

**JOHN PARK DAVIS  
DAVIS LAW FIRM  
P.O. BOX 123918  
FORT WORTH, TX 76121-3918  
TBN 05517000  
(817) 735-1171 TELEPHONE  
(817) 735-1167 FAX  
john@johndavislaw.com**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

<b>IN RE</b>	§	<b>CASE NO. 18-43969-MXM</b>
	§	
<b>KAIROS HOMES, L.L.C. XX-XXX2131</b>	§	
	§	
	§	<b>CHAPTER 11</b>
	§	
<b>3345 Western Center Blvd, Ste 160</b>	§	
<b>Fort Worth, TX 76137</b>	§	<b>HEARING DATE AND TIME:</b>
	§	<b>10/15/2018 AT 11:00 A.M.</b>
<b>DEBTOR(S)</b>	§	

**MOTION FOR AUTHORITY TO USE CASH COLLATERAL**

**TO THE HONORABLE JUDGE OF SAID COURT:**

**NOW COMES, KAIROS HOMES, L.L.C.**, files this Motion for Authority to Use Cash Collateral. Debtor-in-Possession, by its attorney, John Park Davis, DAVIS LAW FIRM, will show the Court as follows:

**I.**

On 10/3/2018, the Debtor, Kairos Homes, L.L.C. filed a voluntary petition initiating this Chapter 11 case and is now operating its business as a homebuilder as a Debtor-in-Possession.

**II.**

The Debtor requests this Court the authority to use cash collateral in the estimated amount of \$588,000.00. The cash collateral sought to be used consists of funds from the closing of the sale on four (4) properties. A bi-weekly budget is attached as Exhibit "A" to show the Court and the IRS the expected costs to continue the operations of the business.

III.

The primary creditor in this case is the Internal Revenue Service ("IRS") who has filed Federal Tax Liens on the assets of the Debtor-in-Possession and is clearly oversecured based upon the proof of claim filed by the IRS in the amount of \$775,279.41 secured with an unsecured amount of \$334,757.35.

IV.

Kairos Homes, L.L.C. needs to use the proceeds from the sell of the four (4) properties in order to meets its payroll and to purchase supplies needed in the operation of its business. The Debtor has no other funds with which to pay such expenses and if such expenses are not paid the Debtor will be unable to continue its business operations.

Debtor needs to satisfy the following monies to continue operating;

Payroll	\$131,386.41
Materials	\$189,600.00
Subs	\$85,050.00
Miscellaneous	\$4,500.00
Rent and Bills	\$8,000.00
(see Exhibit "A" for a thorough breakdown)	

As adequate protection for the IRS, Debtor proposes monthly payments in the amount of \$20,000.00 until the Chapter 11 Plan is confirmed.

Debtor will provide to the IRS a bi-weekly budget for review to confirm that the budget is feasible in its continue venture as a homebuilder.

V.

Debtor proposes to protect the interest of the IRS and KNABE Investments Inc. ("KNABE") in the use of the cash collateral sought to be used by providing the IRS with a lump-sum payment of \$100,000.00 and KNABE a lump-sum payment of \$10,000.00.

**CERTIFICATE OF CONFERENCE**

**I hereby certify that I have attempted to confer in good faith with the following parties regarding the Amended Application to Sell Properties of the Estate that are Cash Collateral, Distribution of Proceeds and Approval of Attorneys Fees.;**

**Everett Frazier of KNABE Investments, Inc. on October 12, 2018 I was unable to confer this matter with Mr. Frazier on the telephone because he failed to answer the call. A copy of the Motion was emailed to him and his assistant, Robin at robin4156@aol.com**

**WHERE PREMISES CONSIDERED**, Movant(s) request the Court to approve the Debtor to use cash collateral to pay necessary payroll and expenses to continue the operations of the business and make a lump-sum payment to the IRS in the amount of \$100,00.00, a lump-sum payment to KNABE in the amount of \$10,00.00 and for any further relief this Court may grant.

