

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA

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In re:	*	Bankr. Case No. 17 - 30039
		Chapter 11
HARDES HOLDING, LLC,	*	
EIN/ITIN: 46-5080137,	*	DEBTOR'S MOTION FOR
	*	AUTHORITY TO USE
Debtor.	*	CASH COLLATERAL
	*	AND REQUEST FOR
	*	PRELIMINARY HEARING

* * * * *

COMES NOW the Debtor, Hardes Holding, LLC, by and through its attorneys of record, and hereby moves the Court pursuant to Section 363 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure and Bankr. D.S.D.R. 4001-2, for an order authorizing Debtor's use of cash collateral, and for a preliminary hearing and a final hearing, on this Motion, as needed, and in support thereof respectfully states:

1. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §157 and §1334. Venue is proper under 28 U.S.C. §1408 and §1409.
2. Debtor runs a grain farming operation with facilities located in and around Miller, South Dakota, and farms real estate located in Hand County, South Dakota and Ziebach County, South Dakota.
3. On December 4, 2017, Debtor filed a petition seeking relief under Chapter 11 of the bankruptcy code. Pursuant to 11 U.S.C. §1203, §1107(a), and §1108, Debtor continues to operate its business and manage its affairs as Debtor in Possession.
4. Debtor proposes to use \$21,037.72 as listed on Exhibit 1, and intended to be a part hereof, in "cash collateral", as that term is defined under 11 U.S.C. §363(a), to maintain the operation of its business for the time period December 5, 2017, through December 20, 2017. Debtor requests preliminary authorization to use \$21,037.72 in cash collateral by December 11, 2017, as disclosed. The cash collateral proposed to be used includes pre-petition proceeds from the sale of Debtor's soybeans, winter wheat and sunflower crop.
5. Sandton Credit Solutions Master Fund III, LP, holds a first pre-petition security interest through an agricultural business blanket lien, a first pre-petition security interest in the pre-petition proceeds Debtor earns from its farming operation, and a first pre-petition mortgage position on real estate used in Debtor's operation.

6. Swenson Partnership appears to hold a first secured position in pre-petition grain, and a second pre-petition mortgage position on real estate used in Debtor's operation.

7. Debtor's attorney was able to converse with both of the secured creditors, through their attorneys, and they will not object to this preliminary use of cash collateral proposed herein.

8. Debtor will continue to run and operate in the ordinary course of business and has immediate needs to pay operating funds.

9. Debtor estimates its cash flow, income and expenses, for the time period between December 21, 2017, through February 28, 2018, as shown on Exhibit 2. This is the term during which Debtor requests final authorization to use the cash collateral specified herein.

10. Pursuant to Federal Rules of Bankruptcy Procedure 4002(b)(2) and Bankr. D.S.D. Rule 4001-2, Debtor requests preliminary authorization to use \$21,037.72 in cash collateral by December 11, 2017, as disclosed on Exhibit 1, when Debtor must pay for wages, utilities, farm insurance, auto insurance, gas, and other expenses that Debtor needs to continue to effectively operate its business. Debtor must be able to pay these expenses to maintain its operation. Debtor has attached, as Exhibit 1, details of the expenses that Debtor must meet prior to December 20, 2017, which is within the 17 day period following the filing of this motion. These funds are crucial to maintain operations uninterrupted.

11. In addition, Debtor requests final authorization to use \$70,221.88 in cash collateral as detailed in Exhibit 2. Debtor will need to have \$2,186.60 of these funds as shown on Exhibit 2 by December 21, 2017; \$48,171.01 by January 1, 2018; and an additional \$19,864.27 by February 1, 2018, or shortly thereafter. These funds are crucial to maintain operations uninterrupted.

12. Debtor grants Sandton Credit Solutions Master Fund III, LP, and Swenson Partnership the right to inspect the collateral, upon reasonable notice, and Debtor agrees to keep the collateral insured and to maintain the collateral in its present condition, ordinary wear and tear excepted. The secured creditors are adequately protected based upon a large equity cushion of all assets.

