

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:

CAREMORE HOUSE HOME CARE  
SERVICES, LLC,

Debtor.

Chapter 11

Case No. 18-16425 (JKF)

**MOTION OF THE DEBTOR FOR AN ORDER PURSUANT TO 11 U.S.C. § 363  
(I) PERMITTING USE OF CASH COLLATERAL AND PROVIDING ADEQUATE  
PROTECTION TO PARTIES WITH INTEREST IN CASH COLLATERAL;  
(II) REQUESTING AN EXPEDITED HEARING, REDUCED NOTICE PERIOD, AND  
LIMITED NOTICE PURSUANT TO FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 9006(C)(1) AND LOCAL BANKRUPTCY RULE 5070-1(g);  
AND (III) FOR RELATED RELIEF**

Caremore House Home Care Services, LLC (the “Debtor”) by and through its proposed undersigned counsel, Bielli & Klauder, LLC, hereby files the Debtor’s Motion for an Order Pursuant to 11 U.S.C. § 363 (I) Permitting Use of Cash Collateral and Providing Adequate Protection to Parties with Interest in Cash Collateral, (II) Requesting an Expedited Hearing, Reduced Notice Period, and Limited Notice Pursuant Federal Rule of Bankruptcy Procedure 9006, and Local Rule of Bankruptcy Procedure 5070-1(g); and (III) For Related Relief (the “Motion”). In support thereof, the Debtor avers as follows:

**BACKGROUND**

1. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this motion is a core proceeding pursuant to 28 U.S.C. §157(b). Venue of this case is proper in this district pursuant to 28 U.S.C. §§1408 and 1409.

2. On September 27, 2018 (the “Petition Date”), the Debtor filed its Chapter 11 bankruptcy case.

3. The Debtor is a Pennsylvania limited liability company and provider of home care services, with a principal place of business of 2137 E. Chelton Ave., Ste. B, Philadelphia, Pennsylvania 19138. The Debtor offers in-home, non-medical care and support to individuals needing assistance with daily tasks, light housekeeping, and mobility.

4. As of the Petition Date, the Debtor anticipates that it will continue its operations and reorganize its debt.

### **SECURED DEBT**

5. The Debtor's secured debt consists of liens filed relating to amounts owed for income taxes.

6. The United States Internal Revenue Service (the "IRS") filed several Notices of Federal Tax Liens in the Court of Common Pleas for the County of Philadelphia. The Debtor estimates that its total liability to the IRS is approximately \$2,100,000.00. The IRS's lien is on all assets of the Debtor.

7. The Department of Labor for the Commonwealth of Pennsylvania (the "DoL") also filed several liens against the Debtor in the Court of Common Pleas for the Counties of Philadelphia and Bucks. The Debtor estimates that its total liability to the DoL is approximately \$275,000.00. The DoL's lien is on all assets of the Debtor.

8. The Department of Revenue for the Commonwealth of Pennsylvania (the "DoR") also filed several liens against the Debtor in the Court of Common Pleas for the County of Philadelphia. The Debtor estimates that its total liability to the DoR is approximately \$200,000.00. The DoR's lien is on all assets of the Debtor.

9. Based on the Debtor's available records, the Debtor has no other secured debts and its assets are not subject to any other liens.

**RELIEF REQUESTED**

10. The Debtor requires use of its Cash Collateral to continue its business operations.

11. Section 363(c) of the Bankruptcy Code allows a debtor to use, sell, or lease cash collateral if each entity that has an interest in cash collateral consents or the Court authorizes the use. *See* 11 U.S.C. § 363(c)(2).

12. The Debtor has prepared a budget (the “Budget”) detailing its proposed use of cash collateral *nunc pro tunc* from the Petition Date through October 27, 2018. This budget is attached hereto as Exhibit A (the “Budget”). The Debtor initially seeks to use its Cash Collateral as detailed on the Budget.

13. Prior to the Petition Date, the Debtor was attempting to resolve its tax liabilities to the City of Philadelphia, the Commonwealth of Pennsylvania, and the IRS. As the result of those efforts, the Debtor entered into payment agreements with the Commonwealth of Pennsylvania and the City of Philadelphia.

