

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

IN RE:

SOUTH CENTRAL HOUSTON
ACTION COUNCIL, INC.

DEBTOR

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Case No. 19-30371

Chapter 11

**DEBTOR’S EXPEDITED MOTION PURSUANT TO 11 U.S.C. §§ 105, 361 AND 363
AND FEDERAL BANKRUPTCY RULES 2002, 4001 AND 9004 FOR ORDERS (I)
AUTHORIZING INTERIM AND FINAL USE OF CASH
COLLATERAL AND (II) SCHEDULING FINAL HEARING IF NEEDED**

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.

TO THE HONORABLE JEFFREY P. NORMAN , U.S. BANKRUPTCY JUDGE:

South Central Houston Action Council, Inc. debtor and debtor-in-possession in the above-captioned case (“Debtor”) hereby submits this Expedited Motion Pursuant to 11 U.S.C. §§ 105(a), 361 and 363 and FED. R. BANKR. P. 2002, 4001 and 9014 for Orders (i) Authorizing Interim and Final Use of Cash Collateral and (ii) Scheduling a Final Hearing If Needed (“Motion”). In support of the Motion, the Debtor respectfully represents as follows:

I.
JURISDICTION

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II.
BACKGROUND

2. On January 28, 2019 (“Petition Date”), Debtor filed its voluntary petition for relief under chapter 11 of title 11, United States Code (“Bankruptcy Code”), in the United States Bankruptcy Court for Southern District of Texas, Houston Division (“Bankruptcy Court”).

3. Since the Petition Date, the Debtor has been operating its business and managing its property pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. The Debtor was formed in Texas in March 31, 1994 and owns Healthcare Clinics in Houston, Texas, which operates under the name of CENTRAL CARE INTEGRATED HEALTH SERVICES (the “Facilities”). Historically, the Facilities have been recognized as preeminent medical care facilities in the area, generating the majority of its business through word of mouth referrals from patients and their families, doctors, and others within the Houston community.

5. Capital One, N.A. is a secured creditor of Debtor’s estate, holding perfected security interests and liens in, among other things, the Debtor’s real estate located at 8610 and 8612 Martin Luther King, Jr. Blvd., Houston Texas 77033 and all of the rents and proceeds of same (collectively, the “Collateral”). The Collateral secures all indebtedness owed by Debtor to Capital One, which indebtedness was not less than \$1,239,000.00 as of January 28, 2019, the date of the filing of the voluntary chapter 11 petition.

6. All proceeds of the Collateral, and all cash from the product, offspring, rents or profits from such Collateral, constitute cash collateral as defined in 11 U.S.C. §363 (the “Cash Collateral”). Debtor is currently unable to secure sufficient unencumbered funds for purposes of paying all of its current operating expenses other than from Cash Collateral. Capital One will not be adequately protected, as defined in 11 U.S.C. § 361 and § 363, without conditioning the Debtor’s use of the Cash Collateral on the observance of the provisions of the accompanying proposed Agreed Cash Collateral Order.

III.
RELIEF REQUESTED

7. The Debtor requests (a) interim and final authority to use the cash collateral of Capital One in accordance with the terms and conditions set forth herein, the attached proposed budgets and the proposed Agreed Cash Collateral Order, and (b) the grant of adequate protection to Capital One pursuant to sections 361 and 363 of the Bankruptcy Code.

8. In addition to the liens and security interests granted to Capital One on all assets of the Debtor and its estate, and in the event the value of the post-petition replacement collateral proves insufficient to enable Capital One to collect the aggregate amount of the Cash Collateral used by Debtor pursuant to the Cash Collateral Orders, or in the event the value of Capital One’s pre-petition collateral diminishes during this proceeding, Capital One shall be entitled to the benefits of 11 U.S.C. §507(b).

VI.
INTERIM HEARING (AND FINAL HEARING IF NEEDED)

9. An immediate need exists for the Debtor to use cash collateral in order to pay ongoing expenses in the ordinary course of business.

10. Pursuant to Bankruptcy Rule 4001, the Debtor requests that this Court authorize the use of cash collateral in order to avoid immediate and irreparable harm to the bankruptcy

estate. The Debtor further requests immediate entry of the Agreed Cash Collateral pursuant to Bankruptcy Rule 4001(b)(2) and BLR 4001.

11. The Agreed Cash Collateral Order provides that if there is no objection to the Agreed Cash Collateral Order by 15 days after it is entered, then it shall become a final order. The Debtor also requests that this Court schedule a final hearing as soon as this Court's schedule permits, following 15 days after service of this Motion - - such hearing to be held in the event there is an objection filed to the Agreed Cash Collateral Order within such 15-day period.

V.
PRAYER

WHEREFORE, Debtor respectfully requests that this Court (i) enter the Agreed Cash Collateral Order; (ii) set a final cash collateral hearing as soon as this Court's schedule permits, following 15 days after service of this Motion; and (iii) grant the Debtor such other and further relief as this Court may deem just and proper.

Respectfully submitted on the 8th day of March, 2019.

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PROPOSED ATTORNEYS FOR DEBTOR

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Debtor's Expedited Motion for use of Cash Collateral was served on all creditors, equity security holders, United States Trustee and other parties in interest on this 8th day of March 2019 by ECF/U.S. Mail, postage prepaid.

\s\Nelson M. Jones III

Nelson M. Jones III

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Cafe Express
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Centerpoint Energy
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E Solutions
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Harris County Professional
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Houston, TX 77269

City of Houston
P.O. Box 1560
Houston, TX 77253

Easy Lawn Care Houston
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Houston, TX 77036

Heat Transfer Solutions
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Houston, TX 77067

Orkin 11473679
3901 Braxton Drive
Houston, TX 77063

Sanofi Pasteur Inc.
12458 Collections Center Drive
Chicago, IL 60693

Laboratory Corp of America
P.O Box 12140
Burlington, NC 27216

Pitney Bowes Global Leasing Fin
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Pittsburgh, PA 15250

South Post Oak Baptist Church,
dba Fountain of Praise
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Houston, Texas 77035

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Dallas, TX 75320

Preventative Pest Control
10050 W. Gulf Bank Rd.
Houston, TX 77040

Sports Medicine Strategic Solut
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Lazo Remodeling and Constructio
12510 Huntington Field
Houston, TX 77099

Preventative Pest Control
12009 Almeda Genoa
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Logix Communications
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Protection 1 Alarm Monitoring
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Stericycle Communicaiton Soluti
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Stern Empire
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Ready Refresh
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Louisville, KY 40285

TCO Intergrated Solutions
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Houston, TX 77269

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Broussard, LA 70518

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Houston, TX 77024

Network Imaging
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Westminister, CA 92683

Regroup Therapy INC.
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Chicago, IL 60640

Texas Medical Waste Disposal
3819 Kimberly
Pearland, TX 77581

Texas Power Plumbing INC.
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Porter, TX 77365

Waste Connections of Texas
2010 Wilson Rd.
Humble, TX 77396

The Fountain of Praise
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Houston, TX 77035

Worldwide Power Products
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Universal Hospital Services
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