

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

In re:

FUNKYTOWNMALL.COM, INC.,

Debtor.

CASE NO.: 17-24768-EPK

Chapter 11

**EMERGENCY MOTION FOR ORDER  
AUTHORIZING USE OF CASH COLLATERAL**

**EMERGENCY HEARING REQUESTED**

Debtor seeks immediate authority for the relief requested herein as is necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

Debtor-in-possession, Funkytownmall.com, Inc. ("Debtor" or "FTM"), through counsel and pursuant to Sections 361, 362 and 363, Rules 2002, 4001, 6003 and 9014, and Local Rules 4001-2 and 9013-1,<sup>1</sup> files this emergency motion ("Motion") seeking entry of interim and final orders: (a) authorizing use of cash collateral, as defined in Section 363(a) ("Cash Collateral"); while granting adequate protection, and other related relief. In support, FTM states as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over this motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of this case and this Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are Sections 361, 362 and 363, Rules 2002, 4001, 6003 and 9014, and Local Rules 4001-2 and 9013-1.

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<sup>1</sup> All references to "Chapter" and "Section" refer to the Bankruptcy Code appearing in Title 11 of the United States Code; all references to a "Rule" refer to the Federal Rules of Bankruptcy Procedure; and all references to a "Local Rule" refer to the Local Rules of the U.S. Bankruptcy Court for the Southern District of Florida.

## PRELIMINARY STATEMENT

2. FTM and its sister-company, SALON SUPPLY STORE, LLC (“SSS”), are wholly-owned subsidiaries of THINK TRADING, INC. (“Think Trading,” and together with FTM and SSS, the “Debtors”), all of which filed voluntary petitions under Chapter 11 on December 12, 2017. *See* Case Nos. 17-24767-EPK through 17-24769-EPK. Substantially all of FTM’s assets are subject to a security interest in favor of JP Morgan Chase Bank, NA (“Chase”), in connection with an SBA Business Line of Credit in the principal amount of \$250,000.00, obtained on or about March 12, 2012 (the “SBA Loan”). Chase’s security interest has been perfected pursuant to a UCC-1 recorded on March 14, 2012, and continued pursuant to a UCC-3 recorded on September 26, 2016 (collectively, the “Financing Statements”). FTM therefore seeks an order authorizing the use of cash collateral and granting related relief.<sup>2</sup>

## BACKGROUND AND BUSINESS OPERATIONS

### A. Debtors’ Business Operations and Cash Collateral.

3. The Debtors operate a retail internet sales business. Their product lines primarily consist of nail salon supplies, tattoo ink and supplies, and body jewelry. Debtors sell such products through online “marketplaces” (*i.e.*, Amazon.com, etc.), and through their own internet websites. Think Trading owns and operates both FTM and SSS. Think Trading is 100% owned and operated by Mr. and Mrs. Gus and Mariela Mitchell, who are longtime residents of Palm Beach County.

4. The Mitchells successfully operated the businesses for several years, operating out of a 10,000 square-foot facility in Palm Beach Gardens, Florida. Flushed with success, in May of

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<sup>2</sup> The assets of Debtor’s sister-affiliate, Salon Supply, are also subject to perfected security interests and Salon Supply is seeking similar relief to that requested herein. Accordingly, the “Background and Business Operations” section hereof is substantially the same as the one set forth in Salon Supply’s cash collateral motion. [Case No. 17-23769; ECF 8]. Moreover, as Think Trading manages FTM and Salon Supply (as well as another non-debtor entity), and pays substantially all operational costs/expenses on behalf of such entities (*i.e.*, payroll, rent, utilities, insurance, etc.), the FTM and Salon Supply budgets each provide for payment to Think Trading to cover their respective portion of such necessary operational costs, but they may not accurately reflect the Debtors’ consolidated net income.

2014, they decided to expand operations and moved into a newly-built 61,000-square foot warehouse facility at 350 Hiatt Drive, Palm Beach Gardens, Florida (the “Warehouse”). In relocating to the larger facility, they also expanded their product lines significantly, purchasing a large amount of new inventory (and infrastructure to house same).

5. Unfortunately, the expansion was too much, too soon. The Debtors were unable to sell much of their new inventory, and having invested heavily in the expansion, their cash-flow was insufficient to meet the increased operating expenses. They attempted to scale back their operations and staff, with mixed success. The Debtors reduced their workforce from seventy (70) down to its present number of only seventeen (17) employees, while Mr. and Mrs. Mitchell reduced and/or stopped taking salaries.

6. Additionally, in early 2017, Think Trading was able to negotiate concessions with its landlord, reducing the Warehouse space from 61,000 to 41,000 square feet, and eventually down to 10,000 square feet. Think Trading is current on its lease and maintains a good working relationship with its landlord. However, the Debtors have been unable to sell a large portion of their “expansion” inventory, even after substantially reducing the retail cost to consumers. As such, a considerable amount of that inventory now sits gathering dust.

7. Despite their best efforts, the Debtors were eventually forced to rely on outside credit facilities to meet operational shortfalls. As several of these loans were obtained from lending institutions affiliated with the online marketplaces where they conduct business (i.e., Amazon Lending), income was automatically “debited” from the Debtors’ “vendor accounts” before the money ever reached their bank accounts. Thus, while the Debtors were able to restructure and stabilize operations, repayment of such credit (plus interest at rates between 29.9% to 36% per annum) reduced their cashflow to a minimum, which prevented them from purchasing new inventory of their successful product lines, which further reduced cashflow, which led to further

financial distress.

