

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND

IN RE:

RUXTON DESIGN AND BUILD, LLC  
Debtor.

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Case Number 17-10359

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Chapter 11

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**MOTION TO AUTHORIZE DEBTOR TO INCUR SECURED DEBT**  
**NUN PRO TUNC**

Ruxton Design and Build, LLC, Debtor, by Stephen J. Kleeman, its undersigned attorney, moves pursuant to 11 U.S.C. §364 to allow the Debtor to incur post-filing credit in the amount of Twenty Four Thousand Two Hundred Twenty Five Dollars (\$24,225.00), Nun Pro Tunc, and for cause, states as follows:

1. The Debtor commenced this case on January 10, 2017.
2. The Debtor has continued to function as a “Debtor-in-Possession”.
3. The Debtor’s need to file this case was due to a significant drop off in business and reduction in cash flow.
4. This Court has previously approved three (3) Cash Collateral Orders which have helped the Debtor continue to function.
5. The Debtor had sustained an uptake in new business in March and April but has been slowed in the last several weeks.
6. The primary needs for funds is both to catch up on the rent payments due to the Landlord and to catch up on payments due Angie’s List.
7. The Debtor has committed to payment of the Landlord’s rent by payment of Six Thousand Five Hundred Dollars (\$6,500.00) on May 5, 2017, (already paid), Six Thousand Five

Hundred Dollars (\$6,500.00) on May 19, 2017 and Six Thousand Five Hundred Dollars (\$6,500.00) on June 9, 2017.

8. The Debtor needs the instant loan so that it can also pay its arrears to Angie's List. Angie's List is the primary source of new business for the Debtor. Without being on the list, prospective customers are diminished. Being off the list is the primary reason the Debtor believes that its business has slowed in recent weeks. The amount due Angie's List is approximately Seven Thousand Five Hundred Dollars (\$7,500.00).

9. The Creditor, Pearl Beat Funding, LLC., t/a Pearl Capital ("Pearl Capital"), will agree to the immediate funding of Twenty Four Thousand Two Hundred Twenty Five Dollars (\$24,225.00). The debt will be in a second position behind First Global and will be repaid at the rate of Three Hundred Forty Four Dollars (\$344.00) per day by direct debit of the Debtor's DIP Account.

10. Pearl Capital is aware that the loan will be junior to the lien of First Global. Attached as **Exhibit "1"** is the letter from Pearl acknowledging its status and as **Exhibit "2"**, the Contract.

11. The Debtor is unable to obtain an unsecured loan. The Court is aware of the senior lien of First Global and has monitored the use of cash collateral by the Debtor. Hence, there is adequate protection for the lien of First Global.

12. The Debtor's estate is nominal and the incurrence of additional financing would not alter the amount of assets left for creditors in the event this case is dismissed or converted to a Chapter 7.

13. Debtor also requests that the Court grant an expedited hearing on this Motion as Pearl Capital is prepared to fund this loan immediately and gave the Debtor only until May 10, 2017 to accept the terms of the loan and the Debtor is in great need of these funds.

**Waiver of Memorandum of Law**

14. Pursuant to Local Bankruptcy Rule 9013-2, the Debtor states that, in lieu of submitting a memorandum in support of the Motion, it will rely solely upon the grounds and authorities set.

WHEREFORE, this Debtor requests the following relief:

- a) That the Court allow the Debtor to incur a secured debt with Pearl Capital to provide adequate assurances of payment for the defaulted rent and adequate assurances of a cure for the defaulted payments to Angie's List; and
- c) Grant the Debtor such other and further relief as the nature of his cause requires.

/s/ STEPHEN J. KLEEMAN

Attorney No. 01040  
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Towson, Maryland 21204  
(410) 494-1220  
*Attorney for Debtor*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 11<sup>th</sup> day of May, 2017, a copy of the Motion to Authorize Debtor to Incur Secured Debt was mailed, first class mail, postage prepaid and/or sent by electronic notification to:

Office of the U.S. Trustee  
Federal Garmatz Building  
101 W. Lombard Street  
Baltimore, Maryland 21202

All Creditors on the Attached Matrix

/S/ STEPHEN J. KLEEMAN, ESQUIRE