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## IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

In re	Chapter 11
LDR INDUSTRIES, LLC,	Case No. 14-32138
Debtor.	Honorable Pamela S. Hollis

INTERIM ORDER (I) AUTHORIZING DEBTOR TO OBTAIN POST-PETITION FINANCING PURSUANT TO SECTION 364 OF THE BANKRUPTCY CODE, (II) AUTHORIZING USE OF CASH COLLATERAL PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE, (III) GRANTING LIENS AND SUPER-PRIORITY CLAIMS, (IV) GRANTING ADEQUATE PROTECTION TO THE PREPETITION LENDER AND (V) SCHEDULING A FINAL HEARING PURSUANT TO FED. R. BANKR. P. 4001(b) AND (c)

On the 4th day of September, 2014, the Court heard the Motion (the "Motion") of LDR Industries, LLC (the "Debtor") seeking entry of an interim order (the "Interim Order") and final order: (1) authorizing the Debtor to enter into the Senior Secured Super-Priority Debtor in Possession Credit Agreement (the "DIP Facility"), which will consist of (a) a revolving credit line in the amount of \$2.0 million (the "DIP Revolving Facility," and (b) the Debtor's use of cash collateral (the "Cash Collateral"); (2) granting senior liens and superpriority administrative expense claims; and (3) providing the adequate protection described in the Motion to JPMorgan Chase Bank, N.A. (the "Lender").

The interim hearing on the Motion having been held by this Court on September 4, 2014 (the "Interim Hearing"); and the Court having considered the record made before the Court at the Interim Hearing, the Motion and all pleadings and declarations related thereto; and after due deliberation and consideration, and good and sufficient cause appearing, the parties assert to the Court and the Debtor stipulates that:

- A. On September 2, 2014 (the "<u>Filing Date</u>"), the Debtor filed with this Court a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et al. (the "<u>Bankruptcy Code</u>") commencing this case (the "<u>Bankruptcy Case</u>").
- B. The Debtor remains in possession of its assets and is managing its businesses as a debtor-in-possession pursuant to Section 1107 and 1108 of the Bankruptcy Code. No trustee, examiner or official committee of unsecured creditors has been appointed in this Chapter 11 Case.
- C. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for relief requested herein are Sections 361, 362, 363 and 364 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004 and 9014 and Local Bankruptcy Rule 4001-2.
- D. The Debtor has provided notice of the Motion by same day hand delivery, electronic mail, or facsimile, where it has the information to do so, and otherwise by first class U.S. mail, to the following parties or their counsel (where known): (i) the Office of the U.S. Trustee for the Northern District of Illinois; (ii) the Office of the U.S. Attorney for the Northern District of Illinois; (iii) the Lender; (iv) the twenty (20) largest unsecured creditors of the Debtor, including the U.S. Customs Service; (v) the Internal Revenue Service; (v) the Illinois Department of Revenue and any other Illinois governmental agencies required to receive notice under the Bankruptcy Rules and Local Rules; (vi) any other federal governmental agencies required to receive notice under the Bankruptcy Rules and Local Rules; (vii) all landlords of the Debtor; and (viii) all other parties who have appeared and requested service in this Chapter 11

Case pursuant to Bankruptcy Rule 2002. Because of the exigent circumstances and in light of the nature of the relief requested, the notice provided is appropriate and adequate under the circumstances.

- E. The Debtor is a wholly owned subsidiary of GB Holdings, Inc., an Illinois corporation ("GB Holdings"), whose stock is owned equally by trusts established by Larry Greenspon and Dennis I. Greenspon (the "Greenspons"). The Debtor owns all of the shares or member interests of LDR International, Inc., an Illinois corporation ("LDR International") and Starlion International Co., Ltd., a Hong Kong company ("Starlion"). In addition, the real estate and improvements on which the Debtor's primary business operations are located is owned by 600 N. Kilbourn, L.L.C., an Illinois limited liability company ("Kilbourn") that is wholly owned by the Greenspons.
- F. The Debtor hereby admits, stipulates and agrees (without prejudice to the rights of any other person or entity as set forth in paragraph 8 herein) that:
  - i. On June 26, 2013, the Debtor, Kilbourn, and the Lender entered into that certain Credit Agreement (as the same may have thereafter been amended, supplemented, or modified, the "<u>Prepetition Credit Agreement</u>");
  - ii. Pursuant to the Prepetition Credit Agreement, the Lender extended credit to the Debtor on a revolving line of credit basis based on an asset based formula set forth in the Prepetition Credit Agreement (the "Prepetition Revolving Line of Credit");
  - iii. Pursuant to the Prepetition Credit Agreement, the Lender also extended a term loan to Debtor and Kilbourn (the "<u>Prepetition Term Loan</u>") in the original principal amount of \$2,800,000;
  - iv. Pursuant to the Prepetition Credit Agreement, the Lender also issued letters of credit for the account of the Debtor (the "Letter of Credit Facility"). As of the Filing Date, a total of three (3) letters of credit totaling are outstanding (the "Prepetition Letter of Credit Debt");
  - v. As of the Filing Date, (a) the amount due to the Lender on the Prepetition Revolving Line of Credit is \$14,816,801.25, consisting of \$14,785,410.89 in principal and \$31,390.36 in accrued interest and other fees and charges (the "Prepetition Revolver Debt"), (b) the amount due to the Lender on the

