

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

IN RE:)	
)	
4LICENSING CORPORATION, a)	
Delaware corporation,)	Case No.: 16-11714-M
)	(Chapter 11)
)	(Judge Michael)
Debtor.)	
)	

**MOTION OF DEBTOR FOR ENTRY OF ORDER GRANTING AUTHORITY TO USE
CASH COLLATERAL AND NOTICE OF OPPORTUNITY FOR HEARING**

4Licensing Corporation, debtor and debtor in possession (“Debtor”), moves this Court pursuant to 11 U.S.C. § 363 and Bankruptcy Rule 4001 for the entry of an order authorizing use of cash collateral. Debtor is not requesting any interim relief on this Motion and is not in immediate need of authority to use cash collateral. In support of this Motion, Debtor alleges and states as follows:

1. Debtor filed its Voluntary Petition under Chapter 11 seeking relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (“Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Oklahoma on September 21, 2016.

2. Pursuant to §§ 1107 and 1108 of the Bankruptcy Code, Debtor is currently authorized to continue in possession of its assets and in the management and operation of its business as debtor in possession.

3. Debtor is a Delaware corporation and is headquartered in Tulsa, Oklahoma. Debtor formerly was an SEC reporting company that suspended its reporting obligations by the filing of a Form 15 with the Securities and Exchange Commission on February 29, 2016. Debtor presently has limited business operations due primarily to a lack of working capital. Debtor

presently has no paid employees. Among the various assets owned by the Corporate Group¹ is certain intellectual property referred to as “IsoBLOX™” that Debtor believes has commercial viability. The IsoBLOX™ technology is owned by Pinwrest Development Group, LLC (“Pinwrest”), of which 72% of the membership interests are indirectly owned by Debtor.² Pinwrest holds U.S. Patent 8,220,072 for the IsoBLOX™ technology (the “Patent”). Debtor hopes that after further development Pinwrest will be able to license and distribute the IsoBLOX™ technology in protective gear within the youth, teen and adult markets. To date, IsoBLOX™ products have had limited retail success even though they have been sold on a limited basis to two sporting goods retailers.

4. Debtor is indebted to Prescott Group Aggressive Small Cap Master Fund, G.P. (“Prescott”) pursuant to various Promissory Notes (the “Notes”). Repayment of the Notes is secured pursuant to the terms and conditions of various security agreements. Affiliates of Debtor within the Corporate Group also guaranteed repayment of the Notes. The outstanding indebtedness and obligations owed to Prescott on the Petition Date (excluding expenses and legal fees incurred but not paid as of the Petition Date) exceeds \$1,800,000.

5. Debtor is indebted to the Leslie G. Rudd Living Trust (“Rudd”) pursuant to a Promissory Note with a balance due and owing in excess of \$95,000 (the “Rudd Note”). Repayment of the Rudd Note is secured pursuant to the terms and conditions of a security agreement. Affiliates of Debtor within the Corporate Group also guaranteed repayment of the Rudd Note.

6. Debtor requires cash to engage in its limited business activities primarily to pay the costs and expenses of administering this bankruptcy case such as fees due to the U.S.

¹ Debtor and the various entities in which it holds a controlling interest are collectively referred to as the “Corporate Group”.

² Debtor owns 100% of 4L Technology, Inc, which owns 72% of Pinwrest.

Trustee. Debtor's estate needs this Court to authorize Debtor to use cash collateral in order to satisfy its post-petition liabilities.

7. Rudd and Prescott assert that they have perfected liens and security interests in Debtor's assets including cash collateral by virtue of documents filed with the appropriate state and/or county filing offices.

8. Debtor is without sufficient funds to meet its ordinary and necessary expenses without the use of collateral that constitutes cash, deposit accounts, or any form of cash equivalents whenever acquired including, without limitation, all proceeds, products, rents or profits of the collateral whether existing before or after the commencement of this case (hereinafter "Cash Collateral").

9. Prescott and Rudd consent to the relief requested herein and the use of Cash Collateral by Debtor.

10. Notice of this Motion shall be given to the United States Trustee, the creditors listed on the Matrix of the Debtor, all secured creditors and their counsel, those persons or entities who formally appear and request service in this case pursuant to FED. R. BANKR. P. 2002(g), any governmental agencies required to receive notice under FED. R. BANKR. P. 2002(j) and all other parties required pursuant to FED. R. BANKR. P. 4001.

NOTICE OF OPPORTUNITY FOR HEARING

Your rights may be affected. You should read this document carefully and consult your attorney about your rights and the effect of this document. If you do not want the Court to grant the requested relief, or you wish to have your views considered, you must file a written response or objection to the requested relief with the Clerk of the United States Bankruptcy Court for the Northern District of Oklahoma, 224 South Boulder, Tulsa, Oklahoma 74103 no later than **Fourteen (14) days** from the date of filing of this request for relief. You should also serve a file-stamped copy of your response or objection to the undersigned movant/movant's attorney (and others who are required to be served) and file a certificate of service with the Court. If no response or objection is timely filed, the Court may grant the requested relief

without a hearing or further notice. The **14 day** period includes the three (3) days allowed for mailing provided for in Fed. R. Bankr. P. 9006(f).

WHEREFORE, Debtor respectfully requests the entry of an Order authorizing Debtor to use cash collateral and for other just and proper relief as this Court deems appropriate.

Respectfully submitted,

/s/ Neal Tomlins

Neal Tomlins, OBA No. 10499

TOMLINS & PETERS, PLLC

Southern Hills Tower Suite 305

2431 East 61st Street

Tulsa, Oklahoma 74136

Phone: (918) 949-4411

Email: Neal@tomlinslaw.com

Counsel to 4Licensing Corporation,
debtor and debtor in possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

IN RE:)	
)	
4LICENSING CORPORATION, a)	
Delaware corporation,)	Case No.: 16-11714-M
)	(Chapter 11)
)	(Judge Michael)
Debtor.)	
)	

]Proposed] ORDER APPROVING USE OF CASH COLLATERAL

On November __, 2016, 4Licensing Corporation, debtor and debtor in possession (“Debtor”), filed its “Motion of Debtor for Entry of Order Granting Authority to Use Cash Collateral and Notice of Opportunity for Hearing” [Docket No. __] (the “Motion”). Upon review of the Motion and noting that no timely objections have been filed in opposition to the Motion,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. Notice of the Motion was provided to the parties required by the Bankruptcy Code and applicable rules and is determined to be proper and just under the circumstances of this case.
2. The Motion is approved and Debtor is authorized to use cash collateral as set forth in the Motion.

Order Submitted By:

Neal Tomlins, OBA No. 10499
TOMLINS & PETERS, PLLC
Southern Hills Tower Suite 305
2431 East 61st Street
Tulsa, Oklahoma 74136
Phone: (918) 949-4411
Email: Neal@tplawtulsa.com

Counsel to 4Licensing Corporation,
debtor and debtor in possession