

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re : Chapter 11

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Mercantile Bancorp, Inc., : Case No. 13-11634 (KJC)

:

Debtor. :

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INITIAL MONTHLY OPERATING REPORT

File report and attachments with Court and submit copy to United States Trustee within 15 days after order for relief.

Certificates of insurance must name United States Trustee as a party to be notified in the event of policy cancellation. Bank accounts and checks must bear the name of the debtor, the case number, and the designation “Debtor in Possession.” Examples of acceptable evidence of Debtor in Possession Bank accounts include voided checks, copy of bank deposit agreement/certificate of authority, signature card, and/or corporate checking resolution.

REQUIRED DOCUMENTS	Document Attached	Explanation Attached
12-Month Cash Flow Projection (Form IR-1)	Yes ⁽¹⁾	
Certificates of Insurance:		
Workers Compensation	Yes	
Property	n/a	
General Liability	Yes	
Vehicle	Yes	
Other: Bankers Professional Liability (Blend)	Yes	
Other: D&O	Yes	
Other: Employment Practices Liability (Blend)	Yes	
Other: Fiduciary (Blend)	Yes	
Identify areas of self-insurance w/liability caps		

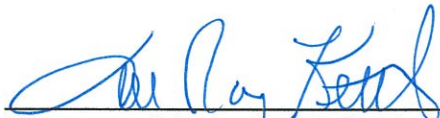
Evidence of Debtor in Possession Bank Accounts		
Tax Escrow Account	n/a	
General Operating Account	n/a	
Money Market Account pursuant to Local Rule 4001-3. Refer to http://www.deb.uscourts.gov	n/a	
Other: Bank Accounts Listed in Cash Management Motion Attached	Yes	
Retainers Paid (Form IR-2)	Yes	

Note:

(1) See attached cash flow projection through December 2013.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Mercantile Bancorp, Inc.



 Signature of Authorized Individual*

July 12, 2013

 Date

Lee Roy Keith

 Printed Name of Authorized Individual

President & Chief Executive Officer

 Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

CASH FLOW PROJECTION

Mercantile Bancorp, Inc.
Parent Company Only
Cash Flow Projections

Updated: July 12, 2013

	2013 Actual						2013 PROJECTED						
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
CASH INFLOW:													
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Fee Inc	-	-	-	-	-	-	-	-	-	-	-	-	-
HNB CD Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Benefit (reimb fed tx pybl to Merc Bk)		(109,242)											
State Tax Refund						67,524							
Delaware Franchise Tax Refund						143,867							
Data Processing Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Bancorp Allocation Income	27,094	27,094	27,094	27,094	27,094	-	-	-	-	-	-	-	-
Cash from sale of Brookhaven stock (\$5 per share)			583,355										
Cash merged in from Royal Palm Bancorp - includes cash acct & cash from sale of RPB HC land			185,269	74,751									-
TOTAL CASH INFLOW	27,094	(82,148)	795,718	101,845	27,094	211,391	-	-	-	-	-	-	1,080,994
CASH OUTFLOW:													
Capital Trust # 1	10,310,000	-											
Capital Trust # 2	20,619,000		-										
Capital Trust # 3	10,310,000		-										
Capital Trust # 4	20,619,000			-									
Cash in/outflows from bal sht (payroll w/h pymts/prepds/etc)	110,062	10,045	9,860	10,983	9,847	28,241	-	-	-				
Attorney/Investor Fees (merge RPB HC, MBI bankruptcy, UpShot services)	-	-	-	10,875	167,640	178,619	114,741	107,000	102,000	22,000	20,000	10,000	
Salaries and Benefits	35,362	17,731	17,346	17,091	26,070	8,928	4,305	4,305	4,305	-	-	-	
Occupancy Expense	608	608	2,322	(1,106)	608	186	186	186	186	-	-	-	
Other Operating Expenses (stock transf co, franchise taxes)	3,345	3,431	1,162	2,484	10,707	1,683	2,190	8,290	290	-	-	-	
TOTAL CASH OUTFLOW	149,377	31,814	30,690	40,328	214,872	217,657	121,422	119,781	106,781	22,000	20,000	10,000	1,084,721
Beginning Cash Balance	425,382	303,099	189,137	954,166	1,015,684	827,905	821,639	700,217	580,436	473,655	451,655	431,655	
NET INFLOW/(OUTFLOW)	(122,283)	(113,962)	765,029	61,517	(187,778)	(6,266)	(121,422)	(119,781)	(106,781)	(22,000)	(20,000)	(10,000)	(3,727)
Ending Cash Balance	303,099	189,137	954,166	1,015,684	827,905	821,639	700,217	580,436	473,655	451,655	431,655	421,655	