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Term Loan is \$2,636,666.62, consisting of \$2,636,666.62 in principal and \$0 in accrued interest (the "<u>Prepetition Term Debt</u>"); and (c) the face amount of the letters of credit issued and outstanding under the Letter of Credit Facility is \$1,540,000. The Prepetition Revolver Debt, the Prepetition Term Debt, and the Prepetition Letter of Credit Debt, together with all costs, expenses, and fees as called for in the Prepetition Credit Agreement, and other prepetition loan documents between the parties (the "<u>Prepetition Loan Documents</u>") shall collectively be referred to as the "<u>Prepetition Indebtedness</u>");

- vi. The Prepetition Indebtedness constitutes a valid and binding obligation of Debtor and the other non-debtor co-obligors and/or guarantors without offset, recoupment, counterclaim, deduction, defense or Claim (as such term is defined in the Bankruptcy Code) of any kind;
- To secure repayment of the Prepetition Indebtedness, the Debtor granted vii. to Lender a security interest and lien on all of all its personal property assets, including all now existing or hereafter acquired Accounts, Chattel Paper, Copyrights, Patents and Trademark, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, cash or cash equivalents, letters of credit, Letter-of-Credit Rights and Supporting Obligations, Deposit Accounts with any bank or other financial institution, all Commercial Tort Claims, Assigned Contracts, and all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files. programs, printouts and other computer material and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing (hereinafter the "Prepetition Personal Property Collateral");
- viii. To further secure the Prepetition Indebtedness, Kilbourn granted to the Lender a mortgage lien on the real estate and improvement located at 600 N. Kilbourn Avenue, Chicago, Illinois (the "Real Estate Collateral") (the Prepetition Personal Property Collateral and the Real Estate Collateral shall sometimes be collectively referred to as the "Prepetition Collateral"); and
- ix. As a result of the foregoing, the Lender holds a valid, perfected, first priority lien and security interest in the Prepetition Collateral to secure repayment of the the Prepetition Indebtedness.

<sup>&</sup>lt;sup>1</sup> The capitalized words and phrases in this subsection shall have the meanings set forth in the Uniform Commercial Code as adopted in the State of Illinois.

- G. The Debtor's use of Cash Collateral alone is insufficient to meet the Debtor's postpetition liquidity needs. The Debtor has an immediate and critical need to obtain postpetition financing under the DIP Facility and to use Cash Collateral in order to finance the ordinary costs of its operations, maintain business relationships with vendors, suppliers and customers, make payroll, and satisfy other working capital and operational needs. The Debtor's access to sufficient working capital and liquidity through the incurrence of post-petition financing pursuant to the DIP Facility under the terms of this Interim Order is vital to the preservation and maintenance of the going concern value of the Debtor's estate. Consequently, without access to the DIP Facility, to the extent authorized pursuant to this Interim Order, the Debtor would suffer immediate and irreparable harm.
- H. The Debtor is unable to obtain adequate unsecured credit under Section 503(b) of the Bankruptcy Code, or secured credit under Section 364 of the Bankruptcy Code from sources other than the Lender on terms more favorable than the terms of the DIP Facility. The only feasible source of secured credit available to the Debtor is the DIP Facility. The Debtor requires financing under the DIP Facility under the terms of this Interim Order in order to satisfy its immediate critical post-petition liquidity needs.
- I. The Lender has indicated a willingness to provide the Debtor with certain financing commitments, but solely on the terms and conditions set forth in this Interim Order and in the Senior Secured Super-Priority Debtor in Possession Credit Agreement and all other documents and instruments executed pursuant thereto (collectively, the "DIP Facility Documents"). After considering all of its alternatives, the Debtor has concluded, in an exercise of its sound business judgment, that the financing to be provided by the Lender, pursuant to the

terms of this Interim Order and the DIP Facility Documents represents the best financing presently available to the Debtor under the facts and circumstances of this case.

- J. Good cause has been shown for immediate entry of this Interim Order. In particular, the authorization granted herein for the Debtor to execute the DIP Facility Documents, to continuing using Cash Collateral, and to obtain financing, is necessary to avoid immediate and irreparable harm to the Debtor and its estate. Entry of this Interim Order is in the best interest of the Debtor, its estate and creditors. The terms of the DIP Facility Documents are fair and reasonable under the circumstances, reflect the Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and are supported by reasonably equivalent value and fair consideration.
- K. The Debtor and the Lender have negotiated the terms and conditions of the DIP Facility Documents and this Interim Order in good faith and at arm's-length, and any credit extended and loans made to the Debtor pursuant to this Interim Order shall be, and hereby are, deemed to have been extended, issued or made, as the case may be, in "good faith" within the meaning of Section 364(e) of the Bankruptcy Code.
- L. Based on the foregoing, and upon the record made before this Court, and good and sufficient cause appearing therefore,

## IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. <u>Motion Granted</u>. The Motion is GRANTED, subject to the terms and conditions set forth in this Interim Order. The Debtor shall be, and hereby is, authorized, directed and empowered to execute and deliver the DIP Facility Documents and to perform its obligations thereunder in accordance with the terms of the DIP Facility Documents. The DIP Facility

Documents shall be, and they hereby are, approved by this Interim Order and, by this reference, incorporated herein as part of this Interim Order.

