

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

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

**APPLICATION PURSUANT TO FED. R. BANK. P. 2014(a) FOR ENTRY OF AN  
ORDER UNDER SECTION 327(a) OF THE BANKRUPTCY CODE AUTHORIZING  
EMPLOYMENT AND RETENTION OF RENOVA PARTNERS, LLC AS  
BROKER FOR THE CHAPTER 11 TRUSTEE**

**PURSUANT TO LBR 9007 -1, THIS APPLICATION WILL BE TAKEN  
UNDER ADVISEMENT BY THE COURT AND MAY BE GRANTED  
UNLESS A PARTY IN INTEREST FILES A RESPONSE WITHIN 21  
DAYS OF THE DATE OF SERVICE. RESPONSES MUST BE FILED  
WITH THE CLERK AND SERVED UPON THE MOVING PARTY.  
RESPONSES MUST FILED ELECTRONICALLY WITH THE CLERK  
OR BY U.S. MAIL ADDRESSED TO THE CLERK, U.S. BANKRUPTCY  
COURT, ONE CHURCH STREET, MONTGOMERY, ALABAMA 36104**

S. Gregory Hays, the chapter 11 bankruptcy trustee (the "Trustee") appointed in the above captioned case, hereby submits this application (the "Application") for an order pursuant to Sections 327(a) and 328(a) of Title 11 of the United States Code (as amended, the "Bankruptcy Code") and Fed. R. Bank. P. 2014(a), 2016 and 5002 authorizing the employment and retention of Renova Partners, LLC ("Renova Partners" or the "Firm") as the Trustee's broker as of May 7, 2012. In support of this Application, the Trustee respectfully states as follows:

**Jurisdiction**

1. This Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A) and (O).
2. Venue of these cases and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are Sections 327(a) and 328(a) of the Bankruptcy Code.

### **Background**

4. 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.<sup>1</sup>

5. 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**

6. On April 30, 2012, the Court ordered the appointment of the Trustee pursuant to Section 1104(a) of the Bankruptcy Code. The Trustee now seeks to employ Renova Partners as the Trustee's broker.

### **Relief Requested**

7. By this Application, the Trustee seeks to employ and retain Renova Partners as the Trustee's broker with regard to the prosecution of the Debtors' chapter 11 cases and all related matters, including the orderly liquidation of the Debtors' assets in order to maximize the return to creditors. Accordingly, the Trustee respectfully requests the entry of an order pursuant to Section 327(a) of the Bankruptcy Code and Fed. R. Bankr. P. 2014(a) authorizing the Trustee

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<sup>1</sup> 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 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. For purposes of this Application, the Trustee seeks to employ Hays Consulting as the Trustee's accountants and financial advisors with regard to all of the jointly administered cases.

to employ and retain Renova Partners as the Trustee's broker pertaining to sales of certain assets that will be necessary for the prosecution of the Debtors' chapter 11 cases.

8. The Trustee seeks to retain Renova Partners as the Trustee's broker because of the Firm's extensive experience and knowledge with regard to the matters for which Renova Partners is to be engaged. The Trustee believes that Renova Partners is both well qualified and uniquely able to represent the Trustee in an efficient and timely manner.

