

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
BROWARD DIVISION
www.flsb.uscourts.gov

IN RE: CASE NO.: 17-18532-RBR
GLAZER FOODS, INC Chapter 11

**DEBTOR'S EMERGENCY MOTION TO PROHIBIT USE OF CASH COLLATERAL
AND FOR OTHER RELATED RELIEF
(Debtor has been using cash collateral without consent since the filing of this case)**

Source Foods Inc., a secured creditor herein, through undersigned counsel, files this Motion To Prohibit Use of Cash Collateral and for Other Related Relief and states as follows:

1. On July 8, 2017, (the "Petition Date") the Debtor filed a voluntary petition under Chapter 11, Title 11 of the United States Code.
2. Source Foods, Inc. ("Secured Creditor") is a creditor of the Debtor by reason of a Promissory Note ("Note") in the amount of \$272,993.77. A copy of the Note is attached as Exhibit A to Secured Creditor's State Court Complaint which is attached hereto as Composite Exhibit 1.
3. The Note is secured by all of the Debtor's assets as evidenced by the Security Agreement dated May 25, 2016 and a UCC-1 Financing Statement bearing UCC number 201607710895. The Security Agreement and financing Statement are attached to the state court Complaint as Exhibit C and D respectively of the Creditor's state court complaint attached hereto as Exhibit 1.
4. The Note is further secured by the personal guarantee of Jeffrey Glazer as evidenced by the Absolute Unconditional and Continuing Guarantee dated May 25, 2016 which is attached as Exhibit B to the State Court Complaint which is attached hereto as Exhibit 1.
5. Neither the Debtor nor Jeffrey Glazer have made any payments under the Note.

6. Debtor has sought to obtain injunctive relief to protect Jeffrey Glazer the guarantor (DE 8 of Adv Case no 17- 01265 - RBR), but has made no attempt to obtain the Secured Creditor's consent to use cash collateral.

7. As evidenced by the Debtor in Possession Report, the Debtor is using cash collateral without the Secured Creditor's consent.

8. As evidenced by the Balance Sheet attached to the July Debtor In Possession Report, the Secured Creditor's collateral has a value of \$135,035.40.

MEMORANDUM

Under Section 363 © (4) of the Bankruptcy code, a Debtor In Possession is required to segregate and account for any cash collateral in its possession, custody or control. Under Section 363© (2) of the Bankruptcy Code, a Debtor in Possession may not use sell or lease cash collateral without either (I) the consent of each secured credit with an interest in the collateral or (ii) the court's authorization.

The Secured Creditor has not consented to the use of cash collateral., The Secured Creditor has not been offered any adequate protection, The Secured Creditor's protections have been diminished by the entry of the Order barring the Secured Creditor from pursuing the Guarantor, Jeffrey Glazer. Accordingly, the Debtor is misusing cash collateral and violating the requirements of Section 363© (2).

In light of this flagrant violation of /Section 363© (2) , the Debtor request the court to invoke its authority pursuant to Section 105(a) of the Bankruptcy Code and award the Secured Creditor:

1. Relief from the stay to pursue the Guarantor;
2. Provide the Secured Creditor with a Replacement lien;
3. Provide the Secured Creditor with a Super Administrative Priority Expense Claim

in the amount of the cash collateral which was used without consent; and

4. Provide the Secured Creditor with such other adequate protection as it deems necessary to protect the Secured Creditor.

GOOD FAITH EFFORT TO SETTLE: Undersigned counsel left a message for Debtor's counsel who is not available until September 26, 2017. She sent a follow up e-mail.

WHEREFORE the Debtor respectfully requests an Order of the Court which grants:

1. Relief from the stay to pursue the Guarantor;
2. Provide the Secured Creditor with a Replacement lien;
3. Provide the Secured Creditor with a Super Administrative Priority Expense Claim in the amount of the cash collateral which was used without consent;

4. Provide the Secured Creditor with such other adequate protection as it deems necessary to protect the Secured Creditor; and and for such other relief as th Court deems just including but not limited to attorneys fees for the bringing of this Motion.

WHEREFORE the Debtor respectfully requests an order of the Court prohibiting the use of cash collateral and for sanction and for such other relief as th Court deems just.

I hereby certify that a copy of this Motion was served via U.S. Mail or electronic mail to the parties on the attached list on this 25th day of September, 2017 and that I am admitted to the Bar of the United States District Court for the Southern District and I am in compliance with the requirements of Local Rule 2090-1(A).

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By: /S/ SUSAN D. LASKY
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Florida Bar No. 451096

EXHIBIT "1"

Filing # 56348985 E-Filed 05, 2017 10:04:49 AM

IN THE CIRCUIT COURT OF THE 17TH
JUDICIAL CIRCUIT IN AND FOR
BROWARD COUNTY, FLORIDA

SOURCE FOODS, INC., a Florida
Corporation,

Plaintiff,
vs

Case No.

