

GEF/car  
12/7/17

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO

In re:	)	
	)	CASE NO. 17-17245
CHOWDER GAS STORAGE FACILITY LLC.	)	
	)	CHAPTER 11
Debtor	)	
	)	JUDGE ARTHUR I HARRIS

---

**DEBTOR'S MOTION FOR AUTHORITY TO USE CASH COLLATERAL**

---

Debtor, CHOWDER GAS STORAGE FACILITY LLC., by and through its undersigned attorney, hereby files this Motion for Authority to Use Cash Collateral (the "Motion") pursuant to 11 U.S.C. §105, §363, and §541 and Rule 4001 of the Federal Rules of Bankruptcy Procedure. In support of this Motion, the Debtor states:

**Jurisdiction**

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §157 and §1334. The subject matter of this Motion is a core proceeding pursuant to 28 U.S.C. §157(b). Venue is proper in this district pursuant to 28 U.S.C. §1408. The statutory predicates for the relief sought herein are §105, §363, and §541 of the Bankruptcy Code. No previous application for the relief sought herein has been made by the Debtor to this Court or any other court.

**Background**

2. On December 9, 2017 (the "Petition Date"), the Debtor filed a Voluntary Petition for Relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The

Debtor is operating its business and managing its property as debtor in possession pursuant to §1107(a) and §1108 of the Bankruptcy Code.

3. The Debtor is holding company for Lake Shore Gas Storage, Inc and therefore its expenses are few.

4. No trustee or examiner has been appointed in this case and no official committees have yet been appointed pursuant to §1102 of the Bankruptcy Code.

5. As of the Petition Date, the Debtor had only shared employees.

6. Debtor needs to continue to operate to act as a Debtor-in- Possession and ultimately to reorganize.

7. Prior to the Petition Date, the Debtor, as borrower, executed several loan obligations with Parkview Federal Savings and Loan now First National Bank of Pennsylvania. . As of the petition date, the Debtor was indebted to First National Bank of Pennsylvania in the approximate amount of \$10,000,000.

8. Pursuant to the above described loans, it appears that the Debtor may have granted to First National Bank of Pennsylvania a security interest all of its assets.

9. The Debtor believes that First National Bank of Pennsylvania will assert (a) that it has a perfected security interests in the Collateral and (b) that First National Bank of Pennsylvania's perfected security interests generally enjoy the first level of priority.

#### **Relief Requested and Grounds for Relief**

10. The proceeds from the Collateral may constitute the cash collateral of First National Bank of Pennsylvania. By this Motion, the Debtor seeks the entry of an order authorizing its use of cash collateral. The Debtor proposes to use cash collateral for purposes which include the following:

- (a) Care, maintenance and preservation of the Debtor's assets;
- (b) Payment of necessary business expenses;

Except as specifically authorized by law or court order, the Debtor will not use cash collateral to pay pre-petition obligations.

11. The Debtor proposes to allow floating liens on the post-petition Collateral in the same amount and level as First National Bank of Pennsylvania held pre-petition and maintain the same level of Collateral as pre-petition. Because of uncertainties regarding the timing of expenses and purchases, and the impact of Chapter 11 on these items, it is impossible to predict with accuracy the precise amount of cash collateral necessary for the Debtor to operate its business. The proposed utilization of cash collateral will not, in any event, impair First National Bank of Pennsylvania's position.

12. The Debtor proposes to grant First National Bank of Pennsylvania a replacement lien on all inventory and accounts receivables acquired after the Petition Date equal in extent, validity, and priority to the security interest in inventory and accounts that First National Bank of Pennsylvania held as of the Petition Date. In other words, the Debtor proposes that First National Bank of Pennsylvania's "floating" liens on such assets continue to "float" on post-petition inventory and accounts, notwithstanding §552 of the Bankruptcy Code to the same extent and level of priority as the pre-petition liens on collateral.

13. The interests of First National Bank of Pennsylvania will be adequately protected.

14. If allowed to use cash collateral, the Debtor believes that it can operate its business during the Chapter 11 and successfully reorganize its business.

### **Notice**

15. Notice of this Motion is being sent to First National Bank of Pennsylvania and its counsel, the United States Trustee for the Northern District of Ohio, and the twenty (20) largest unsecured creditors of the Debtor. Such notice is sufficient under Rule 4001.

WHEREFORE, the Debtor respectfully requests that this Court enter an order granting the instant Motion and authorizing the interim use of cash collateral, schedule a preliminary hearing on the Motion pursuant to the Court's regular calendar, schedule a final cash collateral hearing in accordance with Bankruptcy Rule 4001(b)(2), authorize the Debtor to use the cash collateral in the operation of its business, and grant such other and further relief as may be just and proper.

DATED: December 8, 2017

Respectfully submitted:

/s/ Glenn E. Forbes, Esq.  
Glenn E. Forbes, Esq.  
FORBES LAW LLC  
Attorney for Debtor  
166 Main Street  
Painesville, OH 44077  
(440) 357-6211  
Reg# 0005513

### **CERTIFICATE OF SERVICE**

A copy of the foregoing was sent by the Court's CM/ECF system to the U.S. Trustee and by regular U.S. Mail, postage prepaid, on this 8<sup>th</sup> day of December, 2017 to the following parties:

Cobra Pipeline Co  
3511 Lost Nation Road, Suite 213  
Willoughby, OH 44094

First National Bank  
4140 E. State Street

Hermitage, PA 16148

Lake Shore Gas Storage  
3511 Lost Nation Road, Suite 213  
Willoughby, OH 44094

Orwell Trumbull Pipeline LLC  
3511 Lost Nation Road, Suite 213  
Willoughby, OH 44094

/s/ Glenn E. Forbes, Esq.  
Glenn E. Forbes, Esq.  
FORBES LAW LLC  
Attorney for Debtor