



UNITED STATES BANKRUPTCY COURT
for the Northern District of California

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The following constitutes
the order of the court. Signed July 12, 2017

Stephen L. Johnson
U.S. Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re)	Case No.: 17-50924 SLJ
)	Chapter 11
CORONA BUMPERS, INC.,)	
)	Date: July 26, 2017
Debtor.)	Time: 2:00 p.m.
)	Ctrm: 3099

**ORDER DENYING MOTION TO USE
CASH COLLATERAL (MERCHANT CASH AND CAPITAL, LLC)**

On June 15, 2017, Debtor filed a Motion for Authorization to Use Cash Collateral subject to the Secured Interest of Merchant Cash and Capital, LLC (“Motion”) and set it for hearing at the above-referenced date and time. After reviewing the Motion and the record in this case, the court determines that oral argument is not necessary and denies the Motion.

Generally, a motion to use cash collateral must include: (1) a budget and the amount of cash collateral sought to be used; (2) the name and address of each entity with an interest in the cash collateral; (3) facts demonstrating the need to use cash collateral and the material terms; and (4) the method of adequate protection to be provided those with an interest in the collateral. Fed. R. Bankr. P. 4001(b)(1)(B); March, Ahart & Shapiro, CAL. PRAC. GUIDE: BANKRUPTCY ¶

ORDER DENYING MOTION TO USE CASH COLLATERAL

1 14:460 (The Rutter Group 2016). The court’s Guidelines for Cash Collateral & Financing
2 Motions & Stipulations (“Guidelines”) impose additional requirements, including at a
3 minimum, a certification signed by debtor’s counsel that the motion to use cash collateral
4 complies with the Guidelines.¹

5 Debtor’s Motion lacks basic factual allegations, does not contain a budget, and has no
6 supporting evidence. Debtor conclusorily states that the collateral is not declining in value and
7 that the value is \$53,500, but Debtor does not identify the collateral or provide any evidentiary
8 support. Debtor also conclusorily states that it is “generating substantial monthly revenues”
9 without providing any quantitative evidence. In short, the Motion has no information on the
10 amounts of the cash collateral, the monthly revenues, and the monthly operational expenses.
11 Debtor fails to disclose the nature and date of the subject lien, and what other entities, if any,
12 have a security interest in the collateral. And there is no effort made to comply with the court’s
13 Guidelines.

14 Furthermore, the Motion was not accompanied by a certificate of service. The court
15 cannot determine if the Motion was served on Merchant Cash and Capital and other creditors as
16 required by Bankruptcy Rule 4001(b)(1)(C).

17 For these reasons,

18 IT IS HEREBY ORDERED that the Motion is DENIED without prejudice.

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20 *** END OF ORDER***
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27 ¹ The Guidelines is available on the court’s website:
28 <http://www.canb.uscourts.gov/procedure/guidelines-cash-collateral-financing-motions-stipulations-effective-112006>

COURT SERVICE LIST

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ECF Notifications

ORDER DENYING MOTION TO USE CASH COLLATERAL