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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re	**CASE NO: 2:16-bk-25072 BB**
	CHAPTER 11
Critical Car Care, Inc.,	**ORDER GRANTING DEBTOR'S SECOND MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS**
Debtor.	
	Date: January 25, 2017
	Time: 11:00 a.m.
	Place: Courtroom 1539

A hearing was held on January 25, 2017, at 11:00 a.m. in the U.S. Bankruptcy Court for the Central District of California, Los Angeles Division, the Honorable Sheri Bluebond, U.S. Bankruptcy Judge presiding, on the Debtor's "SECOND MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS" ("Motion") (docket no. 56).

Steven Fox appeared for the Debtor. Elan Levey, Assistant U. S. Attorney, appeared for the U.S. Small Business Administration ("SBA"). Other appearances, if any, were reflected in the record.

The Court has considered the Motion and statements of counsel at the hearing. The Court has also considered the Debtor's "Supplement to Second Motion for Use of Cash Collateral on an Interim and Final Basis" (docket no. 62) and a joint statement of the Debtor and the SBA entitled "SECOND SUPPLEMENT TO SECOND MOTION FOR USE OF CASH

COLLATERAL ON AN INTERIM AND FINAL BASIS REGARDING AGREEMENT WITH SMALL BUSINESS ADMINISTRATION" ("Second Supplement"). Notice of the hearing was appropriate.

BASED UPON THIS REVIEW AND CONSIDERATION, THE COURT FINDS THAT:

A. The Debtor requests authority to use cash or cash equivalents, whenever acquired, in which the estate has an interest, including proceeds, products, offspring, rents, or profits of property ("Cash Collateral") in such amounts as are necessary to enable the Debtor to operate its business as to avoid immediate and irreparable harm.

B. This is a core proceeding. 28 U.S.C. §157(b)(2)(M).

C. The Debtor has prepared a budget of projected income and expenses (the "budget") for the period through the end of April, 2017.

D. The Debtor identifies two entities which may assert interests in cash collateral, American Security Bank and the SBA referred to here as the "Secured Creditors." The Debtor has also stated that it believes it owes no monies to American Security Bank which has not opposed this Motion.

E. Subject to compliance with this Order, the Debtor is authorized to use cash collateral on a final basis and in the ordinary course of business through confirmation of a plan of reorganization.

F. The Debtor requires the use of cash collateral to avoid harm to the estate.

G. Secured Creditors will be adequately protected during the interim period given the value of the estate's assets, the replacement liens, the agreed upon adequate protection payments to the SBA and other protections granted below in addition to the nature of the expenses authorized by this Order.

H. The SBA has consented to the use of cash collateral on a final basis and in the ordinary course of business subject to the provisions stated below.

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THEREFORE, IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is **GRANTED**. The Debtor is authorized to use cash collateral on a final basis and in the ordinary course of business through confirmation of a plan of reorganization and subject to the terms stated below.

2. The following terms, contained in the Second Supplement are approved:

a. The Debtor shall pay the SBA the monthly sum of $500.00 as adequate protection payments through April 2017 for the months January through April, 2017.

b. By or before April 2017, the SBA and Debtor shall, in good faith, re-negotiate the amount of monthly adequate protection payments to commence in May, 2017, pending confirmation of a plan of reorganization, through Debtor's provision of financials reflecting future projections through plan confirmation.

c. Upon reaching an agreement as to the amount of the adequate protection payments to the SBA for May, 2017, forward, the Debtor shall file a statement with the Court stating the amount of the monthly adequate protection payment and shall serve the statement on the Office of the U.S. Trustee, American Security Bank and the 20 largest unsecured creditors. Such entities and creditors shall have 14 days from the date of service of such statement by the Debtor to object. In the absence of a timely filed written objection to the amount of the adequate protection payment to the SBA, the amount shall be deemed approved without further order of the Court. Should the SBA and the Debtor be unable to reach an agreement, then, no later than April 28, 2017, the

Debtor shall file a statement with the Bankruptcy Court stating such fact and presenting its facts and argument supporting its position as to the amount of the adequate protection payments. The SBA shall have 14 days from the date of service on the SBA of the Debtor's statement to file any responsive pleading presenting its facts and argument supporting its position as to the amount of the adequate protection payments. The Debtor shall set a hearing date. In the interim, pending Court resolution, the Debtor shall continue to pay monthly adequate protection payments of $500.00 to the SBA.

d. The Debtor's January, 2017, adequate protection payment shall be paid to the SBA within 10 days following entry of an order approving the Motion.

e. Monthly adequate protection payments for the months of February, March and April, 2017, shall be due to the SBA on the 5th of each month at the following address: U.S. Small Business Administration, Denver Finance Center, 721 19th Street, Denver, CO 90202. The Debtor shall reference the last 4 digits of its EIN on each such check.

3. As further adequate protection, the Secured Creditors are granted replacement liens in all post-petition assets of the Debtor, other than avoidance power actions and recoveries.

4. The replacement liens granted to the Secured Creditors here shall have the same extent, validity and priority (and shall be subject to the same defenses) as were their respective liens and security interests in prepetition collateral.

5. The replacement liens provided here shall be deemed valid and perfected with such priority as provided in this Order, without any further notice or act by any party that may otherwise be required under any law. This Order does not affect the power of any party-in-

interest to challenge the validity, extent, amount, or nature of the liens, recorded in favor of a Secured Creditor.

6. If any provision of this Order is later modified, vacated, or stayed, such action shall not affect the validity, priority, or enforceability of the liens created hereby.

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Date: February 1, 2017

Sheri Bluebond
United States Bankruptcy Judge

interest to challenge the validity, extent, amount, or nature of the liens, recorded in favor of a Secured Creditor.

6. If any provision of this Order is later modified, vacated, or stayed, such action shall not affect the validity, priority, or enforceability of the liens created hereby.

Approved.

EILEEN M. DECKER
United States Attorney
DOROTHY A. SCHOUTEN
Assistant United States Attorney
Chief, Civil Division

Elan S. Levey

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