Respectfully Yours,

**/s/ John Park Davis**  
**JOHN PARK DAVIS**  
**DAVIS LAW FIRM**  
**P.O. BOX 123918**  
**FORT WORTH, TX 76121-3918**  
**TBN 05517000**  
**(817) 735-1171 TELEPHONE**  
**(817) 735-1167 FAX**  
**john@johndavislaw.com**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing was sent by first class United States mail and/or by Electronic Notification by the Court on this 11th day of October, 2018 to the following interested parties;

**KNABE Investments Inc**  
8659 White Settlement Rd  
White Settlement, TX 76108  
Via Email to  
robin4156@aol.com

**Donna K. Webb**  
U.S. Attorney Office  
1100 Commerce Street Suite 300  
Dallas, TX 75242  
Via Email to  
donna.webb@usdoj.gov

**Internal Revenue Service**  
1100 Commerce St, Rm 9A20  
MS 5026 DAL  
Dallas, TX 75242  
Via Email to  
leo.v.carey@irs.gov

**U S Trustee**  
1100 Commerce St, Rm 9C60  
Dallas, TX 75242  
Via Email to  
ustpregion06.da.ecf@usdoj.gov  
Elizabeth A Young at Elizabeth.A.Young@usdoj.gov  
Erin Schmidt at Erin.Schmidt@usdoj.gov

**Laurie A. Spindler**  
Linebarger Goggan Blair & Sampson, LLP  
2777 N. Stemmons Frwy Ste 1000  
Dallas, TX 75207  
Via Email to  
Laurie.Spindler@lgbs.com  
Attorney for Parker County/Wise County/Tarrant Ccount

/s/ John Park Davis  
JOHN PARK DAVIS

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 Kairoshomesllc.com



### Projected Budget October 16<sup>th</sup> – October 30<sup>th</sup>, 2018

<b>Back Payroll</b>	<b>\$ 166,956.71</b>
<b>Future Payroll</b>	<b>\$ 131,386.41</b>
<b>Materials</b>	<b>\$ 189,600.00</b>
<b>Subs</b>	<b>\$ 85,050.00</b>
<b>Miscellaneous</b>	<b>\$ 4,500.00</b>
<b>Rent &amp; Bills</b>	<b>\$ 8,000.00</b>
<b>Total</b>	<b>\$585,493.12</b>

#### Back Payroll Details

Employee Name	Pay Period					Total
	8/26 - 9/1	9/2 - 9/8	9/9 - 9/15	9/16 - 9/22	9/23 - 9/29	
Aaron Vernon	\$ 939.28	\$ 1,023.25	\$ 2,088.78	\$ 1,066.80	\$ 937.65	\$ 6,055.76
Adelfo Hernandez	\$ -	\$ 749.59	\$ 749.60	\$ 749.59	\$ 638.92	\$ 2,887.70
Ana K Diaz	\$ -	\$ -	\$ 559.03	\$ 709.32	\$ 547.47	\$ 1,815.82
Andrea Vernon	\$ 1,571.00	\$ 1,571.00	\$ 1,571.00	\$ 1,571.00	\$ 1,571.00	\$ 7,855.00
Antonio Gonzalez	\$ -	\$ 800.00	\$ 800.00	\$ 800.01	\$ 872.06	\$ 3,272.07
Bibiana Aguilar	\$ -	\$ 563.37	\$ 746.89	\$ 898.09	\$ 480.09	\$ 2,688.44
Brenda Liberato	\$ -	\$ 288.12	\$ 438.21	\$ 490.24	\$ 373.17	\$ 1,589.74
Carmelo Ramirez	\$ -	\$ 580.53	\$ 601.42	\$ 582.66	\$ 671.51	\$ 2,436.12
Charles J Mckone	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 10,331.25
Devon White	\$ -	\$ 900.70	\$ 1,008.20	\$ 1,008.20	\$ 858.20	\$ 3,775.30
Doris Lopez	\$ -	\$ -	\$ -	\$ 32.10	\$ 125.00	\$ 157.10
Evelia Diaz	\$ -	\$ 466.69	\$ 343.17	\$ 829.26	\$ 604.23	\$ 2,243.35
Ferdinand Perez	\$ 641.86	\$ 641.86	\$ 641.86	\$ 641.86	\$ 641.86	\$ 3,209.30
Fernando Luna	\$ -	\$ 594.32	\$ 997.59	\$ 797.70	\$ 887.52	\$ 3,277.13
Fernando Rosales	\$ -	\$ 355.05	\$ 488.13	\$ 445.47	\$ 488.90	\$ 1,777.55
Frances Jodie Nail	\$ -	\$ 140.49	\$ 365.32	\$ 492.07	\$ 496.81	\$ 1,494.69
Francisco Leon	\$ 900.06	\$ 557.87	\$ 590.51	\$ 1,163.75	\$ 217.64	\$ 3,429.83
Isaac Gomez	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 7,750.00
Jacob Manahan	\$ 559.65	\$ 358.21	\$ 471.18	\$ 146.27	\$ 464.74	\$ 2,000.05
Jesus Martinez	\$ 586.48	\$ 295.54	\$ 509.33	\$ 433.00	\$ 422.19	\$ 2,246.54
Jose Chavez Tamayo	\$ -	\$ 537.14	\$ 691.02	\$ 758.37	\$ 408.58	\$ 2,395.11
Jose Flores	\$ 901.52	\$ 541.66	\$ 890.30	\$ 805.50	\$ 753.98	\$ 3,892.96

