

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF KANSAS

In re:  CHRIS CARLSON HOT RODS, LLC,  DEBTOR.	Case No. 17-11660-11
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**MOTION FOR ORDER AUTHORIZING USE OF CASH COLLATERAL**

Debtor Chris Carlson Hot Rods, LLC, by and through its counsel, David Prella Eron of Eron Law, P.A., moves the court pursuant to 11 U.S.C. § 363(c) for entry of an order authorizing the Debtor's use of cash collateral and providing for adequate protection to the Internal Revenue Service on the terms and conditions proposed herein. In support hereof the Debtor states as follows:

1. On August 28, 2017 ("the Petition Date"), Debtor filed a Voluntary Petition for Relief under Chapter 11 of the Bankruptcy Code.
2. Debtor continues in possession of its property and operates and manages its business as a debtor-in-possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108.
3. Debtor is indebted to the Internal Revenue Service (the "IRS") pursuant to a filed lien, which holds a security interest in and liens upon Debtor's account receivables (collectively "the Collateral"). Debtor's cash, inventory, and accounts receivables constitute cash collateral as defined in 11 U.S.C. § 363(a).
4. Debtor has no source of income other than from the operation of its business and the collection of its accounts. If Debtor is not permitted to use cash collateral in the ordinary course of its business, it will be unable to pay its operating and business expenses, thus effectively precluding its orderly reorganization in these Chapter 11 proceedings and causing imminent and irreparable harm to its bankruptcy estate.

5. In return for the IRS's consent to the Debtor's use of the cash collateral in which the IRS has a secured interest, and as adequate protection to the IRS, Debtor proposes to grant to the IRS replacement liens in post-petition cash collateral (including cash, accounts, accounts receivables, inventory, and the proceeds thereof) of the Debtor to the same extent that the IRS has valid liens on pre-petition cash collateral.

6. The Debtor shall, at all times, maintain its cash, accounts, accounts receivables, and inventory in the sum of at least \$25,000.00.

7. The Debtor shall timely file all post-petition tax returns and shall make timely deposits of all post-petition taxes.

8. The Debtor agrees to pay \$1,000.00 to the IRS on or before October 31, 2017, with identical \$1,000.00 amounts to be paid to the IRS on or before the first day of each succeeding month, until confirmation of the Debtor's Plan of Reorganization. The monthly payment to the IRS shall be sent to: IRS Insolvency Unit, Attn: Lynda Walker, Mail Stop-5334LSM, 2850 NE Independence Ave., Lee's Summit, Missouri 64064.

9. The Debtor shall serve copies of its monthly operating reports upon counsel for the IRS, Dennis R. Onnen, at 2345 Grand Blvd., Suite 301, Kansas City, Missouri 64108 on the same day they are filed with the U.S. Trustee or the Court.

10. If the Debtor defaults under any of the provisions of Paragraphs 6 through 9 above, the IRS may give written notice of default to the Debtor's attorney, David Prella Eron, by mail at Eron Law, P.A., 229 E. William, Suite 100, Wichita, Kansas 67202. If the default is not cured within 15 days after notice, the automatic stay shall be terminated as to the IRS without further order of the Court.

11. To the extent the adequate protection provided to the IRS proves to not be

adequate to protect the IRS against a post-petition diminution in the value of their collateral arising from the stay of action against such property under 11 U.S.C. 362, from the use, sale or lease of such property under Section 363, or from the granting of a lien under Section 364(d), within the meaning of Section 507(b), then the IRS is entitled to have its claim for such diminution in value of its collateral allowed as a super-priority administrative expense pursuant to Section 507(b).

12. This motion is brought pursuant to 11 U.S.C. §§ 363(c)(1) and (2), 363(e) and 361. Specifically, 11 U.S.C. § 363(c)(1) provides that if the business of the debtor is authorized to be operated under Bankruptcy Code § 1108, unless the Court orders otherwise, the trustee (and the debtor-in-possession exercising the powers of a trustee under § 1107) may enter into transactions, including the sale or lease of property of the estate, and may use property of the estate, in the ordinary course of business, without notice or a hearing. Additionally, 11 U.S.C. § 363(c)(2) provides that the trustee may not use, sell or lease cash collateral under subparagraph (c)(1) unless each entity that has an interest in such cash collateral consents or unless the court, after notice and a hearing, authorizes such use, sale or lease in accordance with the provisions of § 363.

WHEREFORE, Debtor prays for entry of an order authorizing the use of cash collateral and providing for adequate protection to the Internal Revenue Service on the terms and conditions proposed herein, and for such other and further relief as the Court deems proper.

Respectfully Submitted:

ERON LAW, P.A.  
Attorneys for Debtor

/s/ David Prella Eron  
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**CERTIFICATE OF SERVICE**

I hereby certify that on October 11, 2017 a true and correct copy of the foregoing was electronically filed with the Court using the CM/ECF system, which sent notification to the Office of the U.S. Trustee and to all parties of interest participating in the CM/ECF system.

/s/ Margaret R. Spangler  
MARGARET R. SPANGLER  
Assistant to David Prella Eron

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