WHEREFORE, Debtor requests preliminary authorization to use cash collateral of \$21,037.72 by December 11, 2017; and request authorization to use cash collateral of \$2,186.60 by December 21, 2017; \$48,171.01 by January 1, 2018; and \$19,864.27 by February 1, 2018, all in the operation of its business, upon the terms and conditions set forth in this Motion and the Exhibits attached thereto; and if any party objects to said Motion Debtor requests a hearing on the preliminary use on or before December 11, 2017, and on the final request on or before December 20, 2017; and for such other and further relief as appropriate in the premises.

Dated this 5th day of December, 2017.

GERRY & KULM ASK, PROF. LLC:

By: /s/ Clair R. Gerry

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Hardes Holding LLC/Partnership
CashFlow Dec. 4 2017 thru Dec. 20 2017

Operating Income

Cash Available	\$	52.08
Crop Sales	\$	278,224.84
Ag Program Payments	\$	-
Land Rent	\$	-
Grain Bin Rent	\$	-
Crop Insurance	\$	-
Custom Work	\$	-
Other-Straw	\$	-
Operating Income Total	\$	278,276.92

Operating Expenses

Rent	\$	-
Ag Fuel	\$	-
Machinery	\$	-
Seed	\$	-
Soil Tests	\$	-
Fertilizer (Nitrogen	\$	-
Fertilizer (Starter)	\$	-
Chemical	\$	-
Planting	\$	-
Planting Tendering	\$	-
Fert. App	\$	-
Fert. Tendering	\$	-
Chem. App	\$	-
Chem. Tendering	\$	-
Combining	\$	-
Trucking	\$	-
Drying	\$	-
Crop Insurance	\$	-
Marketing	\$	-
Wages	\$	11,278.18
Utilities	\$	1,500.00
Supplies	\$	69.90
Repairs	\$	-
Maintenance	\$	-
Farm Insurance	\$	1,565.94
Tillage	\$	-
Vehicle Taxes	\$	-
Vehicle Ins. (Farm)	\$	6,007.00
Vehicle Gas (Farm)	\$	539.53
Legal Fees		
Misc. Lodging, Food, etc.	\$	77.17
Depreciation	\$	-
Interest	\$	-
Sandton Capital	\$	-
Real Estate Taxes	\$	-
Swenson	\$	-
Operating Totals	\$	21,037.72
Net Oper. InFlows	\$	257,239.19

EXHIBIT1

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Hardes Holding LLC/Partnership
CashFlow Dec. 21 2017 thru Dec. 31 2017

<u>Operating Income</u>		
Cash Available	\$	257,239.19
Crop Sales	\$	8,919.54
Ag Program Payments	\$	-
Land Rent	\$	-
Grain Bin Rent	\$	2,695.50
Crop Insurance	\$	-
Custom Work	\$	-
Other-Straw	\$	-
<u>Operating Income Total</u>	\$	268,854.23

<u>Operating Expenses</u>		
Rent	\$	-
Ag Fuel	\$	-
Machinery	\$	-
Seed	\$	-
Soil Tests	\$	-
Fertilizer (Nitrogen)	\$	-
Fertilizer (Starter)	\$	-
Chemical	\$	-
Planting	\$	-
Planting Tendering	\$	-
Fert. App	\$	-
Fert. Tendering	\$	-
Chem. App	\$	-
Chem. Tendering	\$	-
Combining	\$	-
Trucking	\$	-
Drying	\$	-
Crop Insurance	\$	-
Marketing	\$	-
Wages	\$	-
Utilities	\$	1,500.00
Supplies	\$	69.90
Repairs	\$	-
Maintenance	\$	-
Farm Insurance	\$	-
Tillage	\$	-
Vehicle Taxes	\$	-
Vehicle Ins. (Farm)	\$	-
Vehicle Gas (Farm)	\$	539.53
Legal Fees		
Misc. Lodging, Food, etc.	\$	77.17
Depreciation	\$	-
Interest	\$	-
Sandton Capital	\$	-
Real Estate Taxes	\$	-
Swenson	\$	-
<u>Operating Totals</u>	\$	2,186.60
<u>Net Oper. InFlows</u>	\$	266,667.63



