

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
BRIDGEPORT DIVISION**

In re	:	Chapter 11
	:	Jointly Administered
WALL STREET THEATER	:	Case No. 18-50132(JAM)(lead)
COMPANY, INC., et al <sup>1</sup>	:	
	:	
Debtors	:	
<hr/>		
WALL STREET THEATER	:	
COMPANY, INC., et al	:	
	:	
Movant	:	
	:	
v.	:	
	:	
PATRIOT BANK, N.A.	:	
	:	
Respondent	:	

**FOURTH STIPULATION AND ORDER (1) AUTHORIZING CONTINUED USE OF CASH COLLATERAL, (2) GRANTING ADEQUATE PROTECTION, AND (3) SCHEDULING HEARING ON FINAL USE OF CASH COLALTERAL**

Upon the *Motion for Preliminary and Final Orders Authorizing Debtors to Use Cash Collateral and Granting Adequate Protection* (ECF No. 4, the “Motion”) filed by Wall Street Theater Company, Inc. (“WSTC”), Wall Street Master Landlord, LLC (“WSML”), and Wall Street Managing Member, LLC (“WSMM”), as debtors and debtors-in-possession (collectively, the “Debtors”)<sup>2</sup> seeking, among other things, entry of this Preliminary Order authorizing Debtors to use cash collateral in accordance with the budget annexed thereto as Exhibit A (the “Budget”) and granting adequate protection; and

<sup>1</sup> The chapter 11 cases of Wall Street Theater Company, Inc., Case No. 18-50132, Wall Street Master Landlord, LLC, Case No. 18-50133, and Wall Street Managing Member, LLC, Case No. 18-50134 are jointly administered under Case No. 18-50132.

<sup>2</sup> Non-debtor affiliates of Debtors are Wall Street Master Tenant, LLC (“WSMT”) and Wall Street Manger, LLC (“WSM”).

Debtors having requested in the Motion that (a) pending the final hearing on the Motion, a hearing be scheduled on an expedited basis (the “Preliminary Hearing”) to consider entry of this preliminary order, (b) that a hearing (the “Continued Hearing”) be scheduled on the Motion to consider entry of a final order authorizing and approving, on a final basis, Debtors’ use of cash collateral;

NOW THEREFORE IT IS HEREBY FOUND:

A. On February 4, 2018, Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (the “Code”). Pursuant to §§ 1107(a) and 1108 of the Code, Debtors continues to operate their businesses and manage their properties, affairs, and assets as debtors-in-possession.

B. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

C. No trustee or committee has been appointed in these cases.

D. The Preliminary Hearing on use of cash collateral was held on February 8, 2018. Following said Preliminary Hearing, and upon agreement of the parties appearing, the Court entered an order granting preliminary use of cash collateral (the “Preliminary Order”), but reserved for further consideration whether the Debtors should be permitted to pay a certain “developer’s fee”.

E. On February 14, 2018, the Court held a further cash collateral hearing concerning payment of the “developer’s fee”. On February 15, 2018, the Court approved Debtors’ use of cash collateral to pay the “developer’s fee.”

F. A hearing to consider continued use of cash collateral (“Second Cash Collateral Order”) was scheduled for February 27, 2018 at 12:00 noon. Said Second Cash Collateral Order was approved on March 2, 2018. ECF No. 73.

G. On March 12, 2018 and March 21, 2018, the Court approved requests for supplemental usage of cash collateral. ECF Nos. 107 and 131.

H. On May 8, 2018, the Court entered the *Third Interim Order (1) Authorizing Continued Use of Cash Collateral, (2) Granting Adequate Protection, and (3) Scheduling Hearing on Final Use of Cash Collateral* (the “Third Interim Order”; ECF No. 192).

I. On June 1, 2018, the Court entered the *Amended Third Stipulation and Order (1) Authorizing Continued Use of Cash Collateral, (2) Granting Adequate Protection, and (3) Scheduling Hearing on Final Use of Cash Collateral* (the “Amended Third Interim Order”; ECF No. 221).

