



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 February 1, 2017

  
United States Bankruptcy Judge

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

IN RE:

**TSALECH HOLDINGS, LLC,  
  
Debtor.**

§  
§  
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§

**CASE NO. 16-34659-sgj  
Chapter 11**

**INTERIM ORDER FOR USE OF CASH COLLATERAL PURSUANT TO  
SECTION 363 OF THE BANKRUPTCY CODE AND PROVIDING ADEQUATE  
PROTECTION AND GRANTING LIENS AND SECURITY INTERESTS**

Upon the Emergency Motion for Use of Cash Collateral (the "Motion") pursuant to Sections 105, 361, 363 and 364 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") and Federal Rule of Bankruptcy Procedure 4001, filed tSalech Holdings, LLC ("Debtor"), subject to the terms and conditions set forth herein, including the (i) grant of mortgages, security interests, liens and claims for the benefit of Trident Realty Investment, LLC (the "Secured Lender"), Post-petition which are co-extensive with their Pre-petition liens (to the extent of such

liens, if any) and (ii) grant of mortgages, security interests, liens and claims in order to provide adequate protection to the Secured Lender as more fully set forth herein, and upon the proceedings held before this Court and good and sufficient cause appearing therefore,

THE COURT HEREBY FINDS:

A. On December 5, 2016, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. The Debtor is now operating its business and managing its property as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner and no official committee has yet been appointed.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 Case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. An immediate and critical need exists for the Debtor to obtain funds in order to continue the operation of its business. Without such funds, the Debtor will not be able to pay its direct operating expenses on its business during this sensitive period in a manner that will avoid irreparable harm to the Debtor's estate. At this time, the Debtor's ability to use Cash Collateral is vital to the confidence of the Debtor's insurance providers and to the preservation and maintenance of the going concern value of the Debtor's estate.

D. Secured Lender may claim that substantially all of the Debtor's assets are subject to the Prepetition Liens of the Secured Lender including liens on rents relevant to this Motion.

E. The Debtor has requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). The permission granted herein to allow the Debtor to obtain the use

of Cash Collateral financing is necessary to avoid immediate and irreparable harm to the Debtor. This Court concludes that entry of this Order is in the Debtor's best interest and its estate and creditors as its implementation will, among other things, allow for the continued operation and rehabilitation of the Debtor's existing business.

**THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED** that the Debtor be, and hereby is, authorized to enter into all agreements pursuant to the terms of this Order necessary to allow the Debtor to use Cash Collateral subject to the protections and consideration described in this Order in the amounts and for the expenses set forth on the monthly budget attached hereto. The Debtor, without the prior written approval of the Secured Lender, should not incur expenses for any line item for an amount that exceeds the lesser of the amount for such line item in the budget and the actual expenditure for such line item. The Debtor is authorized to collect and receive all cash funds. The Debtor shall account each month to the Secured Lender for all funds received. For purposes of this Order, "proceeds" of any of the Secured Lender's collateral shall mean Proceeds (as defined in the Uniform Commercial Code) of such collateral security for all Cash Collateral permitted to be used hereunder by the Debtor, the Secured Lender are hereby granted valid, binding, enforceable, and perfected liens (the "Post-petition Liens") co-extensive with the Secured Lender's pre-petition liens in all currently owned or hereafter acquired property and assets of the Debtor, of any kind or nature, whether real or personal, tangible or intangible, wherever located, now owned or hereafter acquired or arising and all proceeds and products, including, without limitation, all accounts receivable, general intangibles, inventory, and deposit accounts coextensive with their pre-petition liens. Nothing herein shall grant a lien on, interest in or claim on Chapter 5 causes of action. Nothing herein shall prime the liens of the taxing authorities. The Debtor is permitted to pay U.S. Trustee fees incurred during this case; it is further

**ORDERED** that as adequate protection for the diminution in value of the interests of the Secured Lender, the Secured Lender is hereby granted replacement liens and security interests, in accordance with Bankruptcy Code Sections 361, 363, 364(c)(2), 364(e), and 552, co-extensive with their pre-petition liens; it is further

**ORDERED** that the replacement liens granted to the Secured Lender in this Order are automatically perfected without the need for filing of a UCC-1 financing statement with the Secretary of State's Office or any other such act of perfection; it is further