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Jovencio Chavez	\$ -	\$ 511.78	\$ 559.92	\$ 646.22	\$ 661.55	\$ 2,379.47
Karlita Aristide	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 7,250.00
Kendall Schober	\$ 654.80	\$ 654.80	\$ 654.80	\$ 654.80	\$ 554.80	\$ 3,174.00
Luis Alvarado	\$ -	\$ 98.29	\$ 448.08	\$ 542.04	\$ 338.11	\$ 1,426.52
Manuel Gonzalez	\$ 1,497.13	\$ 1,497.12	\$ 1,497.13	\$ 1,497.12	\$ 1,497.13	\$ 7,485.63
Milano Rangel	\$ -	\$ 731.31	\$ 817.11	\$ 897.94	\$ 751.38	\$ 3,197.74
Modesto Cabrera	\$ -	\$ 565.24	\$ 552.79	\$ 677.48	\$ 634.16	\$ 2,429.67
Olga Luna	\$ -	\$ 480.45	\$ 656.32	\$ 516.63	\$ 656.33	\$ 2,309.73
Ramon Molina-	\$ 1,469.12	\$ 1,469.13	\$ 1,469.12	\$ 1,469.13	\$ 1,469.12	\$ 7,345.62
Ricardo Hernandez	\$ -	\$ 818.10	\$ 818.10	\$ 818.09	\$ 818.10	\$ 3,272.39
Tereso Ramirez	\$ -	\$ 521.78	\$ 592.27	\$ 1,043.63	\$ 705.05	\$ 2,862.73
Yucary Sanchez	\$ -	\$ 278.53	\$ 488.02	\$ 560.07	\$ 359.76	\$ 1,686.38
Virgil Aycox	\$ 2,400.00	\$ 2,500.00	\$ 2,500.00	\$ 2,400.00	\$ 2,500.00	\$ 12,300.00
Net Total Per Period	\$ 17,187.15	\$ 26,158.17	\$ 30,671.45	\$ 31,210.66	\$ 28,473.26	\$ 133,700.69
					941 Taxes	\$ 33,256.02
					Total Payroll	\$ 166,956.71

#### Future Payroll Details

Employee	Pay Period			Total
	9/30 - 10/6	10/7 - 10/13	10/14 - 10/20	
Aaron Vernon	\$ 864.61	\$ 1,006.68	\$ 1,785.43	\$ 3,656.72
Adelfo Hernandez	\$ 609.67	\$ 638.92	\$ 638.92	\$ 1,887.51
Ana K Diaz	\$ 454.65	\$ 407.73	\$ 500.16	\$ 1,362.54
Andrea Vernon	\$ 1,571.00	\$ 1,571.00	\$ 1,571.00	\$ 4,713.00
Antonio Gonzalez	\$ 800.01	\$ 800.00	\$ 800.00	\$ 2,400.01
Bibiana Aguilar	\$ 498.79	\$ 447.06	\$ 548.57	\$ 1,494.42
Brain Frazier	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 30,000.00
Brenda Liberato	\$ 178.69	\$ 136.05	\$ 459.22	\$ 773.96
Carmelo Ramirez	\$ 508.39	\$ 429.43	\$ 572.57	\$ 1,510.39
Charles J Mckone	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 6,198.75
Devon White	\$ 1,008.20	\$ 1,008.20	\$ 1,008.20	\$ 3,024.60
Doris Lopez	\$ 522.02	\$ 532.10	\$ 532.10	\$ 1,586.22