- 2. <u>Interim Borrowing Authorized; Budget</u>. The Debtor is hereby authorized to borrow money under the DIP Facility Documents during the term of this Interim Order in an amount not to exceed \$1,250,000 to fund its business operations in accordance with the budget (the "<u>Budget</u>") that is attached hereto as Exhibit A and incorporated herein by this reference. In addition, the Debtor is further authorized to use Cash Collateral in accordance with and for the purposes set forth in the Budget and pursuant to the terms of the DIP Facility Documents and this Interim Order. The Debtor and Lender have agreed that substantially all cash of the Debtor now in existence or hereafter acquired constitutes the Cash Collateral of the Lender within the meaning of Bankruptcy Code § 363(a).
- 3. <u>DIP Obligations</u>. The Debtor is further authorized, directed and obligated to comply with and perform all of the terms and conditions contained in the DIP Facility Documents, and the Debtor is authorized and obligated to repay amounts owing, with interest and any other charges, to the Lender in accordance with and subject to the terms and conditions set forth in the DIP Facility Documents and this Interim Order. All advances made under the DIP Credit Facility Agreement (including any protective advances) and interest thereon, and all fees, costs, expenses, indebtedness, obligations and liabilities of the Debtor to the Lender under or in respect of the DIP Facility Documents and this Interim Order (and any Final Order in respect of the Motion) are referred to herein as the "DIP Obligations."
- 4. <u>DIP Liens; Superpriority Claims</u>. In accordance with Bankruptcy Code §§ 364(c)(1), (c)(2), (c)(3) and (d)(1) and 507(b), to secure repayment of the DIP Obligations:
  - a. <u>DIP Liens</u>. The Lender shall have a fully perfected first priority, valid, binding, enforceable, non-avoidable and automatically perfected, security

interests in and liens (the "DIP Liens") on all Accounts, Chattel Paper, Copyrights, Patents and Trademark, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, cash or cash equivalents, letters of credit, Letter-of-Credit Rights and Supporting Obligations, Deposit Accounts with any bank or other financial institution, all Commercial Tort Claims, Assigned Contracts, and all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer material and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing, whether now existing or hereafter acquired (the "DIP Collateral"). The DIP Liens shall constitute first priority security interests in and lien on all DIP Collateral subject in priority only to valid perfected, enforceable and non-avoidable liens in existences as of the Filing Date held by parties other than the Lender. The Lender shall retain its prepetition lien on all Prepetition Collateral to secure the Prepetition Indebtedness, but as part of the DIP Facility, the Lender consents to being primed by the DIP Liens on account of its prepetition liens on the Prepetition Collateral;

- b. <u>Superpriority Claim</u>. Pursuant to section 364 (c) of the Bankruptcy Code, all DIP Obligations will constitute an allowed superpriority administrative expense claim in the Bankruptcy Case having priority over all administrative expenses or other claims of the kind specified in sections 105, 326, 328, 330, 331, 503(b), 506(c), 507, 546(c), 726, 1113 or 1114 of the Bankruptcy Code ("Lender's Superpriority Claim");
- c. <u>Carve-Out and Other Limitations</u>. The DIP Liens, the Lender's Superpriority Claim, and the Adequate Protection Liens (as hereafter defined) shall at all times be subject to the Carve-Out (as defined below). Furthermore, the Lender shall not receive a lien on any claims or recoveries by or on behalf of the Debtor or its estate arising out of Chapter 5 of the Bankruptcy Code (the "<u>Avoidance Actions</u>").
- 5. Adequate Protection. As adequate protection for its interest in the Prepetition Collateral (including Cash Collateral) and to secure the Prepetition Indebtedness, the Lender shall receive pursuant to sections 361, 363, and 364 of the Bankruptcy Code, replacement security interests in and liens upon all of the DIP Collateral to the same extent, validity and perfection of the Lender's security interests in the Prepetition Collateral (the "Adequate Protection Replacement Liens").

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- 6. <u>Automatic Perfection</u>. The DIP Liens and the Adequate Protection Replacement Liens granted in favor of Lender in all of the DIP Collateral shall be perfected without the recordation of any UCC financing statements. Notwithstanding the foregoing, Debtor is authorized to execute such financing statements, instruments and notices as may be requested by Lender.
- 7. Carve-Out. The DIP Liens, the Adequate Protection Replacement Liens, and the Lender's Superpriority Administrative Expense Claims granted in favor of Lender in connection with the DIP Facility shall be subject to a carveout (the "Carveout") for (i) the payment of all U.S. Trustee fees that become due during the Bankruptcy Case, (iii) the payment of all fees and expenses incurred during the Bankruptcy Case in accordance with the Budget prior to the occurrence of an Event of Default (as defined below) under the DIP Facility, but that remain unpaid as of such date, of professionals retained by the Debtor, professionals retained by the official committee of unsecured creditors, once appointed (the "Committee") (collectively, the "Professional Fees") in an amount not to exceed (a) \$75,000 prior to entry of the Final Order and (b) \$500,000 following entry of the Final Order, and (iv) an amount up to \$100,000 for the payment of Professional Fees incurred from and after the occurrence of an Event of Default under the DIP Facility following entry of the Final Order ("Post-Default Professional Fees Carveout Limit"). So long as no Event of Default shall have occurred and be continuing, the Post-Default Professional Fees Carveout Limit shall not be reduced by the payment of Professional Fees in accordance with and subject to the Budget. The Carveout shall not include any Professional Fees that are incurred in prosecuting a Challenge Action (as hereafter defined) against the Lender or in hindering, delaying or otherwise attempting to prevent enforcement of its liens or realization upon its Prepetition Collateral or its DIP Collateral.