GLAZER FOODS, LLC, a Florida
limited liability company, and
JEFFREY GLAZER, individually,

Defendant(s).

JUDGE:

COMPLAINT

Plaintiff SOURCE FOODS, INC. ("SFI") sues Defendants GLAZER FOODS, LLC
("GFL") and JEFFREY GLAZER ("GLAZER") and alleges:

1. This is an action for damages in excess of Fifteen Thousand Dollars (\$15,000.00) exclusive of interest, costs, and attorney's fees.
2. Plaintiff SFI is a Florida corporation that, at times material hereto, had its principal offices and place of business in Broward County, Florida.
3. Defendant GFL is a Florida limited liability company with its principal offices and place of business in Broward County, Florida.
4. Defendant GLAZER is the sole manager and member of GFL and, thus, conducts substantial and not isolated business in Broward County, Florida.
5. Additionally, all predicate acts and/or omissions creating a basis for the causes of action herein occurred in Broward County, Florida.

GENERAL FACTUAL ALLEGATIONS

6. On or about May 25, 2016, Plaintiff SFI, as Seller, sold all of its assets to Defendant GFL, as Buyer for the total purchase price of Four Hundred Seventy-Five Thousand Dollars (\$475,000.00).

7. In furtherance of the purchase, Defendant GFL paid Plaintiff SFI a \$25,000.00 deposit and \$200,225.48 cash at closing, leaving a balance due from Defendant GFL of \$272,993.77 owed to Plaintiff SFI (after a proration at closing of \$778.02).
8. As a result of the foregoing indebtedness, on May 25, 2016, Defendant GFL executed a Promissory Note ("Note") to Plaintiff SFI in the amount of \$272,993.77. A copy of the subject Note is attached hereto as Exhibit "A".
9. As further security for the foregoing indebtedness, on May 25, 2016, Defendant GLAZER provided Plaintiff SFI with his Absolute Unconditional and Continuing Guaranty ("Guaranty") of the subject Promissory Note. A copy of the subject Guaranty is attached hereto as Exhibit "B".
10. Finally, on May 25, 2016, Defendant GFL executed a Security Agreement in favor of Plaintiff SFI, granting Plaintiff SFI a security interest in all of the assets that were being sold to Defendant GFL including, without limitation, fixtures, equipment, and accounts receivable. A copy of the subject Security Agreement is attached hereto as Exhibit "C".
11. On May 26, 2016, Plaintiff SFI filed and duly recorded a UCC-1 Financing Statement with the Florida Secured Transaction Registry, thereby perfecting its security interest in the assets being transferred to Defendant GFL. The subject Financing Statement bearing UCC number 201607710895 is attached hereto as Exhibit "D".
12. Defendant GFL has defaulted in payment under the terms of the subject Note, failing to make the first (or any) payment due thereunder.
13. On January 19, 2017, Plaintiff SFI gave written Notice of Default in payment to the Defendants and accelerated the entire principal due thereunder as provided by

the terms of the Note. A copy of said Notice of Default is attached hereto as Exhibit "E".

14. Defendants GFL and GLAZER owe Plaintiff SFI the principal sum of \$272,993.77 plus accrued interest at 18% since the date of default, to-wit: June 25, 2016.
15. Pursuant to the paragraph 9 of Note, paragraph 2 of the Guaranty, and Section C.4. of the Security Agreement, Plaintiff SFI is entitled to its attorney's fees and costs incurred in prosecuting this action.
16. Plaintiff SFI has retained the legal services of undersigned counsel and has agreed to pay attorney's fees for his representation of Plaintiff SFI in this action.

COUNT I – BREACH OF NOTE

Plaintiff SFI re-alleges and incorporates paragraphs 1-16 above as if fully set forth herein and further alleges:

17. On May 25, 2016, Defendant GFL executed a Promissory Note ("Note") in favor of Plaintiff SFI in the amount of \$272,993.77. A copy of the subject Note is attached hereto as Exhibit "A".
18. Pursuant to the Note, Defendant GFL was required to make thirty-five (35) monthly installment payments of \$1,955.81 commencing June 25, 2016 and a balloon payment of the principal balance and accrued interest remaining by May 25, 2019.
19. Defendant GFL defaulted in payment of the Note by failing to pay any amounts due thereunder.
20. Plaintiff SFI has accelerated the entire principal due under the Note plus accrued interest.
21. By virtue of Defendant GFL's default, Plaintiff SFI has been damaged.
22. Defendant GFL owes Plaintiff SFI the principal amount of \$272,993.77 plus

accrued interest thereon at 18% per annum since June 25, 2016.

WHEREFORE, Plaintiff SFI demands judgment against Defendant GFL for liquidated damages of \$272,993.77, interest thereon at 18% per annum from June 25, 2016, attorney's fees, cost of suit, and such other and further relief this Court deems just and proper.

