

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:

Body Contour Ventures, LLC,¹

Debtor.

Chapter 11

Case No. 19-42510-pjs

Hon. Phillip J. Shefferly

**FEDOR FEDOROV'S MOTION FOR RELIEF FROM
THE AUTOMATIC STAY AND FOR WAIVER OF
PROVISIONS OF FED. R. BANKR. P. 4001(a)(3)**

Fedor Fedorov ("Fedorov"), by and through his counsel, OSIPOV BIGELMAN, P.C., and pursuant to 11 U.S.C. § 362(d), L.B.R. 4001-1(E.D.M.), and L.B.R. 9014-1 (E.D.M.), moves for relief from the automatic stay to recover proceeds from the Debtor's sale of Fedorov's collateral and for waiver of the provisions of Fed. R. Bankr. P. 4001 (a)(3). In support of this Motion, Fedorov states as follows:

1. This Court has jurisdiction over the proceeding pursuant to 28 U.S.C. §§ 157 and 1334.

¹ Debtors cases are being jointly administered for procedural purposes only and include Debtors Body Contour Ventures, LLC, Case No. 19-42510, BCA Acquisitions, LLC, Case No. 19-42511, American Aesthetic Equipment, LLC, Case No. 19-42512, Knoxville Laser Spa LLC, Case No. 19-42513, LRX Alexandria, LLC, Case No. 19-42514, LRX Birmingham, LLC, Case No. 19-42515, LRX Charlotte, LLC, Case No. 19-42516, LRX Chicago, LLC, Case No. 19-42517, LRX Colorado Springs, LLC, Case No. 19-42518, LRX Dearborn, LLC, Case No. 19-42519, LRX East Lansing, LLC, Case No. 19-42520, LRX Grand Blanc, LLC, Case No. 19-42833, LRX Hoffman Estates, LLC, Case No. 19-42521, LRX Las Vegas Summerlin, LLC, Case No. 19-42522, LRX Mesa, LLC, Case No. 19-42523, LRX Naperville, LLC, Case No. 19-42524, LRX Novi, LLC, Case No. 19-42525, LRX Orland Park, LLC, Case No. 19-42526, LRX Plymouth-Canton, LLC, Case No. 19-42527, LRX Stone Oak, LLC, Case No. 19-42528, LRX Towson, LLC, Case No. 19-42530, LRX Troy, LLC, Case No. 19-42531, Premier Laser Spa of Greenville LLC, Case No. 19-42532, Premier Laser Spa of Indianapolis LLC, Case No. 19-42533, Premier Laser Spa of Louisville LLC, Case No. 19-42534, Premier Laser Spa of Pittsburgh LLC, Case No. 19-42535, Premier Laser Spa of St. Louis LLC, Case No. 19-42536, and Premier Laser Spa of Virginia LLC, Case No. 19-42537.

2. On January 13, 2017, Fedorov and Debtor Body Contour Ventures, LLC (“BCV”) entered into an Agreement Regarding Preferred Distributions (“Agreement”), which detailed how Fedorov’s \$600,000.00 contribution to BCV would be repaid. Per the terms of the Agreement, BCV granted Fedorov a security interest in BCV’s assets, to wit: “all goods, equipment, furniture, fixtures, wherever located, now owned or hereafter acquired by the Company, all proceeds (whether cash or non-cash proceeds, including insurance proceeds of the foregoing property), and accounts receivable.” (See Agreement attached as **Exhibit A**).
3. Accordingly, Fedorov had and has a first-priority security interest on BCV’s equipment and the proceeds from any disposition thereof.
4. Prior to the Petition Date, BCV purchased equipment from Creditor Merz North America, Inc. (“Merz”). This equipment did not appear on Debtor’s Schedule A/B, as required.
5. As of the Petition Date, Merz had retaken possession of some of the equipment it had sold to BCV, while some equipment remained in BCV’s possession. Merz’s retaking of the equipment was not disclosed on Debtor’s Statement of Financial Affairs, as required.
6. BCV and the other above-captioned Debtors filed bankruptcy on February 22, 2019 (the “Petition Date”).
7. As of the Petition Date, BCV owed Fedorov \$609,409.07 pursuant to the Agreement, including accrued interest (See Proof of Claim No. 82 attached as **Exhibit B**).
8. On May 17, 2019, this Court approved an agreement between BCV and Merz whereby Merz repurchased from BCV the equipment it had previously taken possession of as well as the equipment that was still in possession of BCV (Docket No. 444). All such equipment was subject to Fedorov’s security interest. The proceeds of the disposition of the

equipment are subject to Fedorov's security interest per the terms of the Agreement and constitute Fedorov's cash collateral.