J. On July 10, 2018 a copy of this proposed order and Budget (“Fourth Cash Collateral Order”) was served on (a) secured creditors with an interest in cash collateral, including Patriot Bank, N.A. (“Patriot”), (b) the office of the U.S. Trustee, (c) Morganti Group, Inc., (d) the largest 20 unsecured creditors, and all parties with an appearance in the case (the “Notice Parties”).

K. Unless Debtors can use collateral in the amounts and for the purposes specified herein, each estate will suffer immediate and irreparable harm. Without the use of cash collateral, Debtors will be forced to cease operations thereby resulting in loss to its going concern value to the detriment of Debtors, their creditors, and the bankruptcy estate. The Budget reflects the Debtors’ business judgment with respect to the timing and amounts of payments and is otherwise reasonable and proper.

L. As more than 14 days has elapsed since the service of the proposed Fourth Cash Collateral Order, this order constitutes a “final order” as that term is defined by Fed. R. Bankr. P. 4001(b)(2).

**NOW THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:**

1. Pursuant to 11 U.S.C. § 363(c)(2)(B), Debtors are hereby authorized from the date of this Order until August 3, 2018 (the “Cash Collateral Period”) to use cash collateral to pay actual, necessary ordinary course operating expenses as set forth in, and in accordance with, **Exhibit A** (the “Budget”) appended hereto to avoid immediate and irreparable harm to the estate.

2. **A hearing to consider the further use of cash collateral shall be held on November 20, 2018 at 10:00 A.M. at the United States Bankruptcy Court, 915 Lafayette Boulevard, Bridgeport, Connecticut.**

a. On or before November 6, 2018 the Debtors shall serve on the Notice Parties a proposed order concerning further use of cash collateral and a proposed budget.

b. On or before November 13, 2018, any party-in-interest may file an objection concerning the further use of cash collateral.

3. Nothing contained herein shall in any way affect or impair the status of the validity, perfection, amount and extent of Patriot’s or any other alleged secured creditor’s respective security interests in any of its respective collateral, or Debtors’ or any other party’s right to object to the validity, perfection, amount and extent of such security interests. Nothing contained herein shall in any way affect or impair any right of setoff or recoupment that The Morganti Group, Inc. may hold against any Debtors.

4. As set forth in the Amended Third Interim Order, any party in interest that wished to challenge the nature, extent, priority, or scope of Patriot’s liens and/or secured status was required to file an appropriate motion or adversary proceeding (“Challenge Action”) on or before June 1, 2018 (the “Challenge Period”). On or about June 1, 2018, The Morganti Group initiated an adversary proceeding initiating a Challenge Action styled: *The Morganti Group Inc. v. Patriot Bank, N.A.*, Adv. Proc. No. 18-5030 (the “Patriot Challenge Action”). Other than the Patriot Challenge Action, no other Challenge Actions were filed during the Challenge Period. Thus, all

parties in interest to in this proceeding, other than Morganti, have waived any rights or ability to challenge the nature, extent, priority, or scope of Patriot's liens and/or Patriot's secured status. This provision shall be binding upon all successors to the Debtors, their Estates, or any Committee, including trustees appointed under any chapter of the Bankruptcy Code.

5. In exchange for the continued use of cash collateral by Debtors, and as adequate protection for Patriot's interests therein, and in addition to the provisions of 11 U.S.C. § 552(b), Patriot is hereby granted, in accordance with §§ 361(2), 363(c), and 363(e), senior security interests (the "Replacement Liens") in, and liens upon, to attach to the same validity, extent, and priority that the Patriot possessed as to said liens on the Petition Date, but only to the extent the amount of their respective secured position erodes in value, all personal property and real estate now owned, or hereafter created or acquired or generated by Debtors, whether existing prior to the Petition Date or coming into being or in the possession of Debtors thereafter including, without limitation, all of Debtors' accounts, inventory, general intangibles, trademarks, licenses, contract rights, insurance proceeds or refunds, tax credits, tax refunds, chattel paper, documents, instruments and securities, machinery, equipment, and all proceeds, products, rents and profits of all of the foregoing, whether acquired through the use of cash collateral, or from the extension of post-petition financing ("DIP Assets"). Notwithstanding anything else in this Order to the contrary, nothing herein shall grant Patriot a Replacement Lien in claims and/or causes of action arising under Chapter 5 of Title 11, 11 U.S.C. § 501 *et seq.*

