



ENTERED
10/07/2014

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

IN RE:	§	
	§	
QUALITY LEASE AND RENTAL HOLDINGS, LLC	§	CASE NO. 14-60074- 11
	§	
QUALITY LEASE RENTAL SERVICE, LLC	§	CASE NO. 14-60075- 11
	§	
QUALITY LEASE SERVICE, LLC	§	CASE NO. 14-60076- 11
	§	
ROCACEIA, LLC	§	CASE NO. 14-60077- 11
	§	(Chapter 11)
	§	
DEBTORS.	§	Joint Administration Requested
	§	Under Case No. 14-60074- 11
	§	Judge David R. Jones

**ORDER AUTHORIZING USE OF CASH COLLATERAL
UNDER 11 U.S.C. §363 AND §105**

[Relates to Docket # 4]

Quality Lease and Rental Holdings, LLC (“QLRH”), Quality Lease Rental Service, LLC (“QLRS”), Quality Lease Service, LLC (“QLS”), and Rocaceia, LLC (“Rocaceia”) (collectively “Debtors”), Debtors in the above-captioned Chapter 11 cases have moved this Court on an emergency basis for a preliminary and final order authorizing use of cash collateral under 11 U.S.C §363 and §105 (the “Motion”). The Court set a hearing on this Motion for October 7, 2014, at which counsel for the parties appeared and presented evidence and oral argument. After careful consideration of all matters before it, the Court is of the opinion that the estate would incur irreparable injury if Debtors’ Motion is not granted. Therefore, it is

ORDERED that Debtors be and are hereby authorized to use cash collateral to pay the expenses shown on the budget attached hereto as Exhibit “A”, with up to a 10% total variance on budgeted amounts, for fourteen days from the date this order is signed; it is further

ORDERED that, except as otherwise provided herein, Debtors be and are hereby authorized to use cash collateral to pay the expenses shown on the budget attached hereto as Exhibit “B”, with up to a 10% total variance on budgeted amounts, for the periods reflected in the budget, which may be extended by agreement of Main Street Lenders¹ and the Debtors; it is further

¹ Capitalized terms not otherwise defined have the meaning ascribed in the Motion.

ORDERED that if, prior to the 15th day after entry of this Order any party files an objection to the use of cash collateral (“Objection”), then the Debtors’ right to use cash collateral terminates at midnight on the 14th day after entry of this Order unless (i) the Court orders otherwise, or (ii) Main Street Lenders consent to the use of cash collateral without obtaining the protections of this Order; it is further

ORDERED that this Order shall become a final order on the 15th day after it is entered; provided that, if an Objection to this Order is filed prior to the 15th day after its entry, this Order shall become final only after a hearing on the Objection. In the event the Objection is sustained, the terms and conditions and the respective rights and obligations of the parties set forth herein shall nevertheless remain binding, valid and in full force and effect for the period prior to entry of a court order sustaining such objection; it is further

ORDERED that Main Street Lenders and any other entity holding valid, perfected and unavoidable liens in the Collateral, are hereby granted replacement liens and security interests on all assets of Debtors and their respective estates, whether now existing or hereafter acquired, and the proceeds, income and profits and offspring of any of the foregoing, to secure the Debtors’ use of Cash Collateral, whether pursuant to this Order or otherwise, and to secure any diminution in value of the Collateral. Such replacement liens and security interests (i) are subordinate only to any prior existing and validly perfected liens and security interest in such assets, and (ii) shall attach in the same order of priority that existed as to the Collateral under applicable non-bankruptcy law as of the Petition Date, and to the extent of cash collateral that is actually used; it is further

ORDERED that the debtors shall have authority to use Cash Collateral to pay its approved professionals’ reasonably incurred fees and expenses approved by separate order of the Bankruptcy Court and/or in accordance with an interim fee order signed by the Bankruptcy Court.

Signed: October 07, 2014.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

PROPOSED 14 DAY BUDGET

Exhibit A

Cash Flow, Rocacea	October 1 - 15	
	Exhibit A	
	Plan	Plan
Total Estimated Billings		
Estimated Receipts		
AR Collections	\$ 394,000	
Other Collections		
Main St. Advances		
Total Receipts, Cash Inflow	394,000	-
Cost of Goods Sold		
	Pre Filing	Post Filing
	3 Days	11 Days
Total Estimated Payroll	\$ 30,882	\$ 113,235
	Pre Filing	Post Filing
Total Payroll Benefits	\$ -	\$ -
Total, Fuel	\$ 17,500	\$ -
Total, Other COGS	\$ 32,700	\$ -
Estimated COGS, Total	\$ 194,317	< Incl. Payroll pre
Net Receipts less Paid COGS	\$ 199,683	+ post
<i>F'cast COGS Margin</i>	50.7%	
Total Indirect Costs	\$ 28,700	\$ -
Total, Operations Overhead	\$ 26,690	\$ -
Other Expenses		
Prof, Legal		
Actng, Third Party	\$ 8,500	
Prof, Consulting		
Prof, Other		
Bank Fees	\$ 2,500	
Main Street		
Tax, Franchise		
Tax, Property		
Tax, Sales	\$ 15,000	
Leasehold improvements		
Total, Other Expenses	\$ 26,000	\$ -
Cash Outflow	\$ 275,707	
Operations Cash Flow	\$ 118,293	
Cummulative Opns Cash Flow	\$ 118,293	
Interco Trf In (Out), Main		
Bank Balance after Opns CF	\$ 274,372	