CERTIFICATES OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/09/13

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Winters Insurance Group LLP 201 S. 5th Street Quincy, IL 62301 Charles R. Mahon	217-223-4080 217-223-9274	CONTACT NAME: Jane Boll PHONE (A/C. No., Ext): 217-223-4080 E-MAIL ADDRESS: jane@wintersins.com	FAX (A/C. No.): 217-223-9274
INSURED MERCANTILE BANK MERCANTILE BANCORP, INC. P O Box 3455 Quincy, IL 62306		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A : Cincinnati Indemnity	23280
		INSURER B : Cincinnati Insurance Co	10677
		INSURER C :	
		INSURER D :	
		INSURER E :	
		INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			FIP1417666	10/01/12	10/01/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			FIA1417666	10/01/12	10/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			FIP1417666	10/01/12	10/01/13	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC1859279-01	10/01/12	10/01/13	<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 IA4087 08/11 APPLIED TO POLICY FIP1417666 - INCLUDING GL, UMB AND AUTO.

CERTIFICATE HOLDER	CANCELLATION
OFFICEU OFFICE OF THE UNITED STATES TRUSTEE ATTN: MARK KENNEY, ESQ 844 KING ST, STE 2207 WILMINGTON, DE 19801	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CANCELLATION OR NONRENEWAL BY US
NOTIFICATION TO A DESIGNATED ENTITY**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS PACKAGE POLICY
CLAIMS-MADE EXCESS LIABILITY COVERAGE PART
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
DENTIST'S PACKAGE POLICY
EXCESS LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SCHEDULE

Name and mailing address of person(s) or organization(s):

Office of the United States Trustee Attn: Mark Kenney, ESQ J. Caleb Boggs Federal Building 844 King Street, Suite 2207 Lockbox 35 Wilmington, DE 19801

Number of days notice (other than nonpayment of premium): _____

- A.** If we cancel or nonrenew this policy for any statutorily permitted reason other than nonpayment of premium we will mail notice to the person or organization shown in the Schedule. We will mail such notice at least the number of days shown in the Schedule before the effective date of cancellation or nonrenewal.
- B.** If we cancel this policy for nonpayment of premium, we will mail notice to the person or organization shown in the Schedule. We will mail such notice at least 10 days before the effective date of cancellation.
- C.** If notice is mailed, proof of mailing to the mailing address shown in the Schedule will be sufficient proof of notice.
- D.** In no event will coverage extend beyond the actual expiration, termination or cancellation of the policy.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/12/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Beecher Carlson - New York 120 West 45th Street 30th Floor New York NY 10036	CONTACT NAME: Tamara Fazylova PHONE (A/C No. Ext): (646) 358-8500 FAX (A/C, No): (646) 358-8590	
	E-MAIL ADDRESS:	
INSURED Mercantile Bancorp, Inc. 200 N 33rd St Quincy IL 62301	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Indian Harbor Insurance Co	NAIC # 36940
	INSURER B: Federal Insurance Co	20281
	INSURER C: Zurich North America	26247
	INSURER D: Cincinnati Insurance Company	10677
INSURER E:		
INSURER F:		


COVERAGES **CERTIFICATE NUMBER:** CL1371229544 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			ELU122172-11	7/29/2012	7/29/2013	EACH OCCURRENCE \$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						MED EXP (Any one person) \$
	Blend EPL/FID/BPL						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$
							Limit \$ 2,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED						\$
	RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						OTHER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
B	Blend EPL/FID/BPL			8208-7242	7/29/2012	7/29/2013	Limit \$1,000,000
C	Blend EPL/FID/BPL			DEP000568 00	7/29/2012	7/29/2013	Limit \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Insurer D: Cincinnati Insurance Co Blend EPL/FID/BPL Policy # EXC 910 01 17 Period:7/29/2012-7/29/2013
Limit: \$1,000,000

CERTIFICATE HOLDER Office of the United States Trustee Attn: Mark Kenney, Esq. J. Caleb Boggs Federal Building 844 King Street, Suite 2207 Lockbox 35 Wilmington, DE 19801	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE John Kerns/MARTHO 



