

Dated: February 8, 2017



Brenda Moody

Brenda Moody Whinery, Bankruptcy Judge

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11 **IN THE UNITED STATES BANKRUPTCY COURT**
12 **FOR THE DISTRICT OF ARIZONA**

In re:	In Chapter 11 Proceedings
GREEN FUEL TECHNOLOGIES, LLC,	Case No.: 2:17-bk-00594-BMW
Debtor.	ORDER APPROVING USE OF CASH COLLATERAL FOR PAYROLL ON AN INTERIM BASIS

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15 Upon consideration of Green Fuel Technologies, LLC's (the "Debtor") *Emergency*
16 *Motion for Order Authorizing Debtor's Use of Cash Collateral* (the "Motion"); and after notice
17 and hearing, and good cause appearing therefor,

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19 **IT IS HEREBY ORDERED** that the Motion is granted on an interim basis under the
20 terms and conditions stated by the Court at the January 30, 2017 hearing and in this Order.

21 **IT IS FURTHER ORDERED** that the Debtor is authorized to use cash collateral for
22 payroll on an interim basis, subject to the following terms and conditions:

- 23 A. Debtor's use of cash collateral is limited to postpetition payroll, which includes
- 24 employee wages, taxes, benefits, union dues, and other customary withholdings in an
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1 amount not to exceed \$30,000 per week pursuant to the attached budget. However,
2 no insiders may be paid with cash collateral absent further order of the Court.

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4 B. Debtor shall open its debtor-in-possession accounts with UMB Bank. Debtor shall
5 deposit all Cash Collateral into a segregated account, maintained as a debtor-in-
6 possession account in the Debtor's name.

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8 C. To the extent there is a diminution in the value of UMB Bank or WebBank's (the
9 "Pre-Petition Lenders") interests in the Cash Collateral (whether the reason for such
10 diminution is as result of, arises from, or is attributable to, any or all of the
11 imposition of the automatic stay—including, without limitation, any diminution in
12 value of such interests in the Prepetition Collateral prior to the Prepetition Lender
13 seeking vacation of the automatic stay or the Court granting such relief—the priming
14 of the Prepetition Liens, the use of Cash Collateral or the physical deterioration,
15 consumption, use, sale, lease, disposition, shrinkage, or decline in market value of
16 the Prepetition Collateral), the Prepetition Lenders are granted replacement liens (the
17 "Replacement Liens") in the Prepetition Collateral, which Replacement Liens are
18 valid, binding, enforceable and fully perfected as of the Petition Date without the
19 necessity of the execution, filing or recording by the Debtors or the Prepetition
20 Lenders of security agreements, pledge agreements, financing statements, or other
21 agreements, and shall be equivalent to a lien granted under section 364(c) of the
22 Bankruptcy Code, and which such Replacement Liens shall cover assets, interest,
23 and proceeds of the Debtor that are or would be collateral under the Loan Documents
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1 if not for Bankruptcy Code section 552(a), and all cash and cash equivalents (with
2 the exception of the Avoidance Actions and proceeds thereof).

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4 D. Administrative Claim. The Prepetition Lenders are hereby granted an allowed
5 administrative claim (the “Administrative Claim”) under Bankruptcy Code section
6 507(b) with respect to all Adequate Protection obligations, to the extent that the
7 Replacement Liens do not adequately protect the diminution in the value of the
8 Prepetition Lenders’ interests in the Collateral from the Petition Date. The
9 Administrative Claim shall be payable from and have recourse to all prepetition and
10 postpetition property of the Debtor and all proceeds thereof (with the exception of
11 any Avoidance Actions and proceeds thereof).
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14 E. All of the Debtor’s revenues that are in excess of expenses approved for payment
15 under this Order shall remain in the Debtor’s debtor-in-possession account and shall
16 remain the Cash Collateral of UMB Bank and WebBank in accordance with their
17 prepetition priority.

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19 F. The Debtor shall provide to UMB Bank each Monday weekly updated accounts
20 receivable aging detail reports.

21 **IT IS FURTHER ORDERED** that the Court will conduct an evidentiary hearing
22 regarding the Motion on February 16, 2017 at 10:30 a.m. at the United States Bankruptcy
23 Court, 230 N. First Ave., Courtroom 301, Phoenix, Arizona. The evidentiary hearing shall not
24 exceed three hours.
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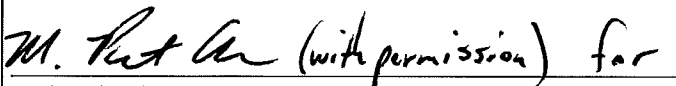
1 **IT IS FURTHER ORDERED** that the Court will conduct a status hearing regarding the
2 evidentiary hearing on February 8, 2017 at 10:30 a.m. at the United States Bankruptcy Court,
3 38 S. Scott Avenue, Courtroom 446, Tucson, Arizona. Parties may appear in Courtroom 446 in
4 Tucson or in Courtroom 301 in Phoenix, Arizona.
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6 **IT IS FURTHER ORDERED** that the parties are to exchange their lists of witnesses
7 and exhibits no later than February 10, 2017, and file with the Court their lists of witnesses and
8 exhibits no later than 5:00 p.m. on February 10, 2017. In a separate pleading, each party shall
9 set forth any evidentiary objections to the exhibits, and such objections are to be filed no later
10 than 5:00 p.m. on February 10, 2017.
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12 **IT IS FURTHER ORDERED** that electronic exhibits and exhibit lists are to be
13 delivered to the courtroom deputy in Tucson no later than 4:30 p.m. on February 13, 2017.
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15 **DATED AND SIGNED ABOVE**

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17 **APPROVED AS TO FORM BY:**

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19  *M. Hirsch (with permission) for*

20 Kyle Hirsch
21 Bryan Cave
22 Two North Central Ave., Suite 2100
23 Phoenix, AZ 85004
24 *Attorney for UMB Bank*
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ESTIMATED BUDGET

Payroll budget for weeks ending:

- February 3, 2017

○ DHR	\$23,461.05
○ 1099 Employee	<u>\$900.00</u>
	\$24,361.05

- February 10, 2017

○ DHR	\$20,000.00
○ Union	\$6,000.00
○ 1099 Employee	<u>\$900.00</u>
	\$26,900.00

- February 17, 2017

○ DHR	\$20,000.00
○ 1099 Employee	<u>\$900.00</u>
	\$20,900.00