

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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

**EMERGENCY MOTION FOR ENTRY OF INTERIM ORDER AUTHORIZING
DEBTOR (A) TO UTILIZE CASH COLLATERAL PURSUANT TO 11 U.S.C. §363, AND
(B) GRANTING ADEQUATE PROTECTION TO
PREPETITION SECURED LENDER PURSUANT TO 11 U.S.C. §361,
NUNC PRO TUNC TO PETITION DATE**

Complete Hydraulic Service & Sales, Inc. (“CHSSI”), by counsel, for its *Emergency Motion for Entry of Interim Order (i) Authorizing Debtor to Use Cash Collateral Pursuant to 11 U.S.C. §363, and (ii) Granting Adequate Protection to Pre-Petition Secured Lender Pursuant to 11 U.S.C. §361, Nunc Pro Tunc to Petition Date* (the “Cash Use Motion”), respectfully states as follows:

1. On May 2, 2013, (the “Petition Date”), CHSSI filed its voluntary Petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§101 *et seq.*, as amended (the “Bankruptcy Code”). CHSSI continues to operate its business and manage its property as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, and venue of this case and this Motion in this District is proper pursuant to 28 U.S.C. §§1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A).

3. CHSSI owns and operates an equipment distributor and service center specializing in commercial, industrial and residential hydraulic and pneumatic equipment.

4. In connection with the operation of its business, CHSSI currently employs approximately 9 employees (collectively, the “Employees”), and the gross payroll is approximately \$19,700.00, which is paid on a bi-weekly basis.

5. As of the Petition Date, CHSSI was indebted to The Huntington National Bank (“Huntington”). CHSSI has performed a preliminary investigation and analysis of the related UCC filings, and based upon this preliminary investigation believes that, without waiver of rights to challenge the validity, priority and extent of the liens, the aforementioned obligations may be valid, enforceable and non-avoidable, first and second priority liens and security interests in substantially all of the personal property owned by CHSSI.

6. CHSSI has an immediate need to use cash collateral which is the subject of the liens in favor of Huntington, in order to permit, among other things, the orderly continuation of the operation of CHSSI’s business, to pay employees, to maintain business relationships with vendors and suppliers and to satisfy other working capital needs. Use of cash collateral is necessary to prevent the immediate and irreparable harm to CHSSI and its estate that would otherwise result if CHSSI is prevented from obtaining use of cash collateral for the foregoing purposes.

7. All of CHSSI’s cash, cash equivalents and cash on deposit as of the Petition Date and all proceeds of CHSSI’s personal property securing CHSSI’s obligations to Huntington, among other things, may constitute “cash collateral” (as that term is defined in Section 363(a) of the Bankruptcy Code) of Huntington.

8. Huntington may be entitled to adequate protection of its interests in CHSSI’s personal property, including any cash collateral thereof, for any diminution in value of such property or cash collateral, including any diminution resulting from the use of cash collateral and

the imposition of the automatic stay. CHSSI believes, in an exercise of its prudent business judgment, that the adequate protection given by the proposed payments to the extent, validity and priority of Huntington's pre-petition liens, that the granting of replacement liens is fair, reasonable and necessary under the circumstances.

9. CHSSI believes that the use of cash collateral is fair, reasonable and necessary under the circumstances, and reflects CHSSI's exercise of prudent business judgment consistent with its fiduciary duties.

10. Prior to filing of this Emergency Motion, CHSSI's counsel conferred with the United States Trustee concerning the intent of this Emergency Motion.

11. Notice of this Emergency Motion has been given to the Office of the United States Trustee, Huntington, and CHSSI's twenty largest unsecured creditors. In light of the nature of the relief requested, CHSSI submits that no further notice is required.

WHEREFORE, CHSSI requests that the Court enter an Interim Order *nunc pro tunc* to the Petition Date providing for the following:

(a) Granting replacement liens in favor of Huntington pursuant to Section 361(2) of the Bankruptcy Code to the extent that such stay and use results in a decrease in the value of Huntington's interest in the cash collateral, and only to the extent, validity and priority of Huntington's pre-petition liens, and deem such liens as adequate protection to Huntington for use of the cash collateral;

(b) Authorizing Huntington to use cash collateral as set forth herein, and in the budget to be attached to the Interim Order; and

(c) All other appropriate relief under the circumstances.

Respectfully submitted,

TUCKER HESTER BAKER & KREBS, LLC

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