

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA

-----X
In re: : Case No. 18-12934
: :
Silver Screen Rentals, LLC : Chapter 11
550 United Plaza Blvd., Suite 702 : :
Baton Rouge, LA 70809 : :
Tax ID Number: xx -xxx2846 : Section "A"
: :
Debtor : :
-----X

EMERGENCY MOTION FOR ENTRY OF ORDER PURSUANT TO SECTIONS 361 AND 363 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 4001 FOR INTERIM AND FINAL ORDERS: (1) AUTHORIZING USE OF CASH COLLATERAL; (2) GRANTING ADEQUATE PROTECTION; (3) SCHEDULING AND APPROVING THE FORM AND METHOD OF NOTICE FOR A FINAL ORDER; AND (4) FOR RELATED RELIEF

NOW INTO COURT, through undersigned counsel, comes Silver Screen Rentals, LLC, as debtor and debtor-in-possession ("Debtor"), which hereby moves (this "Motion") this Court for entry of an order pursuant to sections 361 and 363 of title 11 of the United States Code (11 U.S.C. §§ 101 *et seq.*, as amended, the "Bankruptcy Code") and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), in substantially the form attached hereto as **Exhibit A**: (1) authorizing the Debtor to use cash which may constitute cash collateral under the Bankruptcy Code ("Cash Collateral"); (2) granting adequate protection; (3) scheduling and approving the form and method of notice of the final hearing on the Motion; and (4) granting other related relief as necessary. In further support of this Motion, the Debtor respectfully states as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. The statutory bases for the relief requested herein are sections 361 and 363 of the Bankruptcy Code and Rule 4001 of the Bankruptcy Rules.

**STATEMENT REQUIRED PURSUANT TO
SECTION 4001(b)(1)(B) OF THE BANKRUPTCY RULES**

3. SSS (defined below) claims to hold valid properly-perfected liens on and security interests in the Debtor's Cash Collateral. The Debtor has substantial claims against SSS and defenses to its claims, and contends SSS will have no Allowed Claim in this case, and that any and all pre-petition liens of SSS are invalid, cannot be Allowed, and are not secured. Pending the outcome of its litigation over the allowability, validity, perfection, priority and extent of any allegedly secured claims of SSS, the Debtor proposes the following adequate protection against the possibility that SSS may have an allowed claim secured by cash which may constitute Cash Collateral. The Debtor seeks to use Cash Collateral to pay expenses in accordance with the proposed budget attached hereto as **Exhibit B**.

4. A summary of the proposed material terms of the use of Cash Collateral include the following¹:

Carve-Out – Section 9 of the Proposed Interim Cash Collateral Order provides a carve-out (“Carve-Out”) for (a) Court costs and U.S. Trustee’s fees; and (b) \$75,000 bankruptcy counsel and other professionals retained by the Debtor; and (c) \$25,000 for any professionals retained by any official committee of unsecured creditors or

¹ The following summary and all other descriptions herein of the terms of the Proposed Interim Cash Collateral Order are provided for convenience only, and to the extent that the following summary and all other descriptions herein of the terms of the Proposed Interim Cash Collateral Order are inconsistent with the Proposed Interim Cash Collateral Order, the terms of the Proposed Interim Cash Collateral Order shall control.

other similar committee appointed by the Bankruptcy Court. *See* Interim Cash Collateral Order, ¶ 9.

Adequate Protection - As adequate protection, the Debtor proposes to grant SSS the Adequate Protection Liens (defined below) on post-Petition Date (defined below), having the same respective validity, perfection, priority and extent as its prepetition liens, to secure any post-petition diminution in value of its interests (if any) in Cash Collateral to the extent such interests are entitled to adequate protection against such diminution under the Bankruptcy Code. The Debtor also proposes to grant SSS the Superpriority Claims (defined below) as applicable in the amount and to the extent such interests are entitled to adequate protection against such diminution under the Bankruptcy Code in the amounts of such diminution as provided in and to the full extent allowed by Section 507(b) of the Bankruptcy Code, subject and subordinate only to the Carve-Out. *See Id.* at ¶¶ 4–5.