COUNT II – BREACH OF GUARANTY

Plaintiff SFI re-alleges and incorporates paragraphs 1-16 above as if fully set forth herein and further alleges:

23. On May 25, 2016, Defendant GLAZER provided Plaintiff SFI with his Absolute Unconditional and Continuing Guaranty ("Guaranty") of the subject Promissory Note. A copy of the subject Guaranty is attached hereto as Exhibit "B".
24. As a result of Defendant GFL's default under the Promissory Note ("Note"), Defendant GLAZER, as Guarantor, was required to pay all amounts due under the Note.
25. Defendant GLAZER has failed to pay amounts due by Defendant GFL under the Note and, thus, Defendant GLAZER is in default of and has breached his Guaranty.
26. Despite due demand by Plaintiff SFI, Defendant GLAZER has failed and refused to pay any amounts under the Note.
27. As a result of Defendant GLAZER's breach of the Guaranty, Plaintiff SFI has been damaged.
28. Defendant GLAZER owes Plaintiff SFI the principal amount of \$272,993.77 plus accrued interest thereon at 18% per annum since June 25, 2016.

WHEREFORE, Plaintiff SFI demands judgment against Defendant GLAZER for liquidated damages of \$272,993.77, interest thereon at 18% per annum from June 25, 2016, attorney's fees, cost of suit, and such other and further relief this Court deems just and proper.

COUNT III – FORECLOSURE OF SECURITY INTEREST

Plaintiff SFI re-alleges and incorporates paragraphs 1-16 above as if fully set forth herein and further alleges:

29. As set forth above, to secure the amounts due by the Defendants, Defendant GFL granted Plaintiff SFI a security interest in the Collateral more particularly described in the Security Agreement, which is attached hereto as Exhibit “C”.
30. To perfect its security interest in the Collateral, Plaintiff SFI filed and duly recorded a UCC-1 Financing Statement with the Florida Secured Transaction Registry. The subject Financing Statement bearing UCC number 201607710895 is attached hereto as Exhibit “D”.
31. Defendant GFL has defaulted in payment under the subject Note of this action.
32. As a result of Defendant GFL’s default, Plaintiff SFI has been damaged.
33. Accordingly, under the terms of the Security Agreement, Plaintiff SFI is entitled to foreclose its security interest in the Collateral described under the Security Agreement and Financing Statement.

WHEREFORE, Plaintiff SFI demands judgment against Defendant GFL for the following relief:

- a. Granting foreclosure of Plaintiff’s security interest in the Collateral under the Security Agreement and Financing Statement;
- b. Enjoining and restraining Defendant GFL, its agents, member(s), manager(s), lawyers, and employees from transferring, selling, secreting, insulating, disposing, assigning, dissipating, and/or further encumbering the Collateral;
- c. Requiring Defendant GFL to produce all documents evidencing the Collateral including, without limitation, financial information, records, and statements;
- d. Permitting Plaintiff SFI to collect directly from account debtors and obligors all

amounts due of to become due Defendant GFL;

- e. Awarding Plaintiff SFI its attorney's fees and costs incurred in this action; and
- f. Granting such other and further relief as is necessary to accomplish the equitable and remedial purposes of this action.

DATED this 12th day of May, 2017.

Respectfully submitted,

ROBERT P. BISSONNETTE, P.A.
Attorney for Plaintiff SFI
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Tel. (954) 561-5554
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By: /s/ Robert P. Bissonnette, Esq.
Robert P. Bissonnette
Florida Bar No. 966428

PROMISSORY NOTE

\$272,993.77

Pompano Beach, Florida,

May 25, 2016

FOR VALUE RECEIVED the undersigned ("Obligor"), promises to PAY TO THE ORDER OF SOURCE FOODS, INC., a Florida corporation ("Holder") the principal sum of Two Hundred Seventy Two Thousand nine Hundred Ninety Three and 77/100 Dollars (\$272,993.77), together with the interest thereon from date, at the rate of six percent (6%) per annum until maturity, all payable in lawful money of the United States of America, as follows:

1. Thirty five (35) equal monthly installments of principal and interest in the amount of One Thousand Nine Hundred Fifty Five and 81/100 (\$1,955.81), first payment due June 25, 2016 with all subsequent payments due on the same day of each month, thereafter.

2. The principal balance of and all accrued interest shall be due and payable on May 25, 2019.

3. This Promissory Note or any part thereof may be prepaid at any time without penalty.

4. Time is of the essence with regard to this Note and of each provision hereof.

5. All payments shall apply first to accrued interest, and the remainder, if any, to reduction of principal.

6. It is hereby agreed that:

a. If any installment of principal or interest, other than the final installment thereof, is not paid within ten (10) days of the date herein provided; or

b. Upon any default in the performance of or compliance with any of the covenants or agreements of this Note, or of any instrument now or hereafter evidencing or securing this Note or the obligation represented hereby; or

c. Upon the insolvency, bankruptcy or dissolution of Obligor or any guarantor hereof;

then in any or all such events, the whole indebtedness (including principal and all interest then accrued) remaining unpaid, shall, at the option of the Holder, become immediately due, payable and collectible. If, and while in default, this Note and deferred interest shall bear interest at the highest rate permitted under then applicable law, provided, however, in the event there is then no such highest rate applicable, or in the event such highest rate is otherwise indeterminable, the parties agree that the applicable rate shall be eighteen percent (18%) per annum, provided further, however, that in no event shall such rate exceed the highest rate permissible under the applicable law.

