

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

IN RE: )  
)  
RETRO HOME HEALTH CARE )  
SERVICES, INC., ) CASE NO. 17-05297-JJG-11  
)  
Debtor. )

**DEBTOR’S EMERGENCY FIRST DAY MOTION FOR ORDER AUTHORIZING  
INTERIM USE OF  
CASH COLLATERAL AND PROVIDING POST-PETITION LIENS  
[Bankruptcy Code Section 363, Bankruptcy Rule 4001]**

Retro Home Health Care Services, Inc. (“Debtor”), Debtor and Debtor in Possession, by and through its counsel, respectfully files this emergency motion for entry of an interim order on an expedited basis, pursuant to sections, 105, 361, 362, and 363 of Title 11 of the United States Bankruptcy Code, and Rule 4001 of the Federal Rules of Bankruptcy Procedures, authorizing the Debtor to use cash collateral and to provide adequate protection to its pre-petition secured creditors. In support of this Motion, the Debtor represents as follows:

1. This Court has jurisdiction over this Motion pursuant to 28 USC §§ 1334. This is a core proceeding pursuant to 28 USC §§ 157 (b)(2)(A) and (M). Venue is proper in this district and the statutory predicates for the relief sought herein are sections 105, 361, 362, and 363(b) of the Bankruptcy Code.

2. The Debtor filed its Voluntary Chapter 11 Petition on July 17, 2017. Since the petition date, the Debtor has continued in possession of its property and operation of its business as a Debtor in Possession. No motion for the appointment of a Chapter 11 Trustee has been filed.

**RELIEF SOUGHT**

By this Motion, the Debtor seeks the entry of an Interim Order and a Final Order, which:

- a) Authorizes the Debtor to use cash collateral in which the secured creditors specifically identified below have or assert an interest;
- b) Authorize the Debtor to provide adequate protection to the secured creditors for any decrease in the value of its interests in the Debtor's property resulting from the use of or lease of the Debtor's property;
- c) Modify the automatic stay imposed pursuant to Bankruptcy Code Section 362 to the extent necessary to implement and effectuate the terms and provisions of the Interim Order and Final Order;
- d) Waive any applicable stays under the Bankruptcy Rule and provide for the immediate effectiveness of the Interim Order and the Final Order; and
- e) Schedule a Final Hearing to allow for entry of the Final Order within thirty (30) days of the entry of the Interim Order.

The Debtor is informed and believes and alleges that FC Partners, LP and Strategic Funding Services ("SFS"), hold a valid and perfected enforceable lien and security interests in, among other things, the Debtor's accounts, inventory, equipment, machinery and general intangibles, and all proceeds thereof (hereinafter the "Collateral"), all as more particularly described and evidenced by the security agreement and finance statements attached hereto and incorporated herein.

The Debtor's obligations to the secured creditors constitute legal, valid and binding obligations of the Debtor, enforceable in accordance with the terms of the various loan

documents and security agreement.

Proceeds from the collection of accounts receivable and other sums, cash or cash equivalent received from any source constitute cash collateral pursuant to Bankruptcy Code Section 363(a), which comprise the Cash Collateral of the secured creditors. The secured creditors are entitled to adequate protection of their interests in the pre-petition collateral and the Debtor may not use the Cash Collateral for any purpose without the secured creditors' consent or upon order of the Court. The Debtor wishes to provide adequate protection to the secured creditors to the extent of their respective claimed interests under the Bankruptcy Code in the Cash Collateral here existing and hereafter used.

The Debtor proposes that in consideration for the Debtor's use of the Cash Collateral as provided herein and as adequate protection for any diminution in the value of the secured creditors' security interests, Debtor proposes to grant to the secured creditors:

(a) to *Funding Circle, LP*, a validly perfected first priority lien on and security interest for its full debt of approximately \$34,000.00 in the Debtor's post-petition Collateral subject to any existing valid, perfected and superior lien in the Collateral held by any creditor.

(b) to *Strategic Funding Partners*, a second lien on Debtor's post-petition accounts receivable to the extent that the scheduled value of Debtor's collateral (\$55,600.00) exceeds the debt of Funding Circle, LP.

Upon entry of an Order granting this Motion, the post-petition security interest and liens proposed to be granted hereunder shall be valid, perfected and enforceable and shall be deemed effective and automatically perfected as of the Petition Date without the necessity of the secured creditors taking any further action. Secured creditors may at its option, file continuation

statements, financing statements or such documents as they deem necessary.

(c) In the event of any diminution of value of the secured creditors' interest in the Collateral, a super-priority claim that shall have priority in the Debtor's bankruptcy case over all priority claims and unsecured claims against the Debtor and its estate, now existing or hereafter arising, of any kind or nature whatsoever.