BACKGROUND

5. On this date (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the Bankruptcy Code. No creditors committee has yet been appointed in this case by the United States Trustee. The Debtor is continuing in possession of its property and is operating its business in the ordinary course as debtor in possession.

The Debtor’s History and Operations

6. The Debtor, a Louisiana limited liability company, was formed in April 2017. ERM Industries, LLC owns 100% of the membership interest in the Debtor.

7. The Debtor is in the business of renting equipment to the film and television industry in Louisiana. Created to cater to the specific and time-sensitive needs of the film industry, the Debtor offers everything a film “Locations Department” needs: a large assortment of tents, portable air conditioners and heaters, generators, temporary flooring, tables and chairs, makeup stations, passenger vans, carts, dollies and more.

B. The Debtor's Purchase of Assets of Silver Screen Supply, LLC, Subsequent Litigation and the Debtor's Decision to Seek Bankruptcy Relief

8. After the Louisiana Legislature made significant changes restricting the film incentive program in 2015, the state's film and television industry saw a drastic downturn throughout 2015 and 2016. This resulted in many film industry related businesses downsizing, closing or relocating to other states.

9. Silver Screen Supply, LLC ("SSS"), a film equipment rental company, was greatly affected by this downturn. In 2016, SSS's owners, Robert and Casey Vosbein, sought to sell the assets of SSS. They approached R. Bryan Wright and David Pomier, two veteran film producers, about the prospect of purchasing the assets of SSS.

10. Because of their relationships with film studios and other producers, Wright and Pomier believed that the film business would soon return to Louisiana again. They saw a financial opportunity in purchasing the assets of SSS and servicing the film industry when it returned, leveraging their own very strong relationships with local film and television professionals.

11. Accordingly, on or about May 1, 2017, the Debtor and SSS entered into an Asset Purchase Agreement ("APA") for the sale, purchase and transfer of certain of SSS's assets located in New Orleans, Louisiana, including the name "Silver Screen Rental", to the Debtor. The assets purchased from SSS included industrial generators, air conditioners, tents, tables, chairs and other items rented to the film and television industry in Louisiana.

12. The purchase price for the assets under the APA was \$1,808,557.00, to be paid as follows: (a) \$400,000 cash at closing; (b) assumption and/or payment of \$558,775 in vehicle/equipment loans from Ford Motor Credit Company and Wells Fargo Bank incurred by SSS and assumed by the Debtor; and (c) a \$700,000 promissory note in favor SSS to be paid in

annual installments over three years with the first payment due on April 1, 2018 (“Promissory Note”).

13. In connection with the sale, the Debtor and SSS entered into a Pledge and Security Agreement (“Security Agreement”), which provides

1.01 Secured Collateral. To secure prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and performance of Silver Screen’s obligations under the Note and the Purchase Agreement, the Pledgor pledges, assigns, and grants to the Pledgee a continuing security interest in the following collateral:

a). all of Silver Screen’s right, title and interest in, and to the inventory and Pledged Equipment listed on Schedule A attached hereto² and the Pledged Equipment Titles, and the Pledgee hereby acknowledges receipt of such Pledged Equipment Titles;

b). all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits, dividends, distributions, other compensation, and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Pledgor from time to time with respect to any of the foregoing. “Proceeds” means “proceeds” as such term is defined in section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Pledged Collateral, collections thereon or distributions with respect thereto.

The collateral described in paragraph 1.01(b) of the Security Agreement is referred to herein as the “Pledged Equipment Proceeds”.

