

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF LOUISIANA

-----x  
**In re:** : **Case No. 16-12521**  
: **Section B**  
**Control Valve Specialists, Inc.** : **Chapter 11**  
**1865 Lower Bayou Blue Road** :  
**Houma, LA 70364** :  
**Tax ID #: xx-xxx6310** :  
: **Debtor** :  
-----x

**FINAL ORDER PURSUANT TO SECTIONS 361 AND 363 OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULE 4001: (1) AUTHORIZING  
USE OF CASH COLLATERAL; (2) GRANTING ADEQUATE PROTECTION  
LIENS; (3) SCHEDULING AND APPROVING THE FORM AND METHOD  
OF NOTICE FOR A FINAL ORDER; AND (4) FOR RELATED RELIEF**

Considering the *Emergency Motion for Entry of an Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001 for Interim and Final Orders: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection; (3) Scheduling and Approving the Form and Method of Notice for a Final Order; and (4) For Related Relief* (the “Motion”)<sup>1</sup> [P-9] filed by the above-captioned debtor and debtor in possession (referred to herein as the “Debtor”), the record and the pleadings filed, notice of the Motion and the final hearing being proper and sufficient notice, the statements of counsel at the final hearing held on November 14, 2016,

**IT IS HEREBY ORDERED AND ADJUDGED THAT:**

<sup>1</sup> Each capitalized term used, but not otherwise defined herein, shall have the meaning ascribed thereto in the Motion.

1. The Motion is **GRANTED** on a final basis in accordance with the terms of this Final Order. All actions taken in connection with or in reliance on the Interim Order are hereby reaffirmed in full as if taken in connection with or in reliance on this Final Order.

2. Any objections to the Motion with respect to the Final Order that have not been withdrawn, waived or settled, and all reservation of rights included therein, are hereby denied and overruled.

3. The Debtor shall be and hereby is authorized to use cash which may constitute Cash Collateral on the terms and conditions set forth in this Final Order. The Debtor is authorized to use cash which may constitute Cash Collateral in accordance with the budget attached hereto as Exhibit A (as may be amended, supplemented, modified or extended by agreement of the Debtors, McCormick 101, LLC ("McCormick") and the Internal Revenue Service ("IRS") or upon approval by the Court, the "Budget"; provided, however, that (a) the Debtor may exceed each line item in the Budget by up to twenty percent (20%), so long as the aggregate amount of the Budget on a weekly basis is not exceeded by more than twenty percent (20%) and (y) any budgeted amount for expenditures not made in a particular week covered by the Budget may be used in any other periods covered by the Budget.

4. The Budget shall not include any compensation to be paid to Kristal Richard or Robert C. Moate.

5. McCormick and the IRS are hereby provided with the following forms of adequate protection:

- (a) McCormick and the IRS are hereby granted replacement security interest in and liens upon (collectively, the "Adequate Protection Liens") all post-petition assets of the Debtor and the estate on which McCormick and the IRS held valid and perfected liens as of the Petition Date and all proceeds, rents and products of all of the foregoing and all distributions thereon (collectively, the "Post-Petition Collateral"), in the same respective priority held prior to the Petition Date, and

subject only to valid, perfected, enforceable and non-avoidable liens and security interests granted by law or by the Debtor to any person or entity that were superior in priority to the prepetition security interests and liens held by McCormick and the IRS, and only to the extent such prepetition senior liens are not otherwise subject to avoidance or subordination, which Adequate Protection Liens are granted to secure the amount of any post-petition diminution in the value of McCormick's and the IRS's interest in the Cash Collateral to the extent such interest is entitled to adequate protection against such diminution under the Bankruptcy Code. Notwithstanding the foregoing or anything herein to the contrary, neither the Adequate Protection Lien nor the Post-Petition Collateral shall include any claims, causes of action and proceeds thereof arising under sections 510, 544, 545, 546, 547, 548, 549, 550 and 551 of the Bankruptcy Code.

- (b) The Debtor as adequate protection shall pay McCormick ongoing post-petition interest in the amount of \$300 per week commencing the week of November 1, 2016 until the occurrence of any of the following: (a) the confirmation date of a plan of reorganization; (b) the date the Chapter 11 Case shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code; or (c) the appointment of a chapter 11 trustee.
- (c) The Debtor shall grant McCormick a first priority lien on the following unencumbered vehicles: (1) 1987 INTL - VIN xxxxxxxxxxxxxx8616; (2) GMC 1988 - VIN xxxxxxxxxxxxxx5524; and (3) BMW 1998 - VIN xxxxxxxxxxxxxx3137. The Debtor shall deliver certificates of title for each of the above vehicles to McCormick within ten (10) days of entry of this Order. McCormick shall return to the Debtor the certificates of title within ten (10) days of the occurrence of any of the following: (a) the confirmation date of a plan of reorganization; (b) the date the Chapter 11 Case shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code; or (c) the appointment of a chapter 11 trustee.
- (d) The Debtor as adequate protection shall pay the IRS ongoing post-petition interest in the amount of \$1,354.41 per month commencing the week of November 14, 2016 until the occurrence of any of the following: (a) the confirmation date of a plan of reorganization; (b) the date the Chapter 11 Case shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code; or (c) the appointment of a chapter 11 trustee.

6. Notwithstanding anything in this order to the contrary, all rights, claims and causes of action of any sort of the Debtor and its estates against McCormick and the IRS, including, without limitation, the rights of the Debtor or its estate to challenge the validity, extent or priority

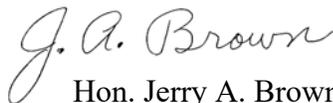
of such party's security interest in and liens upon the pre-Petition Collateral and the Post-Petition Collateral, are specifically reserved.

7. Notwithstanding Bankruptcy Rule 7062, the terms and conditions of this Final Order shall: (a) be immediately enforceable pursuant to Bankruptcy Rule 8005; and (b) not be stayed absent: (i) an application by a party in interest for such stay in conformance with such Bankruptcy Rule 8005; and (ii) a hearing upon notice to the Debtor.

8. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Final Order.

9. The Debtor shall forthwith serve by first-class United States Mail a copy of this Final Order upon the Debtor's mailing matrix.

New Orleans, Louisiana, November 18, 2016.



Hon. Jerry A. Brown  
U.S. Bankruptcy Judge