

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)
) Chapter 11
Lloyd M. Hughes Enterprises, Incorporated,) Case No. 17-16025
an Illinois corporation,) Judge A. Benjamin Goldgar
)
Debtor.)

NOTICE OF MOTION

TO: See Attached Service List

PLEASE TAKE NOTICE that on the 7th day of August, 2017, at the hour of 9:30 a.m., or as soon thereafter as counsel can be heard, I shall appear before the Honorable A. Benjamin Goldgar, Bankruptcy Judge, in room 642 of the United States Bankruptcy Court in the Everett McKinley Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois, or before any other Judge who may be sitting in his place and stead and shall present the **Motion for Authority to Use Cash Collateral**, a copy of which is attached hereto and herewith served upon you, and shall pray for the entry of an Order in compliance therewith.

AT WHICH TIME and place you may appear if you so see fit.

/s/John H. Redfield
Crane, Heyman, Simon, Welch & Clar
135 S. LaSalle St., Suite 3705
Chicago, Illinois 60603
(312) 641-6777

CERTIFICATE OF SERVICE

The undersigned, being first duly sworn on oath deposes and states that a copy of the foregoing Notice and attached Motion was caused to be served via First Class Mail properly addressed and postage prepaid to all parties on the attached service list, on the 31st day of July, 2017 before the hour of 5:00 p.m.

/s/John H. Redfield

SERVICE LIST

Court's Electronic Registration:

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IN RE:)	
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MOTION FOR AUTHORITY TO USE CASH COLLATERAL

Now comes the Debtor/Debtor-in-Possession, Lloyd M. Hughes Enterprises, Incorporated, (“Debtor”), by its attorneys, John H. Redfield and the firm of Crane, Heyman, Simon, Welch & Clar, and in support of its Motion for Authority to Use Cash Collateral, states as follows:

1. On May 24, 2017, this Court entered an Order for Relief in the above-captioned matter, pursuant to a Voluntary Petition under Chapter 11 of the United States Bankruptcy Code.
2. Since the Petition Date, the Debtor has operated his business and managed his financial affairs as debtor-in-possession.
3. No trustee, examiner or committee of unsecured creditors has been appointed to serve in this reorganization case.
4. This matter constitutes a “core” proceeding within the meaning of 28 U.S.C. Section 157(b)(2)(A), (M) and (O).
5. The statutory predicates for the relief requested in this Motion are Sections 363 and 105 of the Bankruptcy Code.
6. By this Motion, the Debtor requests that this Court authorize it to use certain cash and cash equivalents.

Relevant Factual Background

7. The Debtor is an Illinois corporation that owns and operates a laundry facility at 6331 S. Martin Luther King Drive, Chicago, Illinois, consisting of 155 coin operative washers and dryers (“Business”).

8. The Business currently has gross income of approximately \$5,600 per week.

9. The Debtor had annual revenues in 2015 and 2016 in the amounts of approximately \$305,618 and \$303,915. During the first five (5) months of 2017, revenues have averaged \$24,000 per month.

10. The Debtor is operating its business and managing its financial affairs as Debtor-in-Possession. No trustee or examiner has been appointed to serve in this reorganization case.

11. In order for the Debtor to continue to operate its business, and effectuate an effective reorganization, it is essential that the Debtor be authorized to use cash collateral for, among other things, the following purposes:

- A. Payroll;
- B. Insurance;
- C. Utilities;
- D. Postage;
- E. Rent;
- F. Purchases of Supplies and Materials; and
- G. Other miscellaneous items needed in the ordinary course of business.

12. The Debtor proposes, subject to the approval of this Court, to use cash collateral in which the Secured Parties assert interests. The Debtor's proposal will permit the Debtor to sustain its business operations and rehabilitate its financial affairs through the implementation of a successful plan of reorganization. Furthermore, the Debtor's proposal will adequately protect the purported secured interests of the Secured Parties.

13. Unless the Debtor is authorized to use cash collateral in which the Secured Parties assert interests, the Debtor will be unable to continue to operate, thereby eliminating any reasonable prospect for a successful reorganization. The cessation of normal business operations by the Debtor will cause irreparable harm to the Debtor, its patients, its creditors and this estate.

14. The Debtor proposes to use cash collateral and provide adequate protection upon the following terms and conditions:

- A. The Debtor will permit the Secured Parties to inspect, upon reasonable notice, within reasonable hours, the Debtor's books and records;

- B. The Debtor shall maintain and pay premiums for insurance to cover all of its assets from fire, theft and water damage;
- C. The Debtor shall, upon reasonable request, make available to the Secured Parties evidence of that which purportedly constitute their collateral or proceeds;
- D. The Secured Parties shall be granted valid, perfected, enforceable, security interests in and to Debtor's post-petition assets which are now or hereafter become property of this estate, to the extent of their alleged pre-petition liens, if valid; and
- E. The Debtor shall execute any documents that may be reasonably required by the Secured Parties to evidence the post-petition liens granted in lettered Paragraph (D), above.

15. Attached hereto as Exhibit "A" and incorporated by reference herein is a proposed budget relating to the Debtor's use of cash collateral through September 6, 2017. Further budgets, if necessary, will be submitted to the Court pursuant to this Motion. On a preliminary basis, the Debtor will be limited to making the expenditures stated on said budget plus no more than ten percent (10%) of the total proposed expense payments, unless otherwise agreed by the Secured Parties.

16. The Debtor requests, pursuant to Rule 4001(b)(2) of the Bankruptcy Rules, that this Court conduct a preliminary hearing to authorize the use of cash collateral pending a final hearing on this Motion.

WHEREFORE, for the foregoing reasons, the Debtor/Debtor-in-Possession, Lloyd M. Hughes Enterprises, Incorporated, by its attorneys, John H. Redfield and the firm of Crane, Heyman, Simon, Welch & Clar prays for the entry of an Order:

- A. Authorizing the Debtor to use cash collateral in which the Secured Parties assert liens, upon the terms and conditions set forth in this Motion until further Order of this Court;
- B. Preliminarily authorizing the Debtor to use cash collateral through and including September 6, 2017; and
- C. Granting such other relief as this Court deems appropriate.

Lloyd M. Hughes Enterprises, Incorporated,
Debtor/Debtor-in-Possession

By: /s/ John H. Redfield
One of its attorneys

John H. Redfield (Atty. No. 2298090)
Crane, Heyman, Simon, Welch & Clar
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