Challenge Period. The findings contained in Paragraph F of this Interim Order 8. shall be immediately binding upon Debtor and all non-debtor affiliates and shall thereafter be binding upon all other parties in interest, including any Committee, unless (i) a party in interest (other than Debtor or its non-debtor affiliates) has properly filed an adversary proceeding or contested matter ("Challenge Action") by the earlier to occur of (x) seventy-five (75) days from the entry of this Interim Order and by the Committee or (y) sixty (60) days from the appointment of such a Committee (the "Challenge Deadline") (a) challenging the validity, enforceability, priority or extent of the Prepetition Indebtedness or Lender's liens on the Collateral, or (b) otherwise asserting any claims or causes of action against the Lender on behalf of Debtor's estate, and (ii) the Court rules in favor of the plaintiff in any such timely and properly filed adversary proceeding or contested matter. If no Challenge Action is timely and properly filed as of the Challenge Deadline or if the Court does not rule in favor of the plaintiff in any such proceeding, (a) the obligations of Debtor under the Prepetition Loan Agreement shall constitute allowed claims for all purposes in the Bankruptcy Case, and any subsequent Chapter 7 case(s), (b) the Lender's security interests and liens on the Prepetition Collateral shall be deemed to have been, as of the Filing Date, legal, valid, binding, perfected, not subject to recharacterization, subordination or otherwise avoidable and (c) the Prepetition Indebtedness, the Lender's security interest and liens on the Prepetition Collateral shall not be subject to any other or further challenge by any party in interest with respect to the subject matter of this Paragraph seeking to exercise the rights of Debtor's estate, including, without limitation, any successor thereto. If any Challenge Action is properly filed before the Challenge Deadline, the findings contained in this Interim Order, including, without limitation, the findings contained in Paragraph F of this Interim

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Order, shall nonetheless remain binding and preclusive except to the extent that such findings were expressly challenged in any Challenge Action.

- 9. <u>Interest.</u> Interest shall accrue and be payable on the amounts outstanding under the DIP Facility before default at the CB Floating Rate plus 100 basis points (all capitalized terms shall have the same meaning as set forth in the Prepetition Credit Agreement). After default, the applicable interest rates shall all increase by 200 basis points. As further adequate protection, the Lender shall provisionally receive regularly scheduled payments of interest on the Prepetition Revolver Debt, and regularly scheduled payments of principal and interest on the Prepetition Term Debt.
- 10. <u>Facility Fee</u>; <u>Non-Utilization Fee</u>; <u>Letter of Credit Fees</u>. A DIP Facility fee equal to \$25,000 shall be due and payable to Lender upon entry of a Final Order in respect of the Motion. In addition, the Lender shall be entitled to and shall receive an unused DIP facility fee equal to .25% per annum, payable monthly. The Debtor will continue to pay to Lender when due all fees due and to become due on the Letter of Credit Facility.
- 11. Reporting Requirements. In addition to all reports required in the Prepetition Credit Documents, on the second business day of each week, the Borrower shall provide a written updated Budget on a weekly, rolling basis and shall deliver a written variance analysis with respect to the Borrower's actual revenue, collections and expenses during the prior week measured on a line item basis against the Budget and indicate whether it is in compliance with the Budget and the terms of the DIP Facility, in each case in form and substance satisfactory to Lender. In connection with delivery of the weekly updated Budget, the Borrower shall clearly identify to Lender any changes made from the prior Budget and shall include an updated

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Inventory Report and in-transit Inventory report, each in form and substance satisfactory to Lender.

- adhered to on a weekly basis and a cumulative basis as described below; provided, however that unused expenditures shall carry forward to successive weekly Budget periods on a line-by-line basis. Actual amounts for expense line items may not exceed the applicable Budget by more than fifteen percent (15%) for each week during any Budget period or fifteen percent (15%) on a cumulative basis for that portion of the Budget period then ended. Borrower's actual sales shall be no less than 90% of the projected amounts set forth in the Budget on both a weekly and cumulative basis. Borrower's "Net CF" (as defined on page 2 of the Budget) shall not be less than 85% of projected amounts set forth in the Budget on both a weekly and cumulative basis. Borrower's EBITDA, measured on a monthly basis, shall not be less than 85% of Borrower's EBITDA set forth in the Budget, tested on a cumulative basis (any budget variances that are greater than as described immediately above shall be referred to as "Non-Permitted Budget Variances").
- 13. Events of Default. Debtor's authorization to use Lender's Cash Collateral and to obtain advances under the DIP Facility shall immediately and automatically terminate (except as Lender may otherwise agree in writing in its sole discretion and subject to any applicable notice requirements as set forth *infra*) on the earliest to occur of (each such occurrence being hereinafter referred to as a "Termination Event"): (i) December 31, 2014 (the "Expiration Date"); (ii) a Final Order in respect of the Motion is not entered within 25 days of the entry of this Interim Order; (iii) the dismissal of the Case or the conversion of the Case to a case under Chapter 7 of the Bankruptcy Code; (iv) appointment in the Case of a trustee under section 1104

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of the Bankruptcy Code or an examiner with enlarged powers (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code; (v) entry of an order amending, supplementing, staying, vacating, revoking, reversing or otherwise modifying the DIP Facility or this Interim Order without the prior written consent of Lender; (vi) entry of an order permitting any claims against, or obligation of, the Debtor (now existing or hereafter arising, of any kind or nature whatsoever), to have priority equal or superior to the priority of Lender in respect of either the Prepetition Indebtedness or the DIP Obligations; (vii) the occurrence of a default under the DIP Credit Facility Documents or this Interim Order; and (viii) the occurrence of any Non-Permitted Budget Variance.

