

UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
HARTFORD DIVISION

-----X
In re: : CHAPTER 11
 :
WINDSOR MARKETING GROUP, INC. : CASE NO. 18-20022
-----X

**THIRD INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL,
GRANTING ADEQUATE PROTECTION
AND AUTHORIZING BORROWING**

Upon the Motion for Interim and Final Orders Authorizing the Debtor to Use Cash Collateral, Granting Adequate Protection and Authorizing Borrowing, filed by Windsor Marketing Group, Inc. (“WMG” or “Debtor”) as debtor and debtor-in-possession, seeking, among other things, entry of this Interim Order authorizing the Debtor to use cash collateral in accordance with the budget annexed hereto as Exhibit A (the “Budget”) granting adequate protection and authorizing borrowing; and

The Debtor having requested in the Motion that (a) pending the Final Hearing (as defined herein) on the Motion, a hearing be scheduled on an expedited basis (the “Interim Hearing”) to consider entry of this Interim Order, (b) that a final hearing (the “Final Hearing”) be scheduled on the Motion to consider entry of a final order (the “Final Order”) authorizing and approving, on a final basis, the Debtor’s use of Cash Collateral and the Loan, and (c) notice procedures be established in respect of a subsequent Interim or Final Hearing; and

The Court having entered an Initial Interim Order on January 12, 2018, a Second Interim Order on January 26, 2018 and scheduled a hearing on a Third Interim Order or Final Order for February 8 , 2018. Notice of the Interim Hearing having been given to (a) the U.S. Trustee; (b) counsel to People’s United Bank (“Lender”); (c) the Other Lien Holders (as defined below) or

their counsel; and (d) the twenty largest unsecured creditors of the Debtor and now the Official Committee of Unsecured Creditors (the “Committee” and together with the U.S. Trustee, the Lender and the Other Lien Holders, the “Notice Parties”); and it appearing from the record and after considering the Debtor’s immediate need for use of Cash Collateral, no other or further notice need be given; and the Lender having consented to the Debtor’s use of Cash Collateral in accordance with this Interim Order;

NOW, THEREFORE, upon the Motion and the record of the Second Interim Hearing held before the Court on February 8., 2018; and after due deliberation and good and sufficient cause appearing therefor, the Court hereby makes the following findings of fact and conclusions of law:

A. Filing. On January 8, 2018, (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, thereby commencing the above-captioned Chapter 11 case (the “Case”). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtor has thereafter remained in possession of its assets and operated as Debtor in possession. The Debtor filed the Motion with the above-captioned Bankruptcy Court (the “Court”) seeking expedited relief to permit Debtor to continue in operation as a going concern.

B. Jurisdiction. The Court’s consideration of the Motion and this Interim Order is a core proceeding as defined in 28 U.S.C. § 157(b)(2)(A) and (M). The statutory predicates for the relief sought herein are Sections 361, 362 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 4001(b).

C. The Loans. Debtor and Lender are parties to the following prepetition loan and financing agreements:

a. The Operating Line. Pursuant to that certain “Loan and Security Agreement” dated as of December, 2013 as amended from time to time (the “Revolver”), Lender made available to

Debtor a revolving line of credit, subject to all terms and conditions contained in the Revolver in the original principal amount of \$5,000,000 (collectively, the Loan and Security Agreement and all other documents executed in connection with the Revolver (the “Loan Documents”).

b. The Prepetition Collateral. In order to secure the payment and performance of the Revolver, the Debtor granted Lender a security interest in, a lien on and pledge and assignment of substantially all present and future personal property of the Debtor (the “Prepetition Collateral”).

c. Other obligations to Lender. Separate and distinct from the Revolver, Debtor and Lender entered into three other distinct loan agreements. Kevin Armata is the sole owner and president of the Debtor and guaranteed all obligations to Lender.

d. Prepetition Loan Obligations. As of the Petition Date, the Debtor’s books and records reflect that the Debtor was indebted and liable to the Lender approximately as follows: (a) under the Revolver: \$3,412,976.74; (b) under first capex loan: \$190,024.13; (c) under a term loan: \$642,857.28; and (d) under second capex loan \$126,944.62.