9. Renova Partners does not intend to apply for compensation for services rendered or for reimbursement of expenses incurred in connection with the chapter 11 cases. Rather, subject to approval by the Court, the Trustee proposes to enter into an agreement with Renova Partners whereby the Firm will be paid a success fee equal to one and one half percent (1.5%) of the gross price paid for all assets sold on behalf of the Trustee (the "Success Fee"). At the same time, Renova Partners will charge monthly work fees to the Trustee in the amount of \$16,667.00 per month up to an aggregate amount of not less than \$100,000.00 (the "Minimum Fee"). The Success Fee will only be paid after first crediting the amount of the Minimum Fee paid to the Firm. In other words, Renova Partners will not be paid both the Minimum Fee and the Success Fee, but will instead receive either the \$100,000.00 Minimum Fee or the Success Fee, whichever is larger. Moreover, in order for the Success Fee to be larger than the \$100,000.00 Minimum Fee, the Firm will have to broker asset sales (the "Asset Sales") on behalf of the Trustee in a gross amount that exceeds \$6,666,667.00 (1.5% of \$6,666,667.00 = \$100,000.00).<sup>2</sup> Finally, and even if the Asset Sales are not completed, the Trustee will reimburse Renova Partners for its actual and necessary expenses (including travel expenses) in an amount not to exceed \$5,000.00 so long as there are funds in the Estates available to pay these expenses. This compensation is

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<sup>2</sup> To the extent that a Success Fee is owed to Renova Partners, it will only be paid upon the closing of the Asset Sales.

consistent with the fees charged by Renova Partners in bankruptcy and non-bankruptcy matters of this type. Attached hereto as **Exhibit "A"** is the Letter of Understanding and Agreement executed by and between the Trustee and Renova Partners, which more specifically describes the terms of the Firm's employment and the compensation that will be paid to the Firm.

10. The professional services that Renova Partners will render to the Trustee may include, but are not limited to, the following:

- (a) assisting the Trustee in consideration of various asset sales alternatives, including an assessment of the Potential Purchasers of the Assets;
- (b) identifying and contacting Potential Purchasers who may be interested in making a bid for the Assets;
- (c) assisting in the introduction to Potential Purchasers and facilitating due diligence of the operations in connection with their evaluation of the offered Assets; and
- (d) circulating appropriate bids to qualified parties who may be interested in expressing additional bids through a bankruptcy auction process and procedures concerning the sale transactions described herein;
- (e) managing the auction process and assisting the Trustee in closing any and all auction transactions.<sup>3</sup>

11. To the best of Trustee's knowledge, and except as disclosed in the attached affidavit of Jerry L. Robinson filed in connection herewith as **Exhibit "B"** pursuant to Fed. R. Bankr. P. 2014 (the "Affidavit"), Renova Partners has not represented the Debtors' creditors, equity security holders, or any other parties in interest, or their respective attorneys and accountants, the Bankruptcy Administrator or any person employed in the Office of the Bankruptcy Administrator in any matters relating to the Debtors or their estates.

12. To the best of the Trustee's knowledge, Renova Partners is a "disinterested person" as that phrase is defined in Section 101(14) of the Bankruptcy Code, and Renova

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<sup>3</sup> To the extent not otherwise defined herein, the terms and phrases used in this paragraph shall have the same meaning as defined in the Letter of Understanding and Agreement executed by and between the Trustee and Renova Partners that is attached hereto as **Exhibit "A."**

Partners' employment is necessary to assist the Trustee in carrying out the Trustee's duties under Title 11.

**Notice**


13. Notice of this Application has been given to (a) the Bankruptcy Administrator, Teresa R. Jacobs, (b) counsel for the Debtor, (c) counsel for the Official Committee of Unsecured Creditors, (d) 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 (e) those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002. Notice will also be given on the Noticing Website. The Trustee submits that, in light of the relief requested, no other or further notice need to be given.

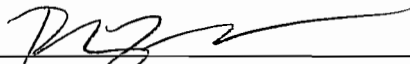
**No Prior Request**

14. No prior application for the relief requested 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 Trustee to employ Renova Partners, LLC as the Trustee's broker as of May 7, 2012 and granting such further relief as is just and proper.

Dated: 5-9-2012

  
\_\_\_\_\_  
S. Gregory Hays, Chapter 11 Bankruptcy Trustee

  
\_\_\_\_\_  
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Attorneys for S. Gregory Hays, Chapter 11  
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**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served 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 this the 10<sup>th</sup> day of May, 2012:

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Those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002

/s/ Bradley R. Hightower  
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