- 14. Remedies Upon Event of Default. Upon occurrence of a Termination Event, and after providing three (3) days' notice in writing, via facsimile or email to the Debtor and its counsel, the Debtor shall cease using Cash Collateral on the third business day after the date on which Debtors receive notice of such Termination Event (the date of such cessation being referred to as a "Termination Date"). Notwithstanding the first sentence of this Paragraph, Lender may, in its sole discretion, consent to extend the Expiration Date or the Termination Date without further order of the Court whereupon all of the terms, conditions, protections and other provisions of this Interim Order shall remain in full force and effect.
- 15. <u>No Effect on Non-Debtors</u>. Except as specifically provided herein, no provision of this Interim Order shall be deemed a waiver, release, or alteration by Lender of its rights with respect to any non-debtor obligors under the Prepetition Loan Agreements.
- 16. <u>Modifications: Resolution of Conflicts.</u> If any or all of the provisions of this Interim Order are hereafter modified, vacated or stayed by subsequent order of this Court or any other Court, without Lender's consent, such stay, modification or vacation shall not affect (i) the

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validity of any obligation, indebtedness or liability incurred by Debtor to Lender that is or was

incurred pursuant to this Interim Order before Lender's receipt of notice of the effective date of

such stay, modification or vacation, or (ii) the validity and enforceability of the liens and security

interests authorized, retained, granted or created by Interim Order. In the event that any of the

provisions of the DIP Credit Facility Documents contradict with the express terms of this Interim

Order, this Interim Order shall control.

17. Nunc Pro Tunc. This Order shall constitute findings of fact and conclusions of

law and shall take effect and be fully enforceable nunc pro tunc to the Filing Date immediately

upon entry hereof.

18. Final Hearing. This Order constitutes an interim order pursuant to Rule 4001(b)

of the Federal Rules of Bankruptcy Procedure. A final hearing to consider the Motion and the

relief sought therein shall be held on September 25, 2014 at 11:00 a.m. Debtors shall serve a

copy of Interim Order upon all parties who appeared or otherwise responded to the Motion or

who filed a notice of appearance in these proceedings, within three (3) days of the date hereof.

Any objections to the relief sought in the Motion shall be filed and served upon counsel to the

Debtors, Lender and the U.S. Trustee, and a courtesy copy delivered to Chambers so as to be

received on or before 5:00 p.m. on September 22, 2014.

19. No Stay. Notwithstanding the provisions of Bankruptcy Rules 6004(h), this

Interim Order shall not be stayed for fourteen (14) days after the entry hereof, but shall be

effective and enforceable immediately upon issuance hereof.

Dated: September 4, 2014

IT IS SO ORDERED:

SEP - 4 2014

Hon. Pamela S. Hollis

United States Bankruptcy Judge

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Exhibit A

Budget

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WEEKLY CASH FLOW FORECAST SEPTEMBER 5, 2014 - JANUARY 2, 2015

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ことなります		10/31/14	Forecast	Contract Con			\$93,020	1,778	2,500	CONTRACTOR	\$97,299	(338,846)	7,173	0	(1.573)	0	(\$235 948)		(\$158,835)
うっせつり		10/24/14	Forecast				535,171	1,778	2,500	CONTRACTOR CONTRACTOR	<b>339,449</b>	1,011,337	(143,853)	0	203,646	0	\$1 110 579		\$77,113
JEI 1 EINIDEN 3, 2014 - JANOAN 1 2, 2013		10/17/14	Forecast	The second second second		1000000	(\$75,579) \$35,171	1,778	2,500		(\$18,401)	(417,886)	155,122	0	(92,445)	0	\$373,610)	, , , , , , ,	1,033,467]
֭֡֝֝֝֝֝֡֜֝֝֡֓֜֝֝֓֜֝֡֡֝֜֝֡֓֜֝֡֡֜֜֝֡֡֜֝֝֡֡֡֝֡֡֜֝֡֡֡֜֝֡		10/10/14	Forecast			749.46	20,11	1,778	2,500	100000	33,443	56,307)	6,147	0	126,334	(0000)	544.3771	ar or or or	() (1908,600)
		10/03/14	Forecast	The state of the s		* 100 100 100 100 100 100 100 100 100 10		1,423	2,000	Contract Con	# C10'+0# -00C'17# 00C'17# (C1C'01#) (C1C'01#)	(518,297) (6	4,957	0	(169,969)	0	\$648,696) (	to annual to the same	110,479)
		09/26/14	Forecast Forecast		WATER ST	647.044	1017	1,423	2,000	404 300	941,300		4,722	0		0	\$767,680 (	The cond	9333,411
		09/19/14	Forecast			£47 044	10,	1,423	2,000	226 260	0001176	(413,716) (129,212) 698,530 593,199	4,722	0	(155,410) (27,017) (145,014) 148,392	0	\$579,605	TOOP FOUND	1604,4626)
		09/12/14	Forecast			1694 7071	10111	1,423	2,000	1640 3751	(0)0'010)	(129,212)	4,018	0	(27,017)	(000'09)	(\$230,585)	1604 4 0501	(3014,000)
-		09/05/14	Forecast		SV.	(424 797)		1,423	2,000	(¢19 27E)	5	(413,716)	4,018	0	(155,410)	0	(\$583,482)	JEEGS AON	(4000, 40¢)
					SUMMA		Constitution of Constitution o		ccts		APP WINDS AND	Rec	2	Payable	Other			10000	l case)
					NO E HS				Plus: Allowance For Doubtful Accts	Cash Flow From Operations		Increase)/Decrease in Accnts Rec	Increase)/Decrease in Inventory	ncrease/(Decrease) in Accnts Payable	+/- Change in Working Capital - Other	sfers	rease)	reseal/Dec	er casculator
					IT OF CA	Net Income (Locs)		Plus: Deprecration	lowance Fo	W From Or		e)/Decrease	e)/Decrease	/(Decrease	ige in Worki	Intercompany Transfers	Cash Increase/(Decrease)	ive Cach in	
The second secon					STATEMENT OF CASH FLOW SUMMARY	Net Inco	Trouble Charles Control	Plus: De	Plus: Al	Cach Fl		Increas	(Increas	Increase	+/- Char	Intercon	Cash In	Cuminat	
		H	mi		Ø	1000	4			adi	21				1		40E\$	<u> 1965</u>	4

MANIOR ASSUMIPTIONS

1) Accounts payable are projected on a 1 to 1 basis. Freeze claims prior to 20 days before filing and revolve claims within 20 days of filing.
2) Customers pay under terms in place (historical DSO between 60 and 70 days). Assume no extraordinary charge backs or holds
3) All other major categories of income and expenses based on historical trends and management's best estimate.