14. With respect to the sale of the vehicles, the Debtor and SSS entered into an Agency Agreement pursuant to which the Debtor, as agent, agreed to pay the obligations of SSS, as principal, on the vehicles (“Agency Vehicles”), under certain vehicle loans SSS owed to Wells Fargo and Ford Motor Company which loans could not be technically assumed by the Debtor because SSS did not have the required consent of Wells Fargo and Ford Motor to the assumption

² “Pledged Equipment” is defined under the Security Agreement as “Silver Screen’s right, title and interest in the inventory and equipment listed on Schedule A” attached to the Security Agreement.

of the vehicle loans on the Agency Vehicles. The Debtor is in possession of the Agency Vehicles, and is the actual owner of the Agency Vehicles subject to any valid liens of Ford Motor Credit and/or Wells Fargo.

15. In May 2017, the Debtor began renting the purchased assets to customers in the film industry. As predicted, the amount of film and television production in Louisiana saw a large upturn in August 2017, and the Debtor believed it was well-positioned to take advantage of the resurgent business.

16. However, throughout the remainder of 2017, the industrial generators purchased from SSS - which were now being rented by the Debtor to its film customers - began having major mechanical issues while on rental. The frequency of these mechanical problems far outpaced what could be considered normal. When a generator would fail while on rental, it would prevent the air conditioners from cooling the tent, thus making all of the rented items unusable. The cost of maintaining and repairing these generators was substantial. In many instances, the mechanical failures resulted in the film or television series switching from the Debtor to a competitor for the remainder of the film shoot, which sometimes resulted in tens of thousands dollars in lost revenue and significant damage to the Debtor's reputation.

17. In addition to this lost revenue, on many jobs, the Debtor would have to subrent other generators and other equipment at significant expense to ensure reliable service to its remaining customers.

18. To fund the Debtor through the revenue shortfalls related to these issues, Wright and Pomier loaned large amounts of unsecured capital to the Debtor.

19. As stated in the Debtor's 19th JDC Lawsuit (defined below), in January 2018, the Debtor became aware that the recorded hours shown on the generators' meters did not reflect the

actual number of hours for which the generators were used. In fact, the hours shown on the meters were significantly less than the actual number of operational hours for the generators. This discrepancy considerably increased the apparent value of the purchased assets.

20. From January 2018 to October 2018, the Debtor attempted to reach a reasonable settlement with SSS on the true value of the assets purchased, taking into account the actual condition of the generators based on the actual (rather than fictitious) number of hours of use, and a qualified third-party valuation of the generators. However, no resolution was ever reached.

21. After discovering the meter inconsistencies, the Debtor investigated further and found other instances of actionable misconduct and/or negligence of SSS.

22. On April 12, 2018, the Debtor filed a “Petition for Damages and Breach of Contract” against SSS in the 19th Judicial District Court for the Parish of East Baton Rouge, State of Louisiana, Case No. 668201 (“19th JDC Lawsuit”), for breach of contract and fraud.

23. Notwithstanding the pending 19th JDC Lawsuit, and the damages caused by the inaccurately displayed number of hours of use on the generators, after the Debtor did not make the first installment under the Promissory Note, on April 30, 2018, SSS filed an “Ex Parte Verified Petition for Writ of Sequestration, Breach of Contract and Damages” against the Debtor in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana, Case No. 783276 (“24th JDC Lawsuit”), for breach of contract, writ of sequestration, unjust enrichment, conversion and fraud and deceit.

24. The 19th JDC Lawsuit has been consolidated with the 24th JDC Lawsuit in the 24th Judicial District.

25. On April 30, 2018, the 24th JDC Court issued a Writ of Sequestration, ordering (A) the sheriff to constructively seize and sequester the Pledged Equipment and the Agency

Vehicles and any related titles, (B) the Debtor to maintain the Pledged Equipment and Agency Vehicles in Jefferson Parish, Louisiana; and (C) the Debtor to place all proceeds, profits, etc. related to the Pledged Equipment into the registry of the Court; and (D) the Debtor to turn over original titles of the generators and other assets to the Court.