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/12/2013

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PRODUCER Beecher Carlson - New York 120 West 45th Street 30th Floor New York NY 10036	CONTACT NAME: Tamara Fazylova PHONE (A/C No. Ext): (646) 358-8500 FAX (A/C, No): (646) 358-8590	
	E-MAIL ADDRESS:	
INSURED Mercantile Bancorp, Inc. 200 N 33rd St Quincy IL 62301	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Federal Insurance Co	NAIC # 20281
	INSURER B: Continental Casualty Company	NAIC # 20443
	INSURER C: Ironshore Specialty Insurance	NAIC # 25445
	INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL1362528962 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			81900032	12/1/2012	7/29/2013	EACH OCCURRENCE	\$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						MED EXP (Any one person)	\$
	<input type="checkbox"/> Fidelity Bond						PERSONAL & ADV INJURY	\$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG	\$
							Limit	\$ 5,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/>	<input type="checkbox"/>				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/>	<input type="checkbox"/>				PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB						EACH OCCURRENCE	\$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/>	<input type="checkbox"/>				AGGREGATE	\$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/>	N/A				E.L. EACH ACCIDENT	\$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
B	Blend EPL/FID/BPL			425179219	7/29/2012	7/29/2013	Limit	\$5,000,000
C	Directors & Officers			001428800	7/29/2012	7/29/2013	Limit	\$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER Office of the United States Trustee Attn: Mark Kenney, Esq. J. Caleb Boggs Federal Building 844 King Street, Suite 2207 Lockbox 35 Wilmington, DE 19801	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE John Kerns/MARTHO 

EVIDENCE OF DEBTOR IN POSSESSION BANK ACCOUNTS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
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In re: : Chapter 11

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Mercantile Bancorp, Inc., : Case No. 13-11634 (KJC)

:

Debtor. : **Re: Docket No. 5**

:

-----X

**ORDER GRANTING MOTION OF DEBTOR
MERCANTILE BANCORP, INC. FOR ENTRY OF AN
ORDER (A) APPROVING THE CONTINUED USE OF THE DEBTOR'S
CASH MANAGEMENT SYSTEM AND (B) GRANTING RELATED RELIEF**

This matter coming before the Court on the Motion of Mercantile Bancorp, Inc., debtor and debtor in possession in the above-captioned chapter 11 case (the "Debtor") for an Order (A) Approving the Continued Use of the Debtor's Cash Management System and (B) Granting Related Relief (the "Motion");¹ the Court having reviewed the Motion and the First Day Declaration and having scheduled a hearing before the Court (the "Hearing"); and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. §§1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b) and (iv) notice of the Motion and the Hearing was sufficient under the circumstances, and after due deliberation the Court having determined that the relief requested in the Motion is necessary and essential for the Debtor's reorganization and such relief is in the best interests of the Debtor, its estate and its creditors; and good and sufficient cause having been shown;

¹ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Debtor is authorized to: (a) maintain the Cash Management System in substantially the same form as described in the Motion and (b) open and close bank accounts.

The Debtor shall provide prompt notice of: (a) any ordinary course changes to its Cash Management System and (b) the opening and closing of any bank accounts to (i) the United States Trustee for the District of Delaware and (ii) any official committees appointed in this case.

In connection with the ongoing utilization of the Cash Management System, the Debtor shall continue to maintain records with respect to all transfers of cash, including all intercompany transactions, so that all transactions may be readily ascertained, traced, recorded properly and distinguished between pre-petition and post-petition transactions.

3. The Debtor is authorized to continue to use the Bank Accounts under existing account numbers without interruption provided, however, that no checks issued against the Bank Accounts prior to the commencement of this chapter 11 case shall be honored, except as otherwise authorized by an order of this Court and directed by the Debtor.

4. Mercantile Bank is authorized and directed to continue to service and administer the Bank Accounts as accounts of the Debtor as a debtor-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or automated clearing house transfers ("ACH Transfers") drawn on or credited to the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be. Such Bank Accounts shall be renamed "debtor-in-possession" accounts. Mercantile Bank is also authorized to waive any applicable requirement to establish separate accounts for cash collateral and/or tax payments. Mercantile Bank shall not be liable to any party on account of: (a)

following the Debtor's instructions or representations as to any order of this Court; or (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored despite implementation of reasonable item-handling procedures.

