

ORDERED.

Dated: July 19, 2017


K. Rodney May
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION
<http://www.flmb.uscourts.gov>

In re:

MCAADS.COM, LLC,

Debtor.

Case No: 17-bk-05179-KRM
Chapter 11

SECOND INTERIM ORDER GRANTING DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING USE OF CASH COLLATERAL AND PROVIDING ADEQUATE PROTECTION

THIS CASE came before the Court for a preliminary hearing on June 29, 2017 at 10:00 a.m. (the "**Preliminary Hearing**") for consideration of the *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing Use of Cash Collateral and Providing Adequate Protection* (Doc. No. 5) (the "**Motion**") filed by MCAAds.Com, LLC ("**MCA**") and My Classified Ads, LLC ("**My Classified**") and together with MCA, the "**Debtors**") and the objection to the Motion (Doc. No. 22) (the "**Objection**") filed by Bank of America, N.A. ("**BOA**"). Through the Motion, the Debtors (1) seek the entry of an interim order authorizing the immediate use of property that may constitute "cash collateral" (as that term is defined in 11 U.S.C. § 363(a)) *nunc pro tunc* to the filing date of June 14, 2017 (this "**Interim Order**"), (2) propose certain adequate protection to entities that may have an interest in such property, and (3) request that a subsequent

final hearing be conducted at least fifteen (15) days after service of the Motion (the “**Final Hearing**”) to consider entry of a final order approving all of the relief requested in the Motion (the “**Final Order**”). Appearances were made as reflected on the record. The Court, having considered the Motion, the Objection, the arguments and proffers of counsel, the record, and for the reasons stated orally and recorded in open court that shall constitute the Court’s decision, finds it appropriate to authorize the use of Cash Collateral on an interim basis as provided herein, in order to avoid immediate and irreparable harm to the estate pending further hearing.

Accordingly, it is

ORDERED:

1. The Motion is **GRANTED**, on an interim basis, subject to the terms and conditions set forth below.
2. It is the intent of the Court and this order to preserve the rights of all parties and to preserve the status quo pending further proceedings. As a result, any right, objection, factual assertion, or legal argument not specifically addressed and ruled upon by the Court at the hearing or in this order shall remain as it was prior to the entry of this order.
3. The Preliminary Hearing is continued to **July 20, 2017, at 10:00 a.m.** (the “**Continued Preliminary Hearing**”).
4. The Court may schedule a subsequent Final Hearing on the Motion at the Continued Preliminary Hearing. At the Continued Preliminary Hearing and/or the Final Hearing, the Court may modify some or all of the provisions of this Interim Order.
5. Subject to the terms and conditions of this Interim Order, the Debtor is authorized *nunc pro tunc* to June 14, 2017, to use cash collateral to pay (a) amounts expressly authorized by this Court, including payments to the U.S. Trustee for quarterly fees, and (b) the current and

necessary expenses set forth in the budget attached to this Interim Order as Exhibit “A” (the “**Budget**”), plus an amount not to exceed 10% for each line item and 10% overall, except that (i) Blaire Fanning may only be paid in accordance with the interim orders granting the Debtors’ motions for order authorizing payment of officer’s post-petition compensation and benefits and (ii) each of the Debtors may pay up to \$7,000 towards the line item for Rent & Expenses, provided that the total amount paid by both Debtors for the line item for Rent & Expenses does not exceed \$14,000 in the aggregate. Except as authorized in this Interim Order or approved by counsel for the Bank of America, SunTrust Bank, and Merchant Capital Source, LLC (collectively, the “**Creditors**”) in writing, Debtors are prohibited from using cash collateral. Absent further order of the Court, the Debtors shall only utilize the funds in the Debtors’ Fifth Third Bank accounts to pay the expenses set forth on the Budget.

6. As adequate protection of their asserted interests in the Debtor’s cash collateral, **each of the Creditors is** hereby granted replacement liens to the same extent, validity and priority as existed on the Petition Date, in Cash Collateral of the Debtors owned as of or acquired after the Petition Date, which replacement liens shall be deemed perfected without the need to file or execute any document as may otherwise be required under applicable non-bankruptcy law.

7. The Debtors maintain the following accounts with Bank of America (the “**BOA Debtor Accounts**”):

Account Owner	Account Number
MCA	XXXX-XXXX-1139
MCA	XXXX-XXXX-8461
My Classified	XXXX-XXXX-3500

As additional adequate protection, Bank of America is authorized to apply to the Debtors’ outstanding loan balance the sum of \$11,000 from the deposits which have posted post-petition to

the BOA Debtor Accounts. Bank of America is further authorized and directed to release any deposits posting in the BOA Debtor Accounts after the Petition Date (a “**Post-Petition Deposit**”) in excess of the \$11,000 adequate protection payment and any future Post-Petition Deposits, if any, without further order of the Court. Funds deposited in the BOA Debtor Accounts owned by MCA shall be wire transferred to MCA’s debtor-in-possession account at Fifth Third Bank. Funds deposited in the BOA Debtor Accounts owned by My Classified shall be wire transferred to My Classified’s debtor-in-possession account at Fifth Third Bank. Counsel for the Debtor shall provide wiring instructions for both accounts to counsel for Bank of America. The Court will consider establishing regular cash payments by the Debtors as adequate protection to Bank of America at the Continued Preliminary Hearing.