D. Necessity for and Limitations on Use of Cash Collateral. The Debtor has an immediate need to obtain authorization to use cash collateral. The availability to the Debtor of sufficient working capital, liquidity and other financial accommodations is vital to its ability to continue its operations so that it may pursue and effectuate a plan of reorganization. The Debtor requires use of its cash (which is generated primarily from operations), including all Cash Collateral, to carry on the operation of its business and to administer and preserve the value of its assets, including the Prepetition Collateral. The Debtor does not have sufficient available sources of working capital and financing to carry on the operation of its business without the use of the Cash Collateral.

E. The preservation and maintenance of the Debtor’s business and its assets is

necessary to maximize returns for all creditors and effectuate a plan of reorganization with respect to its remaining assets. Absent the Debtor's ability to use Cash Collateral in accordance with the terms hereof, the continued operation of its business would not be possible, and serious and irreparable harm to the Debtor, and its estate and creditors would occur.

F. The Lender is entitled, pursuant to sections 361, 362 and 363 of the Bankruptcy Code, to adequate protection of its interests in the Prepetition Collateral, including the Cash Collateral, for and to the extent of any actual diminution in value of the Prepetition Collateral, resulting from the use of the Cash Collateral, the use, sale or lease of the Prepetition Collateral (other than the Cash Collateral) and the imposition of the automatic stay.

G. Notice. The Motion, the proposed Interim Order and the order scheduling the Interim Hearing was served by the Debtor on the Notice Parties. The notice provided of the Motion and the Interim Hearing is sufficient and adequate notice and no further notice of the relief sought at the Interim Hearing is necessary or required.

H. Record. The record adequately demonstrates the need for the Court to have conducted the Second Interim Hearing on the notice provided because of the potential for immediate and irreparable harm to the Debtor, its assets, business and estate. Based on the record, pursuant to sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b), notice of the Interim Hearing was adequate as set forth herein and on the record.

Based upon the foregoing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. Pursuant to 11 U.S.C. § 363(c)(2)(B), the Debtor is hereby authorized during the period set forth in paragraph 4, to use Cash Collateral in the ordinary course of its business, to be disbursed for payment of the expenses as set forth on the Budget annexed hereto as Exhibit "A"

and incorporated herein. The Debtor shall strictly comply with the Budget, including as to the timing and amount of disbursements, with the Debtor being permitted a variance of up to ten percent (10%) per line item with the prior written consent of Lender, except that the Debtor shall be permitted a variance of up to twenty percent (20%) per line items with the prior written consent of Lender for materials, subcontractors and freight provided further that all such requests to Lender for consent to such variances shall be reported to counsel to the Committee and DECD contemporaneously with the request to the Lender.

2. Pursuant to 11 U.S.C. §§ 361 and 363(e) and for purposes of 11 U.S.C. § 507(b), as adequate protection to Lender for the Debtor's use of Cash Collateral and for any actual diminution in the value of the Collateral, Lender 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 Lender held validly perfected 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 of the same type against which the Lender held validly perfected liens and security interests as of the Petition Date, provided however that the Replacement Liens shall not extend to any claims or causes of action arising under chapter 5 of the Bankruptcy Code ("Avoidance Actions"), including the proceeds or property recovered in connection with the pursuit of any such Avoidance Actions.

For the avoidance of doubt, the Replacement Liens granted to the Lender above shall maintain the same priority, validity and enforceability as Lender's liens on the Prepetition Collateral and shall be recognized only to the extent of any actual diminution in the value of the

Prepetition 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.

3. It is the purpose and intent of this Order to allow the Debtor to use its cash and other proceeds which constitute Cash Collateral of the Lender on a revolving basis and to provide the Lender with a lien upon the pre-petition and post-petition assets, exclusive of Avoidance Actions and the proceeds or property recovered in connection with the pursuit of Avoidance Actions, 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 actual aggregate diminution of the value of the Collateral after the Petition Date..

4. , The Debtor agrees that it shall pay Lender an adequate protection payment of \$61,000 on or before February 28, 2018, and a further adequate protection payment of \$41,000 on or before March 30, 2018. These payments are ordered without prejudice to the rights of parties, including the Committee, to seek recharacterization and/or disgorgement of the adequate protection payments.

5. The Debtor shall not use further tax refunds that may be due and payable to the Debtor, and shall segregate any tax refund payments that are received in a separate account, all pending further order of this Court.