26. The 24th JDC Court gave the Debtor until October 25, 2018 to comply with the Writ of Sequestration or be in contempt of Court, which would result in a daily fine of \$2,500 and the assets being returned to SSS. Obviously, requiring the Debtor to put its revenues from the Pledged Equipment into the registry of the Court would prevent the Debtor from paying its operating expenses, putting the Debtor out of business. Accordingly, the Debtor sought relief under Chapter 11.

C. Pre-Petition Debt Owed by Debtor

27. In connection with the Promissory Note, SSS claims the Debtor owes approximately \$700,000 plus interest and attorneys' fees. The Debtor denies that it has any liability to SSS for any amount.

28. The obligations due to Wells Fargo and Ford Motor Credit are secured claims, and total approximately \$198,467.12 and \$151,341.24 respectively.

29. In addition, the Debtor believes the following pre-petition unsecured claims will be asserted: (a) approximately \$300,000 by trade creditors, (b) approximately \$60,000 by American Express on a revolving line of credit, and (c) approximately \$1.2 million in unsecured loans made by Bryan Wright and David Pomier through various sources.

RELIEF REQUESTED

30. By this Motion, the Debtor respectfully requests: (a) authorization and approval, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 4001(c)(2), to (i) use cash

which may constitute Cash Collateral (as defined below) on an interim basis in accordance with the proposed interim order submitted herewith (the “Proposed Interim Order”) and in accordance with the budget attached hereto as **Exhibit B** (as may be amended, supplemented, modified or extended from time to time by agreement of the Debtor and SSS or upon approval by the Court, the “Budget”) (with respect to the Budget, the Debtor seeks authority (a) to exceed each line item in the Budget by up to twenty percent (20%), so long as the aggregate amount of the Budget on a monthly basis is not exceeded by more than twenty percent (20%), and (b) subject to the foregoing, to use any budgeted amount for expenditures which are not made in a particular monthly period in any other period), (ii) grant adequate protection liens to SSS to protect against any diminution in value of SSS’s interest in Cash Collateral to the extent (if any) that SSS is entitled to adequate protection under the Bankruptcy Code, subject to the Carve-Out (defined below), (iii) grant an allowed super-priority administrative expense claim to SSS in the amount of diminution in value of SSS’s interest (if any) in Cash Collateral to the extent allowed by Section 507(b) of the Bankruptcy Code (the “Superpriority Claims”), subject to the Carve-Out (defined below); and (iv) pending a final hearing on this Motion (the “Final Hearing”), obtain use of cash which may constitute Cash Collateral on a limited and interim basis to and including the date on which the Final Order is entered; and (b) in accordance with Bankruptcy Rule 4001(b)(2), that this Court schedule the Final Hearing and approve notice with respect thereto, all as more fully described in the Proposed Interim Order. All rights and protections proposed herein to SSS are proposed only to the extent that SSS has an allowed claim secured by valid and enforceable liens and are subject to any and all claims, defenses, and objections thereto.

31. The Superpriority Claims and Adequate Protection Liens granted to SSS (and any other lender claiming an interest in the Debtor’s cash which may constitute Cash Collateral)

should be subject to the right of payment of unpaid fees, expenses and costs (the “Carve-Out”), of the following:

- (a) Court costs and U.S. Trustee’s fees; and
- (b) \$75,000.00 for bankruptcy counsel and other professionals retained by the Debtor; and
- (c) \$25,000.00 for any professionals retained by any official committee of unsecured creditors or other similar committee appointed by the Bankruptcy Court.

32. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor-in-possession may use cash collateral with court approval and after notice and a hearing. The Debtor seeks authority to use Cash Collateral in which SSS may assert a valid security interest. Pursuant to 11 U.S.C. §363(e), the Court may condition the use of such cash collateral as is necessary to provide adequate protection of” the interests (if any) of SSS in the Cash Collateral. Pursuant to 11 U.S.C. §361, when a secured party’s interest in cash collateral is entitled to adequate protection, such adequate protection may be provided by, among other things, an additional or replacement lien on assets generated post-petition “to the extent that such ... use ... results in a decrease in value of such entity's interest in the cash collateral.”

