

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

In Re:

Tre Amici Leasing, LLC

Case No.: 8:17-bk-5123-CPM
Chapter 11

EMERGENCY RELIEF REQUESTED

Debtor(s) _____ /

**DEBTOR'S MOTION FOR AUTHORITY TO USE CASH COLLATERAL
AND CERTIFICATE OF NECESSITY OF
REQUEST FOR EMERGENCY HEARING**

Tre Amici Leasing, LLC (“TAL” or “Debtor”), the debtor-in possession herein, files this Motion for Authority to Use Cash Collateral (this “Motion”) and requests an emergency preliminary hearing. This Motion is brought pursuant to 11 U.S.C. § 363 and in support of this Motion, the Debtor respectfully represents as follows:

1. On June 13, 2017 (the “Petition Date”), the Debtor filed its Voluntary Petition under Chapter 11 of the Bankruptcy Code. No trustee or creditors’ committee has been appointed.
2. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§157 and 1334.
3. The subject matter of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(M), and is also a contested matter governed by F.R.B.P. 9014.
4. Venue is proper before this Court pursuant to 28 U.S.C. §1408.
5. The Debtor continues in possession of its assets and bankruptcy estate and is operating and managing its business as a debtor-in-possession pursuant to 11 U.S.C. §§1107 and 1108.

BACKGROUND

6. TAL is a Florida limited liability company whose principal office and principal assets are located in Pasco County, Florida.

7. The Debtor operates a personal transportation service (the “Business”)¹, which consists of a traditional taxi service as well as contract work for Pasco County Public Transportation (PCPT). The Debtor and its affiliates collectively operate as Signature Car Service (“Signature”). The Debtor employs, throughout the year, approximately 20 to 40 contract drivers and laborers, some of which are part-time.
8. Although Signature’s core business has been, and continues to be profitable, the Debtors experienced financial hardship as a result of successfully bidding on a contract with Logisticare to provide medical assistance transportation. The Logisticare contract more than doubled the Debtor’s insurance costs, took longer to service, and did not produce the revenue anticipated². However, in anticipation of this contract, the Debtor took out high interest loans with Strategic Funding Source, Inc. (“Strategic”) and Channel Partners Capital LLC (“Channel Partners”). These loans required daily debt service payments, and given the less than anticipated income from Logisticare, the Debtor found it could not support the new indebtedness it had recently incurred.

¹For insurance purposes, the vehicles used in the Business are operated by a group of affiliated entities (each entity can operate 5 vehicles). The Business collectively does business as Signature Car Service, however, TAL operates the dispatch and administrative services for the Business, and J A R R, Inc. (“J A R R”) obtained the contract with PCPT. TAL and J A R R have common ownership, and appear to have identical, or near identical creditors. J A R R has also filed a Chapter 11 bankruptcy on the Petition Date (Case No.: 8:17-bk-05124-CPM). The Debtors intend to file a Motion to Consolidate or for Joint Administration as a result of the overlap between the two cases.

²The Logisticare contract has been modified at least three times, most recently the week of the debtor’s filing for relief under Chapter 11. The modifications have reduced the Debtor’s compensation, and increased its operating costs. The Debtor intends to reject this executory contract as part of its reorganization.

The Debtor's Pre-petition Debt Structure

9. The Strategic and Channel Partners loans are separate obligations evidenced by promissory notes, security agreements, guaranty documents and related perfection documents, including a UCC-1 financing statements (collectively, the "Loan Documents"). A true copy of the loan documents are attached hereto as Exhibits "A" and "B" respectively, and are incorporated herein by reference.
10. There is approximately \$122,061.00 due and owing on the Channel Partners obligation, and approximately \$89,540.00 due and owing on the Strategic obligation.
11. Channel Partners and Strategic will need to make a prima facie showing of a perfected lien in its favor on Debtor's personal property as of the commencement of this chapter 11 case, however, it is not the Debtor's intention to dispute the validity of either the Channel Partners or Strategic Loan Documents, although it appears from the Florida UCC Registry that the UCC-1 filed by Channel Partners was filed first. A true copy of the UCC-1 Financing Statements recorded with the Florida UCC Registry which purport to encumber bankruptcy estate assets are attached hereto as Composite Exhibit "C", and are incorporated herein by reference.
12. The liens and security interests contained in the Loan Documents purport to encumber personal property collateral of the Debtor, including chattel paper or accounts arising from the sale of the Debtor's services, that may constitute "cash collateral" as that term is defined in Section 363(a) of the Bankruptcy Code (the "Cash Collateral").

The Debtor's Need for Use of Cash Collateral

13. The Debtor hereby seeks authority for use of Cash Collateral pursuant to 11 U.S.C. § 363(a), which Cash Collateral is encumbered by the pre-petition lien now held by LV with regard to Debtor's personal property.
14. The Debtor had approximately \$12,000.00 funds in its operating account as of the Petition Date. The Debtor requires the use of the Cash Collateral to continue to maintain and operate its business and to service its accounts.
15. The Debtor has very little funds other than Cash Collateral and no other means to obtain operating funds. If the Debtor is not permitted to use Cash Collateral, it will be forced to halt operations which will result in (i) a loss of an ongoing concern value of the business, (ii) a reduction in the value of the estate's assets, (iii) an adverse effect on creditors and employees, and (iv) reduce the possibility of an effective reorganization in this case.

