

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

IN RE:	§	CASE NO: 17-70485-M-11
TEXDOM INVESTMENTS, LLC	§	
DEBTOR	§	CHAPTER 11 CASE

**EXPEDITED MOTION PURSUANT TO 11 U.S.C. §364(c) FOR
AUTHORITY TO ENTER INTO INSURANCE PREMIUM FINANCE AGREEMENT
WITH IPFS CORPORATION**

EXPEDITED RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EXPEDITED BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EXPEDITED CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

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 MOTIONS 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.

AN EXPEDITED HEARING IS BEING REQUESTED ON THIS MATTER FOR MONDAY, MARCH 5TH, 2018 AT 3:00 P.M., MCALLEN DIVISION, UNITED STATES COURTHOUSE, 1701 W. BUSINESS HWY. 83, 10TH FLOOR COURTROOM, MCALLEN, TEXAS 78501.

**TO THE HONORABLE EDUARDO V. RODRIGUEZ, UNITED STATES
BANKRUPTCY JUDGE:**

TEXDOM INVESTMENTS, LLC (the “Debtor”) hereby moves, pursuant to 11 U.S.C. §364(c) and Fed.R. Bankr. P. 4001(c), for authority (a) to enter into an “insurance Premium Finance Agreement” (the “Agreement”) with IPFS Corporation (“IPFS”) and (b) to grant IPFS a lien and security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. In support of its Motion, the Debtor states as follows:

1. The Debtor commenced this case by the filing of a voluntary petition under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§101 et seq., on December 14, 2017. The Debtor continues to operate its business and manage its property as a debtor-in-possession pursuant to 11 U.S.C. §§1107 and 1108.

2. In the ordinary course of its business, the Debtor must maintain an insurance policy. The Debtor is, however, unable to pay the full premium of \$17,994.76 in one lump sum in the ordinary course of business and has been unable, after reasonable efforts, to obtain unsecured credit for such payment pursuant to 11 U.S.C. §364(b).

3. The Debtor has used the proposed insurance premium financing company in its business in the past, and has determined that IPFS offers the most advantageous terms for such financing. A copy of the Debtor’s proposed Agreement (“Agreement”) with IPFS is attached hereto as **Exhibit “A”**.

4. The insurance policy identified in the Agreement is crucial to the operation of the Debtor's business and is required by the Debtor's secured lender to protect its collateral. Thus, the relief sought herein is in the best interest of the estate and its creditors.

5. The Agreement would require the Debtor to make a down payment to IPFS in the amount of \$4,808.00, and to make monthly payments in the amount of \$1,368.74 each over a term of 10 months. The annual percentage rate is 8.200% and "Amount Financed" under the Agreement is \$13,186.76.

6. The Agreement grants IPFS a lien and security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. The Debtor requests, and the proposed order submitted herewith (the "Order") grants IPFS's lien and security interest in such premiums and dividends.

7. The Agreement also grants to IPFS a first priority security interest in any loss payments under the policy which reduce the unearned premiums.

8. The Debtor requests, and the Order provides, that IPFS's liens and security interests shall be deemed duly perfected without further action by IPFS.

9. In the event of a default by the Debtor in making the monthly payments under the Agreement, but subject to a 10-day notice and cure period, the Agreement allows IPFS to cancel the insurance policies identified in the Agreement and apply to the Debtor's account the unearned or return premiums and dividends and, subject to the rights of mortgagees or other loss payees,

any loss payments which reduce the unearned premiums. The Debtor requests that IPFS may exercise its rights under the Agreement in the event of such default without moving for relief from the automatic stay of 11 U.S.C. §362 and without further order of this Court.

10. Exhibit “B” attached hereto sets forth the premium finance down payment required (\$4,808.00) and the specific line items from the current and prior cash collateral budgets (Doc. #18 and Doc.#39) that provide the necessary budget unused line items and current line items to be reduced to accommodate the premium down payment amount of \$4,808.00.

11. Exhibit “B” is provided to comply with Court Procedures, Eduardo V. Rodriguez, United States Bankruptcy Judge, “8. Obtaining Credit in Chapter 11 Cases, which requires compliance with Judge Rodriguez’s Court Procedures in Section X, Number 7. Section X, No. 7 (a) requires a summary of projected revenue and line item expense budget during the proposed cash collateral period. The Debtor projects revenue during the current cash collateral period of at least \$4,808.00, i.e. sufficient revenues to pay the premium finance down payment. Exhibit “B” sets out the expense budget line items used to pay the premium down payment.

12. Debtor respectfully requests expedited relief as its current insurance policy will expire on March 9, 2018. The consequences to the estate of not obtaining expedited relief is cancellation of necessary insurance on the apartment assets of the Debtor.

13. On March 2, 2018, the Debtor served copies of this Motion, the proposed Order and the Agreement, together with notice of the hearing thereon, on the Office of the United States Trustee, all parties who have filed appearances and requests for notice in this Chapter 11 case, and all mortgagees and loss payees under the policies identified in the Agreement, all pursuant to Fed.R.Bankr.P. 4001(c).

14. Debtor avers IPFS is extending financing under the Agreement in good faith within the meaning of 11 U.S.C. §364(e).

WHEREFORE, the Debtor prays that the Court enter the Order, and grant such other and further relief as may appear just.

Dated this 2nd day of March, 2018.

Respectfully Submitted,
Law Office of Kurt Stephen, PLLC

By: /S/KURT STEPHEN

Kurt Stephen
Attorney for Debtor
State Bar No: 19147500
100 South Bicentennial
McAllen, Texas 78501
(956) 631-3381- Telephone
(956) 687-5542- Facsimile

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of March, 2018 a true and correct copy of the foregoing was transmitted electronically pursuant to Bankruptcy Local Rule 5005 and the Administrative Procedures for Electronic Filing and or, to those not served electronically, mailed by First Class, United States Mail, postage pre-paid, to all parties as shown on the attached Service List. (Although the Service List is filed with the Court it is omitted from the mailout. You may obtain a copy of the Service List by request from my office).

/S/KURT STEPHEN
Kurt Stephen

CERTIFICATE FOR ACCURACY
PURSUANT TO LOCAL RULE 9013-1 (i)

The undersigned has knowledge of the matters pleaded on information and belief and makes this certification of the facts stated in the Expedited Motion for Authority to Enter Into Insurance Premium Finance Agreement.

/S/KURT STEPHEN
Kurt Stephen