5. Except for those checks, drafts, wires, or ACH Transfers that must be honored and paid in order to comply with any order(s) of this Court authorizing payment of certain prepetition claims as represented by the Debtor to Mercantile Bank, no checks, drafts, wires, or ACH Transfers issued on the Existing Bank Accounts prior to the Petition Date but presented for payment after the Petition Date shall be honored or paid.

6. The Debtor is authorized to continue to use its existing checks and other business forms, which checks and business forms shall not be required to include the legend "Debtor-in-Possession" or a debtor-in-possession case number; provided, however, that, with respect to checks or other business forms which the Debtor or its agents print themselves, the Debtor shall begin printing the "Debtor in Possession" legend, and include the debtor-in-possession case number, on such items within ten (10) days of the date of entry of this Order. However, if new checks and business forms are ordered, such checks and business forms shall be required to include the legend "Debtor-in-Possession" and a "debtor-in-possession case number." Third-party administrators and providers using checks and forms for the Debtor are also authorized to prepare and issue checks on behalf of the Debtor, subject to the provisions of this paragraph.

7. Subject to the terms and conditions in this Order, the Debtor may open additional bank accounts and close certain of the Bank Account(s) as it may deem necessary and appropriate, and Mercantile Bank and other financial institutions are authorized to honor the Debtor's requests to open or close, as the case may be, any such Bank Accounts; provided,

however, that the Debtor gives notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware and any statutory committees appointed in this chapter 11 case; provided, further, that the Debtor shall open any such new Bank Accounts at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement.

8. The Debtor is granted an initial sixty (60) day extension from the Petition Date to:
(a) comply with the requirements of Section 345 of the Bankruptcy Code or Local Rule 4001-3;
(b) file a motion seeking authority to deviate from such requirements; or (c) file a motion seeking a further extension.

9. The Debtor is authorized, from and after the Petition Date, to continue to utilize its Cash Management System.

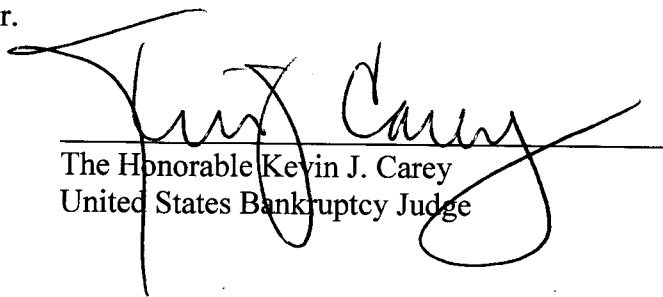
10. The Debtor shall use its good faith reasonable best efforts to cause Mercantile Bank to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within 45 days of the date of this Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that Mercantile Bank is unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

11. Pursuant to Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, this Order shall be immediately effective and enforceable upon its entry, and shall be deemed to be a final Order.

12. The Debtor is authorized and empowered to take all actions necessary to implement the relief granted in this Order.

13. The Court shall retain jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

Dated: July 1, 2013
Wilmington, Delaware



The Honorable Kevin J. Carey
United States Bankruptcy Judge

RETAINERS PAID

SCHEDULE OF RETAINERS PAID TO PROFESSIONALS

(This schedule is to include each Professional paid a retainer¹)

Payee	Check		Name of Payor	Amount	Amount Applied to Date	Balance
	Date	Number				
DLA PIPER LLP (US)	5/30/2013 and 6/20/2013	WIRE	MERCANTILE BANCORP, INC.	\$225,000.00	\$218,445.80	\$6,554.20
SCHMIEDESKAMP, ROBERTSON, NEU & MITCHELL LLP	6/6/2013	ACH	MERCANTILE BANCORP, INC. ²	\$15,000.00	\$0.00	\$15,000.00
UPSHOT SERVICES LLC ³	6/13/2013	WIRE	MERCANTILE BANCORP, INC.	\$5,000.00	\$2,130.80	\$5,000.00

¹ Identify all Evergreen Retainers

² This retainer was initially funded by Mercantile Bank by ACH on 6/6/2013. On 6/19/2013, the Debtor reimbursed Mercantile Bank in full for such retainer payment.

³ The Order approving the retention of UpShot Services LLC provides that "UpShot may hold its retainer under the Services Agreement during this chapter 11 case as security for the payment of expenses only (and not fees) under the Services Agreement."