6. The term for the use of Cash Collateral shall be for the period of February 10, 2018 and continuing through February 23, 2018 (the “Cash Collateral Usage Period”).

7. The Debtor and its officers and agents are authorized and directed to execute, file, and record any security agreements, financing statements, instruments, or other documents as may be requested by the Lender to evidence and/or perfect the liens and/or security interests granted herein. The Lender is hereby authorized to file and/or record any such documents, and the automatic stay pursuant to § 362 of the Bankruptcy Code is hereby modified to allow it to file and record such documents as are necessary to evidence and perfect the replacement liens granted herein. During the pendency of this case, such additional documents and filings shall be at the option of the Lender, but are not necessary or required for the purposes of or protection granted by this Order.

8. Nothing herein shall prevent the Lender 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.

9. The Debtor shall provide the Lender, the Official Committee of Unsecured Creditors (the "Committee") and the Connecticut Department of Economic Development ("DECD") with the information required to be provided from the Debtor to the Lender under the Loan Documents. Without limiting the generality of the foregoing, during the term of this Second Interim Order, Debtor shall provide the Lender, the Committee, and the DECD with: (i) a weekly report by Tuesday of the following week, showing comparison of Debtor's actual collections and disbursements, as measured against Debtor's projected collections and disbursements in the Budget, as measured on a weekly basis; (ii) a weekly accounts receivable aging and accounts payable aging; (iii) a weekly report showing all deposits, disbursements and other activity in the Deposit Accounts; (iv) borrowing base certificates and all other information required by the Loan Documents; (v) the total sale and receipts of the Debtor for January, 2018; (vi) 3 months

projections from the week commencing February 12, 2018; (vii) and a copy of the award notification from its customer as referenced at the Hearing. The Debtor also shall cooperate with all reasonable audit and appraisal requests of the Lender and its representatives and agents.

10. The Debtor stipulates that Lender 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, the Debtor’s estate, the Committee, or the DECD, or any subsequent appointed trustee in this Chapter 11 case or any Chapter 7 case.

11. To the extent the Replacement Liens granted to Lender pursuant to this Order are insufficient to compensate Lender for any actual diminution in value of the Cash Collateral, Lender shall be entitled to a super-priority administrative claim pursuant to 11 U.S.C. § 503(b) of the Bankruptcy Code, and Lender shall be entitled to the protections of and the priority set forth in 11 U.S.C. § 507(b).

12. Notwithstanding the expiration or termination of this Order, the terms and provisions of this Order with respect to the Replacement Liens, security interests, administrative claim and other adequate protection granted to Lender herein shall continue for the duration of this Chapter 11 Case, for the duration of this case under any other Chapter of the Bankruptcy Code to which it may be converted, and shall survive the dismissal of any such case. The Replacement Liens, security interests, administrative claim and other adequate protection granted to Lender shall maintain the priorities established by this Order until satisfied and discharged and shall be binding upon and shall inure to the benefit of the successors and assigns of Lender, the Debtor and

the Debtor's bankruptcy estate, including any Chapter 11 or Chapter 7 Trustee appointed with respect to the Debtor.

13. The liens of the Lender and any replacement thereof pursuant to this Order, and any priority to which the Lender may be entitled or becomes entitled under § 507(b) of the Bankruptcy Code, shall be subject to and subordinate to amounts payable by the Debtor under § 1930(a)(6) of Title 28 of the United States Code.

14. Except to the extent inconsistent with the express terms hereof, nothing contained herein shall be construed as preventing or prejudicing the Lender, the Debtor or the Committee from pursuing any rights and remedies provided by the Bankruptcy Code and any other applicable law.

15. The Debtor's right to use Cash Collateral shall terminate immediately and without the need for further orders of this Court, unless the Debtor and/or the Committee file an objection within two (2) business following receipt of written notice from the Lender of the occurrence of any of the following ^{*1}:

a. An order of this Court shall be entered dismissing the Chapter 11 Case, converting the Chapter 11 Case to one under Chapter 7 of the Bankruptcy Code or appointing a Chapter 11 trustee in the Chapter 11 Case;

b. An order of this Court shall be entered granting relief from the automatic stay under section 362 of the Bankruptcy Code that would permit a party in interest other than the Lender to immediately exercise any rights or remedies or consummate a foreclosure or foreclosures upon any material portion of the Lender's collateral;

* If such notice is issued contesting such cause, the Court hereby grants the Lender an expedited hearing, at the earliest opportunity, to demonstrate any of the referenced causes to enforce the restrictions on cash collateral use.

c. An order of this Court or any other court having jurisdiction to do so shall be entered amending, supplementing, staying, vacating, reversing, revoking, rescinding or otherwise modifying any material provision of this Interim Order without the express written consent of the Lender; and

d. The Debtor uses Cash Collateral for purposes outside the Budget.

