

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION**

In Re:)	Case No: 11-12254-WRS-11
)	
SMALL LOANS, INC., et al.)	Chapter 11
)	
Debtors.)	Jointly Administered

**CHAPTER 11 TRUSTEE'S MOTION FOR AUTHORITY
TO PAY SEVERANCE AND VACATION PAY
TO CERTAIN EMPLOYEES OF DEBTORS**

S. Gregory Hays, the chapter 11 trustee (the "Trustee") appointed in the above captioned cases, requests authority from this Court to make severance payments and to remit accrued vacation pay to certain employees of the Debtors. In support of this motion, the Trustee respectfully states as follows:

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue 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. The statutory bases for the relief requested herein are Section 105(a), 363(b), 503(b)(1), and 507(a)(4) of the Bankruptcy Code.

Background

3. On December 16, 2011 (the "Petition Date"), Small Loans, Inc., The Money Tree, Inc., The Money Tree of Louisiana, Inc., The Money Tree of Florida Inc., and The Money Tree of Georgia Inc. (collectively, the "Debtors") filed voluntary chapter 11 bankruptcy cases in this Court.¹

¹ The Money Tree, Inc. filed Case No. 11-12255-WRS-11; The Money Tree of Louisiana, Inc. filed Case No. 11-12256-WRS-11; The Money Tree of Florida Inc. filed Case No. 11-12257-WRS-11; and The Money Tree of

4. The Debtors' history and the events leading up to their bankruptcy filings have already been set out in numerous pleadings filed with this Court and the Trustee will not retread over the same ground again here.

Appointment of Trustee

5. On April 30, 2012, the Court ordered the appointment of the Trustee pursuant to Section 1104(a) of the Bankruptcy Code.

Summary of Request for Relief

6. The Trustee has entered into an asset purchase agreement to sell all of the Debtors' branches to Western Shamrock Corporation or a higher bidder. This sale includes almost all of the Debtors' remaining assets.

7. The Court has scheduled a hearing to consider approval of the sale for October 4, 2012 and, to the extent that approval is obtained from the Court, the Trustee intends to go forward with the sale on October 5, 2012.

8. After this sale is completed, the Debtors' business operations will effectively be over. The Debtors' employees are aware of this fact and the Trustee needs their help to complete a wind down of the Debtors' operations.

9. The Trustee wants to make severance payments to certain headquarters employees of the Debtors who will not be retained by Western Shamrock Corporation.

10. The Trustee also wants to pay postpetition vacation pay that has been earned by employees of the Debtors under the Debtors' standard vacation policy. The vacation policy applies to all employees including field employees and headquarters employees.

Georgia Inc. filed Case No. 11-12258-WRS-11. These cases and the chapter 11 case filed by Small Loans, Inc. are being jointly administered by this Court pursuant to the Order for Joint Administration entered by the Court on January 4, 2012.

11. The Trustee has advised employees that earned vacation pay will be paid to encourage them to stay on the job and requested that employees not take vacations directly before the upcoming asset sale.

12. The Trustee's agreement to remit severance pay to headquarters employees as well as payment of accrued vacation pay to both headquarters employees and field employees will help the Trustee to continue winding down the Debtors' operations without losing key employees of the Debtors at this critical time.

13. The headquarters employees of the Debtors have remained with the Debtor companies despite full knowledge that the companies would be sold and reorganized and that their jobs may be terminated. The efforts of these employees throughout the Debtors' bankruptcy cases has enabled the Debtor companies to remain marketable, which has in turn provided the Trustee with an opportunity to sell the companies as a going concern and use the sales proceeds to pay creditors who invested in the Debtors. There was clearly a postpetition benefit to the Debtors' estates to retain these employees.

14. If these particular employees had left their jobs to seek other employment, the Debtor companies would have been required to replace them with inexperienced personnel and may have further been required to pay premium salaries in order to attract new employees to work at a group of bankrupt companies. Replacing these employees would also have been a disruptive force in the Debtor companies at a time when the companies were already struggling to survive long enough to be marketed and sold by the Trustee.

15. For these reasons, the Trustee believes that it is appropriate to pay both severance pay to the headquarters employees who are not retained by Western Shamrock Corporation and remit accrued vacation pay to headquarters employees and field employees of the Debtors.

16. The aggregate amount of severance pay that the Trustee proposes to pay to headquarters employees of the Debtors is estimated to be \$35,000.

17. The aggregate amount of accrued vacation pay that the Trustee proposes to pay to headquarters employees and field employees of the Debtors is \$21,735.

18. To the extent that the Omnibus Official Committee of Unsecured Creditors (the "Committee") or any creditors or other parties in interest desire to know the names of the particular employees and the specific amounts to be paid to each of them, the Trustee will be glad to provide that information at the hearing on this motion.

Notice

19. Notice of this motion has been given to (a) the Bankruptcy Administrator, Teresa R. Jacobs, (b) counsel for the Committee, (c) the Limited Service List described in the Order Limiting Notice, Establishing Additional Notice Procedures and Approving Alternative Form of Notice Via Website [ECF Docket No. 91], and (d) those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002. The Trustee submits that, in light of the relief requested, no other or further notice need to be given.

No Prior Request

20. No prior request for the relief demanded herein has been made to this or any other court.

WHEREFORE, the Trustee, S. Gregory Hays, respectfully requests that the Court enter an order authorizing the Chapter 11 Trustee, S. Gregory Hays, to make the payments for severance and accrued vacation pay as described herein, and grant such further relief as is just and proper.

Respectfully submitted,

/s/ Daniel D. Sparks

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CERTIFICATE OF SERVICE

I hereby certify that I will serve a copy of the foregoing pleading upon the following via the ECF system or by placing a copy of same in the United States mail, postage prepaid, addressed as follows on the 24th day of September, 2012:

Teresa R. Jacobs
U.S. Bankruptcy Administrator
Frank M. Johnson, Jr. Federal Building
One Church Street, Suite 103
Montgomery, Alabama 36104

John D. Elrod
R. Kyle Woods
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Those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002

/s/ Daniel D. Sparks

OF COUNSEL