

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:)	
)	
COMPLETE HYDRAULIC SERVICE)	CASE NO. 13-04677 JKC 11
& SALES, INC.)	
)	
Debtor)	

**UNITED STATES TRUSTEE’S OBJECTION TO DEBTOR’S EMERGENCY MOTION
FOR AUTHORITY TO: (A) MAINTAIN CERTAIN EXISTING BANK ACCOUNTS; (B)
CONTINUE USING ITS EXISTING CASH MANAGEMENT SYSTEM; AND (C)
CONTINUE USING ITS EXISTING BUSINESS FORMS**

Nancy J. Gargula, United States Trustee, by Joseph F. McGonigal, Trial Attorney, and respectfully objects to the Debtor’s Emergency Motion for Authority to Maintain Existing Bank Accounts; Continue Using Its Existing Cash Management System; and Continue Using Its Existing Business Forms (“Motion”). In support of such objection, the U.S. Trustee states:

1. Debtor filed its Chapter 11 bankruptcy on May 2, 2013.
2. On May 3, 2013, Debtor’s Counsel was provided electronic copies of the U.S. Trustee’s Chapter 11 Guidelines, and an Initial Debtor Interview was scheduled for May 15, 2013.
3. Debtor filed its Motion on May 10, 2013, claiming that following the U.S. Trustee Guidelines as they relate to bank accounts and cash management systems would disrupt Debtor’s operations, impose a financial burden on the estate.
4. The U.S. Trustee Guidelines imposes various requirements upon debtors in chapter 11 and their depositories for numerous reasons. One principal reason for closing pre-existing bank accounts is to enforce the automatic stay created by the filing of the petition. All outstanding

checks should not be honored because of this stay, and closing the account accomplishes this requirement. Requiring “Debtor-in-Possession” on post-petition checks written on the Debtor’s operating account provides notice to customers doing business with the debtor-in-possession of the existence of the Chapter 11 bankruptcy.

5. Debtor’s Motion failed to provide for any accounting of outstanding checks that were subject to the automatic stay.

6. Debtor’s list of unsecured creditors revealed an excessive number of creditors owed a substantial amount of money for “Potential liability arising from debtor’s inability to deliver product.” The U.S. Trustee believes in this case that given the excessive number of customers who appear to have paid for a product and never received it, that a new “Debtor-in-Possession” operating account should be established at an authorized depository (Key Bank is authorized and currently being used by the Debtor) and that all checks written post-petition bear the designation “Debtor-in-Possession” preprinted on the checks. Any disruption to the business or additional financial costs to the Debtor is the cost of doing business in a chapter 11, which the Debtor voluntarily chose to pursue.

7. The U.S. Trustee would not object to the Debtor maintaining its present payroll account at Key Bank.

8. The U.S. Trustee had to reschedule Debtor’s Initial Debtor Interview on May 15, 2013 because Debtor failed to provide the U.S. Trustee with any financial information prior to this scheduled interview. As such, the U.S. Trustee is unfamiliar with Debtor’s cash management system and business forms and therefore objects to Debtor’s request to maintain them.

WHEREFORE, the United States Trustee requests that this court deny Debtor's Motion, and for all other relief that is proper and just.

Respectfully Submitted,

Nancy J. Gargula
UNITED STATES TRUSTEE

By: /s/ Joseph F. McGonigal
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CERTIFICATE OF SERVICE

I hereby certify that on May 15, 2013, a copy of the foregoing was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

David R. Krebs dkrebs@thbklaw.com

Jeremy Dunn jdunn@fbtlaw.com

I further certify that on May 15, 2013, a copy of the foregoing was mailed by first-class U.S. Mail, postage prepaid, and properly addressed to the following:

None

/s/ Joseph F. McGonigal
Joseph F. McGonigal