16. Adequate Protection for Other Lien Holders. People's Capital Leasing Corp. and State of Connecticut Department of Economic and Community Development (together, the "Other Lien Holders") may assert interests in some portion of the Cash Collateral. To the extent that any of the Other Lien Holders hold an interest in the Cash Collateral, as adequate protection for the Debtor's use of Cash Collateral pursuant to this Interim Order, each such Other Lien Holder is hereby granted (a) a replacement lien on all of its Prepetition Collateral and its Postpetition Collateral provided however that the Replacement Liens shall not extend to any claims or causes of action arising under chapter 5 of the Bankruptcy Code ("Avoidance Actions"), including the proceeds or property recovered in connection with the pursuit of any such Avoidance Actions. and (b) a superpriority claim under Section 503(b) and entitled to the protections of and the priority set forth in 11 U.S.C. § 507(b); provided, however, that such replacement liens and superpriority claims shall be only for the amount of any actual diminution in value (if any) of such Other Lien Holder's interest (if any) in the Cash Collateral and that such replacement liens or superpriority claim shall be only to the same validity, priority and extent of any pre-petition interest in the Cash Collateral held by such Other Lien Holder. The Other Lien Holders shall not be required to file any financing statements, mortgages, notices of lien or similar instruments in any jurisdiction or filing office, or to take any other action in order to validate or perfect the replacement liens granted herein.

17. The findings of fact set forth in paragraph C above, the rights granted to the Lender in paragraphs 2 and 4 above and the stipulations and other agreements of the Debtor set forth herein, are without prejudice to the rights of the Committee to challenge same and shall not be binding on the Committee. The entry of this Third Interim Order is without prejudice to the rights of the Committee, a trustee or any other party in interest to challenge the prepetition liens and security interests and claim of the Lender and/or to assert any other rights, claims, , remedies or defenses against the Lender and all such rights are hereby preserved. Nothing in this Third Interim Order shall in any way limit, impair, modify or constitute a waiver of the rights of the Committee to assert any and all objections to the entry of any further interim order or any proposed final order authorizing the use of Cash Collateral.

18. Notice of Third Interim or Final Hearing; Objections. On or before February---, 2018, the Debtor shall transmit copies of a notice of the entry of the Third Interim Order, together with a copy of the proposed Fourth Interim and/or Final Order, to the United States Trustee, to any party asserting an interest in the Debtor's cash collateral, to any party which has filed prior to such date a request for notices with this Court, and to counsel for the Committee. Any party in interest objecting to the further use of cash collateral on a final basis and the entry of the Fourth Interim Order or Final Order shall file written objections with the Clerk of the United States Bankruptcy Court for the District of Connecticut no later than 1:00 p.m. (prevailing Eastern Time) on February 20, 2018 and shall serve such objections so that the same are received on or before such date by: (a) Zeisler & Zeisler, P.C., 10 Middle Street, 15th Floor, Bridgeport , CT 06604, Attn: James Berman, Esq., counsel for the Debtor; (b) Scott Rosen, Esq., Cohn Birnbaum & Shea, PC, 100 Pearl Street, #12, Hartford, CT 06103, counsel for the Lender; (c) Lowenstein Sandler LLP, One

Lowenstein Drive, Roseland, NJ 07068, Attn: Mary E. Seymour, Esq., counsel for the Committee; (d) the Office of the US Trustee; Pullman & Comley, LLC, 850 Main Street, 8th Floor, Bridgeport, CT 06601-7006, Attn: Irve J. Goldman, Esq., counsel to the DECD.

