

UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
NEW HAVEN DIVISION

IN RE:) CHAPTER 11
ELECTRONIC SERVICE PRODUCTS)
CORPORATION)
DEBTOR) CASE NO. 17-30704 AMN
)
)
)

RE ECF NO.: 26

ORDER AUTHORIZING CONTINUED USE OF CASH COLLATERAL

This Matter having come before the Court, after consideration and a hearing on December 13, 2017, upon the Debtor’s MOTION FOR ORDER AUTHORIZING CONTINUED USE OF CASH COLLATERAL (ECF No. 26) it is hereby **ORDERED**:

1. that, the Motion is granted as set forth herein;
2. that, the Debtor shall be entitled to continue the use Cash Collateral in accordance with the proposed budget;
3. that, on March 28, 2018, at 11:30 a.m., a continued hearing regarding the need for any additional interim Order for the ongoing use of Cash Collateral shall be held at United States Bankruptcy Court, 157 Church Street, 18th Floor Courtroom, New Haven, Connecticut;
4. It is the purpose and intent of this Order to allow the Debtor to use its cash and other rental proceeds which constitute Cash Collateral of the Secured Creditor on a revolving basis and to provide the Secured Creditor with a lien upon the pre-petition and post-petition assets so that its interests therein will not be diminished during the pendency of these Chapter 11 proceedings. For the purposes of this Order, the terms

“collateral diminution” or “diminution in value” or any similar terms shall mean an amount equal to the aggregate diminution of the value of the Collateral after the Petition Date.

5. In addition, any priority too which the secured creditor(s) may be entitled or become entitled under §507(b) of the code shall be subject and subordinate to a carve-out of such liens for amounts payable by the Debtor under § 1930(a)(6) of Title 28 of the United States Code; ii) for the Debtor’s post-petition wages and employment taxes; and iii) approved fees and expenses of the Debtor’s and any appointed Committee’s professionals;
6. Pursuant to 11 U.S.C. §§ 361 and 363(e) and for purposes of 11 U.S.C. § 507(b), as adequate protection to Secured Creditor for the Debtor’s use of Cash Collateral and for any diminution in the Collateral, Secured Creditor is hereby granted, nunc pro tunc to the Petition Date, the following (“Replacement Liens”):
 - a. A continuing post-petition lien and security interest in all pre-petition property of the Debtor as it existed on the Petition Date, of the same type against which Secured Creditor held validly protected liens and security interests as of the Petition Date; and
 - b. A continuing post-petition lien in all property acquired by the Debtor after the Petition date. The Replacement Liens shall maintain the same priority, validity and enforceability as Secured Creditor’s liens on the initial Collateral and shall be recognized only to the extent of any diminution in the value of the Collateral resulting from the use of Cash Collateral pursuant to this Order. The validity, enforceability, perfection and priority of the Replacement Liens shall

not be subject to the equities of the case exception to § 552(b) of the Bankruptcy Code and shall not depend upon filing, recordation, or any other act required under applicable state or federal law, rule or regulation.

7. The Debtor stipulates that Secured Creditor is entitled to all of the rights and benefits of § 552(b) of the Bankruptcy Code and the Debtor waives any right to argue or seek the “equities of the case” exception under § 552(b) of the Bankruptcy Code with respect to proceeds, product, offspring or profits of any of the Collateral provided such waiver is not binding on the Court or any subsequent appointed trustee in this Chapter 11 or any Chapter 7 case
8. To the extent the Replacement Liens granted to Secured Creditor pursuant to this Order are insufficient to compensate Secured Creditor for any diminution in value of the Collateral, Secured Creditor shall be entitled to a super-priority administrative claim pursuant to 11 U.S.C. § 503(b) of the Bankruptcy Code, and Secured Creditor shall be entitled to the protections of and the priority set forth in 11 U.S.C. § 507(b).
9. Nothing herein shall prevent the Secured Creditor from seeking to terminate the use of cash collateral or otherwise to obtain relief from the automatic stay or to assert any other rights, claims, remedies, or defenses available to it.
10. This use of Cash Collateral Order shall remain in effect until March 30, 2018, or until otherwise ordered by the Court, whichever shall come sooner.

Dated this 14th day of December, 2017, at New Haven, Connecticut.

Ann M. Nevins
United States Bankruptcy Judge
District of Connecticut



EXHIBIT A

December 2017 March 2018

PROPOSED INTERIM MONTHLY OPERATING BUDGET

<i>Bills</i>	<i>Monthly Amount</i>	<i>Notes</i>
Electric	\$900.00	
Insurance (business)	\$2,742.84	
Insurance (health)	\$2,900.00	
Mileage & Gas for Trucks	\$475.00	
Misc Supplies (kitchen & office)	\$175.00	
Shop Supplies	\$750.00	
Oil	\$275.00	
Post Petition Payroll Obligations	\$24,266.67	
Telephone	\$349.00	
Rent	\$2,000.00	
Taxes	\$845.84	
Trash	\$103.96	
Water & Sewer	\$60.00	
Quarterly Fees OUST	\$325.00	
Job Related Expenses	\$5,500.00	
Projected Monthly Expenses	\$41,668.31	
Projected Gross Monthly Income	\$48,750.00	
Projected Net Monthly Income	\$7,081.69	