

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION

IN THE MATTER OF: CASE NO. 18-10819

PRANA YOGA LLC Chapter 11

Debtor.

EMERGENCY MOTION FOR USE OF CASH COLLATERAL

COMES NOW, Prana Yoga LLC, Debtor and Debtor-in-Possession, by counsel, and files its Emergency Motion for Use of Cash Collateral pursuant to Bankruptcy Code §363(c)(2)(B)(3) and Bankruptcy Rule 4001(b) and states:

1. Prana Yoga LLC filed for relief under chapter 11 of the United States Bankruptcy Code on May 8, 2018. It is organized in the state of Indiana and operates a yoga instruction and training studio in Fort Wayne, IN.

2. Prana Yoga LLC was formed in 2010 and operates from leased facilities located at 1302 Lafayette Street, Fort Wayne, Indiana. The Debtor currently employs 5 people. Debtor also utilizes approximately 15 subcontractors at various times for services and instructional assistance needed for the operation of the Debtor.

3. Prana Yoga LLC is indebted to Centier Bank in the approximate amount of \$19,000.00. Centier Bank asserts a blanket lien on the assets of the Debtor including deposit accounts, accounts receivable and proceeds thereof.

4. Debtor believes the value of assets subject to the Bank's security interest approximates or exceeds the Bank's claim. Debtor believes the value of the Bank's security interest in cash collateral is approximately \$1,660.00.

5. Additionally, Debtor believes Swift Financial and/or CHTD Company may claim a lien on Debtor's assets including accounts, accounts receivable and certain inventory, the sale of which produces cash collateral.

6. There is an immediate need for the Debtor to use cash collateral in the operation of its business including funds presently held in deposit accounts in order to pay its employees, costs of operations and to preserve the value of the ongoing business.

7. Attached hereto as Exhibit "A" is an Emergency Budget prepared by the Debtor. The expenses shown therein are the expenditures for which Prana Yoga LLC requires use of cash collateral on an immediate basis to maintain and preserve its business operations.

8. The use of cash collateral beyond the period of the projection in the attached Exhibit "A" going forward will be set forth in an Operating Budget which Debtor is presently completing. The Operating Budget will provide for payment of wages and operating expenses for the continuing operation of the corporation and preservation of collateral in the chapter 11 proceeding.

9. As adequate protection for the use of cash collateral, Debtor will offer a replacement lien on assets to Centier Bank and each secured creditor to the full extent of the value of that creditor's lien at the commencement of the case. Further, Debtor shall provide financial reports to the Bank and other secured creditors herein to provide ongoing information as to the status of operations, sales and the creation of post-petition accounts receivable. Debtor believes that through continuous operation, it can maintain and increase the value of its accounts and accounts receivable, preserving and maintaining the value of the business operation and thereby adequately protecting Debtor's use of cash collateral herein.

10. Debtor requests a preliminary hearing so soon as the Court's calendar will permit to consider Debtor's request to use cash collateral consistent with the Emergency Budget. Debtor

has certain necessary expenses associated with ongoing operation of the business required to maintain services to existing customers and anticipated additional customers required to be paid by May 13, 2018 and further, Debtor has weekly payroll which next comes due May 15, 2018. Debtor requests the Court set a final hearing to consider authorization to use cash collateral thereafter.

11. Debtor requests the Court set a preliminary hearing to consider the use of cash collateral, for payment of those expenses identified as necessary to provide for the uninterrupted operation of the business so as to avoid immediate and irreparable harm to the estate.

WHEREFORE, Debtor respectfully requests the Court authorize use of cash collateral consistent with the Debtor's request as set forth in this Emergency Motion, and for all other relief just and proper in the premises.

Respectfully submitted,

HALLER & COLVIN, PC

/s/ Scot T. Skekloff

Scot T. Skekloff (#15849-02)

444 E. Main Street

Fort Wayne, IN 46802

Telephone: (260) 426-0444

Facsimile: (260) 422-0274

E-mail: sskekloff@hallercolvin.com

Attorney for Debtor

CERTIFICATE OF SERVICE

The undersigned, who is duly admitted to practice in the State of Indiana and before the Court, hereby certifies that a copy of the above and foregoing was transmitted electronically through the Bankruptcy Court's ECF System, on May 8, 2018, to the following:

Leonard W. Copeland
Nancy J. Gargula
Office of the United States Trustee
One Michiana Square, Suite 555
100 E. Wayne Street
South Bend, IN 46601