7. Failure on the part of the Holder to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Any maker, endorser, guarantor, and other party hereafter assuming or otherwise becoming liable for the payment of any sum of money payable under this Note (I) severally waives grace, presentment,

EXHIBIT "A"

and demand for payment, protest and notice of protest, notice of non-payment or maturity, and all other notices of whatsoever nature necessary to hold each of them liable as makers, sureties, endorsers and guarantors, filing of suit, and diligence in collecting this Note or enforcing any of the security hereof; (ii) severally agree to any substitution, exchange, or release of any such security hereon; (iii) consent to any extension or postponement of time of payment of this Note and to any other indulgence with respect hereto without notice thereof to any of them; and (iv) severally agree that amounts due hereunder shall be paid without set-off, counterclaim, abatement, suspension, or diminution. No extension of time for the payment of this Note or any installment hereof shall affect the liability of Obligor under this Note even though Obligor is not a party to such agreement.

8. Notwithstanding whether the Holder of this Note has exercised its rights hereinabove to accelerate payment under this Note as hereinabove provided, in the event any required payment on this Note is not received by the Holder within ten (10) days after such payment is due, the maker shall pay the Holder a late charge of five percent (5%) of the payment not so received, the parties agreeing that such charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

9. No course of dealing between Obligor and Holder shall operate as a waiver of any right of any holder hereof and no delay on the part of Holder in exercising any right hereunder shall so operate. In addition, any maker, surety, endorser and guarantor further agrees, jointly and severally, to pay all costs of collection, including reasonable attorney fees at the trial level and on appeal, in case the principal of this Note or any payment on the principal or any interest thereon is not paid at the respective maturity thereof, or in case it becomes necessary to protect the security hereof, if any, whether suit be brought or not.

10. This principal sum due under this Promissory Note is subject to adjustment/setoff in accordance with paragraph 10 of that certain Business Sale Offer and Acceptance Agreement dated May 3, 2016 (the "Purchase Agreement").

11. Until further notice to the Maker, payment shall be made by direct deposit into the Holder's (Source Foods, Inc.) bank account, number 190513350 at Chase Bank.

WAIVER OF JURY TRIAL. BY THE EXECUTION HEREOF, OBLIGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS NOTE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISIONS IS A MATERIAL INDUCEMENT FOR HOLDER'S ACCEPTANCE OF THIS NOTE FROM OBLIGOR.

GLAZER FOODS, LLC

By: 
JEFFREY GLAZER Manager

ABSOLUTE UNCONDITIONAL AND CONTINUING GUARANTY

Given by the undersigned to SOURCE FOODS, INC., a Florida corporation (the "Holder"), to induce the acceptance of the attached Promissory Note dated May 20, 2016, in the principal amount of Two Hundred Seventy Two Thousand nine Hundred Ninety Three and 77/100 Dollars (\$272,993.77) (the "Note") by GLAZER FOODS, LLC, a Florida limited liability company, (the "Maker").

1. In consideration of the loan made upon the Note, the undersigned hereby guarantees to the Holder, its successors and assigns, and to every subsequent holder of the Note, irrespective of the genuineness, validity, regularity, or enforceability thereof, or of the obligation evidenced thereby, or of any collateral therefor, or of the existence, extent, or value of any such collateral, and irrespective of any other circumstance, that all sums stated therein to be payable on the Note shall be promptly paid in full, in accordance with the provisions thereof, whether at maturity, by acceleration or otherwise, and, in case of any extension of time of payment or renewal in whole or in part, all sums shall be promptly paid when due according to such extension or extensions, renewal or renewals.
2. The undersigned agrees without the Holder first having to proceed against the Maker to pay on demand all sums due and to become due under the Note, including all costs of collection, attorneys' fees or expenses and hereby further consents that at any time, without notice to the undersigned, payment of any sums payable on the Note, or of any of the collateral therefor, may be extended, or the Note or any of such collateral may be renewed in whole or in part, or any of such collateral may be exchanged, surrendered, or otherwise dealt with as the holder of the Note may determine, or any party to the Note may be released, and that any of the acts mentioned in the Note may be done, all without affecting the liability of the undersigned.
3. This instrument shall be an absolute and continuing guaranty of payment and performance and not one only of collection, and shall cover all of the Guaranteed Indebtedness, and it shall apply to and secure any ultimate balance due or remaining unpaid to Holder.
4. In the event of default by Maker in payment of the Guaranteed Indebtedness, or any part thereof, when such indebtedness becomes due, either by its terms or as the result of the exercise of any power to accelerate, Guarantor shall, on demand and without further notice of nonpayment or of dishonor, without any notice having been given to Guarantor previous to such demand of the acceptance by Holder of this Guaranty and without any notice having been given to Guarantor previous to such demand of the creating or incurring of such indebtedness, pay the amount due thereon to Holder, and it shall not be necessary for Holder, in order to enforce such payment by Guarantor, first to institute suit or exhaust its remedies against Maker or others liable on such indebtedness, or to enforce its rights against any security which shall ever have been given to secure such indebtedness. Suit may be brought or demand may be made against all parties who have signed this Guaranty, or against any one or more of them, separately or together, without impairing the rights of Holder against any other party hereto.
5. Guarantor hereby agrees that Guarantor's obligations under the terms of this Guaranty shall not be released, diminished, impaired, reduced, or affected by the occurrence of any one or more of the following events: (a) the taking or accepting of any other security or guaranty for any or all of the Guaranteed Indebtedness; (b) any release, surrender, exchange, subordination, or loss of any security at any time existing in connection with any or all of the Guaranteed Indebtedness; (c) any partial release of the liability of Guarantor hereunder or, if there is more than one person or entity signing this Guaranty, the complete or partial release of any one or more of them hereunder; (d) the death,