2018 Hardes Holding LLC/Partnership Cash Flow
Jan. 1 2018 thru Jan. 31 2018

Operating Income

Cash Available	\$	266,667.63
Crop Sales	\$	-
Ag Program Payments	\$	-
Land Rent	\$	-
Grain Bin Rent	\$	2,083.33
Crop Insurance	\$	-
Custom Work	\$	-
Other	\$	-
Operating Income Total	\$	268,750.96

Operating Expenses

Rent	\$	-
Ag Fuel	\$	-
Machinery	\$	28,306.74
Seed	\$	-
Soil Tests	\$	-
Fertilizer (Nitrogen)	\$	-
Fertilizer (Starter)	\$	-
Chemical	\$	-
Planting	\$	-
Planting Tendering	\$	-
Fert. App	\$	-
Fert. Tendering	\$	-
Chem. App	\$	-
Chem. Tendering	\$	-
Combining	\$	-
Trucking	\$	-
Drying	\$	-
Crop Insurance	\$	-
Marketing	\$	-
Wages	\$	11,000.00
Utilities	\$	1,800.00
Supplies	\$	962.45
Repairs	\$	1,905.83
Maintenance	\$	962.45
Farm Insurance	\$	1,565.94
Tillage	\$	-
Vehicle Taxes	\$	-
Vehicle Ins. (Farm)	\$	-
Vehicle Gas (Farm)	\$	1,429.38
Legal Fees		
Misc. Lodging, Food, etc.	\$	238.23
Depreciation	\$	-
Interest	\$	-
	\$	-
	\$	-
Real Estate Taxes	\$	-
Operating Totals	\$	48,171.01
Net Oper. InFlows	\$	220,579.95

2018 Hardes Holding LLC/Partnership Cash Flow
Feb. 1 2018 thru Feb. 28 2018

Operating Income

Cash Available	\$	220,579.95
Crop Sales	\$	-
Ag Program Payments	\$	-
Land Rent	\$	-
Grain Bin Rent	\$	2,083.33
Crop Insurance	\$	-
Custom Work	\$	-
Other	\$	-
<u>Operating Income Total</u>	\$	222,663.28

Operating Expenses

Rent	\$	-
Ag Fuel	\$	-
Machinery	\$	-
Seed	\$	-
Soil Tests	\$	-
Fertilizer (Nitrogen)	\$	-
Fertilizer (Starter)	\$	-
Chemical	\$	-
Planting	\$	-
Planting Tendering	\$	-
Fert. App	\$	-
Fert. Tendering	\$	-
Chem. App	\$	-
Chem. Tendering	\$	-
Combining	\$	-
Trucking	\$	-
Drying	\$	-
Crop Insurance	\$	-
Marketing	\$	-
Wages	\$	11,000.00
Utilities	\$	1,800.00
Supplies	\$	962.45
Repairs	\$	1,905.83
Maintenance	\$	962.45
Farm Insurance	\$	1,565.94
Tillage	\$	-
Vehicle Taxes	\$	-
Vehicle Ins. (Farm)	\$	-
Vehicle Gas (Farm)	\$	1,429.38
Legal Fees	\$	-
Misc. Lodging, Food, etc.	\$	238.23
Depreciation	\$	-
Interest	\$	-
	\$	-
	\$	-
Real Estate Taxes	\$	-
<u>Operating Totals</u>	\$	19,864.27
<u>Net Oper. InFlows</u>	\$	202,799.02