33. Given that SSS will assert liens (which are disputed) on the Debtor’s assets, the Debtor proposes to grant SSS a replacement and continuation lien on post-Petition Date assets having the same respective validity, perfection, priority and extent (if any) as its prepetition liens, including on accounts receivables and any Pledged Equipment Proceeds, subject to the Carve-Out, to secure any post-petition diminution in value of cash generated from the Pledged Equipment Proceeds which may constitute Cash Collateral thereof to the extent such interests are

entitled to adequate protection against such diminution under the Bankruptcy Code. The Debtor also proposes to grant SSS the Superpriority Claims, subject and subordinate only to the Carve-Out as described herein, for any such adequate protection claim for diminution in value (to the extent if any thereof).

34. In addition to the Carve-Out, expenses paid pursuant to the Budget under the Interim and Final Order authorizing the use of Cash Collateral shall, upon payment thereof, be free and clear of any Superpriority Claims, Adequate Protection Liens and/or other liens granted in the Interim and Final Order and shall not be subject to recovery by SSS or any Chapter 7 or Chapter 11 trustee or other person or entity on account of any unpaid Superpriority Claims, Adequate Protection Liens, or other liens.

35. The Debtors do not believe any other creditor asserts a lien on cash which may constitute Cash Collateral; however, to the extent, a party, other than SSS, asserts a lien on cash which may constitute Cash Collateral, the Debtor proposes to grant that party a replacement lien on post-Petition Date assets having the same respective validity, extent and priority as its prepetition liens, subject to the Carve-Out. The Debtor also proposes to grant any other party asserting a lien on cash which may constitute Cash Collateral, a Superpriority Claim, having the same respective validity, extent and priority as its prepetition liens, subject to the Carve-Out.

DISCUSSION

A. The Need for Use of Cash Collateral

36. The Debtor has an immediate need to use cash which may constitute Cash Collateral for the purpose of meeting necessary expenses incurred in the ordinary course of its

business, paying operating expenses, including payroll, and the costs associated with its restructuring and this proceeding, while it restructures and reorganizes its indebtedness and business in a manner that maximizes value and is fair and equitable to all parties in interest. Further, the expenditure of Cash Collateral is necessary in order to preserve the value of the Collateral.

37. The Budget provides for the payment of essential ordinary course operating expenses during the Budget period. Ceasing operations is not in the best interests of any party to this chapter 11 case, including SSS, as the Debtor's failure to operate will immediately and irreparably impair (a) the Debtor's extrinsic value and (b) the Debtor's ability to generate revenue.

38. Additionally, to the extent the Budget provides for payment of restructuring costs, including periodic payments to professionals engaged in this chapter 11 case, as long as a secured creditor is adequately protected, the Debtor's use of the Cash Collateral to pay its professionals is allowed. See In re Proalert, LLC, 314 B.R. 436 (9th Cir. B.A.P. 2004) ("plain language of §363 allows a debtor to use cash collateral [to pay its professionals] if the secured creditor's interest is adequately protected"); In re Coventry Commons Assoc., 149 B.R. 109 (Bankr. E.D. Mich. 1992) (a debtor may use cash collateral to pay professional fees if the secured creditor is adequately protected, without regard to requirements of section 506 of the Bankruptcy Code); In re Tri-County Water Ass'n., Inc., 91 B.R. 547, 550 (Bankr. D.S.D. 1988) (generally, only unencumbered assets may be used to pay administrative claimants, but such claims may be paid from collateral if they resulted in a direct benefit to the secured creditor, if the secured creditor consents or if the secured creditor is adequately protected). As discussed herein, SSS is adequately protected to the extent it actually has any claims or liens entitled to

protection; thus, payment of the Debtor's professional fees and expenses using the Cash Collateral is proper.