6. As additional adequate protection, Debtors shall pay to Patriot monthly interest payments of \$46,047.23 on the 1<sup>st</sup> of each month in accordance with the attached Budget.<sup>3</sup> Furthermore, the Debtors shall maintain any and all insurance as required by the loan documents.

---

<sup>3</sup> Estimated amount at the present may vary from month to month. Debtors shall pay actual amounts then due.

The failure to timely pay said monthly payment to Patriot or maintain insurance shall be grounds for immediate termination of the continued use of cash collateral.

7. It is the purpose and intent of this Order to allow Debtors to use their accounts and accounts receivable and other collateral which constitute cash collateral of Patriot's on a revolving basis and to provide the Patriot with a lien upon post-petition assets so that Patriots' interests therein will not be diminished during the pendency of these Chapter 11 proceedings. The respective secured positions of Patriot that existed on the Petition Date may not improve by virtue of the granting of the replacement and/or substitute liens as set forth herein.

8. All liens and security interests, to the extent granted pursuant to this Order, shall be and hereby are (a) in addition to all security interests, liens and rights of setoff, rights of recoupment existing in favor of Patriot on the Petition Date; (b) deemed effective, valid and perfected as of the Petition Date, without the necessity of the filing or lodging by any person of any documents or other instruments otherwise required to be filed or lodged under applicable non-bankruptcy law for the perfection of security interests, with such security interests and liens, to the extent granted, validity and perfection being binding upon any successor entity or entities or subsequently appointed Trustee in any proceeding under any chapter of the Code and upon any and all other creditors of Debtors who have extended or who may hereafter extend credit to Debtors, or assert a claim of any nature or in any manner whatsoever in these cases or any superseding bankruptcy case of the Debtors, whether or not notice of the filing of this case has been filed in any state or county in which the Debtors' assets may ever be located; and (c) intended to be adequate protection for the Debtors' use of cash collateral. Patriot shall not be required to file any UCC-1 Financing Statement in any jurisdiction or take any other action (including possession of the Collateral and/or DIP Assets, or any portion thereof) in order to further establish the security

interests provided for hereunder. This Order shall be sufficient and conclusive evidence of the granting of Patriot's security interests and liens upon the DIP Assets.

9. Patriot may, in their discretion, file a certified copy of this Order in any filing or recording office in which the Debtor has any property or office. If Patriot, in its sole discretion, chooses to file such financing statements or other documents or otherwise confirm perfection of such security interests and liens, all such financing statements or similar documents shall be deemed to have been filed or recorded as of the Petition Date. Debtors shall execute and deliver to Patriot any agreement, financing statement, instruments or other documents as Patriot may reasonably request from time to time to effectuate, evidence, confirm, validate or perfect the security interests and liens provided for herein. Nothing in this Order shall in any way restrict the scope of the Patriot's pre-petition liens, security interests, rights of setoff or claims.

10. Notwithstanding any provision of this Order, nothing herein shall be deemed to be an adjudication or a declaration by the Court of rights with respect to the existence, validity, enforceability, subordination or priority of, or any causes of action relating to the liens or security interests granted by Debtors or possessed by Patriot prior to the Petition Date.

11. Nothing contained in this Order shall be deemed to be a finding by this Court or an admission by Patriot with respect to adequate protection (as such term is defined by 11 U.S.C. § 361) of the interests of Patriot.

