

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

IN RE:

JETT RACING & SALES, INC.,

Debtor.

CASE NO. 17-50201
(Chapter 11)

JETT RACING & SALES, INC.,

Movant,

INTERNAL REVENUE SERVICE,

and

FALCON NATIONAL BANK,

Respondents.

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MOTION BY JETT RACING & SALES, INC., DEBTOR-IN-POSSESSION,
FOR AUTHORITY TO USE CASH COLLATERAL;
AND FOR AUTHORITY TO GRANT REPLACEMENT LIEN

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 FOURTEEN (14) 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.

TO THE HONORABLE U.S. BANKRUPTCY COURT JUDGE:

COMES NOW Jett Racing & Sales, Inc., Debtor herein, and files its Motion for Authority to Use Cash Collateral in Accordance with 11 U.S.C. § 363 and in support thereof would state as follows:

FACTUAL AND PROCEDURAL BACKGROUND

1. On September 30, 2017 Debtor filed with this Court a petition for relief under Chapter 11, Title 11. Since that date Debtor continues to maintain possession of its properties and operate as a retail store as Debtor-In-Possession pursuant to sections 1107 and 1108 of the Code.
2. Prior to the commencement of this case, the Internal Revenue Service filed liens to secure their claims regarding the Debtor.
3. Debtor's primary source of income is the operation of its business and the accounts receivable those activities generate. At the present time, it is imperative that the Debtor obtains authority from this Court, in accordance with 11 U.S.C. § 363(c)(2)(B), to use some of the cash collateral he receives in order to pay basic necessities such as the following:
 - a. Operations
 - b. Salaries
 - c. Maintenance
 - d. Insurance
 - e. Taxes
 - f. Management Fees
 - g. Escrow for future operating and maintenance expenses
 - h. Professional fees as might be approved by the court.

RELIEF REQUESTED

4. In accordance with section 363(c)(2)(B) of the Code, the Debtor requests that this Court authorize and approve the Debtor's use of cash collateral for the payment of his personal and operating expenses as set forth in the budget provided as an exhibit attached hereto (the

“Budget”). In order to remain in possession of its properties and continue its business activities in an effort to achieve successful reorganization, the Debtor must be permitted to use cash collateral to pay the items provided for in the budget. The Debtor currently has no present alternative borrowing source from which the Debtor could secure additional funding to operate the business.

5. Debtor believes the expenses listed on the Budget are reasonable and necessary business expenses which must be paid in order to continue the Debtor’s business.
6. In an effort to adequately protect the interests of the Bank and others in the Pre petition Collateral for the Debtor’s use of cash collateral as requested in this Motion, the Debtor is offering to provide the Bank with a replacement lien pursuant to and in accordance with 11 U.S.C. § 361(2), on Debtor’s accounts receivable generated post petition (the “Post petition Collateral”) through the use of the collateral of the Bank.
7. In the event this Court does not authorize the Debtor’s use of cash collateral, the Debtor believes it will be unable to maintain its current business operations and propose a plan of reorganization as contemplated by the Bankruptcy Code. Without the use of cash collateral, the Debtor will be seriously and irreparably harmed, resulting in substantial losses to the Debtor’s estate and its respective creditors.

REQUEST FOR ENTRY OF ORDER

8. There has been no final agreement between counsel. Over the next 90 days Debtor anticipates that it will need to spend the money described in the Operating Budget attached hereto to pay for its the purposes stated therein. If Debtor is not permitted to use said funds, the result will be irreparable injury to Debtor and its chance for an effective reorganization.

WHEREFORE, Jett Racing & Sales, Inc., Debtor herein, request that this Court enter an Order pursuant to 11 U.S.C. § 363(c)(2)(B) authorizing the Debtor to use cash collateral for his general ongoing business expenses as described in this Motion and the Operating Budget attached hereto as an Exhibit, and to grant Debtor such other and further relief as may be proper and just.

/s/ Jesse Blanco

Jesse Blanco
Attorney for Debtor
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San Antonio, Texas 78268
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CERTIFICATE OF SERVICE

I hereby certify that on the ____ October, 2017 a true and correct copy of the foregoing was delivered to all parties in interest either via ECF to those subscribing to said service or by United States first class mail, postage prepaid.

/s/ Jesse Blanco

Falcon National Bank
5219 McPherson
Laredo, TX 78041

IRS
300 E 8th Street
M/S 5022 AUS
Austin, TX 78701

Prestige Autotech Corp.
14035 Pipeline Ave.
Chino, CA 91719

Laredo International Airport
5210 Bob Bullock Loop
Laredo, TX 78041

Propel Financial Services, LLC
7990 IH 10 W. Ste. 200
San Antonio, TX 78230

Webb County Tax Assessor-Collector
Patricia Barrera, RTA
P.O. Box 420128
Laredo, TX 78042

Laredo ISD
904 Juarez Ave.
Laredo, TX 78040

The Tire Rack Wholesale
7101 Vorden Parkway
South Bend, IN 46628-8422

Shell Fleet
P.O. Box 68910
Des Moines, IA 50368-9010

Laredo Country Club
1415 Country Club Dr.
Laredo, TX 78045

International Bank of Commerce
1200 San Bernardo Ave.
Laredo, TX 78040

Cosmopolitan
145 51st St.
Caller #329082
Brooklyn, NY 11232

City of Laredo
c/o Tax Collections
1102 Bob Bullock Loop
Laredo, TX 78045

Internal Revenue Service
1100 Matamoros St., 2nd Floor
Laredo, TX 78041

Just Energy
P.O. Box 650518
Dallas, TX 75265

Synchrony Bank VIA ECF
c/o PRA Receivables Management, LLC
PO Box 41021
Norfolk, VA 23541

FedEx
P.O. Box 660481
Dallas, TX 74266-0481

Intercam Casa de Bolsa
c/o Hall, Quintanilla Alarcon
1302 Washington
Laredo, TX 78042

Valero
DSRM National Bank
P.O. Box 300
Amarillo, TX 79105-0300

Sam's Club Credit
P.O. Box 530981
Atlanta, GA 30353

Eurosport Rims, LLC
1917 N.W. 79th Ave.
Miami, FL 33126

Gonzalez Auto Parts
4220 San Bernardo
Laredo, TX 78041