EXHIBIT B

PROPOSED 90 DAY BUDGET

Exhibit B

Cash Flow, Rocacea	October 1 - 15		October 16 - 30		October-14		November-14		December-14	
	Exhibit A		Exhibit B >		Combined					
	Plan	Plan	Plan		Plan	Actual	Plan	Actual	Plan	Actual
Total Estimated Billings			\$ 721,500	\$ -	\$ 284,000	\$ -	\$ 721,500	\$ -	\$ 721,500	\$ -
Estimated Receipts										
AR Collections	\$ 394,000		\$ 393,943		\$ 787,943		\$ 744,011		\$ 659,309	
Other Collections			\$ 200,000		\$ 200,000					
Main St. Advances										
Total Receipts, Cash Inflow	394,000	-	593,943	-	987,943	-	744,011	-	659,309	-
Cost of Goods Sold										
	Pre Filing	Post Filing								
	3 Days	11 Days	2 weeks		4 weeks		4 weeks		5 weeks	
Total Estimated Payroll	\$ 30,882	\$ 113,235	\$ 144,117		\$ 288,234		\$ 309,664		\$ 360,292	
	Pre Filing	Post Filing								
Total Payroll Benefits	\$ -	\$ -	\$ 46,500	\$ -	\$ 46,500	\$ -	\$ 46,500	\$ -	\$ 46,500	\$ -
Total, Fuel	\$ 17,500	\$ -	\$ 53,500	\$ -	\$ 71,000	\$ -	\$ 71,000	\$ -	\$ 81,000	\$ -
Total, Other COGS	\$ 32,700	\$ -	\$ 42,350	\$ -	\$ 75,050	\$ -	\$ 75,050	\$ -	\$ 75,050	\$ -
Estimated COGS, Total	\$ 194,317	< Incl. Payroll pre	\$ 286,467	\$ -	\$ 480,784	\$ -	\$ 502,214	\$ -	\$ 562,842	\$ -
Net Receipts less Paid COGS	\$ 199,683	+ post	\$ 307,477	\$ -	\$ 507,160	\$ -	\$ 241,797	\$ -	\$ 96,467	\$ -
<i>F'cast COGS Margin</i>	50.7%		51.8%	#DIV/0!	51.3%	#DIV/0!	32.5%	#DIV/0!	14.6%	#DIV/0!
Total Indirect Costs	\$ 28,700	\$ -	\$ 22,800	\$ -	\$ 51,500	\$ -	\$ 51,500	\$ -	\$ 51,500	\$ -
Total, Operations Overhead	\$ 26,690	\$ -	\$ 104,665	\$ -	\$ 131,355	\$ -	\$ 72,355	\$ -	\$ 72,355	\$ -
Other Expenses										
Prof, Legal			\$ -		\$ -					
Actng, Third Party	\$ 8,500		\$ 8,500		\$ 17,000		\$ 17,000		\$ 17,000	
Prof, Consulting					\$ -					
Prof, Other					\$ -					
Bank Fees	\$ 2,500		\$ -		\$ 2,500		\$ 2,500		\$ 2,500	
Main Street					\$ -					
Tax, Franchise			\$ -		\$ -		\$ -		\$ -	
Tax, Property					\$ -					
Tax, Sales	\$ 15,000		\$ -		\$ 15,000		\$ 15,000		\$ 15,000	
Leasehold improvements					\$ -					
Total, Other Expenses	\$ 26,000	\$ -	\$ 8,500	\$ -	\$ 34,500	\$ -	\$ 34,500	\$ -	\$ 34,500	\$ -
Cash Outflow	\$ 275,707		\$ 422,432		\$ 698,139	\$ -	\$ 660,569		\$ 721,197	
Operations Cash Flow	\$ 118,293		\$ 171,512	\$ -	\$ 289,805	\$ -	\$ 83,442	\$ -	\$ (61,888)	\$ -
Cummulative Opns Cash Flow	\$ 118,293		\$ 289,805	\$ -	\$ 289,805	\$ -	\$ 373,247	\$ -	\$ 311,359	\$ -
Interco Trf In (Out), Main										
Bank Balance after Opns CF	\$ 274,372		\$ 445,884		\$ 445,884		\$ 529,326		\$ 467,438	