The undersigned further certifies that a copy of the above and foregoing was sent by first class United States mail, postage prepaid on May 8, 2018, to the following:

Prana Yoga LLC
c/o Danielle M. McGuire, Member
1301 Lafayette Street
Fort Wayne, IN 46802

and to those creditors on the attached sheet(s)

/s/ Scot T. Skekloff

Scot T. Skekloff (#15849-02)

Barbara F. Salisbury
1827 Klaehn Court
Fort Wayne, IN 46804

CHTD Company
POB 2576
Springfield, IL 62708

Capital One Bank (USA) N.A.
POB 6492
Carol Stream, IL 60197-6492

Centier
600 East 84th Avenue
Merrillville, IN 46410-6366

Citi Cards
POB 78045
Phoenix, AZ 85062-8045

Citibusiness Card
POB 9001037
Louisville, KY 40290-1037

Discover Card
POB 30943
Salt Lake City, UT 84130-0943

Judith Melton
7510 Covington Hollow Pass
Fort Wayne, IN 46804

Kelli Bryant
725 Snowfall Road
Fort Wayne, IN 46819

PayPal Credit
POB 5138
Lutherville Timonium, MD 21094

Swift Financial
3505 Silverside Rd.
Wilmington, DE 19810

Indiana Department of Revenue
Bankruptcy Section MS 108
100 N. Senate Avenue N240
Indianapolis, IN 46204

Internal Revenue Service
POB 7346
Philadelphia, PA 19101-7346

Deborah Leonard
3128 Federal Building
1300 South Harrison Street
Fort Wayne, IN 46802

Leonard W. Copeland
Office of the United States Trustee
One Michiana Square, Suite 555
100 E. Wayne Street
South Bend, IN 46601

Prana Yoga LLC
Projected Expenses by Week

EXHIBIT "A"

	May 7-13, 2018	May 14-20, 2018	May 21-27, 2018	May 28-June 3, 2018
STARTING CASH FLOW:	\$100.00			
GROSS INCOME				
Projected Revenue	\$3,500.00	\$6,000.00	\$4,200.00	\$14,700.00
Returns	\$0.00	\$0.00	\$0.00	\$0.00
NET INCOME:	\$3,500.00	\$6,000.00	\$4,200.00	\$14,700.00
EXPENSES				
Advertising and promotion	\$0.00	\$350.00	\$0.00	\$350.00
Automobile expense	\$0.00	\$0.00	\$432.13	\$0.00
Bank service charges	\$0.00	\$0.00	\$0.00	\$0.00
Beverage inventory	\$350.00	\$0.00	\$0.00	\$0.00
Computer and internet expenses	\$320.00	\$0.00	\$0.00	\$0.00
Continuing education	\$0.00	\$0.00	\$0.00	\$0.00
Contracted Services	\$650.00	\$2,300.00	\$0.00	\$0.00
Dues and subscriptions	\$0.00	\$0.00	\$25.00	\$0.00
Equipment rental	\$0.00	\$0.00	\$0.00	\$0.00
Insurance expense	\$0.00	\$230.67	\$0.00	\$0.00
Janitorial expense	\$0.00	\$0.00	\$100.00	\$0.00
Office supplies	\$0.00	\$200.00	\$200.00	\$200.00
Owner compensation	\$0.00	\$950.00	\$950.00	\$950.00
Payroll expenses (Gross)	\$0.00	\$2,500.00	\$0.00	\$12,000.00
Postage and delivery	\$0.00	\$0.00	\$0.00	\$0.00
Rent expense	\$0.00	\$0.00	\$0.00	\$0.00
Security system	\$0.00	\$0.00	\$257.00	\$0.00
Travel expense	\$0.00	\$0.00	\$0.00	\$0.00
Utilities/Gas/Electric/Trash	\$0.00	\$0.00	\$2,300.00	\$0.00
Yoga anatomy training subscription	\$350.00	\$0.00	\$0.00	\$0.00
TOTAL EXPENSES:	\$1,670.00	\$6,530.67	\$4,264.13	\$13,500.00
TOTAL NET REVENUE:	\$1,830.00	-\$530.67	-\$64.13	\$1,200.00
TOTAL CASH ACCUMULATION:	\$1,930.00	\$1,399.33	\$1,335.20	\$2,535.20