EXHIBIT "B"

pursued separately, successively or concurrently, as occasion therefor shall arise, and are nonexclusive and shall in no way limit or prejudice any other legal or equitable right, remedy or recourse which Holder may have. Guarantor shall pay the reasonable attorneys' fees and all other costs and expenses which may be incurred by Holder in the enforcement of this Guaranty.

7. Guarantor irrevocably and unconditionally: (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Holder, in a court of competent jurisdiction of the State of Florida; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided herein, or in such other manner as may be provided under applicable laws or court rules in the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the laws of the State of Florida.

WAIVER OF TRIAL BY JURY. GUARANTOR AND HOLDER HEREBY MUTUALLY, KNOWINGLY, WILLINGLY, AND VOLUNTARILY WAIVE THEIR RIGHT TO TRIAL BY JURY AND AGREE THAT NO PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEEDING BASED UPON OR ARISING OUT OF THIS GUARANTY OR THE LOAN DOCUMENTS OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE GUARANTEED INDEBTEDNESS OR OTHER OBLIGATIONS EVIDENCED HEREBY OR ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR ANY COURSE OF ACTION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTION RELATING TO THIS GUARANTY. THE PARTIES ALSO WAIVE ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. HOLDER HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

DATE: May 25, 2010

GUARANTOR


JEFF GLAZER

SECURITY AGREEMENT

May 25, 2016

A. PARTIES:

GLAZER FOODS, LLC, a Florida limited liability company,
2211 NW 30th Place
Pompano Beach, FL 33069
("Debtor" hereafter)

SOURCE FOODS, INC., a Florida corporation,
2211 NW 30th Place
Pompano Beach, FL 33069
("Lender" hereafter)

B. AGREEMENT

Subject to the applicable terms of this security agreement, Debtor grants to Lender a security interest in the Collateral to secure the payment of the Obligation.

C. OBLIGATION

The following is "the Obligation" secured by this agreement:

1. Promissory note dated May 25, 2016 in the amount of Two Hundred Seventy Two Thousand nine Hundred Ninety Three and 77/100 Dollars (\$272,993.77) from Debtor.
2. All past, present, and future advances, of whatever type, by Lender to Debtor, and extensions and renewals thereof, whether or not of the nature contemplated at the date hereof.
4. All costs incurred by Lender to obtain, preserve, and enforce this security interest, collect the Obligation, and maintain and preserve the Collateral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs, and expenses of sale.
5. Interest on the above amounts, as agreed between Lender and Debtor, or if no such agreement, at the maximum rate permitted by law.

D. COLLATERAL

1. The security interest is granted in the following, hereinafter called the "Collateral":
 - (a) all machinery, equipment, fixtures, appliances and furniture now owned or hereafter acquired by Debtor and wherever located, including but not limited to those listed on Exhibit "A" attached hereto and made a part hereof.
 - (b) all inventory now owned or hereafter acquired and products and proceeds thereof.
 - (c) all accounts, contract rights, and accounts receivable, now or hereafter in existence and all proceeds thereof, and all returned or repossessed goods arising from or relating to any of said accounts or rights.

EXHIBIT "C"

- (d) all substitutes and replacements for, accessions, attachments, and other additions to, and tools, parts, and equipment used in connection with any of the above.
- (e) all property similar to the above hereafter acquired by Debtor.
- (f) all general intangibles, now owned or hereafter acquired or arising including the Debtor's customer list.
- (g) all cash or non-cash proceeds of any of the foregoing, including insurance proceeds.
- (h) all ledger sheets, files, records, documents, and instruments (including, but not limited to, computer programs, tapes, and related electronic data processing software) evidencing an interest in or relating to the above.