RELIEF REQUESTED AND GROUNDS FOR RELIEF

16. By this Motion, to avoid immediate and irreparable harm to the Debtor's estate pending a Final Hearing, the Debtor respectfully requests (a) an emergency Preliminary Hearing to consider the immediate entry of an Interim Order authorizing the Debtor's limited use of Cash Collateral to the extent needed to avoid immediate and irreparable harm until a subsequent Final Hearing can be conducted to consider the relief requested by this Motion; and (b) a subsequent Final Hearing to consider the full relief requested by this Motion.
17. As set forth above, the Debtor believes that only Channel Partners and Strategic claims perfected and enforceable security interests and liens on the Debtor's personal property which may constitute Cash Collateral. Channel Partners claims claims it is owed in excess

of \$122,000.00 and Strategic Funding claims it is owed in excess of \$89,000.00 as of the Petition Date.

Terms of Use of Cash Collateral and Offer of Adequate Protection

18. The Debtor requests this Court's authorization to use the Cash Collateral.
19. The Debtor has a proposed budget setting forth the Debtor's anticipated income and operating expenses for the next several months attached hereto as Exhibit "D", and incorporated herein by reference.
20. Accordingly, For the thirty (30) days after the Petition Date, the Debtor will require Cash Collateral in an amount of approximately \$110,000.00 to operate the Debtor, and a greater or lesser amount will be required each comparable period thereafter.
21. The Debtor proposes to offer adequate protection to Channel Partners and Strategic by granting Channel Partners and Strategic a replacement lien in the Debtor's post-petition Cash Collateral, notwithstanding the provisions of Section 552 of the Bankruptcy Code, to the same extent validity and priority of its respective liens in such Cash Collateral as of the Petition Date, and to maintain and operate the collateral so as to maintain the property and to increase its cash flow and market value.
22. As noted above, the Debtor has approximately \$12,000.00 of funds on hand as of the Petition Date.
23. The Debtor must have access to and authorization to use Cash Collateral in the amounts and for the purposes set forth in an operating budget that the Debtor will compile as soon as the Debtor's principal is able to determine while he convalesces from his surgery. The Debtor

believes that it will be able to propose a budget shortly. The operating budget will reflect the Debtor's immediate cash needs for the next several weeks.

24. The use of such Cash Collateral is necessary to avoid immediate and irreparable harm to the Debtor's estate, in order to maintain business operations and preserve value for all creditors. Among other things, the Debtor proposes to use Cash Collateral in accordance with the soon to be filed operating budget for payment of necessary payroll, suppliers, and other ordinary business expenses related to the daily operations of the Debtor's business.

**CERTIFICATE OF NECESSITY OF REQUEST FOR
EMERGENCY HEARING REQUESTED**

25. Operation of the Debtor's business requires the incurring of expenses on a daily basis as it operates on a day to day basis and prepares the subject property for its patrons.
26. If the Debtor is denied the ability to immediately use Cash Collateral, there will be direct, immediate, and irreparable harm to the Debtor's ability to continue business operations, perform its obligations, and to maximize its assets and distributions to its creditors.
27. The Debtor will be without funds to operate and meet expenses if an emergency preliminary hearing is not granted.
28. Unsecured creditors are now at risk due to the filing of the Petition and will continue to be at risk until the determination by the Court of the right to use Cash Collateral.
29. The Debtor estimates that approximately thirty (30) minutes will be necessary for a preliminary hearing on this Motion and that a similar amount of time may be required for a final hearing.

30. Given that no creditors committee has been named, a copy of this Motion will be served, pursuant to F.R.B.P. 4001(b), on LV and its counsel, the List of Creditors Holding Twenty (20) Largest Unsecured Claims and the U.S. Trustee's office, and notice of the hearing will be given to the same persons in such a manner as the Court directs.
31. The Debtor and its counsel are prepared to appear immediately at a hearing to demonstrate that the request for an emergency preliminary hearing is not the result of the Debtor's or of counsel's procrastination or lack of attention.

WHEREFORE, the Debtor respectfully requests that this Court enter an order granting (1) an emergency preliminary hearing, (2) this Motion for Authority to Use Cash Collateral, (3), schedules a final hearing in compliance with F.R.B.P. 4001 to consider the entry of a final order granting the relief set forth in this Motion, (4) following a final hearing, enters a final order granting the relief requested in this Motion, and (5) such other and further relief as just may require.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the forgoing has been sent by Electronic Mail this June 21, 2017 to: Office of U.S. Trustee, 501 E. Polk Street, Tampa, FL, 33602; Channel Partners Capital, LLC, Attention: Officer, Director or Other Agent authorized to accept Service of Process, 11100 Wayzata Blvd., Suite 305, Minnetonka, MN 55305; Stratigic Funding, Attention: Officer, Director or Other Agent authorized to accept Service of Process, 211 D. Bulifants Blvd.; Suite E, Williamsburg, VA 23188; All CM/ECF Users in this case; and the attached mailing matrix.

/s/ Joel S. Treuhaft

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