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Evelia Diaz	\$ 505.41	\$ 504.24	\$ 516.10	\$ 1,525.75
Ferdinand Perez	\$ 641.86	\$ 641.86	\$ 641.86	\$ 1,925.58
Fernando Luna	\$ 814.13	\$ 628.79	\$ 753.74	\$ 2,196.66
Fernando Rosales	\$ 277.58	\$ 485.25	\$ 558.98	\$ 1,321.81
Frances Jodie Nail	\$ 190.51	\$ 336.09	\$ 458.38	\$ 984.98
Francisco Leon	\$ 332.46	\$ 570.96	\$ 702.80	\$ 1,606.22
Isaac Gomez	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	\$ 4,650.00
Jacob Manahan	\$ 453.25	\$ 462.16	\$ 462.16	\$ 1,377.57
Jesus Martinez	\$ 277.73	\$ -	\$ 480.22	\$ 757.95
Jose Chavez Tamayo	\$ -	\$ -	\$ 480.22	\$ 480.22
Jose Flores	\$ 578.93	\$ 555.60	\$ 647.39	\$ 1,781.92
Jovencio Chavez	\$ 541.24	\$ 443.28	\$ 548.10	\$ 1,532.62
Karlita Aristide	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 4,350.00
Kendall Schober	\$ 654.80	\$ 654.80	\$ 654.80	\$ 1,964.40
Luis Alvarado	\$ 378.58	\$ 405.98	\$ 605.98	\$ 1,390.54
Manuel Gonzalez	\$ 1,497.12	\$ 1,497.12	\$ 1,497.12	\$ 4,491.36
Milano Rangel	\$ 474.94	\$ 382.02	\$ 704.80	\$ 1,561.76
Modesto Cabrera	\$ 491.82	\$ 379.80	\$ 556.57	\$ 1,428.19
Olga Luna	\$ 482.23	\$ 184.13	\$ 516.63	\$ 1,182.99
Ramon Molina-	\$ 1,469.13	\$ 1,469.12	\$ 1,469.13	\$ 4,407.38
Ricardo Hernandez	\$ 818.10	\$ 818.10	\$ 818.09	\$ 2,454.29
Tereso Ramirez	\$ 627.53	\$ 480.21	\$ 605.98	\$ 1,713.72
Yucary Sanchez	\$ 178.69	\$ 136.05	\$ 475.22	\$ 789.96
Virgil Aycox	\$ 2,500.00	\$ 2,400.00	\$ 2,500.00	\$ 7,400.00
<b>Net Total Per Period</b>	<b>\$ 36,268.32</b>	<b>\$ 35,478.98</b>	<b>\$ 40,136.69</b>	<b>\$ 111,883.99</b>
<b>941 Taxes</b>	<b>\$ 6,333.66</b>	<b>\$ 6,172.34</b>	<b>\$ 6,996.42</b>	<b>\$ 19,502.42</b>
<b>Total Payroll</b>	<b>\$ 42,601.98</b>	<b>\$ 41,651.32</b>	<b>\$ 47,133.11</b>	<b>\$ 131,386.41</b>

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**Materials Details**

<b>Materials</b>			
Brick	\$ 5,300.00	\$ 5,300.00	
Windows	\$ 3,400.00		
Stone	\$ 1,500.00	\$ 1,500.00	
Entry+Hardware	\$ 900.00		
Trim+Doors	\$ 3,400.00	\$ 3,400.00	
Front Door	\$ 700.00	\$ 700.00	
Back Door	\$ 300.00	\$ 300.00	
Granite	\$ 2,000.00		
Appliances	\$ 3,400.00	\$ 3,400.00	
Lights	\$ 2,400.00		
Insulation	\$ 1,500.00	\$ 1,500.00	
Tub	\$ 450.00	\$ 450.00	
Tile	\$ 1,600.00		
Rugby Cabinet Supply	\$ 4,500.00	\$ 4,500.00	
Dumpster	\$ 800.00	\$ 800.00	
Electrical	\$ 1,750.00	\$ 1,750.00	
R-13	\$ 800.00		
Plastic	\$ 300.00		
Paint and Stain	\$ 2,500.00		
Tape and Bed Materials	\$ 500.00		
Brick Sand	\$ 1,000.00	\$ 1,000.00	
Electrical Hookup	\$ 2,500.00		
Floor Stain	\$ 3,000.00	\$ 3,000.00	
Lowry Metal	\$ 2,500.00		
Plumbing	\$ 2,500.00	\$ 2,500.00	
Lumber supplies	\$ 45,000.00	\$ 45,000.00	
Concrete	\$ 10,000.00	\$ 10,000.00	
<b>Total</b>	<b>\$ 104,500.00</b>	<b>\$ 85,100.00</b>	<b>\$ 189,600.00</b>