9. Upon information and belief, BCV intends to use the proceeds from the sale of Fedorov's collateral to compensate for budgetary shortfalls, to subsidize the outstanding DIP loan, and/or to otherwise facilitate the pending sale of Debtor's assets.
10. Fedorov has not consented to BCV's use of his cash collateral, and this Court has not issued any order permitting BCV or any other entity to use Fedorov's cash collateral.
11. Since the Petition Date, Fedorov has received no payments on account of his secured claim. Fedorov's claim, therefore, is not adequately protected, and the Court should order relief from the automatic stay for cause pursuant to 11 U.S.C. § 362(d)(1).
12. Upon information and belief, BCV has no equity in the sale proceeds. BCV's counsel has indicated to the undersigned that Fedorov's collateral is minimal - worth only approximately \$15,000.00 to \$20,000.00. The other assets on Debtor's schedules potentially subject to Fedorov's lien were described by BCV's counsel as essentially worthless or uncollectable.
13. As BCV is liquidating rather than reorganizing, the sale proceeds are not necessary to an effective reorganization.
14. Accordingly, relief from the stay is warranted pursuant to 11 U.S.C. § 362(d)(2).
15. Concurrence of opposing counsel in the relief sought was requested (see attached **Exhibit C**) but not received.

WHEREFORE, Movant respectfully requests that this Court grant Fedor Fedorov relief from the automatic stay, waive the provisions of Fed. R. Bankr. P. 4001(a)(3), and grant all other relief as this Court deems just.

Dated: May 20, 2019

Respectfully submitted,

OSIPOV BIGELMAN, P.C.

By: /s/Yuliy Osipov

Yuliy Osipov (P59486)

Anthony J. Miller (P71505)

Gary A. Hansz (P44956)

Attorneys for Fedor Fedorov

20700 Civic Center Dr. Suite 420

Southfield, MI 48076

(248) 663-1800

yo@osbig.com / am@osbig.com /

gh@osbig.com

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
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In re:

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Debtor.

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[PROPOSED]

**ORDER GRANTING FEDOR FEDOROV'S MOTION
FOR RELIEF FROM THE AUTOMATIC STAY AND
FOR WAIVER OF PROVISIONS OF
FED. R. BANKR. P. 4001(a)(3)**

Creditor Fedor Fedorov ("Fedorov"), having filed his Motion for Relief from the Automatic Stay and for Waiver of Provisions of Fed. R. Bankr. P. 4001(A)(3) ("Motion"), proper notice having been given in accordance with applicable rules, and the Court being otherwise fully advised,

IT IS HEREBY ORDERED that Fedorov's Motion is granted.

² Debtors cases are being jointly administered for procedural purposes only and include Debtors Body Contour Ventures, LLC, Case No. 19-42510, BCA Acquisitions, LLC, Case No. 19-42511, American Aesthetic Equipment, LLC, Case No. 19-42512, Knoxville Laser Spa LLC, Case No. 19-42513, LRX Alexandria, LLC, Case No. 19-42514, LRX Birmingham, LLC, Case No. 19-42515, LRX Charlotte, LLC, Case No. 19-42516, LRX Chicago, LLC, Case No. 19-42517, LRX Colorado Springs, LLC, Case No. 19-42518, LRX Dearborn, LLC, Case No. 19-42519, LRX East Lansing, LLC, Case No. 19-42520, LRX Grand Blanc, LLC, Case No. 19-42833, LRX Hoffman Estates, LLC, Case No. 19-42521, LRX Las Vegas Summerlin, LLC, Case No. 19-42522, LRX Mesa, LLC, Case No. 19-42523, LRX Naperville, LLC, Case No. 19-42524, LRX Novi, LLC, Case No. 19-42525, LRX Orland Park, LLC, Case No. 19-42526, LRX Plymouth-Canton, LLC, Case No. 19-42527, LRX Stone Oak, LLC, Case No. 19-42528, LRX Towson, LLC, Case No. 19-42530, LRX Troy, LLC, Case No. 19-42531, Premier Laser Spa of Greenville LLC, Case No. 19-42532, Premier Laser Spa of Indianapolis LLC, Case No. 19-42533, Premier Laser Spa of Louisville LLC, Case No. 19-42534, Premier Laser Spa of Pittsburgh LLC, Case No. 19-42535, Premier Laser Spa of St. Louis LLC, Case No. 19-42536, and Premier Laser Spa of Virginia LLC, Case No. 19- 42537.

IT IS FURTHER ORDERED that the automatic stay pursuant to 11 U.S.C. § 362 is lifted as to Fedor Fedorov with respect to the amounts to be paid from Merz North America, Inc. (“Merz”) to the Debtor pursuant to this Court’s May 17, 2019 Order at Docket No. 444.

IT IS FURTHER ORDERED that Merz is directed to pay such amounts directly to Fedorov, care of his counsel, to be applied toward Fedorov’s secured claim as set forth in Proof of Claim No. 82.

IT IS FURTHER ORDERED that this Order shall remain binding and effective despite any conversion of this bankruptcy case to a case under any other Chapter of Title 11 of the United States Code.

IT IS FURTHER ORDERED that this Order is effective immediately, and that any stay pursuant to Fed. R. Bankr. P. 4001(a)(3) is waived.