19. A further hearing (“Hearing”), on the Debtor’s use of Cash Collateral shall be held on February 21, 2018 at 10:00 a.m. at the United States Bankruptcy Court, District of Connecticut, Hartford Division, 450 Main Street, Hartford, Connecticut to consider and determine any objections by other parties in interest to the Debtor’s use of Cash Collateral as requested in the Motion.

IT IS SO ORDERED at Hartford, Connecticut this 13th day of February 2018.

James J. Tancredi
United States Bankruptcy Judge
District of Connecticut

EXHIBIT "A"
BUDGET

Windsor Marketing Group
 Projected Cash Flow Statements
 For Each of the Thirteen Weeks Ended May 4, 2018

	02/09/18	02/16/18	02/23/18	03/02/18	03/09/18	03/16/18	03/23/18	03/30/18	04/06/18	04/13/18	04/20/18	04/27/18	05/04/18	13 Week Totals
OPERATIONS														
Receipts														
Sales Receipts	440,000	400,000	400,000	425,000	375,000	400,000	550,000	525,000	375,000	425,000	600,000	425,000	350,000	5,690,000
Non-A/R Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	440,000	400,000	400,000	425,000	375,000	400,000	550,000	525,000	375,000	425,000	600,000	425,000	350,000	5,690,000
Disbursements														
Operating Expenses														
Payroll	(129,248)	(129,568)	(126,068)	(123,264)	(123,264)	(123,264)	(123,264)	(123,264)	(123,264)	(123,264)	(123,264)	(123,264)	(123,264)	(1,617,523)
Payroll Taxes	(14,751)	(14,751)	(13,901)	(13,614)	(13,282)	(13,282)	(13,282)	(13,282)	(12,352)	(12,352)	(12,352)	(12,352)	(12,352)	(171,907)
Employee Benefits	(71,465)	-	(70,000)	(10,134)	-	-	-	(80,000)	-	-	(80,000)	-	-	(311,599)
Employee Expense Reimburse	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(26,000)
Materials	(103,800)	(120,400)	(120,000)	(120,400)	(120,000)	(138,900)	(150,000)	(160,000)	(160,000)	(160,000)	(155,000)	(145,000)	(130,000)	(1,783,500)
Subcontractors	(4,100)	(4,400)	(4,700)	(5,100)	(5,400)	(4,700)	(4,700)	(5,400)	(5,400)	(4,400)	(4,400)	(4,400)	(5,800)	(62,900)
Sales Taxes	-	-	(35,271)	-	-	-	(44,900)	-	-	-	(40,500)	-	-	(120,671)
Freight	(25,870)	(71,200)	(78,600)	(47,200)	(47,200)	(43,600)	(47,200)	(50,900)	(54,500)	(47,200)	(47,200)	(54,500)	(54,500)	(669,870)
Insurance	(32,088)	(18,670)	-	-	(25,099)	(25,099)	-	-	-	(25,099)	-	-	-	(100,956)
Office Expense	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(25,000)
Professional Fees	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(162,500)
Rent	(1,438)	-	-	(81,339)	(1,438)	-	(80,000)	(1,339)	(1,438)	-	(80,000)	-	(1,339)	(248,331)
Repairs & Maintenance	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(65,000)
Telephone	(4,500)	-	-	(5,000)	-	-	(37,500)	-	(5,000)	-	(37,500)	-	(5,000)	(19,500)
Utilities	(44,400)	-	-	-	-	-	-	-	-	-	-	-	-	(119,400)
Court Fees	-	-	-	-	-	-	-	-	-	(46,700)	-	-	-	(46,700)
Miscellaneous	(1,471)	(1,375)	(2,650)	(1,000)	(1,000)	(1,375)	(2,650)	(1,000)	(1,000)	(1,000)	(1,375)	(2,650)	(1,000)	(19,576)
Total Disbursements	(453,631)	(381,864)	(472,690)	(428,551)	(333,084)	(371,720)	(524,996)	(456,685)	(384,454)	(441,515)	(603,091)	(363,666)	(354,755)	(5,570,406)
Cash Flow-Operations	(13,631)	18,136	(72,690)	(3,551)	41,916	28,280	25,004	68,315	(9,454)	(16,515)	(3,091)	61,334	(4,755)	119,597
INVESTING														
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow - Investing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FINANCING														
Revolving Line-of-Credit (Pymts) / Adv	-	-	-	(65,000)	-	-	-	(41,000)	-	-	-	-	-	(106,000)
Cash Flow-Financing	-	-	-	(65,000)	-	-	-	(41,000)	-	-	-	-	-	(106,000)
Total Net Cash Flow	(13,631)	18,136	(72,690)	(68,551)	41,916	28,280	25,004	27,315	(9,454)	(16,515)	(3,091)	61,334	(4,755)	13,297
SUMMARY														
Cash Beginning	148,476	134,846	152,982	80,291	11,740	53,656	81,937	106,941	134,256	124,801	108,286	105,195	166,529	148,476
Net Weekly Cash Flow	(13,631)	18,136	(72,690)	(68,551)	41,916	28,280	25,004	27,315	(9,454)	(16,515)	(3,091)	61,334	(4,755)	13,297
Cash Ending	134,846	152,982	80,291	11,740	53,656	81,937	106,941	134,256	124,801	108,286	105,195	166,529	161,773	161,773

