

IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:)	Bankruptcy No. 17-23388
)	
Transmission Solutions Group, Inc.,)	Chapter 11
)	
Debtor,)	Doc. No.
)	
Transmission Solutions Group, Inc.,)	Related to Doc No.
)	
Movant,)	Hearing date and time: 8/28/2017
)	@ 2:30 p.m.
v.)	
)	
Newtek Small Business Finance, LLC, Newtek)	
Business Credit, David Fruitman, Mark)	
Cohen and US Small Business Administration,)	
)	
Respondents.)	

AMENDED MOTION TO USE CASH COLLATERAL AND PROVIDE ADEQUATE PROTECTION

AND NOW comes the Debtor, Transmission Services Group, Inc., by and through its counsel, Dennis J. Spyra, Esquire and sets forth the following in support of this Motion:

1. A voluntary Petition under Chapter 11 of the United States Bankruptcy Code was filed by the Debtor on August 22, 2017 (the "Petition Date") and an Order for Relief entered at that time.
2. This Court has jurisdiction over the within proceedings pursuant to 28 U.S.C Section 1334, 28, U.S.C 157(a) and the Order of reference dated August 22, 2017, this Motion being a core proceeding under 218 U.S.C. Section 157(b) and made pursuant to 11 U.S.C Section 365, and Bankruptcy Rules 6006 and 9014.

3. The Debtor currently operates a satellite transmission business located at 1007 Old Route 119, Hunker, PA 15639, among other things, provides satellite transmission services for network and cable television companies.
4. Essentially all the assets of the Debtor-in-Possession existing as of the commencement of this reorganization proceeding were subject as of such a date to Pre-Petition security interests and rights of Newtek Small Business Finance, LLC (Pre-Petition Assets) to secure the indebtedness of both the Debtor and its wholly owned subsidiary company Calhoun Satellite Communications, Inc., a related Chapter 11 Debtor filed simultaneously with this case at Docket No. 17-23389 to Newtek Small Business Finance, LLC (hereinafter “Newtek”), which the Debtor estimates was in the amount of \$4,700,000.00 (the “pre-Petition debt”).
5. It is necessary for the continued operation of the Debtor to convert some or all of the Pre-Petition Assets to cash and to use the same during the post-petition functioning of the Debtor.
6. It is anticipated that Newtek will permit the use of said Pre-Petition Assets for Post-Petition purposes assuming the provision of adequate protection is secured through Order of this Court granting Newtek a security interest on all assets now or hereafter acquired or generated by the Debtor-in-Possession whether through the use of cash collateral, or otherwise (“DIP Assets”) to secure the amounts owing to Newtek, whether existing as of the commencement of these proceedings or thereafter incurred or arising, in consideration of the Debtor-in-Possession’s use of cash arising from the collection or other conversion to cash of Pre-Petition Assets.

7. The consent of Newtek for use of cash collateral is for a period of ninety (90) days from the Petition Date, PROVIDED that such use is solely in the ordinary course of business and for the necessary operating expenses. "Cash collateral" is intended to mean by the parties to include cash arising from the collection or other conversion to cash of assets of the Debtor-in-Possession in which Newtek has a security interest, whether such security interest existed as of the commencement of these proceedings or arises thereafter pursuant to any Order entered as a result of the within Motion, and whether such assets converted to cash existed as of the commencement of these proceedings or arose or were generated thereafter.
8. The Debtor-in-Possession admits that all the documents and instruments evidencing its obligations to Newtek (such as the notes, mortgages, security agreements and financing statements) are in proper form, were properly executed by all of the required parties and were properly filed where and when required. Therefore, the Debtor-in-Possession does not dispute Newtek's lien and perfected security in all of its tangible and intangible personal property as set forth in the various instruments and documents, including specifically, a lien on, and perfected security interest in, all of the Debtor-in-Possession's real estate, inventory, fixtures, equipment, accounts, accounts receivables, contract rights, cash, specialties, and deposits, and all after-acquired property of the foregoing types and all proceedings therefrom, and excepting all purchase money security interests held by other financing creditors with interest in agreement financed through loans with the debtor to purchase company equipment.
9. In consideration of the Debtor-in-Possession's use of cash collateral and as partial adequate protection to Newtek, in addition to its existing rights and interest in the

Pre-Petition Assets and cash collateral, Newtek is hereby granted a valid, perfected and enforceable security interest in and upon all of the Debtor-in-Possession's tangible and intangible personal property, including all real estate, accounts, contract rights, inventory, equipment, fixtures, general intangibles, chattel paper, instruments, documents (as said terms are defined in the Uniform Commercial Code as enacted in the state of Pennsylvania), whether owned or existing on the date of commencement of the present proceedings or thereafter acquired or arising (subject only to valid and duly perfected security interests and liens existing at the time of commencement of the present proceedings), in all real estate, equipment, services, products and proceeds of said property in interest.