B. Proposed Adequate Protection

39. The restriction of a debtor's use of cash collateral should only occur where facts show that failure to restrict use may "impair" creditors and deny creditors adequate protection. In re Triplett, 87 B.R. 25, 27 (Bankr. W.D. Tex. 1988). Whether or not a creditor is adequately protected is determined on a case-by-case basis. See In re Energy Partners, Inc., 409 B.R. 211, 236 (Bankr. S.D. Tex 2009) (stating that exactly what constitutes adequate protection must be decided on a case by case basis); In re Self, 239 B.R. 877, 881 (Bankr. N.D. Tex. 1999) (determination of adequate protection is not an "exact science"; rather, it requires a court to balance all relevant factors); In re O'Connor, 808 F.2d 1393, 1396 (10th Cir. 1987) (stating that the concept of adequate protection is a flexible one and that courts should determine whether it exists on a case-by-case basis); In re JKJ Chevrolet, Inc., 190 B.R. 542, 545 (Bankr. E.D. Va. 1995) (stating that adequate protection is determined on a case-by-case basis).

40. Adequate protection exists by virtue of augmentation (or preservation) of the value of a secured creditor's collateral. See In re Ralar Distributions, Inc., 166 B.R. 3, 6 (Bankr. D. Mass. 1994) ("[a]ctivities of a debtor can enhance collateral value and thereby provide adequate protection"); In re T.H.B. Corp., 85 B.R. 192, 195 (Bankr. D. Mass. 1988) ("[T]he stream of cash collateral will likely remain at an approximate even level over a sustained period, with new proceeds replacing old. The constant nature of this stream gives the [secured lenders] protection for its cash collateral."); In re Pursuit Athletic Footwear, Inc., 193 B.R. 713, 716-717 (Bankr. D. Del. 1996) (court found secured creditor was adequately protected given lack of evidence that collateral was diminishing, debtor had operated profitably and was projected to continue

operating profitably); In re Pine Lake Vill. Apartment Co., 19 B.R. 819 (Bankr. S.D.N.Y. 1982) (where property which secured mortgagee's claim was experiencing no depreciation and was arguably being enhanced in value and where the value of the property securing the claim was increasing to the extent of unspent rental income being accumulated in segregated cash collateral accounts, mortgagee had adequate protection).

41. As adequate protection, SSS will be granted, effective immediately and without the necessity of the execution by the Debtor of financing statements, mortgages, security agreements, or otherwise, in accordance with section 361(2) of the Bankruptcy Code, replacement and continued security interests in and liens (the "Adequate Protection Liens") on the post-Petition Date assets of the Debtor and its estate on which SSS held valid and perfected liens as of the Petition Date and all proceeds, rents and products of all of the foregoing (collectively, the "Post-Petition Collateral"), with the same validity, perfection, priority and extent (if any) which existed as of the Petition Date, and subject to (a) the Carve-Out and (b) valid, perfected, enforceable and nonavoidable liens and security interests granted by law or by the Debtor to any person or entity that were superior in priority to the prepetition security interests and liens held by SSS, and only to the extent such prepetition senior liens are not otherwise subject to avoidance or subordination, which Adequate Protection Liens are granted to secure the amount (if any) of any Superpriority Claim. Notwithstanding the foregoing or anything herein to the contrary, the Post-Petition Collateral shall not include any claims, causes of action and proceeds thereof arising or assertable under sections 510, 544, 545, 546, 547, 548, 549, 550, 551 and 552 of the Bankruptcy Code.

42. To protect against any diminution in value to the extent such protection is required by the Bankruptcy Code, SSS shall also have Superpriority Claims, subject and subordinate only to the Carve-Out.

43. The Debtor understands that all Cash Collateral now existing and hereafter acquired must be deposited and maintained by the Debtor in certain bank accounts (the “Accounts”), pending disbursement in the ordinary course of business of the Debtor consistent with the provisions of the Proposed Interim Order and the Budget.

44. The Budget includes the Debtor’s aggregate projected sources and uses of cash during the Budget period, and reflects that the Debtor’s operations are profitable, and that all interests (if any) of any creditor in cash which may be Cash Collateral are adequately protected.

