

1 THE HONORABLE MARC L. BARRECA
2 Hearing Date: May 4, 2017
3 Hearing Time: 9:30 am
4 Hearing Location: Seattle
5 Response Date: April 27, 2017
6 Chapter 11

7
8 THE UNITED STATES BANKRUPTCY COURT FOR THE
9 WESTERN DISTRICT OF WASHINGTON AT SEATTLE

10 In re

11 TUBRO CONSTRUCTION, INC.,

12 Debtor-in-Possession.

Case No. 17-10390

MOTION FOR ENTRY OF FINAL
ORDER ON CASH COLLATERAL

13
14 COMES NOW Tubro Construction, Inc., the Debtor-in-Possession herein (“Tubro”), by
15 and through its attorneys of record, Wells and Jarvis, P.S., and pursuant to 11 U.S.C. § 363(b)
16 and (c) and Fed. R. Bankr. Pro. 4001(b), requests a final order approving the use of cash collateral
17 of secured lender Wells Fargo Bank, N.A. (“Wells Fargo”).

18 **I. Background**

19 The Debtor filed this case on January 30, 2017. On January 31, 2017, it filed an
20 emergency motion to seek interim authority to use cash collateral to continue operations. A
21 hearing was held February 2, 2017 on that motion, and the court entered an interim order
22 authorizing such use. See docket number 24. Subsequently, a second and third interim order
23 authorizing use of cash collateral were entered. See docket numbers 38 and 52. By the terms of
24 the third interim order, Debtor’s authorization to use cash collateral expires after May 4, 2017,
25 unless renewed by that time through a further court order.
26

27 MOTION FOR USE OF CASH COLLATERAL - 1

WELLS AND JARVIS, P.S.
502 Logan Building
500 Union Street
Seattle, WA 98101-2332
206-624-0088 Fax 206-624-0086

1 As detailed in its original motion for use of cash collateral and the disclosure statement,
2 the Debtor has operated since 2010 a construction and handyman business. It filed the present
3 Chapter 11 with the intention of reorganizing its debts. Debtor has filed a small business plan
4 and obtained conditional court approval of a disclosure statement. The hearing on plan
5 confirmation and final approval of the disclosure statement is set for hearing for the same date as
6 the present motion. If the plan is confirmed at that time, then this order presumably will be
7 unnecessary, but Debtor has noted its request to use cash collateral for a final hearing in case the
8 plan confirmation hearing is continued to a later date. Until the plan is confirmed, Debtor needs
9 to continue operating its business and paying normal expenses. Continuation of operations is
10 essential to preserving the value of the business for the estate.
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12 **II. Cash Collateral**

13 As set forth in the original motion and Debtor's disclosure statement and plan, Wells
14 Fargo holds a senior security interest in the funds in the Debtor's bank account (totaling
15 approximately \$50,000 at the time of filing) and accounts receivable (totaling approximately
16 \$96,000 as of the petition date). No other creditor holds security in cash collateral.
17

18 The Debtor needs to use its funds on hand and its accounts receivable in order to continue
19 operating and propose a reorganization plan. As set forth in the original motion and declaration
20 of Richard Tietjen, at this time Debtor has no alternative source of funds.
21

22 Debtor proposes to make monthly payments to Wells Fargo, and grant replacement liens
23 on new receivables, to ensure it is adequately protected. As set forth in the plan, Wells Fargo has
24 filed claims asserting approximately \$308,000 was owed on the date of filing on its line of credit,
25 and approximately \$44,000 on its credit card. The contract interest rate is 4.5%. Debtor proposes,
26

1 for the attached proposed final cash collateral order, to pay \$1,555 per month to Wells Fargo
2 until a plan is confirmed. This payment is based on a ten-year amortization of the secured portion
3 of Wells Fargo's claim (i.e. the approximately \$150,000 in funds on hand and accounts receivable
4 which serve as collateral) at the contract rate of interest.
5

6 **III. Conclusion**

7 Wherefore, Debtor respectfully requests entry of the attached proposed final order
8 authorizing use of cash collateral up through such time as a reorganization plan is confirmed.