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All colles major caregories of incolle and expenses pased of filstofical frends and		
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	\$ \$957,786	28,452	151,011	\$104,508 \$79,138 \$21,092 \$79,138 \$137,185 \$53,651 \$113,794 \$113,794 \$143,866 \$1,137,249
	\$134,675	1,423	7,768	\$143,866
	\$134,675	1,423	7,768	\$143,866
	\$125,697 \$44,460 \$104,604 \$104,604 \$134,675 \$134,675	1,423	7,768	\$113,794
	\$104,604	1,423	7,768	\$113,794
	\$44,460	1,423	7,768	\$53,651
	\$125,697	1,778	9,710	\$137,185
	\$67,650	1,778	9,710	\$79,138
	\$9,604	1,778	9,710	\$21,092
	\$93,020 \$67,650 \$9,604	1,778	9,710	\$79,138
	\$93,020	1,778	9,710	\$104,508
	\$35,171	1,778	9,710	\$46,659
	(\$22,679)	1,778	9,710	(\$11,191)
	\$35,171	1,778	9,710	\$46,659
	\$31,191	1,423	6,898	\$39,512
	\$17,944	1,423	6,898	\$26,265
	(\$21,797) (\$21,797) \$17,944 \$17,944 \$31,191	1,423	6,898	13,476] (\$13,476) \$26,265 \$26,265
1000	(\$21,797)	1,423	6,898	(\$13,476)
	(\$21,797)	624,1	6,898	(\$13,476)
PROJECTED EBITDA	Net Income (Loss)	rius. Depreciation	Plus: Interest Expense	ЕВІТДА