C. Interim Approval of the Use of Cash Collateral Should Be Granted.

45. Bankruptcy Rule 4001(b) provides that a final hearing on a motion to use cash collateral pursuant to section 363 may not be commenced earlier than fourteen (14) days after the service of such motion. Upon request, however, the Court is empowered to conduct a preliminary expedited hearing on the motion and authorize use of cash collateral to the extent necessary to avoid immediate and irreparable harm to a debtor’s estate.

46. Pursuant to Bankruptcy Rule 4001(b), the Debtor requests that the Court conduct a preliminary expedited hearing on the Motion as soon as practicable to enter the Proposed Interim Order on the Motion authorizing the Debtor to use Cash Collateral in an aggregate amount not to exceed the amounts set forth in the Budget (other than as described herein) attached to the Proposed Interim Order pending the Final Hearing.

47. The ability of the Debtor to use Cash Collateral for its ongoing operations as it restructures its indebtedness and businesses is in the best interests of the Debtor, its creditors and

its estate. The relief requested herein is necessary in order to avoid immediate and irreparable harm and prejudice to the Debtor's estate and to parties in interest in the Debtor's chapter 11 case. The Debtor has an urgent and immediate need to use Cash Collateral to continue its business operations while it pursues a restructuring or alternate exit to this chapter 11 case. The Debtor's business will be immediately and irreparably harmed without authorization from the Court to use Cash Collateral, as requested, on an interim basis pending the Final Hearing, and the Debtor's restructuring efforts will be over.

48. The interests of SSS (and any other lender or creditor who claims an interest in Cash Collateral) in the Cash Collateral will be adequately protected pursuant to the Proposed Interim Order. As indicated by the Budget, the Debtor's operations will be cash flow positive during the period covered therein after payment of essential expenses and expenses related to the administration of this chapter 11 case.

49. The terms of the Proposed Interim Order are incorporated herein and made a part hereof by this reference. Pending the Final Hearing, this Motion should be granted on an interim basis on the terms set forth in the Proposed Interim Order in order to maximize the value of the estate and to prevent irreparable harm to the Debtor prior to the Final Hearing.

REQUEST FOR FINAL HEARING

50. Finally, pursuant to Bankruptcy Rule 4001(b)(2), the Debtor respectfully requests that this Court set a date for the Final Hearing that is no earlier than fourteen (14) days after service of this Motion and approve the provisions for notice of such Final Hearing that are set forth in the Proposed Interim Order.

51. The Debtor requests that it be authorized to serve a copy of the signed Interim Order, which fixes the time and date for filing objections, if any, by first-class United States Mail

upon counsel to SSS, Small Business Administration, all other possible secured creditors of record, the Office of the United States Trustee, the Debtor's twenty (20) largest creditors and any party having filed a request to receive service in the Debtor's chapter 11 case. The Debtor requests that the Court consider such notice of the Final Hearing to be sufficient notice under Rule 4001 of the Bankruptcy Rules.

WHEREFORE, the Debtor respectfully requests that this Court (a) conduct an emergency hearing on this Motion; (b) enter the Proposed Interim Order substantially in the form submitted herewith; (c) schedule a Final Hearing on the relief requested herein; and (d) grant such further relief as may be equitable and just.

New Orleans, Louisiana, this 2nd day of November, 2018.

Respectfully submitted,

/s/ William H. Patrick, III

William H. Patrick, III, La. Bar No. 10359

Cherie D. Nobles, La. Bar No. 30476

Michael Landis, La. Bar No. 36542

Heller, Draper, Patrick, Horn & Manthey, L.L.C.

650 Poydras Street, Suite 2500

New Orleans, Louisiana 70310

Telephone: 504-299-3300

Fax: 225-299-3399

Email: wpatrick@hellerdraper.com

cnobles@hellerdraper.com

mlandis@hellerdraper.com

Proposed Attorneys for Debtor