**ORDERED** that all cash accounts of Debtor and all accounts receivable collections by Debtor post-petition shall be deposited in a separate cash collateral account, being Debtor's debtor-in-possession accounts; it is further

**ORDERED** that as adequate protection in accordance with Section 363(e) of the Bankruptcy Code, the Debtor shall pay to Secured Lender on the 5th day of the month the amount of \$7,995.95. The use of cash collateral shall extend to a final hearing on the Motion. The application of the adequate protection payments is subject to further Order of this Court; it is further

**ORDERED** that from and after the Petition Date, the proceeds of the Pre-petition Collateral and the Post-petition Collateral shall not, directly or indirectly, be used to pay expenses of the Debtor or otherwise disbursed except for those expenses and/or disbursements that are expressly permitted herein and as shown on the Debtor's Budget attached hereto as **Exhibit "A"** plus 10% per line item. During the pendency of this order, the Debtor will maintain insurance on the Secured Lender's collateral and pay taxes when due. The automatic stay under Section 362(a) of the Bankruptcy Code shall be, and it hereby is, modified to the extent necessary to permit the Secured Lender to retrieve, collect and apply payments and proceeds in respect of the Pre-petition

Collateral and Post-petition Collateral in accordance with the terms and provisions of this Order. The Debtor shall execute and deliver to the Secured Lender all such agreements, financing statements, instruments and other documents as the Secured Lender may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto. The Debtor shall deliver a copy of its Monthly Operating Report to the Secured Lender's counsel by the 25th day of each month for the prior month; it is further

**ORDERED** that the provisions of this Order shall be binding upon and inure to the benefit of the Secured Lender and the Debtor. However, nothing herein shall prevent the Secured Lender from seeking any form of relief under the Bankruptcy Code. The Debtor shall, on or before February 6, 2017, serve by U. S. mail, first class postage prepaid, copies of the Motion, this Order, the proposed Final Order and a notice of the hearing (the "Final Hearing Notice") to be held on **February 27, 2017, at 1:30 p.m.** to consider entry of the proposed Final Order on, (a) the Office of the U. S. Trustee; (b) counsel to the Bank of Hope; (c) counsel for the U.S. Small Business Administration; (d) all creditors in this case on the Matrix and (e) all parties requesting notice in this case. Copies of the Motion, this Order and the proposed Final Order and the Final Hearing Notice shall be served upon all persons requesting service of papers pursuant to Bankruptcy Rule 2002 by U. S. mail, first class postage prepaid, within one business day following the receipt of such request. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final Order shall file written objections no later than 4:00 p.m., February 20, 2017, which objections shall be served so that the same are received on or before such date by Joyce W. Lindauer, Joyce W. Lindauer Attorney, PLLC, 12720 Hillcrest Road, Suite 625, Dallas, Texas 75230.

### END OF ORDER ###

Submitted by:

Joyce W. Lindauer

State Bar No. 21555700

Joyce W. Lindauer Attorney, PLLC

12720 Hillcrest Road, Suite 625

Dallas, Texas 75230

Attorneys for Debtor

## **EXHIBIT A**

**tSalech Holdings, LLC**  
**One-Month Budget**

<b>MONTHLY INCOME:</b>		<b>\$13,556.00</b>
Rental Income - 2816 Rutgers Cir. #A	\$1,295.00	
Rental Income - 3333 & 3341 E. Illinois Ave.	\$12,261.00	
<b>MONTHLY EXPENSES:</b>		
Accounting / Bookkeeping		\$0.00
Bank Charges		\$0.00
Mortgages:		\$7,995.95
2816 Rutgers Cir. #A – Trident Realty	\$1,230.95	
3333 & 3341 E. Illinois Ave. – Trident Realty	\$6,765.00	
Utilities:		\$1,500.00
3333 & 3341 E. Illinois Ave.	\$1,500.00	
Insurance:		\$1,820.00
2816 Rutgers Cir. #A	\$120.00	
3333 & 3341 E. Illinois Ave.	\$1,700.00	
Taxes:		\$600.00
2816 Rutgers Cir. #A	\$100.00	
3333 & 3341 E. Illinois Ave.	\$500.00	
<b>TOTAL EXPENSES:</b>		<b>\$11,915.95</b>
<b>NET INCOME:</b>		<b>\$1,640.05</b>