10. The Debtor-in-Possession admits that, in addition to the matters set forth in Paragraph 9, above, any and all inventory , accounts, accounts receivables, drafts, cash, and all deposits both present and after acquired, and all proceeds therefrom, which are acquired by the Debtor-in-Possession after the commencement of these proceedings, represent identifiable and traceable proceeds of Newtek's collateral which is subject to the lien and security interest of Newtek pursuant to and as allowed by Section 552(b) of the United States Bankruptcy Code.

11. It is intended by the Debtor-in-Possession that the security interests and liens herein granted: (a) are and shall be in addition to all security interests, liens and rights of set-off existing in the favor of Newtek on the date of commencement of the present proceedings; (b) are and shall be valid, perfected, enforceable, and effective as of the date of commencement of the present proceeding without any further action by the Debtor-in-Possession or Newtek and without the execution, filing or recordation of

- any financing statements, security agreements, mortgages or other documents; and (c) shall secure all indebtedness and liabilities of the Debtor and Debtor-in-Possession to Newtek whether existing as of the commencement of these proceedings or thereafter incurred or arising. If Newtek hereafter requests, the Debtor-in-Possession shall execute and deliver such financing statements, instruments and documents as Newtek may require to evidence and perfect the interest as herein granted. Nothing requested by way of this Motion shall in anyway restrict the scope of Newtek's pre-petition liens or claims with respect to the Pre-Petition debt.
12. The security interests and liens both herein granted and previously held by Newtek and the indebtedness and obligation of the Debtor-in-Possession to Newtek shall be governed in all respects, by the terms and conditions of the documents and instruments evidencing or securing the Pre-Petition debt (the "Loan Documents").
13. As further adequate protection, the Debtor-in-Possession shall continue to make payments to Newtek in an amount equal to the payments required by the Loan Documents, which payments shall be made in the time and in the manner set forth in such Loan Documents less principle payment, i.e., interest payments only. In addition, the Debtor immediately shall bring current all interest in arrears under the Loan Documents. Newtek is relieved of the provisions of the automatic stay pursuant to Section 362 of the Bankruptcy Code to the extent that Newtek may apply the proceeds paid over to it by the Debtor-in-Possession against the liabilities of the Debtor and the Debtor-in-Possession.
14. To the extent that, notwithstanding the additional liens and security interest granted to Newtek as adequate protection pursuant to the Order resulting from this Motion,

Newtek has allowable claims in these proceedings arising from the use of cash collateral by the Debtor-in-Possession, the Debtor-in-Possession agrees to grant to Newtek, as additional adequate protection, an administrative priority for such claim equivalent in priority to a claim under Section 364(c) (1) of the Bankruptcy Code and such claim shall have priority over other costs and expenses of the kind specified in, or ordered pursuant to, Sections 105, 362, 330, 331, 503(b), 506(c), 507(a), 507(b) or 726 of the Bankruptcy Code and shall at all times be senior to the rights of the Debtor, the Debtor-in-Possession and any other successor trustee in this or any subsequent proceedings under the Bankruptcy Code. No costs or expenses of administration which have been or may be incurred in these proceedings or in any conversion of these proceedings pursuant to Section 1112 of the Bankruptcy Code, or in any other proceedings related thereto and no priority claims are or will be prior to or on a parity with the claim of Newtek against the Debtor-in-Possession, or trustee or with the security interests and liens of Newtek upon the Pre-Petition assets and the Debtor-in-Possession assets; and no such other cost or expense of administration shall be imposed against Newtek, its claims or collateral.

15. The Debtor acknowledges that this Court shall maintain jurisdiction over the parties and the subject matter of any matter referenced in this Motion for the purpose of clarification if and when the need arises in the future.
16. It is necessary and critical to the continued operation of the Debtors satellite transmission business that the Court issue an Order authorizing the use of cash collateral.

WHEREFORE, the Debtor requests this Court to enter an Order allowing the use of cash collateral subject to the conditions set forth above.

DATED: August 23, 2017

Respectfully Submitted,

/s/Dennis J. Spyra, Esquire

Dennis J. Spyra, Esquire

PA ID #46188

1711 Lincoln Way

White Oak, PA 15131

412-673-5228

attorneyspyra@dennisspyra.com