2. The location of the office where the records concerning rights are kept is Debtor's address above stated.

E. AGREEMENTS OF DEBTOR

1. Debtor will take adequate care of the Collateral; insure the Collateral for such hazards and in such amounts as Lender directs, policies to be satisfactory to Lender; pay all costs necessary to obtain, preserve, and enforce this security interest, collect the Obligation, and preserve the Collateral, including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs, and expenses of sale; furnish Lender, with any information on the Collateral requested by Lender; allow, Lender, upon reasonable notice, to inspect the Collateral, and inspect and copy all records relating to the Collateral and the Obligation; sign any papers furnished by Lender which are necessary to obtain and maintain this security interest; assist Lender in complying with the Federal Assignment of Claims Act, where necessary to enable Lender to become an assignee under that Act; take necessary steps to preserve the liability of account debtors, obligors, and secondary parties whose obligations are part of the Collateral; transfer possession of all instruments, documents, and chattel paper which are part of the Collateral to Lender immediately, or as to those hereafter acquired, immediately following acquisition; perfect a security interest (using a method satisfactory to Lender) in goods covered by chattel paper which is part of the Collateral; notify Lender of any change occurring in or to the Collateral, or in any fact or circumstance warranted or represented by Debtor in this agreement or furnished to Lender, or if any event of default occurs.

2. Debtor will not (without Lender's consent): remove the Collateral from the locations specified herein; allow the Collateral to become an accession to other goods; sell, lease, otherwise transfer, manufacture, process, assemble, or furnish under contracts of service, the Collateral, except goods identified herein as inventory; allow the Collateral to be affixed to real estate, except goods identified herein as fixtures.

3. Debtor warrants: no financing statement has been filed with respect to the Collateral, other than relating to this security interest; Debtor is absolute owner of the Collateral, and it is not encumbered other than by this security interest (and the same will be true of Collateral acquired hereafter when acquired); none of the Collateral is affixed to real estate or an accession to other goods, nor will Collateral acquired hereafter be affixed to real estate or an accession to other goods when acquired, unless Debtor has furnished Lender the consents or disclaimers necessary to make this security interest valid against persons holding interests in the real estate or other goods; all account debtors and obligors, whose obligations are part of the Collateral, are to the extent permitted by law prevented from asserting against Lender any claims or defenses they have against sellers.

F. RIGHTS OF LENDER

Lender may, in its discretion, upon event of default, terminate, on notice to Debtor, Debtor's authority to sell, lease, otherwise transfer, manufacture, process or assemble, or furnish under contracts of service, inventory Collateral, or any other Collateral as to which such permission has been given; require Debtor to give possession or control of the Collateral to Lender; indorse as Debtor's agent any instruments or chattel paper in the Collateral; notify account debtors and obligors on Instruments to make payment directly to Lender; contact account debtors directly to verify information furnished by Debtor; take control of proceeds and use cash proceeds to reduce any part of the Obligation; take any action Debtor is required to take or otherwise necessary to obtain, preserve, and enforce this security interest, and maintain and preserve the Collateral, without notice to Debtor, and add costs of same to the Obligation (but Lender is under no duty to take any such action); release Collateral in its possession to Debtor, temporarily or otherwise; take control of funds generated by the Collateral, such as dividends, interest, proceeds or refunds from insurance, and use same to reduce any part of the Obligation; waive any of its rights hereunder without such waiver prohibiting the later exercise of the same or similar rights; revoke any permission or waiver previously granted to Debtor.

G. MISCELLANEOUS

The rights and privileges of Lender shall inure to its successors and assigns. All representations, warranties, and agreements of Debtor shall bind Debtor's successors and assigns. Definitions in the Uniform Commercial Code apply to words and phrases in this agreement. Debtor waives presentment, demand, notice of dishonor, protest, and extension of time without notice as to any instruments and chattel paper in the Collateral. Notice mailed to Debtor's address in § A, or to Debtor's most recent changed address on file with Lender, at least five business days prior to the related action (or, if the Uniform Commercial Code specifies a longer period, such longer period prior to the related action), shall be deemed reasonable. A photographic or other reproduction of this agreement, or any financing statement signed by Debtor, is sufficient as a financing statement.