14. Prior to the Petition Date, the Debtor was also in the process of negotiating a repayment agreement with the IRS. However, the Debtor was unable to make the initial payment that would be required under that potential repayment agreement as the Debtor's bank account was garnished by the Commonwealth of Pennsylvania. Had that garnishment not occurred, the Debtor is confident that its potential repayment agreements with the IRS would have been finalized.

15. The Debtor believes that it will be able to successfully reorganize and reach feasible repayment terms with the IRS. The Debtor’s primary concern is to ensure that its business continues to operate during this bankruptcy in order to fund its eventual payments to its creditors. The continued use of cash collateral will allow the Debtor to continue operating so that it can continue to pay its employees and its operating expenses.

16. The Debtor is providing the Budget in order to assist its creditors in keeping track of ordinary course payments made by the Debtor, thus providing them with a measure of security in dealing with the bankrupt Debtor going forward. The use of cash collateral, and an adequate replacement of security, is key to the Debtor's ability to reorganize and make payments to its creditors.

17. The Debtor proposes to provide adequate protection to its secured creditors in the form of a replacement lien of the same extent, priority, and validity as existed pre-petition (to the extent that any lien existed).

18. The Debtor believes that the request to use cash collateral is proper, reasonable, and necessary to continue the Debtor's operations.

19. Approval of the Debtor's request to use cash collateral is in the best interest of the Debtor and all creditors of the estate.

20. In order to maintain the Debtor's operations, Debtor requires the use of cash collateral for the payment of expenses as more specifically set forth in the Budget. Through the payment of the expenses detailed in the Budget, the Debtor will be able to maintain its status quo while also facilitating its reorganization.

#### **REQUEST FOR EXPEDITED CONSIDERATION**

21. The Debtor respectfully requests that the Court consider this motion, along with its other motions filed along with the Petition, on an expedited basis.

22. The Debtor needs immediate access to its cash collateral to, among other reasons, pay its employees timely to avoid disrupting its business. The Debtor's next scheduled payday is October 3, 2018. In the normal course, the employees would be paid post-petition for this pre-petition amount. The Debtor also needs cash collateral to continue its business operations.

23. Before filing this Motion, on September 27, 2018, proposed counsel for the Debtor notified the Department of Labor for the Commonwealth of Pennsylvania, the Department of Revenue for the Commonwealth of Pennsylvania, the Internal Revenue Service, and the Office of the United States Trustee to advise that the Debtor would be filing the instant case, and to advise each that the Debtor would be requesting an expedited hearing on this motion. These taxing authorities were notified via phone call through messages left by the Debtor's proposed counsel, during which proposed counsel inquired whether they were opposed to an expedited hearing on or before October 2, 2018. Proposed counsel also contacted the attorney for the Office of the United States Trustee via email, who indicated that he did not oppose the request for an expedited hearing. At the time that this motion was filed, no objections to the expedited hearing request were received.

24. The Debtor respectfully requests that this Court schedule an expedited hearing on this Motion, and the other motions filed on even date hereof, on or before October 2, 2018.

25. This Motion was served, as set forth in the Certificate of Service, by electronic mail, facsimile, and/or overnight mail upon the Department of Labor for the Commonwealth of Pennsylvania, the Department of Revenue for the Commonwealth of Pennsylvania, the Internal Revenue Service, and the Office of the United States Trustee.

26. Once this Motion is scheduled for hearing, notice of the hearing will be given via facsimile, electronic mail, and/or overnight mail to the parties listed in the paragraph above. The Debtor submits that no other notice need be given in light of the exigencies of the circumstances and the irreparable harm to the Debtor, its estate, and all parties in interest that would ensue if the relief requested herein is not granted.

**WHEREFORE**, the Debtor respectfully requests that this Court grant expedited consideration of this Motion and enter an Order in the form attached hereto and for such other and further relief as this Court deems just and proper.

**BIELLI & KLAUDER, LLC**

Date: September 28, 2018

/s/ Cory P. Stephenson  
Thomas D. Bielli, Esquire  
Cory P. Stephenson, Esquire  
1500 Walnut Street, Suite 900  
Philadelphia, PA 19102  
Telephone: 215-642-8271  
Facsimile: 215-754-4177  
tbielli@bk-legal.com  
cstephenson@bk-legal.com

*Proposed Counsel for the Debtor*