12. Except to the extent expressly provided herein, nothing contained in this Order shall prejudice, impair or otherwise adversely affect, the rights of Patriot under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right, at any time, in their sole discretion, to demand adequate protection, to request relief from the automatic stay, to move to convert this case to a case under Chapter 7 of the Bankruptcy Code, to object to any plan of reorganization or disclosure statement, to request the appointment of a trustee or examiner, or to

seek the termination of, or object to the extension of, the period during which the Debtor enjoys the exclusive right to propose and/or seek to obtain confirmation of a plan of reorganization.

13. The liens of Patriot and any Replacement Liens, and any priority to which the Patriot may be entitled or become entitled under § 507(b) of the Bankruptcy Code, shall be forever subject to and subordinate in right and payment to (i) amounts payable pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the Clerk of the Court; (ii) liens for taxes owed to governmental entities, including sales and withholding taxes to the extent such liens have priority over the liens and Replacement Liens of the Secured Creditors under applicable non-bankruptcy law; and (iii) the allowed administrative claims of attorneys and other professionals retained by the Debtors in these Chapter 11 cases pursuant to § 327 accrued during any cash collateral periods in the amounts of: \$125,000 for Debtors' counsel Green & Sklarz LLC (inclusive of its prepetition retainer) and \$50,000 for Debtors' financial advisor RJ Reuter, LLC (inclusive of its prepetition retainer) and \$15,000 for Debtors' proposed special counsel, Hinckley Allen & Snyder LLP (inclusive of its remaining prepetition retainer) (collectively items (i) through (iii) are referred to as the "Carve Outs").

14. All notices required to or permitted to be given to Debtors under this Order shall be addressed as follows:

DEBTORS: WALL STREET THEATER COMPANY, INC.  
WALL STREET MASTER LANDLORD, LLC  
WALL STREET MANAGING MEMBER, LLC  
Attn: Suzanne Cahill  
P.O. Box 2387  
Milford, CT 06460

With a copy to: Green & Sklarz, LLC  
Attn: Jeffrey M. Sklarz, Esq.  
700 State Street, Suite 100  
New Haven, CT 06511

LENDER: Patriot Bank, N.A.  
900 Bedford Street



Stamford, CT 06901

With a copy to: Murtha Cullina LLP  
Attn: Robert E. Kaelin, Esq.  
185 Asylum Street  
Hartford, CT 06103-3469

15. Debtors shall, on or before July 31, 2018, transmit copies of a notice of the entry of this Order to the Notice Parties, and to any party which has filed prior to such date a request for notices with this Court. Patriot's consent to the use of cash collateral pursuant to this Order shall in no way be interpreted as its consent or agreement to any future budget as may be proposed by the Debtors, and the Bank reserves any and all objections to confirmation of any proposed plan of reorganization and nothing herein shall otherwise be deemed an acceptance by the Patriot as to the amounts it shall otherwise be entitled to under a plan or in this bankruptcy proceeding.

16. Nothing herein shall be deemed to prevent Patriot from seeking to terminate the use of cash collateral for any breach by the Debtors of the terms hereof or to obtain relief from the automatic stay or to assert any other rights, claims, remedies or defenses available to Patriot.

Dated at Bridgeport, Connecticut this 25th day of July, 2018.

*Julie A. Manning*  
Chief United States Bankruptcy Judge  
District of Connecticut

## EXHIBIT A

### Budget

(Period W/E Aug 03 to Nov 30 2018)