H. DEFAULT

1. Any of the following is an event of default: failure of Debtor to pay the note in the Obligation in accordance with its terms, or any other liability in the Obligation on demand, or to perform any act or duty required by this agreement; falsity of any warranty or representation in this agreement when made; substantial change in any fact warranted or represented in this agreement; involvement of Debtor in bankruptcy or insolvency proceedings; death, dissolution, or other termination of Debtor's existence; merger or consolidation of Debtor with another (unless authorized by and noticed to lender); substantial loss, theft, destruction, sale, reduction in value, encumbrance of, damage to, or change in the Collateral; levy on, seizure, or attachment of the Collateral; filing any financing statement with regard to the Collateral, other than relating to this security interest (unless authorized by and noticed to lender);

2. When an event of default occurs, the entire Obligation becomes immediately due and payable at Lender's option and upon notice to Debtor, and Lender may proceed to enforce payment of same and exercise any and all of the rights and remedies available to a secured party under the Uniform Commercial Code as well as all other rights and remedies. When Debtor is in default, Debtor, upon demand by Lender, shall assemble the Collateral and make it available to Lender at a place reasonably convenient to both parties. If the lender sells the collateral, it will provide at least 5 days notice to debtor of the sale. Upon a sale, Debtor is entitled to any surplus and shall be liable to Lender for any deficiency, arising from accounts, contract rights, or chattel paper included in the Collateral through sale thereof to Lender.

I. FIRST AND PRIOR LIEN


This security agreement grants to Lender a first and prior lien to secure the payment of the Obligation listed herein, and extensions and renewals thereof. If Lender disposes of the Collateral following default, the proceeds of such disposition available to satisfy the Obligation shall be applied first to the notes included therein, and thereafter to all remaining indebtedness secured hereby, in the order in which such remaining indebtedness was executed or contracted. For purposes of this paragraph, an extended or renewed note will be considered executed on the date of the original note.

J. COUNTERPARTS This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

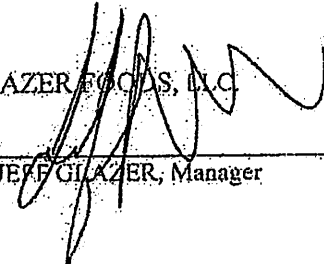
K. FACSIMILE SIGNATURES A facsimile signature of any party to this Agreement shall have the same force and effect as an original signature.

IN WITNESS WHEREOF, the parties have signed this Agreement, as of the day and year first above written.

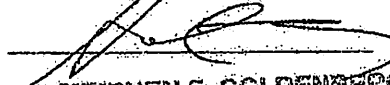
Signed, Sealed and Delivered
in the Presence of:



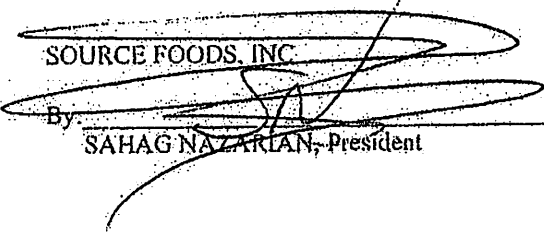
Hagop Nazarian
Typed/Printed Name of Witness

GLAZER FOODS, LLC
By: 

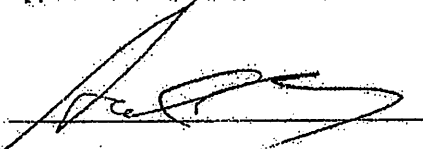
JEFF GLAZER, Manager



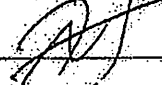
STEPHEN F. GOLDENBERG
Typed/Printed Name of Witness

SOURCE FOODS, INC.
By: 

SAHAG NAZARIAN, President



STEPHEN F. GOLDENBERG
Typed/Printed Name of Witness



Hagop Nazarian
Typed/Printed Name of Witness



FLORIDA SECURED TRANSACTION REGISTRY

LAW OFFICE OF STEPHEN F. GOLDENBERG, P.A.
2780 E.OAKLAND PARK BLVD
FT. LAUDERDALE FL 33306

UCC number 201607710895 has been filed with the Florida Secured Transaction Registry. The expiration date for the filing is 05/26/2021. Complete information related to the UCC filing is available on the internet at www.FloridaUCC.com. It is your responsibility to review all information associated with this filing to ensure information has been recorded correctly.

Please Note: The latest versions of the UCC forms approved by the State of Florida are available for download from : www.FloridaUCC.com

EXHIBIT "D"

If you have questions or concerns about this filing, please call FLORIDA UCC, LLC at (850) 222-8526.

LAW OFFICES 954-886-8883

P.03

EXHIBIT "A"

1. All fixtures and equipment, and personal property of every nature now and hereafter owned or acquired by Debtor and located in, on or used in connection with the debtors business, wherever located, and as more particularly hereinafter described, including, without limitations, all furniture, fixtures, books, records, office equipment and supplies, accounts receivable, insurance policies, and prepaid items, and lighting equipment and maintenance equipment and supplies, and all additions thereto and all renewals, replacements and replenishments thereof;
2. All causes of action of Debtor and all judgments, awards of damages and settlement hereafter made resulting from any damage to any of the secured assets.
3. All policies of insurance, together with all unearned premiums accrued, accruing or to accrue thereunder and any proceeds or sums payable under such policies for any loss or damage insured against thereunder, relating to any of the secured assets.
4. All contract rights, causes of action, claims, demands, accounts receivable, all contracts to sell any of the secured assets and all deposits under such contracts;
5. All of the right, title and interest of the Debtor in and to any trade names, names of businesses or fictitious names, if any, used in conjunction with its business;
6. All amendments, modifications, additions, supplements, substitutions and addenda to the foregoing.

