



ENTERED
10/24/2016

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: § Case No. 16-34744
R.E.S. NATION, LLC, § Chapter 11
Debtor. §

ORDER GRANTING DEBTOR'S EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS (I) APPROVING USE OF CASH COLLATERAL AND (II) SCHEDULING A FINAL HEARING

Based upon the agreement of the Debtor, R.E.S. Nation, LLC ("Debtor") and Bank of America ("Bank"), it is hereby ORDERED that:

1. On September 23, 2016 ("Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title of the United States Code (the "Bankruptcy Code").
2. Prior to the Petition Date, the Debtor entered into a Loan Agreement dated November 20, 2014 (the "Pre-Petition Loan Agreement") with the Bank.
3. The Pre-Petition Loan Agreement initially provided for a \$500,000 revolving line of credit (the "Pre-Petition Loan"). The Pre-Petition is secured by the following property of the Debtor: all accounts, and all chattel paper, instruments, deposit accounts; all inventory; all equipment; all negotiable and nonnegotiable documents; and all substitutes or replacements for any collateral, all cash or non-cash proceeds (including insurance proceeds), products, rents and profits of the collateral, and all income, benefits and property receivable on account of the collateral, and all supporting obligations covering any collateral, and as well as other personal property described in the Security Agreement (referred to herein as the "Prepetition Collateral").

4. The Debtor hereby stipulates and agrees that, as of the Petition Date, the Bank holds valid, enforceable, properly-perfected, first-priority liens and security interests in the Prepetition Collateral described above. .

5. Under the Loan, the Debtor is required to make a monthly payment of interest on the 7th day of the month. A payment for the month of October 2016 will be made by 5:00 p.m. on October 21, 2106. The November 2016 payment will be paid on or before November 7, 2016.

6. The Debtor asserts that they require the use of the Bank's cash collateral (the "Cash Collateral") to pay necessary post-petition expenses of the debtor's business as set forth in the Budget attached hereto as Exhibit "A".

7. The Bank consents to the use of Cash Collateral, on an interim basis.

8. Until a final hearing on the motion for authority to use cash collateral, the Debtor may use Cash Collateral solely in accordance with the Budget attached hereto as Exhibit "A". The Debtor shall not use or make any expenditure from Cash Collateral except as specifically authorized by the terms herein.

9. As adequate protection for the interests of the Bank in the Prepetition Collateral and the Cash Collateral, the bank shall be granted first priority, perfected replacement liens and security interests in the Prepetition Collateral to the same extent and priority of The Bank's perfected prepetition liens in the assets of such Debtors, and (b) all post-petition Cash Collateral and the proceeds thereof (the "Replacement Liens"), but excluding avoidance actions under Chapter 5 of the Bankruptcy Code. This Interim Cash Collateral Order shall be sufficient and conclusive evidence of the priority, perfection and validity of the Replacement Liens upon the


Debtor's property without the need for filing or recording any financing statements or other documents that may otherwise be required under Federal or state law in any jurisdiction.

10. The terms and provisions of this Interim Cash Collateral Order and any actions taken pursuant hereto, shall survive entry of any order that may be entered (i) converting to Chapter 7 or dismissing the Debtor's case or (ii) confirming or consummating any plan of reorganization in the Debtor's case.

11. The provisions of this Interim Cash Collateral Order shall inure to the benefit of the Debtor and the Bank, and they shall be binding upon the Debtor, the Bank, and their successors and assigns, including any trustees or other fiduciaries hereafter appointed as legal representatives of the Debtors or with respect to property of the estate of the Debtor, whether under Chapter 11 of the Bankruptcy Code or any subsequent Chapter 7 case, and shall also be binding upon all creditors of the Debtors and other parties in interest.

12. The Debtor's counsel shall serve a copy of this Interim Cash Collateral Order on all of the following parties: (i) the Office of the United States Trustee, (ii) the attorneys for Bank of America, N.A., (iii) the Debtor's creditor matrix; and (v) all parties in interest who have filed a notice of appearance.

Signed: October 21, 2016



Karen K. Brown
United States Bankruptcy Judge

AGREED:

**BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ**
A Professional Corporation

By: /s/ Susan C. Mathews
Susan C. Mathews
Texas Bar No. 05060650
1301 McKinney St., Suite 3700
Houston, TX 77010
(713) 650-9700
(713) 650-9701 – Facsimile
Proposed Counsel for the Debtor

VINCENT SERAFINO GEARY WADDELL JENEVEIN, P.C.

By: /s/ Richard G. Dafoe
1601 Elm Street, Suite 4100
Dallas, TX 75201
rdafoe@vinlaw.com
Direct: 214-979-7427
Main: 214-979-7400
Fax: 214-979-7402
Counsel for Creditor Bank of America

Case No. 16-34744

Interim Budget

In re: R.E. S. Nation, LLC

through November 8, 2016

Chapter 11

Income	\$	175,000.00
--------	----	------------

Total Income:	\$	175,000.00
----------------------	----	------------

Expense

Advertising and Promotion	\$	-
Automobile Expense Reimbursement	\$	5,000.00
Bank Service Charges	\$	200.00
Bonuses	\$	4,000.00
Commissions	\$	80,000.00
Computer and Internet Expenses	\$	3,500.00
Contract Fees	\$	12,500.00
Contributions	\$	-
Corporate Training	\$	-
Employee Relations	\$	-
Health/Wellness	\$	750.00
Insurance Expense	\$	100.00
Kasan Charges	\$	250.00
line of credit payment	\$	45,000.00
Meals and Entertainment	\$	3,500.00
Miscellaneous	\$	250.00
Office Supplies	\$	500.00
Payroll Expenses	\$	4,000.00
Petty Cash	\$	250.00
Postage and Delivery	\$	100.00
Non Legal Professional Fees	\$	-
Reconciliation Discrepancies	\$	-
Rent Expense	\$	5,000.00
Repairs and Maintenance	\$	100.00
RES Experience	\$	500.00
Sales Contest Supplies	\$	-
Subscriptions	\$	200.00
Taxes	\$	-
Telephone Expense	\$	-
Travel Expense	\$	4,000.00
Utilities	\$	200.00
Total Expenses	\$	169,900.00

NET CASH FLOW:	\$	5,100.00
-----------------------	----	-----------------