9 Dated this 5th day of April, 2017.

10 /s/ Emily Jarvis
11 By: Emily Jarvis, WSBA #41841
12 Wells and Jarvis, P.S.
13 Attorneys for Debtor
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Budget

Bill	Description	Monthly Amount
Acton Mobile	Office Rent for Job Shack	\$ (400.00)
Honey Bucket	Office	\$ (300.00)
COMCAST	Office Internet	\$ (300.00)
PUGET SOUND ENERGY	Office Power	\$ (700.00)
VERIZON WIRELESS 01 (30 GIG PLAN)	PHONE BILLS	\$ (700.00)
GOOD TO GO	TOLL FEES	\$ (150.00)
PETROCARD	FUEL	\$ (4,500.00)
HBT INSURANCE(Auto, GL, Property)	AUTO POLICY	\$ (6,500.00)
Scorpion Constructin Site	Monthly Website Cost	\$ (250.00)
Scorpion Carpet Cleaning	Monthly Website Cost	\$ (250.00)
Angies List	Monthly Advertising	\$ (500.00)
Yodle	Monthly Website Cost	\$ (225.00)
Yodle	Monthly Website Cost	\$ (225.00)
Valpak Carpet	Monthly Advertising	\$ (2,420.26)
Valpak Construction	Monthly Advertising	\$ (2,420.26)
Razorsync	Monthly Dispatching Software	\$ (220.00)
Buildertrend	Monthly Construction Software	\$ (399.00)
Google Email	Monthly Email Cost	\$ (150.00)
Exaktime	Monthly Time Clock Software	\$ (200.00)
NW FLEET LEASE/ Bancorp Contract # 12506-35397	M11 2011 FREIGHLINER SPRINTER	\$ (608.54)
NW FLEET LEASE/ Bancorp Contract # 12506-35398	M10 2006 FRIEIGHTLINER SPRINTER	\$ (568.77)
NW FLEET LEASE/ Bancorp Contract # 12506-35435	M12 2012 TRANSIT	\$ (472.19)
NW FLEET LEASE/ Bancorp Contract # 12506-35439	IN11 2013 CHEVY 3500 CREW	\$ (798.66)
Richard Tietjen (for lease of vehicle)	IN12 2005 CHEV BLUE 3500	\$ (600.00)
Richard Tietjen (for lease of vehicle)	O1 2012 F150	\$ (900.00)
FORD MOTOR CREDIT	M16 2016 Ford Transit	\$ (900.00)
INTERLINK LEASE 20052 60 MOTHS	CV5 2014 GMC VAN AND CDS 1GTW7GBA0E1142516	\$ (1,436.64)
INTERLINK LEASE 21139 47 MONTHS	CV6 HYDRAMASTER MACHINE	\$ (1,006.31)
INTERLINK LEASE 21798 47 MONTHS	CV6 2014 MERCEDES SPRINTER WD3PE7DC0E5881607	\$ (1,135.52)
PRINT/OFFICE SUPPLIES		\$ (200.00)
Auto Repairs		\$ (1,000.00)
Tools		\$ (1,000.00)
Monthly Payroll Avg	Every Two Weeks	\$ (65,000.00)
	Need 15k per Week to pay for materials on Avg. (This would take care of TRM, Sherwin Williams, Miller Paint, A1 Doors, and Cash needed for Materials at Home Depot)	
Needed Cash to Pay for work		\$ (60,000.00)
US Trustee Fee		\$ (1,625.00)
L and I settlement payment (subject to court approval)		\$ (1,500.00)
Department of Labor payment (made quarterly; amortized on this budget on a monthly basis)		\$ (1,500.00)
Monthly Bill Total		\$ (161,061.15)
Projected Renovation Revenue		\$ 150,000.00
Projected Carpet Revenue		\$ 30,000.00
Less B&O/Sale Tax		\$ 11,500.00
Net Income		\$ 168,500.00