Line	Updated 7-9-18	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Week Ended	8/3/2018	8/10/2018	8/17/2018	8/24/2018	8/31/2018	9/7/2018	9/14/2018	9/21/2018	9/28/2018	10/5/2018	10/12/2018	10/19/2018	10/26/2018	11/2/2018	11/9/2018	11/16/2018	11/30/2018
4	<b>Operating Cash Receipts</b>																	
5	Ticket Revenue	\$ 15,000	\$ 435	\$ 435	\$ 435	\$ 435	\$ 14,095	\$ 14,095	\$ 14,095	\$ 14,095	\$ 21,905	\$ 21,905	\$ 21,905	\$ 21,905	\$ 16,079	\$ 16,079	\$ 16,079	\$ 16,079
6	Food and Beverage	\$ 5,139	\$ 145	\$ 145	\$ 145	\$ 145	\$ 4,698	\$ 4,698	\$ 4,698	\$ 4,698	\$ 7,301	\$ 7,301	\$ 7,301	\$ 7,301	\$ 5,360	\$ 5,360	\$ 5,360	\$ 5,360
7	Corporate Events/Rentals	\$ 1,500	\$ 4,300	\$ 4,300	\$ 4,300	\$ 4,300	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,375	\$ 5,375	\$ 5,375	\$ 5,375	\$ 5,175	\$ 5,175	\$ 5,175	\$ 5,175
8	Ticket Surcharge	\$ 4,500	\$ 145	\$ 145	\$ 145	\$ 145	\$ 4,698	\$ 4,698	\$ 4,698	\$ 4,698	\$ 7,375	\$ 7,375	\$ 7,375	\$ 7,375	\$ 5,360	\$ 5,360	\$ 5,360	\$ 5,360
9	<b>Total Operating Cash Receipts</b>	<b>26,139</b>	<b>5,025</b>	<b>5,025</b>	<b>5,025</b>	<b>5,025</b>	<b>29,042</b>	<b>29,042</b>	<b>29,042</b>	<b>29,042</b>	<b>41,956</b>	<b>41,956</b>	<b>41,956</b>	<b>41,956</b>	<b>31,973</b>	<b>31,973</b>	<b>31,973</b>	<b>31,973</b>
11	<b>Operating Cash Disbursements</b>																	
12	Subtotal - Cost of Goods Sold	10,243	3,382	3,382	3,382	3,382	19,458	19,458	19,458	19,458	28,111	28,111	28,111	28,111	21,422	21,422	21,422	21,422
15	<b>OPERATING EXPENSES</b>																	
16	<b>SUB-TOTAL SALARIES</b>	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435
17	<b>OTHER COSTS</b>																	
18	Real Estate Taxes																	
19	Rent Reserve					95,167				13,595				13,595				13,595
20	Insurance(s)													2,829				
21	Admin costs					471				471				471				471
22	Outside Services					471				471				471				471
23	Utilities					4,714				4,714				4,714				4,714
24	Developer Fee (a)					10,010				10,010				10,010				10,010
25	General Repair					1,257				1,257				1,257				1,257
25	Other Misc. fixed costs					1,336				1,336				1,336				1,336
26	<b>OTHER COSTS</b>					113,427				31,855				34,684				31,855
27	<b>FUNDRAISING COSTS</b>																	
28	Events					1,571				1,571				1,571				1,571
29	Other Mailings, Development					786				786				786				786
30	<b>MARKETING</b>																	
31	Graphic Design					1,440				1,440				1,440				1,440
32	Advertising & Publicity					3,667				3,667				3,667				3,667
33	Subtotal - Marketing Costs					5,107				5,107				5,107				5,107
34	<b>OTHER CONTINGENCY</b>	5,652				3,100				3,100				3,100				3,100
35	<b>Total Operating Cash Disb.</b>	<b>11,087</b>	<b>5,435</b>	<b>5,435</b>	<b>5,435</b>	<b>129,426</b>	<b>5,435</b>	<b>5,435</b>	<b>5,435</b>	<b>47,854</b>	<b>5,435</b>	<b>5,435</b>	<b>5,435</b>	<b>50,683</b>	<b>5,435</b>	<b>5,435</b>	<b>5,435</b>	<b>47,854</b>
37	<b>Net Operating Cash Flows</b>	<b>4,809</b>	<b>(3,791)</b>	<b>(3,791)</b>	<b>(3,791)</b>	<b>(127,782)</b>	<b>4,149</b>	<b>4,149</b>	<b>4,149</b>	<b>(38,270)</b>	<b>8,411</b>	<b>8,411</b>	<b>8,411</b>	<b>(36,837)</b>	<b>5,117</b>	<b>5,117</b>	<b>5,117</b>	<b>(37,303)</b>
