



Order Filed on February 24,  
2016 by Clerk, U.S. Bankruptcy  
Court - District of New Jersey

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1

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*Counsel to Debtors*

In Re:

E Z MAILING SERVICES INC., *et al.*,<sup>1</sup>

Debtors.

Case No.: 16-10615 (SLM)

(Jointly Administered)

Chapter: 11

Judge: Hon. Stacey L. Meisel

**ORDER EXTENDING THE THIRD INTERIM ORDER AUTHORIZING  
USE OF CASH COLLATERAL, PROVIDING ADEQUATE  
PROTECTION AND SETTING A FINAL HEARING**

The relief set forth on the following pages, numbered two (2) through three (3), is  
hereby **ORDERED**.

**DATED: February 24, 2016**

A handwritten signature in cursive script that reads "Stacey L. Meisel".  
Honorable Stacey L. Meisel  
United States Bankruptcy Judge

<sup>1</sup> The Debtors in these chapter 11 cases are (i) E Z Mailing Services, Inc. d/b/a E Z Worldwide Express and United Business Xpress, and (ii) United Business Freight Forwarders Limited Liability Company.

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**THIS MATTER** having been opened by the above-captioned debtors-in-possession, E Z Mailing Services Inc., *et al.* (the "Debtors"), upon their request for an adjournment of the February 29, 2016 hearing on the Debtors' continued use of cash collateral pursuant to Bankruptcy Rule 4001 and sections 361 and 363 of the Bankruptcy Code; and the Court finding that an adjournment is appropriate, and good and sufficient cause exists for the granting of the relief as set forth herein, it is hereby found:

1. Except as modified herein, the terms of the Third Interim Order Authorizing Use of Cash Collateral, Providing Adequate Protection And Setting A Final Hearing [Dkt. No. 108] (the "Third Interim CC Order") are hereby extended two (2) weeks, from March 2, 2016 through March 16, 2016.

2. The Debtors are hereby authorized to use cash collateral through March 16, 2016 pursuant to the Debtors' budget that was attached as Exhibit A to the Third Interim CC Order (the "Cash Collateral Budget"). A copy of that Cash Collateral Budget is also annexed hereto as **Exhibit A**.

3. On or before March 9, 2016, the Debtors shall pay PNC Bank a \$50,000 principal reduction on the line of credit.

4. All of PNC's rights are hereby preserved.

5. On or before March 8, 2016, the Debtors shall file and serve their proposed budget for the use of cash collateral after the March 16, 2016 (the "Proposed Budget") and any creditor or other interested party having any objection to the Proposed Budget or the entry of a Final Order shall file with the Clerk of this Court and serve upon counsel for the Debtors on or before March

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11, 2016 such written objection and shall appear to advocate said objection at a Final Hearing to be held on **March 14, 2016 at 2:30 p.m.** in Courtroom 3A in the United States Bankruptcy Court, Newark, New Jersey. In the event objections are neither filed nor advocated at such hearing, then this Order shall continue in full force and effect for the period covered by the Proposed Budget and shall be deemed a Final Order without further notice or hearing in accordance with Federal Rule of Bankruptcy Procedure 4001(d)(3).

6. The Debtors shall serve a copy of this Order by first class mail within one (1) business day from the date hereof, on (i) the Office of the United States Trustee for the District of New Jersey, One Newark Center, Suite 2100, Newark, NJ 07102; (ii) counsel for PNC Bank, National Association and PNC Equipment Finance, LLC, c/o McCarter & English (Attn: Lisa Bonsall, Esq.), Four Gateway Center, 100 Mulberry St., Newark, NJ 07102; (iii) Secured Creditors; (iv) the Internal Revenue Service, 2970 Market Street, Mail Stop 5-Q30.133, Philadelphia, PA 19104-5016 (overnight mail address); (v) the New Jersey Division of Taxation Compliance and Enforcement Bankruptcy Unit, 50 Barrack Street, 9th Floor, Trenton, NJ 08695; (vi) the Office of the Attorney General of the State of New Jersey, Division of Law, Richard J. Hughes Justice Complex, 25 Market Street, Trenton, NJ 08625; (vii) the Office of the United States Attorney, Peter Rodino Federal Building, 970 Broad Street, Suite 700, Newark, NJ 07102; (viii) the United States Attorney General, United States Department of Justice, Ben Franklin Station, P.O. Box 683, Washington, DC 20044; (ix) counsel to the Committee; and (x) those parties who have filed a notice of appearance and request for service of pleadings in this Chapter 11 case pursuant to Fed. R. Bankr. P. 2002.

