

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION

IN RE:

DYNAMIC CONSTRUCTION SERVICES, INC.,

Debtor(s).

Chapter 11
Case No. 17-50566

**MOTION FOR ENTRY OF AN INTERIM ORDER AUTHORIZING THE DEBTOR'S
USE OF CASH COLLATERAL AND TO INCUR DEBT**

The above-captioned debtor and debtor-in-possession (the "Debtor"), by counsel, hereby moves this Court for entry of an interim order authorizing the Debtor to use cash collateral and authorizing the Debtor to incur debt (the "Motion"). In support of this Motion, the Debtor respectfully states as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are §§ and 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

Background and Relief Requested

3. On the date of this Motion (the "Petition Date"), the Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

4. The Debtor has continued in possession of its property and continues to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. No request has been made for the appointment of a trustee or an examiner in this case, and no official committee has been appointed by the Office of the United States Trustee.

6. The Debtor is a full service utility and wireless communications contractor serving the mid-Atlantic region for the last 10 years.

7. The Debtor's primary operating account is held at Bank of the James ("BOTJ"), although the Debtor is in the process of establishing a debtor-in-possession depository account. Additionally, BOTJ is a creditor of the Debtor holding a blanket lien on substantially all of the Debtor's assets.

8. Among the assets that are collateral for the debt owed to BOTJ is the Debtor's accounts receivable.

9. Prior to the bankruptcy filing, the Debtor deposited all of its liquidated accounts receivable into its account at BOTJ.

10. BOTJ has agreed to provide the Debtor with a secured credit line in the amount of \$250,000.00 (the "Credit Line") pursuant to the documents attached to **Exhibit 1** of this Motion.

11. The Credit Line will be secured by the same collateral of the Debtor as in BOTJ's current security documents with the Debtor, creating a lien on substantially all of the Debtor's assets, including accounts receivable. It will also be guaranteed by the Debtor's principals, Charles Spangler, Jr. and Allan Hadfield, both of whom are guarantors of the pre-petition debt. It will be further secured by certain real estate owned by Charles Spangler, Jr. and/or Allan Hadfield, or by a corporation they own, as further described in the attached loan documents.

12. The Credit Line will be used to make capital available to the Debtor in furtherance of its operations, including paying payroll, payroll taxes, long term debt obligations, and operating expenses.

13. The Debtor will then use its anticipated debtor-in-possession account for the deposit of its accounts receivable and BOTJ has authorized the Debtor to use those accounts receivable in the operation of its business.

14. The Debtor proposes to provide BOTJ with a replacement lien on the Debtor's post-petition accounts receivable. The replacement lien will be deemed perfected and enforceable without the requirement that BOTJ or the Debtor file any perfection documents.

15. The Debtor has prepared a cash flow projection, reflecting its anticipated revenue and expenses, which is attached as **Exhibit 2**.

WHEREFORE, the Debtor respectfully requests entry of an Order granting the relief requested in this Motion authorizing the Debtor's use of cash collateral pursuant to the attached cash flow budget, and authorizing the Debtor to incur post-petition debt pursuant to the attached loan documents and such other and further relief as the Court deems necessary and prudent.

Date: June 2, 2017

Respectfully submitted,

DYNAMIC CONSTRUCTION SERVICES, INC.

By: /s/ Andrew S. Goldstein
MAGEE GOLDSTEIN LASKY & SAYERS, P.C.
Andrew S. Goldstein, Esq. (VSB #28421)
Post Office Box 404
Roanoke, Virginia 24003-0404
Telephone: (540) 343-9800
Facsimile: (540) 343-9898
Electronic Mail: agoldstein@mglspc.com
[Proposed] Counsel for the Debtor

MAGEE GOLDSTEIN
LASKY & SAYERS, P.C.

ATTORNEYS

P.O. Box 404
Roanoke, Virginia 24003-0404
540.343.9800

ATTORNEYS AND COUNSELORS AT LAW