38	<b>INTEREST &amp; DEBT PAYMENTS</b>																	
39	Interest/Adequate Protection		46,047				46,047				46,047				46,047	-	-	-
41	<b>Non-Operating Items</b>																	
42	<b>RENT RESERVE COLLECTED</b>					95,167				13,595				13,595				13,595
43	<b>Receipts:</b>																	
44	Tax Credits							490,000				748,037						
45	<b>Total Non-Operating Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,167</b>	<b>-</b>	<b>490,000</b>	<b>-</b>	<b>13,595</b>	<b>-</b>	<b>748,037</b>	<b>-</b>	<b>13,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,595</b>
46	<b>Disbursements:</b>																	
48	<b>BOARD EXPENSES</b>																	
49	Board Admin and Comp					2,823												
50	<b>REORGANIZATION EXPENSES</b>																	
51	U.S. Trustee Fees	1,950												5,525				
52	Debtor's Bankruptcy Counsel		75,000										50,000					
53	Debtor's Special Counsel												15,000					
54	Debtor's Financial advisor		30,000										20,000					
55	Real Estate Appraiser																	
56	Subtotal - Reorg Expenses	1,950	105,000	-	-	-	-	-	-	-	-	-	85,000	5,525	-	-	-	-
57	<b>Total Non-Operating Disbursements</b>	<b>1,950</b>	<b>151,047</b>	<b>-</b>	<b>-</b>	<b>2,823</b>	<b>46,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,047</b>	<b>-</b>	<b>85,000</b>	<b>5,525</b>	<b>46,047</b>	<b>-</b>	<b>-</b>	<b>-</b>
59	<b>Net Cash Flow</b>	<b>2,859</b>	<b>(154,838)</b>	<b>(3,791)</b>	<b>(3,791)</b>	<b>(35,438)</b>	<b>(41,898)</b>	<b>494,149</b>	<b>4,149</b>	<b>(24,675)</b>	<b>(37,636)</b>	<b>756,448</b>	<b>(76,589)</b>	<b>(28,767)</b>	<b>(40,930)</b>	<b>5,117</b>	<b>5,117</b>	<b>(23,708)</b>
60	Beginning Cash Balance*	1,331,272	1,334,131	1,179,293	1,175,502	1,171,711	1,136,273	1,094,375	1,588,525	1,592,674	1,567,999	1,530,363	2,286,811	2,210,222	2,181,455	2,140,524	2,145,641	2,150,758
63	<b>Net Ending Cash</b>	<b>\$ 1,334,131</b>	<b>\$ 1,179,293</b>	<b>\$ 1,175,502</b>	<b>\$ 1,171,711</b>	<b>\$ 1,136,273</b>	<b>\$ 1,094,375</b>	<b>\$ 1,588,525</b>	<b>\$ 1,592,674</b>	<b>\$ 1,567,999</b>	<b>\$ 1,530,363</b>	<b>\$ 2,286,811</b>	<b>\$ 2,210,222</b>	<b>\$ 2,181,455</b>	<b>\$ 2,140,524</b>	<b>\$ 2,145,641</b>	<b>\$ 2,150,758</b>	<b>\$ 2,127,050</b>

## Reference line number footnote

19 Pursuant to the Management Agreement between WSTC and WSMT, for calendar year 2018, WSMT is obligated to pay WSTC \$13,595.33 per month as a management fee. Whether the management fee is to be collected by WSTC out of operating revenue of the Theatre or is a separate payment owed by WSMT, is disputed between Debtors and Morganti. The parties reserve their respective rights concerning the nature and extent of WSMT's obligation with respect to the management fee due under the Management Agreement.

Assumes paid and collected to co-debtor

44 Realization is based upon best efforts and estimates of when tax credit proceeds will be received.

44 Actual receipt is dependent on various contingencies.

51 Payment for previously filed fee application

53 Payment for previously filed fee application

61 Beginning cash balance based upon actual as of July 1 and cash collateral budget rolled forward