**EZ Mailing Services, Inc.**  
**6 Week Cash Flow Projection Bankruptcy**  
**Case No.: 16-10615 (SLM)**

|                                      | Actual<br>1<br>W/E<br><u>2/7/2016</u> | Proj.<br>2<br>W/E<br><u>2/14/2016</u> | Proj.<br>3<br>W/E<br><u>2/21/2016</u> | Proj.<br>4<br>W/E<br><u>02/28/16</u> | Proj.<br>5<br>W/E<br><u>03/06/16</u> | Proj.<br>6<br>W/E<br><u>03/13/16</u> | PROJ.<br>Total<br>6 weeks ending<br><u>03/13/16</u> |
|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------------------|
| <b>Cash Receipts:</b>                |                                       |                                       |                                       |                                      |                                      |                                      |                                                     |
| AR Collections                       | \$ 1,040,931                          | \$ 995,000                            | \$ 1,100,000                          | \$ 1,100,000                         | \$ 1,100,000                         | \$ 1,100,000                         | \$ 6,435,931                                        |
| DIP Facility Proceeds                | -                                     | -                                     | -                                     | -                                    | -                                    | \$ 2,500,000                         | \$ 2,500,000                                        |
| Total Collections                    | 1,040,931                             | 995,000                               | 1,100,000                             | 1,100,000                            | 1,100,000                            | 3,600,000                            | \$ 8,935,931                                        |
| <b>Disbursements:</b>                |                                       |                                       |                                       |                                      |                                      |                                      |                                                     |
| <b>Cost of Operations:</b>           |                                       |                                       |                                       |                                      |                                      |                                      |                                                     |
| Freight                              | 251,318                               | 260,000                               | 325,000                               | 325,000                              | 325,000                              | 325,000                              | \$ 1,811,318                                        |
| Payroll and payroll taxes            | 409,949                               | 270,000                               | 420,000                               | 280,000                              | 420,000                              | 280,000                              | \$ 2,079,949                                        |
| Contract Labor                       | 34,818                                | 50,000                                | 45,000                                | 50,000                               | 50,000                               | 50,000                               | \$ 279,818                                          |
| Rent                                 | 27,778                                | 157,400                               |                                       |                                      | 257,400                              |                                      | \$ 442,578                                          |
| Fuel                                 | 113,846                               | 100,000                               | 100,000                               | 100,000                              | 100,000                              | 100,000                              | \$ 613,846                                          |
| CRO Contract                         | 6,250                                 | 6,250                                 | 6,250                                 | 6,250                                | 6,250                                | 6,250                                | \$ 37,500                                           |
| Custom Clearance                     | 7,347                                 | 8,000                                 |                                       | 9,000                                |                                      | 9,000                                | \$ 33,347                                           |
| Truck Repairs                        | 6,135                                 | 20,000                                | 10,000                                | 10,000                               | 10,000                               | 10,000                               | \$ 66,135                                           |
| Other Repairs and Maintenance        | 2,200                                 | 5,000                                 | 10,000                                | 10,000                               | 10,000                               | 10,000                               | \$ 47,200                                           |
| Parking Tolls et al                  | 50,339                                |                                       | 55,000                                |                                      | 55,000                               |                                      | \$ 160,339                                          |
| Uniforms and Supplies                |                                       |                                       |                                       | 28,500                               |                                      |                                      | \$ 28,500                                           |
| Bank fees/Other                      | 5,049                                 | 22,000                                | 22,000                                | 22,000                               | 22,000                               | 22,000                               | \$ 115,049                                          |
| Consulting                           | 25,000                                |                                       | 25,000                                | 25,640                               | 25,000                               | -                                    | \$ 100,640                                          |
| Health and Life Insurance            |                                       |                                       | 30,000                                |                                      |                                      |                                      | \$ 30,000                                           |
| Insurance                            |                                       |                                       |                                       | -                                    |                                      | 500,000                              | \$ 500,000                                          |
| Office Expense                       | 1,214                                 | 20,000                                | 15,000                                | 15,000                               | 15,000                               | 15,000                               | \$ 81,214                                           |
| Telephone                            | 4,957                                 | 15,000                                | 20,000                                | -                                    | 20,000                               | -                                    | \$ 59,957                                           |
| Utilities                            | -                                     |                                       | 18,000                                |                                      | 18,000                               |                                      | \$ 36,000                                           |
| Equipment Rental                     |                                       | 5,000                                 | 10,000                                | 10,000                               | 10,000                               | 10,000                               | \$ 45,000                                           |
| Loss Claims                          |                                       |                                       | -                                     | -                                    | -                                    | 20,000                               | \$ 20,000                                           |
| Warehouse/ packaging Supplies        |                                       |                                       | 15,000                                | 15,000                               | 15,000                               | 15,000                               | \$ 60,000                                           |
| Office Equipment Leases              |                                       | 1,000                                 |                                       | 1,000                                |                                      | 1,000                                | \$ 3,000                                            |
| Equipment Financing                  |                                       | 4,300                                 | -                                     | -                                    | 4,300                                | -                                    | \$ 8,600                                            |
| Advertising and commissions          |                                       | 1,000                                 |                                       | 1,000                                |                                      | 1,000                                | \$ 3,000                                            |
| Travel                               |                                       |                                       |                                       |                                      | 10,000                               |                                      | \$ 10,000                                           |
| Field Depot Cash                     | 2,500                                 | 2,500                                 | 2,500                                 | 2,500                                | 2,500                                | 2,500                                | \$ 15,000                                           |
| Commitment fee - Forever 21 DIP Loan |                                       |                                       |                                       |                                      |                                      | 25,000                               | \$ 25,000                                           |
| Debt Service - PNC                   | 20,981                                | 75,000                                | 87,500                                | 167,050                              | 36,375                               | 1,500,000                            | \$ 1,886,906                                        |
| Interest - PNC/F 21                  |                                       |                                       | 5,000                                 |                                      | 5,000                                | 1,162                                | \$ 11,162                                           |
| Settlement of Reclamation Demand     |                                       |                                       |                                       |                                      | 36,188                               |                                      | \$ 36,188                                           |
| US Trustee Fees                      |                                       |                                       |                                       |                                      |                                      |                                      | \$ -                                                |
| Professional Fee Reserve             | 25,000                                | 25,000                                | 25,000                                | 25,000                               | 25,000                               | 25,000                               | \$ 150,000                                          |
| <b>Total cash disbursements</b>      | <u>994,681</u>                        | <u>1,047,450</u>                      | <u>1,246,250</u>                      | <u>1,102,940</u>                     | <u>1,478,013</u>                     | <u>2,927,912</u>                     | <u>8,797,246</u>                                    |
| Net cash flow                        | 46,250                                | (52,450)                              | (146,250)                             | (2,940)                              | (378,013)                            | 672,088                              | 138,685                                             |
| Cash, beginning of period            | 711,880                               | 758,130                               | 705,680                               | 559,430                              | 556,490                              | 178,477                              | 711,880                                             |
| Cash, end of period                  | <u>\$ 758,130</u>                     | <u>\$ 705,680</u>                     | <u>\$ 559,430</u>                     | <u>\$ 556,490</u>                    | <u>\$ 178,477</u>                    | <u>\$ 850,565</u>                    | <u>\$ 850,565</u>                                   |

