In re American Consolidated Transportation Companies*, No 09-26062, (Bankr. N.D. Ill.2009)(Schmetterer, J)(slip op.).

16. In order to provide South Side Trust and Savings Bank with adequate protection pursuant to 11 U.S.C. §361, the Debtor has agreed to enter into the Order Authorizing The Debtor to Use the Cash Collateral of South Side Trust and Savings Bank which will be substantially in the form of the Order which is attached to this Motion as Exhibit D Debtor has further agreed to limit its use of the cash collateral of South Side Trust and Savings Bank to the expenditures set forth on the Budget which is attached to this Motion as Exhibit C.

17. Debtor requests that the Court grant it the use South Side Trust and Savings Bank's cash collateral for the months of December, 2016 and January, February and March, 2017.

18. It is in the best interest of the Debtor, the chapter 11 estate and the South Side Trust and Savings Bank for the Court to authorize the Debtor to use the cash collateral of South Side Trust and Savings Bank and to enter the Order Authorizing the Debtor to Use the Cash Collateral of South Side Trust and Savings Bank which is attached to this Motion as Exhibit D.

WHEREFORE, SPD, LLC. aka SPD NEXT, LLC. Debtor and Debtor in possession herein, prays that the court, enter the Order Authorizing the Debtor to Use the Cash Collateral of South Side Trust and Savings Bank and for any other relief the Court deems just and proper.

SPD, LLC. fka SPD NEXT, LLC.  
By /s/Karen J. Porter  
One of its attorneys

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