

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

IN RE:) Bankruptcy No. 17-25033 JAD
Apex Cleaning Supply, Inc.,) Chapter 11
Debtor,)
Apex Cleaning Supply, Inc.,) Hearing Date:
Movant,) Response Due:
vs.)
United Bank, Inc.,) Document No.
Respondent.)

**EMERGENCY MOTION AUTHORIZING
THE USE OF CASH COLLATERAL OF UNITED BANK**

AND NOW, comes Apex Cleaning Supply Inc., by and through its undersigned counsel, and files the following Emergency Motion for Debtor in Possession Financing on an emergency basis:

1. Apex Cleaning Supply (“Debtor”) is the Debtor in the above captioned proceedings, having filed a voluntary Petition for Relief under Chapter 11 of the United States Bankruptcy Code on December 15, 2017. The Debtor continues to conduct its business and affairs as a Debtor-In-Possession.

2. Prior to the filing of its Chapter 11 Petition, the Debtor had obtained two loans from United Bank, Inc. (“United”), one with a balance of \$133,697.98, and one with a balance of \$149,385.00, or a total of \$283,082.98.

3. On February 8, 2018, a Modified Interim Consent Order was entered authorizing the Debtor’s use of cash collateral and providing adequate protection to United Bank.

4. On March 6, 2018, a Consent Order was entered making the Modified Interim Consent Order of February 8, 2018, a Final Order.

5. Pursuant to the Final Order authorizing the use of cash collateral and providing adequate protection to United Bank, United Bank has a first lien on all unencumbered assets of the Debtor and a junior lien on all otherwise encumbered assets of the Debtor.

6. Among the assets of the Debtor at the time it filed its Chapter 11 petition was a maxivan. United Bank has a first lien security interest in the maxivan, a 2007 Ford E350, **Vin #1FBSS31L27DB26235**

7. Recently the 2007 Ford E350, **VIN #1FBSS31L27DB26235** was destroyed in an auto accident.

8. The maxivan is insured in the amount of \$9,058.02. As a result of its first lien position, the insurance proceeds are United Bank's cash collateral.

9. The Debtor is in need of a vehicle to replace the maxivan which was destroyed.

10. Due to the nature of the Debtor's use of the 2007 Ford E350, **VIN #1FBSS31L27DB26235**, which was destroyed, the Debtor cannot rent a vehicle to provide for its use. The vehicle must be customized.

11. The Debtor is also entitled to insurance proceeds in the amount of \$2,500 for a minivan, a 2006 Chrysler Town & Country, **VIN#2A8GP54L66R657047**, which was destroyed in a flood. United Bank is a first lienholder on the minivan and, as a result, the insurance proceeds are United Bank's cash collateral.

12. The maxivan vehicle is customized and essential to the Debtor's operations.

13. The Debtor has spoken to United Bank, and United Bank is willing to allow the Debtor to use the insurance proceeds toward the purchase of a new maxivan, under certain conditions.

14. The Debtor agrees that it will use the insurance proceeds solely for the purpose of the purchase of a new van and/or to pay off any existing debtors on other vehicles. In exchange for the use of United Bank's cash collateral, to provide adequate protection to United Bank, and consistent with the Final Order authorizing the use of cash collateral and providing adequate protection to United Bank, Apex will (i) grant a first lien in favor of United Bank on any purchased vehicle.

15. The bank is not lending any money to the Debtor; the Bank is only permitting the Debtor to use the cash collateral from the insurance proceeds to be used to acquire a replacement maxivan. If any additional money is needed to purchase the replacement vehicle, the Debtor will pay that sum out of its own funds.

16. The Debtor is in immediate need of the replacement van so that it can fulfill commitments to customers. Accordingly, this matter is being brought on an emergency basis.

17. The necessity of an emergency hearing was not brought about through actions or inactions within the reasonable control of the Debtor or its counsel.

18. Pursuant to Section 364c)(2) of the Bankruptcy Code, the Court may, after notice and a hearing, may permit the incurring of credit secured by a lien on property of the estate not otherwise subject to a lien.

