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8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **RIVERSIDE DIVISION**

11 In re  
12 FOSTER ENTERPRISES, a California general  
partnership,  
13 Debtor.

Case No. 6:17-bk-15749-SC

Chapter 11

Jointly Administered with

15  
16 In re  
17 HOWARD DEAN FOSTER and ANNA MAE  
FOSTER  
18 Debtor.

Case No.: 6:17-bk-15915-SC

**ORDER GRANTING FOSTER  
ENTERPRISES' MOTION FOR ORDER  
AUTHORIZING POSTPETITION  
INSURANCE PREMIUM FINANCING  
AND MODIFYING THE AUTOMATIC  
STAY**

- 21  Affects All Debtors  
22  Affects FOSTER ENTERPRISES, a  
23 California general partnership  
24  Affects HOWARD DEAN FOSTER  
and ANNA MAE FOSTER  
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Date: November 7, 2017  
Time: 1:30 p.m.  
Place: 411 West Fourth Street  
Courtroom 5C  
Santa Ana, California 92701

Alternative Location  
3420 Twelfth Street  
Video Hearing room 126  
Riverside, California 92501

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1 On October 13, 2017, Foster Enterprises, a California general partnership (“Foster  
2 Enterprises”), a debtor and debtor in possession in the above-captioned chapter 11 cases, filed its  
3 “Motion for Order Authorizing Postpetition Insurance Premium Financing and Modifying the  
4 Automatic Stay” (the “Motion”), at Docket No. 141, along with the supporting declaration of  
5 Jeffery C. Foster (the “Foster Declaration”), to which was attached the insurance premium financing  
6 agreement (the “Agreement”) with Cypress Premium Funding, Inc. (“Cypress Premium”). On  
7 October 24, 2017, Allstar Financial Services, Inc. (“Allstar”) filed its “Limited Opposition of  
8 Allstar Financial Services, Inc. to Motion of Foster Enterprises [Docket No. 141] for Order  
9 Authorizing Postpetition Insurance Premium Financing and Modifying the Automatic Stay” (the  
10 “Limited Opposition”) [Docket No. 148], and on October 31, 2017, Foster Enterprises filed its  
11 “Debtor’s Reply to ‘Limited Opposition of Allstar Financial Services, Inc. to Motion of Foster  
12 Enterprises for Order Authorizing Postpetition Insurance Premium Financing and Modifying the  
13 Automatic Stay’” [Docket No. 155]. A hearing to consider the Motion took place on November 7,  
14 2017. Appearances were as noted on the record.

15 The Court having considered the Motion and good cause appearing therefor,

16 **IT IS HEREBY ORDERED** that

17 1. The Motion is granted.

18 2. Foster Enterprises is authorized to enter into the Agreement with Cypress Premium,  
19 a copy of which is attached as Exhibit 1 to the Foster Declaration.

20 3. Foster Enterprises is authorized and directed to pay Cypress Premium all sums due  
21 or to become due under the Agreement.

22 4. Foster Enterprises shall not utilize any money to make the payments contemplated in  
23 paragraph 3, *supra*, that is subject to Allstar’s security interest pursuant to the “Deed of Trust,  
24 Security Agreement, Assignment of Leases and Rents and Fixture Financing Agreement,” dated  
25 January 11, 2008 between Foster Enterprises and Allstar.

26 5. Foster Enterprises is authorized and directed to grant to Cypress Premium the liens  
27 and security interests provided under the Agreement, and such liens and security interests are  
28 authorized in (a) any unearned premiums and dividends that may become payable under the policies

1 identified in the Agreement, and (b) any loss payments under the policies identified in the  
2 Agreement that reduce the unearned premiums, subject to any mortgagee or loss payee interest  
3 pursuant to § 364(c) of the Bankruptcy Code (together, the “Collateral”).

4 6. Cypress Premium’s liens and security interests in the Collateral shall be deemed duly  
5 perfected, and no notice, filing, recordation, or other act in accordance with any applicable federal,  
6 state, local, or common law statute, rule, or regulation shall be necessary to create, perfect, or  
7 enforce such liens or security interests.

8 7. The rights of Cypress Premium under the Agreement and applicable state law shall  
9 be fully preserved and protected and shall remain unimpaired by the pendency of this or any  
10 subsequent proceeding under the Bankruptcy Code, the appointment of a trustee in this case, or the  
11 conversion of this case to a case under chapter 7 of the Bankruptcy Code.

12 8. In the event that Foster Enterprises defaults upon any of the terms of the Agreement  
13 and does not cure such default as and within the time period provided therein, Cypress Premium  
14 may, without moving for relief from the automatic stay under § 362(d) of the Bankruptcy Code and  
15 without further order of this Court, exercise such rights as it would have under applicable state law  
16 but for the pendency of this proceeding, cancel all insurance policies identified in the Agreement or  
17 any amendment thereto, including any substitute or replacement policies which may be purchased  
18 after the date of this Order, and receive and apply to Foster Enterprises’ account any unearned  
19 premiums and dividends and, subject to the interests of any mortgagee or loss payee, any loss  
20 payments that reduce the unearned premiums.

21 9. In the event that, after application of unearned premiums or loss payments set forth  
22 in the preceding paragraph, any sums still remain due to Cypress Premium under the Agreement,  
23 such deficiency shall, pursuant to § 364(c)(1) of the Bankruptcy Code, be deemed an administrative  
24 expense of Foster Enterprises’ estate with priority over any or all administrative expenses of the  
25 kind specified in §§ 503(b) or 507(b) of the Bankruptcy Code, regardless of whether such  
26 administrative expenses are incurred in this case or after any conversion of this case to a case under  
27 chapter 7 of the Bankruptcy Code.

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1 No objection to form of order:

2 /s/ Alan F. Broidy

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4 Alan F. Broidy  
5 Law Offices of Alan F. Broidy  
6 Counsel for Allstar Financial Services, Inc.

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Date: November 13, 2017

  
Scott C. Clarkson  
United States Bankruptcy Judge