WEEKL	LDR INDUSTRIES, LLC WEEKLY CASH FLOW FORECAST SEPTEMBER 5, 2014 - JANUARY 2, 2013
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		14521																	
Week Ending Date	09/05/14 Forecast	Forecast	Porterast	09/26/14 Forecast	1003/14 Forecast	10/10/14 Forecast	10/17/14 Forecast	10/24/14 Exercise	10/31/14	11/07/14	11/14/14	11/21/14	11/28/14	12/05/14	12/12/14	12/19/14	+	01/02/15	Total
		1 53						-			The second secon		William Com	20000000	- Contractor		rancasa	Lorenza	rorecast
эн г.гом			Arrest annual company of the		401 TOTAL AND SEC. 104		TO AN EXPLOSE THE PARTY.		20 - 10 - 20 - 20	The second second second		11 200 22 2000	- The second sec	Profession and the second	100 March 1887			Colonia of States of the	
		Constitution of the second	NACTOR OF PARTNESS AND ADDRESS OF THE PARTNESS AND ADDRESS AND ADD																
NET SALES	982,724	982,724	1,146,512	1,146,512	1,201,107	1,490,129	1,251,708	1,490,129	1,728,549	1,495,197	1,255,966	1,495,197	1,734,429	991,492	1,239,364	1,239,364	1,363,301	1,363,301	23,597,706
							8										<b>,</b>		
NET RECEIPTS	\$520,908	\$805,412	\$805,412 \$1,789,481 \$1,684,149	\$1,684,149	\$624,762	\$761,774	\$772,634	\$2,429,418	\$1,308,795	\$812,337	\$823,234	\$2,581,568	\$1,391,183	\$554,148	\$844,181	\$2,953,449	\$718,006	\$657,741	22,031,181
XSBURSEMENTS																			
Total Inventory Costs	629,840	629,840	734,778	734,778	769,758	954,986	627.729	1,104,986	1,107,742	858,233	554,957	1,208,233	1,111,509	635,457	794,269	734,269	873,675	873,675	15,123,212
Total Payroll & Benefits	208,644	71,662	208,644		280,306		208,644		208,644	71,662	208,644		208,644	71,662	208,644	-	208,644		2,164,445
Total Sales Expenses	19,382	19,382	96,750	19,382	19,382	24,227	93,461	24,227	24,227	24,227	102,663	24,227	24,227	19,382	19,382	105,015	19,382	19,382	698,303
Total Delivery Expenses	51,539	51,539	60,128	60,128	62,992	78,149	65,645	78,149	90,653	78,415	65,869	78,416	90,962	51,998	64,998	84,998	71,498	71,498	1,237,574
Total Purchasing Expenses	1,683	1,683	1,683	1,683	1,683	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	1,683	1,683	1,683	1,683	1,683	33,663
Total Occupancy Expenses	1,123	78,517	8,517	1,123	1,123	71,404	16,192	1,404	1,404	71,404	8.798	8,798	1,404	71,123	8,517	8,517	1,123	1,123	361,518
Total Warehouse Expenses	21,771	14,458	14,458	14,458	14,458	25,385	18,073	18,073	18,073	25,385	18,073	18,073	18,073	21,771	14,458	14,458	14,458	14,458	318,412
Total EDP Expenses	2.264	2,264	2,264	2,264	2,264	2,829	2.829	2,829	2,829	2,829	2,829	2,829	2,829	2,264	2,264	2,264	2,264	2,264	12,271
Total General & Administrative	152,653	87,663	82,663	82,653	82,653	87,067	87,067	790'18	190,18	190'18	190'18	57,067	47,067	17,653	17,653	17,653	17,653	17,653	1,203,067
Total Interest	15,492	19,000		T	38,840	-	-	-		38,840				38,840				-	151,011
Total Intercompany		60,000		-	-	000'09	-			,	60,000		,		-	60,000	-		240,000
TOTAL DYSBURSEMENTS	1,104,390	1,035,997	1,209,876	916,470	1,273,458	1,306,151	1,146,245	1,318,839	1,542,743	1,360,166	1,111,004	1,399,746	1,506,819	931,832	1,131,868	1,068,857	1,210,380	1,001,736	21,576,576
NET OF (Weekty)	(583,482)	(230,585)	509'625	767,630	(648,696)	(544.377)	(373,610)	1,110,579	(235,948)	(627,829)	1022,770)	1,181,822	(115,635)	(377,684)	(287.687)	1.884.593	(492.374)	(343.895)	
NET CF (Cumulative)	(583,482)	1 13	(234.463)	533,217	(115,479)	(959,859)	(1,033,467)	77,113	(158,835)	(706,664)	(994,434)	187,388	71,753	(305,931)	(593,618)	1,290,974	798,600	454,605	454,605
LLFORWARDS																			
Accounts Receivable	11 279 406	42 603 474	12 877 444	43 424 802	10 630 603	44 049 900	100 200 44	14 423 004	49 444 757	40 450 500	207 400 40	244 420 525	40 979 000	44 544 050	20 000 000	14 750 404	200 000 00	42,000,424	200 0000
Add: Sales	982,724	1 1	1,146,512	1,146,512	1,201,107	1,450,129	1,251,708	1,490,129	1,728,549	1,495,197	1,255,986	1,495,197	1,734,429	991,492	1,239,364	1,239,364	1,363,301	1,363,301	23,597,706
Less: Collections	(569,008)		(1,845,042)	(1,739,711)	(682,810)	(833,822)	(833,822)	(2,501,466)	(1,389,703)	(884,615)	(884,615)	(2,653,846)	(1,474,359)	(602,648)	(903,972)	(3,013,240)	(783,442)	(723,178)	(23,172,814)
Ending Balance CHANGE	413,716	12,822,353	(698,530)	(593,199)	518,297	13,705,207	417,886	(1,011,337)	338,846	610,582	371,350	(1,158,649)	260,070	388,843	335,392	(1,773,876)	579,858	13,704,297	424,892
Inventory																			
Beginning Balance	15,420,442	15,416,424	15,412,407	15,407,685	15,402,963	15,398,006	15,391,859	15,236,737	15,380,589	15,373,417	15,367,248	15,112,107	15,355,938	15,348,740	15,344,685	15,339,564	15,334,442	15,328,788	15,420,442
Add: Purchases	629.840	629,840	734,778	739 500)	769,758	954,986	652,229	1,104,986	1,107,742	958,233	554,957	1,208,233	1,111,509	635,457	794,269	794,269	873,675	873,675	15,123,212
Ending Balance	15,416,424	1	15,407,685	15,402,963	15,398,006	15,391,859	15,236,737	15,380,589	15,373,417	15,367,248	15,112,107	15,355,938	15,348,740	15,344,685	15,339,564	15,334,442	15,328,788	15,323,134	15,323,134
CHANGE	(4,013)	H	(4,722)	(4,722)	(4.967)	(6,147)	(155,122)	143,863	(7,173)	(6,169)	(255,141)	243,831	(7,198)	(4,055)	(5,121)	(5,121)	(5,654)	(5,654)	(97,308)
Accounts Payable																			
	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069	3,459,069
Add: Purchases (Cogs Only)	629,840	629,840	734,778	734,778	769,758	954,986	622,229	1,104,986	1,107,742	958,233	554,957	1,208,233	1,111,509	635,457	794,269	794,269	873,675	873,675	15,123,212
Less: Payments (Cogs Only)	(629,840)	(629,840)	(734,778)	(734,778)	(769,758)	(954,986)	(652,229)	(1,104,986)	(1,107,742)	(958,233)	(554,957)	(1.208,233)	(1,111,509)	(635,457)	(794,269)	(794,269)	(873,675)	(873,675)	(15,123,212)
Uner (Reduction)/Addition	3.459.069	3.459.069	3.459.069	3.459.069	3.459.069	3.459.069	3 459 069	3.459.069	3.459.069	3.459.069	3 459 069	3 459 069	3.459.069	3.459.069	3 459 069	3 459 069	3 459 069	3.459.069	3.459.069
LOWER PROPERTY.					-	-	-	-		-			-	-	-	-	-		

The actual pre-petition loan balance for the pre-petition revolver debt was \$14,816,801.25 as of the Petition Oate, September 2, 7014 Jeptember 2, 2014

