

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF CONNECTICUT

IN RE:

MANUFACTURERS ASSOCIATES, INC.
DEBTOR

CHAPTER 11

Case No. 15-31832 AMN

MANUFACTURERS ASSOCIATES, INC.
MOVANT

Vs.

NUVO BANK AND TRUST COMPANY
RESPONDENT

Re: Docket No. 250

**ORDER AUTHORIZING USE OF CASH COLLATERAL AND
PROVIDING ADEQUATE PROTECTION PURSUANT TO 11 U.S.C. § 363(c)(2)B
FOR THE MONTH OF JANUARY 2017**

THIS MATTER came before the Court upon the Trustee's Supplemental Motion for Interim Authority to Use Cash Collateral, the Court having considered arguments of counsel and all interested parties present before the Court, there being no objection to the relief sought, and there being due and sufficient notice therefor for use of cash collateral, the Court makes the following findings and conclusions:

1. On November 2, 2015, Manufacturers Associates, Inc. (hereafter the "Debtor"), filed a voluntary petition for the relief afforded by Chapter 11, Title 11, United States Code, in this Court. In accordance with Section 1107 and Section 1108 of the Bankruptcy Code. On August 19, 2016, the United States Trustee appointed Roberta Napolitano as Chapter 11 Trustee (the "Trustee.")
2. It is essential to the Debtor's business and operations to use cash generated from its manufacturing business so as to continue to pay ordinary course business expenses. Without court authority to use the cash collateral, the Debtor will suffer harm and be forced to terminate operations and abort any chance for successful reorganization. The absence of authority to use cash collateral will more than likely result in terminated operations and the loss of the going concern value to the Debtor's estate.
3. Secured creditor Nuvo Bank and Trust Company has claimed a duly perfected non-avoidable security interest in the Debtor's personal and fixture property and all goods and equipment.
4. This Court finds that it is in the best interest of the Debtor, the secured creditor and all creditors and parties in interest, and to avoid harm to the Debtor, that the use by the Debtor, through the

Trustee, of the secured creditor's cash collateral on the terms and conditions set forth herein, be approved, and the court hereby concludes as follows:

- a. Pursuant to 11 U.S.C. Section 363(c)(2)(B), and subject to the further terms and conditions set forth herein, the Debtor, through the Trustee, is hereby authorized to use cash collateral which cash collateral the Trustee and the Debtor concede is subject to the security interests of Nuvo Bank and Trust Company. The Debtor may use cash collateral to meet all necessary business expenses incurred in the ordinary course of its business and statutory quarterly chapter 11 fees payable to the Office of the U.S. Trustee. The use of cash collateral is necessary to continue the operations and for the benefit of the estate.
- b. In exchange for use of cash collateral by the Debtor through the Trustee, said secured creditor is hereby granted replacement liens as provided in 11 U.S.C. Section 361(2) in all after-acquired property of the Debtor, and that said liens shall be of equal extent and priority to that which Nuvo Bank and Trust Company enjoyed with regard to the estate's property at the time the Debtor filed its Chapter 11 petition.
- c. Nuvo Bank and Trust Company is authorized and is hereby granted relief from the automatic stay to take whatever steps are necessary under applicable law to perfect any replacement liens granted under this order. However, it shall not be necessary for it to take any steps to perfect such replacement lien, which will be deemed perfected pursuant to this order.
- d. The term for use of cash collateral shall be for a period of 31 days commencing on January 1, 2017 and ending on January 31, 2017.
- e. The Debtor, through the Trustee, is hereby authorized to use up to, but not in excess of, \$130,000.00 from and including January 1, 2017, through January 31, 2017, for those expenses and other items contemplated by this Order, and as specifically identified in the budget, annexed hereto.
- f. Notwithstanding anything to the contrary herein, the following limited expenses of the Debtor's estate shall be deemed to have a prior right to satisfaction from all Cash Collateral generated post-petition and from all other assets of the Debtor:
 - i. Fees and expenses owed under 28 U.S.C. Section 1930.
- g. The Debtor shall not make any payment on any loans from insiders or officers.
- h. The Debtor will make adequate protection payments to Nuvo Bank and Trust Company for each month by the 20th day of each month as follows:
 - i. \$3,500.00 for the period of January 1, 2017, through January 31, 2017.
- i. A hearing on the continued use of cash collateral will be held on January 25, 2017 at 12:00 p.m. at the United States Bankruptcy Court, 18th Floor, 157 Church Street, New Haven, CT 06510.

DATED 12/28/2016
NEW HAVEN, CT



MANUFACTURERS ASSOCIATES

Detailed Expense Estimates 01/01/2017 JANUARY

EXHIBIT A

Planned Expenses	Jan
Column1	
Cash receipts	\$130,000.00
Wages	\$60,000.00
Benefits	\$7,100.00
Subtotal	\$62,900.00

COG	
Material	\$16,000.00
Gas	\$1,000.00
Electric	\$4,000.00
Rent expense	\$6,000.00
Shop Supplies/Tooling	\$3,500.00
Outside Work	\$1,500.00
Repairs Machines / Factory	\$3,000.00
Programming Expense	\$600.00
Security	\$600.00
Subtotal	\$36,200.00

SG&A	
Office Exp/Tele/Mail/UPS	\$1,000.00
Insurance	\$682.00
T&E	\$1,000.00
Leased Machines	\$2,265.00
Leased Auto	\$600.00
Moving expense	\$11,000.00
Secured Creditor payment	\$3,500.00
US Trustee Payment	\$4,875.00
Subtotal	\$24,922.00
TOTALS	\$1,778.00

New budget fiscal 2017