**Footnotes:**

Actual disbursements for any individual expense category may be over the budgeted amount by up to 10% so long as the overall expenditures remain within budgeted projections.

Timing of disbursements may vary from week to week provided PNC is notified in advance of said timing differences so long as overall expenditures within the period remain within budgeted projections.

Professional fees shall be paid each week into a designated account, with disbursements therefrom to be subject to Court approval, where required. The designated account shall constitute a reserve but not a cap. PNC reserves all rights to object to professional fees.

The Approved Critical Vendors to be paid according to regular business terms.

This 6 Week cash flow budget is prepared based on anticipated cash flow. Weekly collections are estimated to the best of management's ability based on both the cyclicity of existing business and projected new business.

This budget envisions a DIP Loan from Forever 21 during the week ending March 13. Although there have been discussions regarding same, there is no agreement or commitment in

This budget envisions a 3- week pay off of the \$250,000 in credit card indebtedness of PNC Bank (secured by cash collateral) as follows: \$75,000 to be paid in the week ending 2/14, and \$87,500 to be paid in each of the weeks ending 2/21 and 2/28. In return, PNC is consenting to the use of cash collateral through Wednesday, March 2, with a hearing on use of cash collateral to be held Monday, February 29.

Debtor reserves the right to modify the budget prior to the February 9, 2016 cash collateral hearing. Any updates to budget will be provided to PNC and the Unsecured Creditors Committee prior to submitting it to the court.

Payroll reducing in April based on the anticipated closings of two facilities.

Final insurance quote for 3/1/2016 through 2/28/17 policy year is expected on 2/5/2016. The \$1 million first quarter premium to be paid in March 2016 is an estimate.