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The Honorable Marc L. Barreca
CHAPTER 11
HEARING DATE: AUG 17, 2017
TIME: 11:00 AM
LOCATION: COURTROOM 7106
RESPONSE DUE: AUG 16, 2017

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9
10 UNITED STATES BANKRUPTCY COURT
11 WESTERN DISTRICT OF WASHINGTON

12 In re:

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14 FUNERAL SERVICES, LLC,

15 Debtor-in-Possession.
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Case No. 17-12710-MLB

**JOINT MOTION FOR ORDER
APPROVING DEBTOR'S USE OF CASH
COLLATERAL, GRANTING
REPLACEMENT LIENS**

18 Pursuant to 11 U.S.C. § 363(c), Bankruptcy Rule 4001(b), and Local Bankruptcy Rule
19 4001-3, FUNERAL SERVICES, LLC, the Debtor-in-Possession ("Debtor"), by and through its
20 attorneys of record, Jacob DeGraaff of Henry, DeGraaff & McCormick, P.S., and Live Oak Bank,
21 by and through their counsel Michael Hekman of Weinstein & Riley, P.S. moves this Court for
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23 JOINT MOTION FOR ORDER APPROVING DEBTOR'S USE OF
CASH COLLATERAL, GRANTING REPLACEMENT LIENS- 1

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1 entry of an agreed order on the use of cash collateral. In support of this motion, Debtor states as
2 follows:

3 1. On June 15, 2017 (the "Petition Date"), Debtor filed its voluntary petition for
4 relief under Chapter 11 of the United States Bankruptcy Code. Debtor has continued possession
5 of its property and is continuing to operate and manage its business as Debtor-in-Possession
6 pursuant to 11 U.S.C. §§ 1107(a) and 1108. As defined in 11 U.S.C. §101(51(C) and (51(D)),
7 Debtor is a small business debtor and this case is a small business case.

8 2. This court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and
9 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core
10 proceeding pursuant to 28 U.S.C. §1157(b)(2).

11 3. No request has been made for the appointment of a trustee or examiner, and no
12 official creditors' committee has yet been established in this case.

13 4. Debtor is a Funeral Home and Crematory located in Bellingham, WA.

14 5. Live Oak Bank is a secured creditor with a first priority security interest in all or
15 substantially all of Debtor's real and personal property, including cash and receivables. Debtor
16 has no other creditors with an interest in Debtor's cash.

17 6. Debtor seeks to use cash collateral to pay its operating expenses pursuant to
18 Sections 105(a) and 363(c)(1) and (2) of the code, and in accordance with the terms set forth in
19 the proposed order attached hereto.

20 7. To avoid immediate and irreparable harm, to preserve and maintain the assets of
21 the bankruptcy estate, and to preserve the value of Debtor as a going concern, Debtor requires
22 the use of cash collateral. Without the use of cash collateral, Debtor will not be able to pay its
23 expenses, Debtor's operations will need to cease, the value of Debtor's assets will be materially
diminished, and Debtor will be unable to successfully reorganize.

8. Debtor has prepared a six-month cash collateral budget (attached hereto as Exhibit 1) setting forth the amount estimated by Debtor to be necessary for Debtor's continued operations during such 13-week period. Subsequent budgets will be prepared prior to the end of the present budget term, if necessary.

9. To provide adequate protection for the use by Debtor of Live Oak's cash collateral, Debtor and Live Oak proposes that Live Oak be granted a replacement security interest in and liens upon Debtor's assets generated or acquired from and after the Petition Date of the same category, kind, character, and description as were subject to Live Oak's lien on the Petition Date. The adequate protection lien granted to Live Oak shall not enhance or improve the position of Live Oak. In addition, as additional adequate protection, Debtor proposes to make a monthly adequate protection payment to Live Oak in the amount of \$6,000.00 per month, with retroactive payments for June and July 2017.

10. The proposed Agreed order does not contain any of the provisions listed in the Guidelines for Cash Collateral and Financing Stipulations promulgated by this Court.

III. CONCLUSION

WHEREFORE, the above parties respectfully requests that this court enter the agreed order attached hereto, authorizing Debtor to use cash collateral during the pendency of this case.

Respectfully submitted this 11th day of August, 2017

Henry, DeGraaff & McCormick, P.S.
/s/ Jacob D. DeGraaff
 Jacob D. DeGraaff, WSBA No. 36713
 Attorney for Debtor-in-Possession

WEINSTEIN & RILEY, P.S

/s/ Michael H. Hekman
 Michael H. Hekman, WSBA #45538
 Attorneys for Live Oak Banking Company