

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Alexandria Division)

|                                      |   |                       |
|--------------------------------------|---|-----------------------|
| IN RE:                               | § |                       |
|                                      | § |                       |
| VHI, INC. ENTERPRISES, <i>et al.</i> | § | CASE NO. 17-13641-KHK |
|                                      | § | (Chapter 11)          |
| Debtor.                              | § | Jointly Administered  |
| _____                                | § |                       |

**SECURED CREDITOR COMMERCIAL CREDIT GROUP INC.’S MOTION AND  
MEMORANDUM OF LAW TO PROHIBIT DEBTOR VH VENTURE LLC’S USE OF  
CASH COLLATERAL AND TO HAVE DEBTOR PROVIDE ADEQUATE  
PROTECTION AND ACCOUNTING**

**Under Local Bankruptcy Rule 9013-1, unless a written response to this motion and memorandum are filed with the Clerk of Court and served on the moving party within five (5) business days before the scheduled hearing date, the Court may deem any opposition waived, treat the motion as conceded, and issue an order granting the requested relief without further notice or hearing.**

COMES NOW Commercial Credit Group Inc. (“CCG”), by counsel, and for its Motion to prohibit Debtor, VH Venture LLC, from using its cash collateral and for further relief states as follows:

1. That on October 27, 2017 (the “Petition Date”), Debtor VH Venture LLC (“Debtor”) filed a petition for relief under Chapter 11 of the Bankruptcy Code.
2. That CCG is a secured creditor of Debtor and is a party-in-interest in these proceedings.

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3. As of the Petition Date, Debtor was indebted to CCG in the aggregate, gross amount of \$1,799,634.90 plus interest, attorney's fees and costs. The indebtedness of Debtor to CCG is evidenced by the following:

- Two Negotiable Promissory Notes, each in the principal amount of \$1,154,160.00 (together, the "Notes") (Exhibits 1 and 2);
- Two Security Agreements (together, the "Security Agreements") (Exhibits 3 and 4), wherein Debtor granted CCG an enforceable security interest in all that certain equipment identified in Schedule "A" to the respective Security Agreements, including all attachments and accessories, as well as a blanket security interest in the assets of Debtor (the "Blanket Collateral").

The above referenced Security Agreements and the Notes are collectively referred to herein as the "Loan Documents."

4. The security interest in favor of CCG has attached, was duly perfected by CCG taking steps to have its liens placed on the certificates of title to the Vehicles and through the recordation of the Financing Statements collectively attached hereto as Exhibits 5 and 6, and is a first priority lien in, to and against the Blanket Collateral and the Vehicles.

5. All presently existing cash and cash equivalents in the bankruptcy estate, and all hereafter arising cash and cash proceeds of CCG's collateral, and all presently existing and hereafter acquired revenues therefrom constitute cash collateral within the meaning of Section 363 of the Bankruptcy Code ("Cash Collateral") of which CCG has a perfected, first priority lien.

6. As of the Petition Date, Debtor was (i) in default of its obligations and indebtedness to CCG under the Loan Documents for failing to, *inter alia*, make required payments. Such arrearage shall continue to accrue.

7. Pursuant to the terms of the Loan Documents, the Debtor's obligations are cross-secured, cross-defaulted and cross-collateralized by the Blanket Collateral and the Vehicles.

8. CCG has expressly objected to any use of Cash Collateral by Debtor absent an agreement or Court Order.

9. Upon information and belief, despite the express objection of CCG, the Debtor is using Cash Collateral in Debtor's daily operations.

10. While the parties have attempted to negotiate the terms of an Interim Cash Collateral Order, they have yet been unable to reach an agreement.

11. Debtor is prohibited from using CCG's Cash Collateral absent an agreement or Court Order. *11 U.S.C. §363, Sun Trust Bank. v.. Matson (In re CHN Constr. LLC), 531 B.R. 126 (E.D. Va. 2015).*

12. CCG has requested that Debtor account for its use of Cash Collateral, but Debtor has failed and refused to do so.

13. CCG does not consent to Debtor's use of Cash Collateral and the Debtor has not obtained Court authorization to use Cash Collateral as required by 11 U.S.C. § 363(c)(2). Nor is CCG aware of whether Debtor is segregating or accounting for CCG's Cash Collateral as required by 11 U.S.C. § 363(c)(4).

14. Debtor has not offered CCG adequate protection for the Debtor's use of CCG's Cash Collateral.

15. Upon information and belief, the Vehicles are now totally uninsured, in breach of Debtor's obligations to CCG as noted on attached Exhibit 6. Such breach places CCG's collateral security at great risk while Debtor continues to use the same.

16. As a result of the Debtor's use of CCG's Cash Collateral, CCG's interests are being immediately and irreparably harmed.

17. CCG reserves the right to seek an expedited hearing.

WHEREFORE, CCG prays for the following relief:

1. An order prohibiting Debtor's use of CCG's Cash Collateral and requiring the Debtor to immediately segregate and account for all of CCG's Cash Collateral.

2. An order granting CCG a perfected first priority and senior lien in all presently existing and hereinafter arising post-petition property of the Debtor's bankruptcy estate to replace CCG's Cash Collateral which the Debtor has used.

3. An order granting CCG adequate protection of its interest for the Debtor's use of CCG's Cash Collateral.

4. An order requiring CCG to properly insure the Collateral and Vehicles in accordance with Loan Documents.

5. Such further relief as the court may deem appropriate including costs and reasonable attorney's fees.

COMMERCIAL CREDIT GROUP INC.  
By Counsel

WALTON & ADAMS, P.C.

By: /s/Michael J. Holleran  
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**CERTIFICATE OF SERVICE**

I hereby certify that on November 8th, 2017 a true and correct copy of the foregoing Motion was mailed or electronically served to all parties on the Court's CM/ECF system and via first class mail, postage prepaid, to VH Venture LLC 1104 Industrial Road Manassas, Virginia 20109, VHI, Inc. Enterprises, 1104 Industrial Road Manassas, Virginia 20109, Donald F. King, Esquire Counsel for Debtors, Odin, Feldman & Pittleman P,C, 1775 Wiehle Avenue Suite 400, Reston, Virginia 20190, Jack Frankel Esquire, Office of the U. S. Trustee, at 115 S. Union Street, Suite 210, Alexandria, Virginia 22314 and to the creditors listed on the mailing matrix in this case.

/s/ Michael J. Holleran  
Michael J. Holleran