

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: :
 :
WCD, LLC : **Case No. 17-36817**
 : **Chapter 11**
DEBTOR :

**DEBTOR'S EMERGENCY MOTION FOR AUTHORITY TO USE
CASH COLLATERAL**

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing.

Represented parties should act through their attorney.

Emergency relief has been requested. If the Court considers the motion on an emergency basis, then you will have less than 21 days to answer. If you object to the requested relief or if you believe that the emergency consideration is not warranted, you should file an immediate response.

TO THE HONORABLE U. S. BANKRUPTCY JUDGE:

WCD, LLC ("Debtor" or "Movant") files this Emergency Motion for Authority to Use Cash Collateral and in support states the following:

1. Movant is the debtor and debtor-in-possession herein.

2. Pendleton Capital Group, Inc. (“Pendleton”) asserts a security interest in all of Debtor's accounts, inventory, and general intangibles as well as liens over certain contract rights to secure indebtedness of Debtor to Pendleton.

3. Debtor, to be able to propose a plan of reorganization, needs to continue its business herein.

4. Debtor has no alternative borrowing source and to remain in business must be permitted to sell its goods and services for cash and to use the cash proceeds of goods, services and accounts to pay its employees, purchase new inventory, pay lease, telephones and utilities expenses, and pay insurance premiums. Attached hereto and marked as Exhibit “A” is a projected budget for the Debtor from the date of petition to confirmation of its Plan.

5. This motion is a motion under Bankruptcy Rule 4001(b)(2). Pending a final hearing on the relief requested by this motion, the Debtor needs the use of \$61,000.00 per month, until confirmation of its Plan, of cash collateral to avoid immediate and irreparable harm to the estate in that, absent such use, the Debtor would be required to cease operations.

6. As of the Petition Date, the amount due under the Note is \$92,561.00 together with and all other obligations and liabilities of the Debtor under the Note and related loan documents and all other amounts permitted by applicable Bankruptcy and non-bankruptcy law (“the Pendleton Pre-Petition Indebtedness”). The fair market value of the Collateral is not less than \$130,000.00.

7. As adequate protection to Pendleton for the use of its Cash Collateral, the Debtor proposes to grant Pendleton valid and automatically perfected security interests and replacement liens on the Collateral to the same extent as such interests existed pre-petition and such liens shall attach to any post-petition collateral to the same extent as existed pre-petition, further

provided that such continuing liens shall be perfected and enforceable as the interests that existed pre-petition without the necessity of further action by Pendleton.

8. At the final hearing on this motion the Debtor requests authority to use cash collateral to continue its business operations. The adequate protection offered for the use of cash collateral will also adequately protect the interest of Pendleton in the cash collateral used because of the final hearing.

GROUND FOR EMERGENCY RELIEF

9. Debtor has been in continuous discussions with Pendleton seeking to obtain an agreement as to the amount of the monthly budget for the use of cash collateral. No agreement has been reached as of the date of this motion. Payroll was due on December 29, 2017. Debtor utilizes the services of Integrated Payroll Services to provide regular payments to employees and contractors. Payments were released by Integrated Payroll Services company on December 29, 2017, **prior** to obtaining Debtor's final instructions. Debtor seeks authority to pay Integrated Payroll Services \$22,270.91 on an expedited basis. Attached as Exhibit "B" is the record of payroll disbursements on December 29, 2017.

WHEREFORE, Debtor prays that this court make and enter its order authorizing use of cash collateral, and for such other and further relief as is just.

Respectfully Submitted,

/s/ Larry A. Vick

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ATTORNEY FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing has been served upon the debtors and all creditors and parties in interest as shown below and all parties on the Court's ecf system by U.S. Mail and/or via the ecf, on this 2nd day of January, 2018.

/s/ Larry A. Vick
LARRY A. VICK

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