



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 23, 2016

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

HD RETAIL REPAIR, LLC
47-1225736
4514 Cole Ave, 910
Dallas, TX 75205

Debtor.

Case No.: 16-34817-BJH-11

Chapter: 11
[JOINT ADMINISTRATION REQUESTED]

IN RE:

LOPEK COMPANIES, LLC
27-3641469
729 3rd Avenue
Dallas, TX 75226

Debtor.

Case No.: 16-34818-BJH-11

Chapter: 11
[JOINT ADMINISTRATION REQUESTED]

ORDER AUTHORIZING INTERIM USE OF CASH COLLATERAL BY LOPEK COMPANIES, LLC

On this day came on for consideration the *Debtor's Emergency Motion for Order Authorizing the Interim and Final Use of Cash Collateral* (the "**Motion**"). The Motion is made pursuant to 11 U.S.C. §§ 105, 361 and 363 and Federal Rules of Bankruptcy Procedure 4001 and 9014: (a) authorizing the Lopek Companies, LLC to use cash collateral of existing secured

lenders and granting adequate protection to existing secured lenders for the use of their cash collateral; and (b) prescribing the form and manner of notice and setting the time for the final hearing (the “**Final Hearing**”) on the Motion. Upon review of the Motion, the Affidavit of Kevin Loper and based upon the evidence presented to this Court at the interim hearing on the Motion (the “**Interim Hearing**”), the Court hereby makes the following findings of fact and conclusions of law:

1. Adequate and sufficient notice of the Motion and the Interim Hearing has been provided to all persons entitled thereto pursuant to Rules 2002 and 4001 of the Federal Rules of Bankruptcy Procedure.

2. This matter constitutes a “core proceeding” within the meaning of 28 U.S.C. § 157.

3. This Court has jurisdiction over the parties and the subject matter of this proceeding pursuant to 28 U.S.C. §§ 1334 and 157.

4. Lopek Companies, LLC, Debtor and Debtor in possession in the above-styled and numbered case [case number: **16-34818-BJH-11**] (“**Debtor**”) commenced the case *sub judice* on December 16, 2016 (the “**Petition Date**”) by the filing of a petition for relief under chapter 11 of the Bankruptcy Code.

5. Secured Lenders (defined in the Motion) assert that they are secured in substantially all Debtor’s personal property (collectively, the “**Prepetition Collateral**”) and the proceeds thereof (the “**Cash Collateral**”).

ACCORDINGLY, IT IS ORDERED THAT:

1. The Debtor is permitted to use Cash Collateral, in accord with the Budget attached hereto as Exhibit "A" (the "**Budget**"), provided, the Debtor may exceed any line item in the Budget by up to ten percent (10%). The Budget may be updated and modified through the date of the Final Hearing by: (a) consensual agreement of Debtor and the Secured Lenders; or (b) by further order of this Court.

2. Debtor's right to use Cash Collateral under the Interim Order shall commence on the date of entry of the Interim Order and expire on the earlier of: (a) the entry of a subsequent interim cash collateral order; or (b) the entry of a Final Order.

3. As adequate protection of the Secured Lender's interest, if any, in the Cash Collateral pursuant to sections 361 and 363(e) of the Bankruptcy Code to the extent of any diminution in value from the use of the Collateral the Court hereby grants the Secured Lenders replacement security liens on and replacement liens on all of Debtor's personal property (the "**Replacement Liens**"), whether such property was acquired before or after the Petition Date.

4. Such Replacement Liens are exclusive of any avoidance actions available to the Debtor's bankruptcy estate pursuant to sections 544, 545, 547, 548, 549, 550, 553(b) and 724(a) of the Bankruptcy Code and the proceeds thereof.

5. Further, such Replacement Liens shall be equal to the aggregate diminution in value of the Collateral, if any, that occurs from and after the Petition Date. The Replacement Liens shall be of the same validity and priority as the liens of the Secured Lenders on the prepetition Collateral.

6. The Replacement Liens granted herein shall maintain the same priority, validity and enforceability as the Secured Lenders' liens on the prepetition Collateral. The Secured Lenders shall not be required to file or serve financing statements, notices of liens or similar interests which otherwise may be required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such Replacement Liens.

7. The Replacements Liens shall be subject and subordinate to: (a) professional fees and expenses of the attorneys, financial advisors and other professionals retained by the Debtor in the amounts set forth in the Budget and any supplemental budget approved by the Court and/or consented to by the Secured Lenders and subject to this Court's approval under section 330 and/or section 331 of the Bankruptcy Code; and (b) any and all fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6) and the Clerk of the Bankruptcy Court (collectively, the "**Carve Out**").

8. This Interim Order is without prejudice to the rights of the Secured Lenders or the Debtor as to any further order regarding the use of Cash Collateral as to the request for payment of any other expenses incurred during the period covered by this Interim Order.

9. This Interim Order is without prejudice to the rights of any party-in-interest, including the Debtor, to contest the priority, validity and enforceability of the Secured Lenders' liens and security interests in and to the prepetition Collateral.

10. During the term of this Interim Order, Debtor shall comply with all terms and conditions of the loan documents executed by the Debtor and the Secured Lenders, including but not limited to the reporting requirements set forth therein, except to the extent modified herein.

11. The Final Hearing to consider the entry of a Final Order authorizing and approving the use of Cash Collateral is hereby scheduled for **January 6, 2017, at 1:15 p.m.**

12. This Interim Order is and shall be fully effective upon its entry.

END OF ORDER

ORDER SUBMITTED BY:

/s/ Robert T. DeMarco

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***Proposed Counsel for Debtors and
Debtors in Possession***

EXHIBIT "A"

Lopek Companies Budget

Income

	HDRR	\$50,000.00
	Receivables	\$25,000.00
TOTAL		\$75,000.00

Expense	Week of	Amount
Gas	12/19-12/30	\$8,000.00
Hotels	12/19-12/30	\$10,000.00
Payroll	12/23	\$14,000.00 approx
Rent	12/30	\$12,500.00
Electric Bill	12/30	\$3,935.00
Payroll	12/30	\$14,000.00 approx
Insurance		
TOTAL		\$62,435.00
NET INCOME		\$12,565.00