

IN THE UNITED STATES BANKRUPTCY COURT FOR
THE DISTRICT OF KANSAS

In Re:)
)
INDUSTRIAL FABRICATORS & INSTALLERS, INC.) Case No. 18-22462-rdb
) Chapter 11
Debtor)

**EMERGENCY MOTION FOR USE OF CASH COLLATERAL
AND REQUEST FOR IMMEDIATE HEARING**

COMES NOW the Debtor, by and through its attorneys, and moves the Court for authority to use cash collateral, and in support thereof states as follows:

1. Debtor filed its Petition for Relief under Chapter 11 of the Bankruptcy Code on November 29, 2018.
2. No trustee has been appointed, and Debtor has remained in possession of the property of its estate as a Debtor-In-Possession. The Debtor operates a fabrication business. The business is located in Saline County, Kansas.
3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §157 and §1334. Venue is proper pursuant to 28 U.S.C. §1408 and §1409. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2). Debtor files this Motion and requests relief herein pursuant to 11 U.S.C. §363(c)(2).
4. Bennington State Bank (“Bennington”) has asserted a perfected security interest in all cash, cash equivalents, and accounts generated by Debtor’s business (“Cash Collateral”).
5. Debtor seeks (i) an interim Order of the Court authorizing it to use Cash Collateral for payment of the normal and necessary expenses of its business, pending an evidentiary hearing, if necessary, if an objection to the Motion is filed, and (ii) a further Order of the Court authorizing Debtor’s continued use of Cash Collateral until January 31, 2019, or until the Plan of Reorganization is confirmed, whichever is earlier, and reserving to Debtor the right to seek a further extension of such Order.
6. Use of the Cash Collateral is essential to the continued business operations and the

reorganization of Debtor. Absent authorization to use the Cash Collateral, Debtor will suffer irreparable harm and will be forced to cease its business operations, to the detriment of the Secured Creditors and all other creditors.

7. Debtor shall not use the Cash Collateral to pay prepetition interest or principal on any existing indebtedness other than as ordered by the Court.

8. Attached hereto as Exhibit A is Debtor's estimated monthly budget of income and expenditures for the next thirty (30) days, which should be a good reflection of the Debtor's activity for the months in the future while the Chapter 11 is pending. The budget confirms that, with the cash on hand, the Debtor is able to cash flow its business operation through the period requested. The Debtor submits that the collateral pledged to Bennington is valued at substantially more than the outstanding balances owed on the Promissory Notes held by Bennington. Therefore, Bennington is adequately protected. The Debtor proposes to pay Bennington monthly payments until the Plan of Reorganization is filed and confirmed.

9. The Debtor estimates its future gross monthly income to be \$255,228.00 per month. Debtor's estimated future monthly expenses total \$250,344.00 per month. Debtor proposes to pay \$562.00 per month to Bennington on the Line of Credit, which is an interest only payment on the debt of \$99,923 at 6.759% interest. Debtor proposes to pay \$753.00 per month to Bennington on the Promissory Note, which is an interest only payment on the debt of \$129,003.72 at 7.009% interest. The first payment will be made by December 6th, with payments made by the 6th of each month thereafter.

10. The attached Budget includes payroll, payroll and unemployment taxes, worker's compensation, personal property taxes, inventory purchases, rent, utilities, office expenses and supplies, repairs and maintenance, vehicle expenses, travel and entertainments costs, equipment rental and leases, legal and professional fees, insurance, payments to the IRS for pre-petition secured tax debt, a secured debt to Wells Fargo, a secured debt owed to Rhonda McIntire, and a secured debt to Bennington.

11. Debtor shall make monthly reports to Bennington and to the U. S. Trustee of receipts and expenditures of the Cash Collateral.

12. Bennington shall be granted replacement liens, as its interest appears, on all of the proceeds and replacements of the Cash Collateral.

WHEREFORE, Debtor prays for an interim Order of the Court authorizing it to use its cash collateral for payment of the normal and necessary expenses of its business, according to the attached budget, pending an evidentiary Hearing; for a further Order of the Court authorizing Debtor's continued use of Cash Collateral until January 31, 2019 or until the Plan of Reorganization is confirmed, whichever is earlier, and reserving to Debtor the right to seek a further extension of such Order; that in the event of an objection to said Motion, to set an immediate hearing on the within Motion; and for such other and further relief as the Court deems just and proper.

Respectfully submitted,

KRIGEL & KRIGEL, P.C.

/s/ Erlene W. Krigel
Erlene W. Krigel MO KS 70425
4520 Main Street, Suite 700
Kansas City, Missouri 64111
Telephone: (816) 756-5800
Facsimile: (816) 756-1999
ATTORNEYS FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that on November 29, 2018, a copy of the foregoing was mailed, either electronically or by U. S. Postal Service, postage prepaid, to all persons requesting notice through the Court's ECF noticing system, as well as all creditors listed on the Court's mailing matrix as of 11/29/18.

/s/ Erlene W. Krigel
Erlene W. Krigel