Projected	101	Bottowin											NO	NO	NO	NO.	E)	HOLV Inventory							
Projected Cumulative Cash inflowfules	Loan Balance Prior to Filing	Borrowing Limit after Letters of Credit	Less, Letters of Creds	Max. Sorrowing Lynd	Max Line Line	Austracky net of Druten	ess Deuton Reserve	Total Availability		hyentery Avadebility	. Inventory Limit	NOLV Inventory Availability	Advance Rate	Ekgole inventory Balance	Less Ireligibles	Inventory Balance	AIR Avaitabling	Advance Rate	Elable MS	Less treigbles	AJR Ending Belance	Less: Collections	Add: Sales	Beg. Balance	
		•	L			L				-			The second second		L				100						
	14,340,747	15.465.991	(1,540,000)	17,005 991	20,000,000	17.005.991	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	18,305,991		7,527,724	10,000,000	7,527,724	51.56%	14566 929	The section of	15,418,424	10,578,267	25%	12 445 220	10 10 to 10	13,845,020	一株のは中	982,724	13,279,406	
100 mag	14,340,747	15,532,859	55-0,000	17,072,859	20,000,000	17.072.659	1000000	18,172,859		7.525.648	10,000,000	7,525,648	51.88%	14.562.012	360000	15,412,407	10.647,211	*S5	12 526 13:	25 25 CES	13,726,131	#50 to 100	502.724	13,646,020	
	14,340,747		(3.540,000)	18 429 441	20,000,000	16,429,441	or to the call.	17,529,441		7.523.207	10,000,000	7,523,207	51.68%	14,557,290	が行びた	15,407,685	10,006,233	85%	CT 772,039	400,000	12.972,039	PLESCOOK	1.146 512	13,726,131	
711 117	14,340,747		[1,540,000]	15 875 554	20.000,000	15.875.554	\$1,400,935	18,976,584		7520.767	10,000,000	7,520,767	51.68%	14 552 568	100 miles	15,402,963	9,454,737	85%	11,123,275	150 502 6	12,323,278	# 785.C	1 146 512	12,972,038	
	14,340,747	14/24/204	(1.540,000)	16264264	20,000,000	16:264:204	STATE OF THE STATE	17,364,204		35C B15.	10,000,000	7,518,206	51.689	14.547.6:1	10728/58.	16.398,006	9,845,899	25	11 583,528	大学の かんしゅう	12,783,528	100 March 100 Ma	1 201 107	12,323,279	
- War - War - W	14,140,747	15,217,642	11.540,000	16 757 947	20 000 000	15.752647	1. 游戏类	17,857,647	100000	7 515 029	10,000,000	7,515,029	51.58%	1454: 464	C-100 11 12	15,391,859	10,342,619	55.8	-2.5.2	200 300	13,367,787	· 多元· · · · · · · · · · · · · · · · · ·	1,460,128	12,783,628	
	14,340,747	15,440,674	2 540 000	16.953,674	20,000,000	16,950,674	ACC 00 33 h	13,080,674		7434861	10,000,000	7,434,863	51.68%	14 386 342	1867,7851	15,236,737	10,645,853	85%	12,524,486	Contraction of	13,724,486	355.536	25 708	13,357,787	
	14.340,747	14,594,140	(1.540,000)	16,134,140	20 000,000	16.134.140	11.592 (27)	17,234,140	· party and	7 509 204	10,000,000	7,509,204	51.68%	14 530, 194	2000 000	16.380,599	9,724,636	85%	11,443 191	160,000	12,541,101	12/27/29/20	1.490.129	13,724,486	
	14,340,747	14,807,981	(1.540.000)	16,347,981	20,000,000	:6.347.981	25 75 272	17.447.931		7 505 498	10,000,000	7,505,498	61.68%	14,523,022	120000	15,373,417	¥,942,483	55%	11,597,039	State Spinster	12,897,038	はなける	1.728.546	12,641,101	
	14,340,747	15,262,351	(1.540.00C)	16,802,351	20,000,000	16,602,361	12,000 A 12,000 A	17,902,351		7.502.309	10,000,000	7,502,309	51.58%	14.515.853	September 1	15,367,245	16,400,041	85%	12 235 345	Stores all	13,435,343	1000	. 25. 55	12,897,039	
	14,340,747		1	16,523,568	20,000,000	16 923 988	4 1800 3 5 5 5	38,023,968		7370.453	10,000,000	7,370,453	51.68%	14261712	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	15.112,107	10,560,515	¥55	12:545.312	STREET, STREET	13,746,352	1. 公司日	1 255 666	13,436,343	
100.00	14,240,747		(1,540,000)	16,013,591		16,013,691	# XXXXXX	17,113,891	1		10,000,000	7,464,485	57.68%	14 505 540	35,55	16,365,938	9,617,226	85%	71,314,364	CONTRACT	12,614,384	4 . S. S		13,745,312	
1	-	11,620,331		16 (60 331	20	1 16,160,331		17,260,331			10,000,000		51.68%	14 496 345	Secretary Pr	-	8,767,586	85%	11:491.27B	-24	1:	*			2000
200 200	14,240,747	. 4	00) (1,540,000)	31 16,447,527		31 15 47 527		17,547,527			į	45 7.480,649	51.68%	5 14 46 4 290	200	15,344,685	10,056,878	85%			78 13,031,621			12 581 278	Marie Company
1	747 14,340,747			527 16 679 141	20 000 000	527 1 16 679 141	0525 41.50336	527 17,778,141		1	-	648 7,489,002	51.68%	12.		685 15,339,564	878 10,291,139	85%			621 13,307,222			278 13.031,621	
4	_								ſ				51:68%	14 454 047	385			85%						.625 13,307,222	
	1,340,747 14.34			15,517,678 1 15,55		15.17.678 1 15.55	5723.3338 -33.5	18,217,878 15,652,215	. [		-	2	51,88%	_	Γ	15,334,442 15,32	9,132,522 9,18	355	10 273 556 10 78	177	11.473,556 11.98	A		Ĩ	
709 800	4.340,747 14.					15.552.215	-					482.434 7.			50 Application 12		9.159.781 9.		0757.978 16	100.0320	11,987,978 12,	***********		11,473,556 11.	
2	4,340,747	4.497.777	540,000	16 037 777	20,000,000	15,037,777	11.000.000	17,137,777	1	7478 612	10,000,000	7,479,512	51.56%	14,472,788	Sec. Sec. Sec.	15,323,134	8,658,2%\$	85.5	15,352,664		12,682,684	の推定を	362 30	11,987,978	