Law Offices of
Stephen F. Goldenberg, P.A.
ATTORNEYS AND COUNSELLORS AT LAW

STEPHEN F. GOLDENBERG
MEMBER OF NEW YORK BAR

2780 E. OAKLAND PARK BOULEVARD
Fort Lauderdale, Florida 33306
TELEPHONE (954) 566-8411
FACSIMILE (954) 566-8663
E-MAIL losfgpa@comcast.net

January 19, 2017

Glazer Foods, LLC
2211 NW 30th Place
Pompano Beach, FL 33069

Jeffrey Glazer
2211 NW 30th Place
Pompano Beach, FL 33069
email: jeffglazer95@gmail.com

Howard D. DuBosar
Registered Agent for Glazer Foods, LLC
1800 N. Military Trail, Suite 470
Boca Raton, FL 33431
email: hdubosar@dubolaw.com

Re: NOTICE OF DEFAULT

Gentlemen:

As you are aware, this office represents Source Foods, Inc. Our client has advised us that it has not received any payment due under the attached Promissory Note and its attempts to reach you have been unsuccessful.

Accordingly this shall serve as FORMAL NOTICE OF DEFAULT AND ACCELERATION OF PRINCIPAL, in accordance with the terms of the Note.

The amount due and owing as of January 25, 2017 is:

| | |
|------------------------------|---------------------|
| Principal- | \$272,993.77 |
| Interest (05/25/16-01/29/17) | \$ <u>11,175.12</u> |
| | \$284,168.89 |

In addition you are responsible for all attorney's fees and costs incurred as a result of this default. Commencing in 10 days the outstanding balance will accrue default interest of 18% per annum.

Demand is made for full payment within 10 days of this letter or our client will have no choice but to exercise its rights under the Security Agreement and loan closing documents. If it is your desire to work out a reinstatement of the note please contact us upon your receipt of this letter.

Sincerely yours,

Stephen F. Goldenberg (Signed electronically)

STEPHEN F. GOLDENBERG
For the Firm
SFG/ns
cc: Source Foods, Inc.

EXHIBIT "E"

Label Matrix for local noticing
113C-0
Case 17-18532-RBR
Southern District of Florida
Fort Lauderdale
Mon Sep 25 16:46:52 EDT 2017

Glazer Foods LLC
2211 NW 30th Pl
Pompano Beach, FL 33069-1026

Associated Carbonic Industries LLC
7250 NW 25th St
Miami, FL 33122-1701

BGW CPA
1616 Camden Rd Ste 510
Charlotte, NC 28203-6584

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Liberty Property Limited Partnership
750 Park of Commerce Blvd Ste 220
Boca Raton, FL 33487-3611

Marjorie Glazer
11710 Old Georgetown Rd # 228
Rockville, MD 20852-2691

Markowitz Ringel Trusty & Hartog PA
2 Datlan Ctr Ste 1800
Miami, FL 33156-7849

Office of the US Trustee
51 S.W. 1st Ave.
Suite 1204
Miami, FL 33130-1614

Robert P. Bissonnette PA
2810 E Oakland Park Blvd Ste 104
Fort Lauderdale, FL 33306-1801

Source Foods, Inc.
2211 NW 30th Pl
Pompano Beach, FL 33069-1026

Chad T Van Horn
330 N Andrews Ave #450
Ft Lauderdale, FL 33301-1012

End of Label Matrix
Mailable recipients 11
Bypassed recipients 0
Total 11

Susan D. Lasky, Esq on behalf of Creditor Source Foods, Inc.
ECF@suelasky.com, ecfsuelasky@gmail.com; r48532@notify.bestcase.com

Office of the US Trustee
USTPRegion21.MM.ECF@usdoj.gov

Chad T Van Horn on behalf of Debtor Glazer Foods LLC
Chad@cvhlawgroup.com,
jay@cvhlawgroup.com, chad@ecf.inforuptcy.com, susan@cvhlawgroup.com, Milagros@cvhlawgroup.com, terri@cvhlawgroup.com, martha@cvhlawgroup.com, g2320@notify.cincompass.com, steve@cvhlawgroup.com, notices@nextchapterbk.co

Chad T Van Horn on behalf of Plaintiff Glazer Foods LLC
Chad@cvhlawgroup.com,
jay@cvhlawgroup.com, chad@ecf.inforuptcy.com, susan@cvhlawgroup.com, Milagros@cvhlawgroup.com, terri@cvhlawgroup.com, martha@cvhlawgroup.com, g2320@notify.cincompass.com, steve@cvhlawgroup.com, notices@nextchapterbk.co