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**Subs Details**

<b>Subs</b>			
Wells	\$ 6,000.00	\$ 6,000.00	
Septic	\$ 6,000.00	\$ 6,000.00	
HVAC	\$ 8,200.00		
IRS	\$ 20,000.00	\$ 20,000.00	
Family Glass	\$ 1,500.00	\$ 1,500.00	
Oscar Martinez - Granite	\$ 2,000.00		
Jose Sanchez - Roofer	\$ 1,600.00	\$ 1,600.00	
Stinnett Inspection	\$ 425.00	\$ 425.00	
JA Installations	\$ 2,800.00		
Orozco Drywall	\$ 500.00	\$ 500.00	
<b>Total</b>	<b>\$ 49,025.00</b>	<b>\$ 36,025.00</b>	<b>\$ 85,050.00</b>

**Miscellaneous Details**

<b>Miscellaneous</b>			
Gas/Diesel	\$ 1,500.00	\$ 1,500.00	
Tool replacements	\$ 500.00	\$ 500.00	
Tool repair	\$ 250.00	\$ 250.00	
<b>Total</b>	<b>\$ 2,250.00</b>	<b>\$ 2,250.00</b>	<b>\$ 4,500.00</b>

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<b>Fort Worth, TX 76137</b>	§	
	§	
<b>DEBTOR(S)</b>	§	

**NOTICE OF HEARING ON DEBTOR'S MOTION FOR AUTHORITY  
TO USE CASH COLLATERAL**

A Hearing has been scheduled in the above referenced case on Debtor's Motion for Authority to Use Cash Collateral to be held on on **Monday, October 15, 2018 at 11:00 a.m.** before Honorable Judge Mullin, at the U. S. Federal Courthouse, 501 West Tenth St, Room 128, Fort Worth, TX 76102.

Respectfully Submitted

**/s/ JOHN PARK DAVIS  
DAVIS LAW FIRM  
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FORT WORTH, TX 76121  
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**CERTIFICATE OF SERVICE**

A true and correct copy of the foregoing "Notice of Hearing on Debtor's Motion for Authority to Use Cash Collateral " has been served on the following interested parties listed below on this 12th day of October, 2018 via U.S. First Class mail and/or by Electronic Notification by the Court

**KNABE Investments Inc**  
8659 White Settlement Rd  
White Settlement, TX 76108  
Via Email to  
robin4156@aol.com

**Donna K. Webb**  
U.S. Attorney Office  
1100 Commerce Street Suite 300  
Dallas, TX 75242  
Via Email to  
donna.webb@usdoj.gov

**Internal Revenue Service**  
1100 Commerce St, Rm 9A20  
MS 5026 DAL  
Dallas, TX 75242  
Via Email to  
leo.v.carey@irs.gov

**U S Trustee**  
1100 Commerce St, Rm 9C60  
Dallas, TX 75242  
Via Email to  
ustpreion06.da.ecf@usdoj.gov  
Elizabeth A Young at Elizabeth.A.Young@usdoj.gov  
Erin Schmidt at Erin.Schmidt@usdoj.gov

**Laurie A. Spindler**  
Linebarger Goggan Blair & Sampson, LLP  
2777 N. Stemmons Frwy Ste 1000  
Dallas, TX 75207  
Via Email to  
Laurie.Spindler@lgbs.com  
Attorney for Parker County/Wise County/Tarrant Ccounty

**/s/ John Park Davis**  
**JOHN PARK DAVIS**