8. As additional adequate protection, SunTrust is authorized to apply to the Debtors’ outstanding loan balance the sum of \$5,000 from Debtors’ SunTrust accounts.

9. The Debtors shall provide via email on the Wednesday of each week (i) weekly cash flow reports and accounts payable reports reflecting the prior week’s receipts and disbursements, (ii) a copy of the Debtors’ online statements reflecting account balances, deposits, and withdrawals for the debtor-in-possession accounts at Fifth Third Bank, the BB&T accounts, the PayPal accounts, and the Intuit account, (iii) a budget variance report, and (iv) accounts receivable aging report (collectively, the “**Weekly Reporting**”). Counsel for the Creditors and the United States Trustees shall receive copies of the Weekly Reporting. The Debtors shall provide basic financial information, such as (but not limited to) general ledgers, bank statements, balance sheets, and financial statements within three days of the request of any Creditor or the United States Trustee.

10. The Debtors shall timely perform all obligations of a debtor-in-possession required

by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the orders of this Court.

11. The subject of this Interim Order is a “core” proceeding within the meaning of 28 U.S.C. §157. Notice of the Preliminary Hearing on the Motion was adequate and appropriate under the circumstances of this chapter 11 case as contemplated by 11 U.S.C. §102(l) and Fed.R.Bankr.P. 4001(b)(2).

12. Any use of cash collateral since the Petition Date in accordance this Interim Order is hereby authorized pursuant to the applicable provision of Section 363(c) of the Bankruptcy Code and Fed.R.Bankr.P. 4001(b)(2) as necessary to avoid immediate and irreparable harm to the estate, and all adequate protection provided for herein is enforceable to the extent of any use of cash collateral by the Debtor pursuant to this Interim Order.

13. This Interim Order is without prejudice to the rights of the Debtors, the Creditors, or any other party in interest with respect to the matters set forth in the Motion or this Interim Order.

14. The Court shall retain jurisdiction to enforce the terms of this Interim Order.

15. This Interim Order shall be in full force in effect until the earlier of (i) entry of an order appointing a trustee or converting this case to a case under chapter 7 of the Bankruptcy Code, (ii) violation by the Debtors of any of the terms of this Interim Order, (iii) the entry of a subsequent order governing the use of cash collateral, or (iv) July 27, 2017.

Attorney Suzy Tate is directed to serve a copy of this order on interested parties and file a proof of service within 3 days of entry of the Order.

MCAAds.Com d/b/a RJA Budget			
INCOME	6/28 - 7/4	7/5 - 7/11	7/12 - 7/19
Accounts Receivable	\$81,250.00	\$81,250.00	\$92,857.14
EXPENSES			
Health Insurance	\$1,050.00	\$1,050.00	\$1,050.00
Well Fitness (Employee benefit)	\$150.00	\$150.00	\$150.00
Computer Services	\$150.00	\$150.00	\$150.00
Web Support	\$250.00	\$250.00	\$250.00
Payroll		\$36,000.00	
Rent, Utilities, Other Expenses	\$3,500.00	\$3,500.00	\$3,500.00
Phone	\$400.00	\$400.00	\$400.00
Publisher Payments			
Annuals	\$1,050.00	\$1,050.00	\$1,200.00
ADA	\$4,000.00	\$4,000.00	\$4,571.43
History Net	\$4,250.00	\$4,250.00	\$4,857.14
STMF	\$8,750.00	\$8,750.00	\$10,000.00
Pennwell	\$125.00	\$125.00	\$142.86
AMI	\$7,250.00	\$7,250.00	\$8,285.71
Netsuite	\$1,100.00	\$1,100.00	\$1,257.14
Elsevier	\$7,000.00	\$7,000.00	\$8,000.00
USA Today	\$15,000.00	\$15,000.00	\$17,142.86
Expenses Total	\$54,025.00	\$90,025.00	\$60,957.14
Net Income	\$27,225.00	(\$8,775.00)	\$31,900.00
My Classified Ads Budget			
INCOME	6/28 - 7/4	7/5 - 7/11	7/12 - 7/19
Accounts Receivable	\$74,500.00	\$74,500.00	\$85,142.86
EXPENSES			
Website services	\$1,125.00	\$1,125.00	\$1,125.00
Rent, Utilities, Other Expenses	\$1,000.00	\$1,000.00	\$1,000.00
Payroll		\$10,823.00	
Legal	\$200.00	\$200.00	\$200.00
Health Insurance	\$1,000.00	\$1,000.00	\$1,000.00
Newspapers (Ads)	\$35,000.00	\$35,000.00	\$40,000.00
Expenses Total	\$38,325.00	\$49,148.00	\$43,325.00
Net Income	\$36,175.00	\$25,352.00	\$41,817.86