	02/09/18	02/16/18	02/23/18	03/02/18	03/09/18	03/16/18	03/23/18	03/30/18	04/06/18	04/13/18	04/20/18	04/27/18	05/04/18	13 Week Totals
Collateral Analysis														
Accounts Receivable														
A/R-Trade-Beginning	2,779,661	3,004,661	2,982,661	2,992,161	2,976,661	2,979,661	2,989,161	2,880,161	2,827,661	2,862,161	2,846,661	2,719,161	2,766,661	2,779,661
Add: Projected Billings	665,000	378,000	409,500	409,500	378,000	409,500	441,000	472,500	409,500	409,500	472,500	472,500	378,000	5,705,000
Less: Collections	(440,000)	(400,000)	(400,000)	(425,000)	(375,000)	(400,000)	(550,000)	(525,000)	(375,000)	(425,000)	(600,000)	(425,000)	(350,000)	(5,690,000)
A/R-Trade-Ending	3,004,661	2,982,661	2,992,161	2,976,661	2,979,661	2,989,161	2,880,161	2,827,661	2,862,161	2,846,661	2,719,161	2,766,661	2,794,661	2,794,661
Less: Ineligibles	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)	(1,118,887)
A/R-Ending - Eligible	1,885,774	1,863,774	1,873,274	1,857,774	1,860,774	1,870,274	1,761,274	1,708,774	1,743,274	1,727,774	1,600,274	1,647,774	1,675,774	1,675,774
A/R Advance Rate	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Total A/R Collateral	1,508,619	1,491,019	1,498,619	1,486,219	1,488,619	1,496,219	1,409,019	1,367,019	1,394,619	1,382,219	1,280,219	1,318,219	1,340,619	1,340,619
Inventory														
Gross Inventory	1,340,991	1,340,991	1,340,991	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000	1,325,000
Add: Allowance of Obsolescence	245,382	245,382	245,382	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
Less: Ineligible Inventory	(894,414)	(894,414)	(894,414)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Eligible Inventory Value	691,959	691,959	691,959	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Inventory Advance Rate	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Total Inventory Collateral	345,980	345,980	345,980	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000
Collateral Reserve	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Total Collateral	1,154,599	1,136,999	1,144,599	1,121,219	1,123,619	1,131,219	1,044,019	1,002,019	1,029,619	1,017,219	915,219	953,219	975,619	975,619
Beg Line-of-Credit Balance (Payments) Advances To LOC	3,370,930	3,370,930	3,370,930	3,370,930	3,305,930	3,305,930	3,305,930	3,305,930	3,264,930	3,264,930	3,264,930	3,264,930	3,264,930	3,370,930
	-	-	-	(65,000)	-	-	-	(41,000)	-	-	-	-	-	(106,000)
Ending Line-of-Credit Balance	3,370,930	3,370,930	3,370,930	3,305,930	3,305,930	3,305,930	3,305,930	3,264,930	3,264,930	3,264,930	3,264,930	3,264,930	3,264,930	3,264,930
Excess (Over Advance)	(2,216,331)	(2,233,931)	(2,226,331)	(2,184,711)	(2,182,311)	(2,174,711)	(2,261,911)	(2,262,911)	(2,235,311)	(2,247,711)	(2,349,711)	(2,311,711)	(2,289,311)	(2,289,311)