As further adequate protection, the Debtor will make post-petition monthly payments to *Funding Circle, LP* in the amount of \$4,000.00, pursuant to the Debtor's pre-petition loan documents and payments to *Strategic Funding Partners* in the amount of \$1,000.00 per month, unless the Debtor and the secured creditors agree to a different or lesser amount. These payments shall be applied to satisfy the pre-petition secured claim of each creditor.

The Debtor proposes that it shall be authorized to use Cash Collateral for the payment of its usual, ordinary, customary, regular, and necessary post-petition expenses incurred in the ordinary course of Debtor's business and for payment of those pre-petition claims approved and allowed by Order of the Bankruptcy Court and not otherwise.

Pursuant to local Bankruptcy Rule B-4001-2, the Debtor certifies as follows:

There is no provision for cross-collateralization of pre-petition debt, there are no professional fee provisions that provide disparate treatment for the professionals retained by a creditors' committee from those now provided for the professionals retained by the Debtor, there is no priming of any existing liens, there are no provisions that calls for payment of fees or costs by the Debtor other than a reasonable attorney's fee for loan documentation and there is no provision that limits, restricts or otherwise affects the terms of a proposed plan of reorganization.

Attached hereto and incorporated herein as the Debtor's budget which indicates amounts

of income projected and expenses projected on a monthly basis.

WHEREFORE, the Debtor respectfully requests the Court to enter an order approving this Motion, and for all other just and proper relief.

Respectfully submitted,

/s/ Eric C. Redman  
Eric C. Redman, #6330-49  
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**CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that a copy of the foregoing was filed using the Court's ECF system and parties will be served via such system. In addition, copies of the foregoing were delivered to the following parties in interest by the means shown on July 17, 2017:

U.S. Trustee  
[ustpregion10.in.ecf@usdoj.gov](mailto:ustpregion10.in.ecf@usdoj.gov)

/s/ Eric C. Redman  
Eric C. Redman

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**United States Bankruptcy Court  
Southern District of Indiana**

In re **Retro Home Health Care Services, Inc.**  
Debtor(s)

Case No. \_\_\_\_\_  
Chapter **11**

**BUSINESS INCOME AND EXPENSES**

FINANCIAL REVIEW OF THE DEBTOR'S BUSINESS (NOTE: ONLY INCLUDE information directly related to the business operation.)

**PART A - GROSS BUSINESS INCOME FOR PREVIOUS 12 MONTHS:**

1. Gross Income For 12 Months Prior to Filing: \$ **2,300,000.00**

**PART B - ESTIMATED AVERAGE FUTURE GROSS MONTHLY INCOME:**

2. Gross Monthly Income \$ **180,600.00**

**PART C - ESTIMATED FUTURE MONTHLY EXPENSES:**

3. Net Employee Payroll (Other Than Debtor)	\$ <u><b>99,442.00</b></u>
4. Payroll Taxes	<u><b>33,250.00</b></u>
5. Unemployment Taxes	<u><b>13,308.00</b></u>
6. Worker's Compensation	<u><b>2,500.00</b></u>
7. Other Taxes	<u><b>12,000.00</b></u>
8. Inventory Purchases (Including raw materials)	<u><b>0.00</b></u>
9. Purchase of Feed/Fertilizer/Seed/Spray	<u><b>150.00</b></u>
10. Rent (Other than debtor's principal residence)	<u><b>2,500.00</b></u>
11. Utilities	<u><b>900.00</b></u>
12. Office Expenses and Supplies	<u><b>500.00</b></u>
13. Repairs and Maintenance	<u><b>500.00</b></u>
14. Vehicle Expenses	<u><b>1,400.00</b></u>
15. Travel and Entertainment	<u><b>350.00</b></u>
16. Equipment Rental and Leases	<u><b>2,800.00</b></u>
17. Legal/Accounting/Other Professional Fees	<u><b>0.00</b></u>
18. Insurance	<u><b>913.00</b></u>
19. Employee Benefits (e.g., pension, medical, etc.)	<u><b>0.00</b></u>

20. Payments to Be Made Directly By Debtor to Secured Creditors For Pre-Petition Business Debts (Specify):

<b>DESCRIPTION</b>	<b>TOTAL</b>
<b>Cell phones &amp; tablets</b>	<b>700.00</b>

21. Other (Specify):

<b>DESCRIPTION</b>	<b>TOTAL</b>
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22. Total Monthly Expenses (Add items 3-21) \$ **171,213.00**

**PART D - ESTIMATED AVERAGE NET MONTHLY INCOME:**

23. AVERAGE NET MONTHLY INCOME (Subtract item 22 from item 2) \$ **9,387.00**