

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION

IN RE:

CJ MICHEL INDUSTRIAL SERVICES, LLC

CASE NO. 17-51611
CHAPTER 11

DEBTOR IN POSSESSION

**DEBTOR'S MOTION TO
EXTEND CASH COLLATERAL USE**

Comes CJ Michel Industrial Services, LLC, as a debtor and debtor in possession (the "Debtor"), by counsel, and pursuant to 11 U.S.C. § 363, Fed. R. Bankr. P. 4001, and other applicable law, and hereby moves the Court for the entry of an Order for authority to use cash collateral as set forth on the budget attached hereto as Exhibit A (the "Budget") on an extended basis through October 31, 2017, and to provide adequate protection as set forth herein. The Debtor states that entry of the Order is necessary to ensure continued going-concern operations and to protect and preserve the value of the Debtor's assets and ongoing operations. In support of the Motion, the Debtor states as follows:

JURISDICTION AND VENUE

1. On August 10, 2017 (the "Petition Date"), the Debtor filed a voluntary petition for relief with this Court under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). The Debtor is operating its business as a debtor and debtor in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over this Chapter 11 case under 28 U.S.C. §§ 157 and 1334. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2)(A).

3. The Debtor is a limited liability company which maintains its principal assets in Boyle County, Kentucky. Accordingly, venue for the Debtor's Chapter 11 case is proper in this District under 28 U.S.C. § 1408 and 1409.

4. No trustee or examiner has been appointed in this Chapter 11 case, and no creditors' committee or other official committee has been appointed.

BACKGROUND

5. The Debtor has provided staffing and/or contracting services for customers in the construction and industrial sector for over 20 years. Services are not limited to the electrical trade but include OSHA certified, trade licensed and fully insured low-E, data/communications service technicians, pipefitters, welders, iron workers, riggers, millwrights, concrete tradesmen, and general tradesmen. The company offers complete design/build services as the general contractor, sub-contracting and support staffing to our clients. The Debtor began to experience cash flow issues after it borrowed money from nontraditional lending sources which were primarily merchant cash advance lenders. The Debtor has been unable to reach out-of-court workout agreements with these lenders and seeks a "breathing spell" to reorganize its business under Chapter 11 of the Bankruptcy Code in order to restructure its debts, reorganize as a going concern, and maximize value for the benefit of the creditors of its Estate.

RELIEF REQUESTED

6. Debtor requires extended use of Cash Collateral through October 31, 2017 to continue its operations and requests a carve-out for legal fees as set forth in the Budget. The relief requested is not opposed by the Cash Collateral Creditor and Debtor proposes to provide Cash Collateral Creditor with same adequate protection as provided in previous orders. Without

continued use of Cash Collateral, the Debtor will be irreparably harmed as cash is essential to continue business operations and pay employees.

WHEREFORE, the Debtor respectfully requests entry of an Order to Extend Cash Collateral Use.

NOTICE

Please take notice that unless an objection to the foregoing Motion, properly noticed for hearing, is filed within fourteen (14) days of the date of service of this pleading, an order granting the relief requested may be entered without a hearing.

Respectfully submitted,

DELCOTTO LAW GROUP PLLC

/s/ Jamie L. Harris

Jamie L. Harris, Esq.

KY Bar No. 91387

200 North Upper Street

Lexington, KY 40507

Telephone: (859) 231-5800

Facsimile: (859) 281-1179

jharris@dlgfirm.com

COUNSEL FOR DEBTOR

AND DEBTOR IN POSSESSION

CERTIFICATE OF SERVICE

In addition to the parties who will be served electronically by the Court's ECF System, the undersigned certifies that a true and accurate copy of the foregoing was served by electronic mail or first-class U.S. mail, postage prepaid, on October 4, 2017 on all non-ECF creditors as listed on the creditor matrix in this case.

/s/ Jamie L. Harris, Esq.

COUNSEL FOR DEBTOR

AND DEBTOR IN POSSESSION