8. Until just recently, FTM and the other Debtors were able to remain current on their financial obligations, and it is believed they still maintain good relationships with most of their major creditors. Accordingly, the primary focus of these bankruptcy proceedings is utilizing the automatic stay to regain control of income being withheld by vendors to pay to their affiliated entities, while working with secured creditors to ensure the orderly liquidation of “non-performing” inventory, and utilizing a post-petition line of credit from Mr. and Mrs. Mitchell to purchase new inventory of “performing” product lines to increase cash-flow moving forward.

9. Given the informal reorganization efforts leading up to the commencement of these proceedings and the planned infusion of additional working capital by Mr. and Mrs. Mitchell in the coming months, FTM believes the relief requested in this Motion is reasonable and appropriate to ensure a successful reorganization and the highest distribution possible for creditors.

**B. The Bankruptcy Cases, Prepetition Collateral and Proposed Adequate Protection.**

10. On December 12, 2017 (the “Petition Date”), FTM and the other Debtors filed voluntary petitions under Chapter 11. FTM is operating as a debtor-in-possession pursuant to Sections 1107 and 1108. No trustee or examiner has been appointed in this case, and no committees have been appointed or designated.

11. Prepetition, on or about March 12, 2012, FTM obtained the SBA Loan from Chase, evidenced by a (Secured) Promissory Note (the “Note”) and secured by substantially all of FTM’s inventory and other assets (the “Prepetition Collateral”). On March 14, 2012, Chase recorded a UCC1 financing statement perfecting its security interest in the Prepetition Collateral. Chase later filed a UCC3 continuation of that initial financing statement on September 26, 2016. A copy of the Note and the Financing Statements are attached hereto as **Composite Exhibit A**. As of the Petition Date, it is estimated that \$116,116.29 is still owed to Chase on account of the SBA Loan.

Although there has been no formal appraisal of the fair market value of the Secured Collateral, it is believed the value of same is less than the remaining balance due on account of the SBA Loan.

### **RELIEF REQUESTED**

12. In the normal course of business, the Debtor uses cash on hand and cash flow from the sale of inventory to fund working capital and for general operating purposes. Such cash is necessary for, among other things, to continue business operations, to maintain business relationships with vendors, suppliers and customers, and to satisfy other working capital needs – all of which are necessary to preserve and maintain going-concern value of the Debtor and the Prepetition Collateral, and, ultimately, to effectuate a successful reorganization.

13. It is anticipated that, in the coming months, the Debtors will seek authorization to obtain post-petition financing from Mr. and Mrs. Mitchell. At present, however, the Debtor has no alternative borrowing source from which it can secure funding, and the failure to obtain authorization to use cash collateral would be fatal to the Debtor and disastrous to its creditors, both unsecured and secured. Accordingly, by this Motion, the Debtor seeks entry of an order, substantially in the form attached hereto as **Exhibit B** (the “Cash Collateral Order”) authorizing the use of Cash Collateral, granting adequate protection to Chase with respect to, *inter alia*, use of such Cash Collateral and any potential diminution in the value, and granting related relief.

14. Pursuant to the proposed Cash Collateral Order, to adequately protect Chase (and/or any other putative secured creditors) in connection with the use of any possible Prepetition Collateral, FTM proposes to grant, assign and pledge a post-petition security interest and lien (only to the same validity, extent, and priority of such pre-petition security interests, if any exist) in the secured Prepetition Collateral in and to (a) all proceeds from the disposition of any of the cash collateral, and (b) any and all of its goods, property, assets and interests in property in which Chase (and/or any other putative secured creditors) held a valid lien or security interest prior to the

Petition Date. The replacement lien shall not apply to any funds recovered by the Estate pursuant to avoidance actions arising under Sections 542 through 550 of the Bankruptcy Code.

15. Attached as **Exhibit C** is a monthly budget (the “Budget”), based on the Debtor’s pre-petition monthly operating budget providing for receipt of income generated from ongoing operations, and represents realistic operational expenses, as well as necessary management, legal and accounting services, subject to no more than a 20% deviation.<sup>3</sup> The Budget provides for the use of such operating funds to make all necessary payments of taxes, insurance, utilities, management and accounting fees, and maintenance and upkeep of facilities in connection with business operations (the “Necessary Expenses”). The Budget also provides for payment of any fees due to the U.S. Trustee pursuant to 28 U.S.C. § 1930 (collectively, the “UST Carve Out”), as well as professional fees and administrative expenses (the “Professional Carve-Out”), including legal fees and costs of undersigned counsel, which will remain subject to Sections 330 and 331.

#### **BASIS FOR RELIEF**

16. Section 363(e) requires that a debtor adequately protect a secured creditor’s interest in property to be used by a debtor against any diminution in value of such interest resulting from the debtor’s use of the property during the chapter 11 cases. By adequate protection, the Bankruptcy Code seeks to shield a secured creditor from diminution in the value of its interest in the particular collateral during the period of use. *See In re Hubbard Power & Light*, 202 B.R. 680 (Bankr. E.D.N.Y. 1996). What constitutes sufficient adequate protection is decided on a case-by-case basis. *See In re Martin*, 761 F.2d 472 (8th Cir. 1985). Adequate protection can thus come in various forms.

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<sup>3</sup> The Budget projects a net profit assuming the injection of a \$200,000.00 line of credit by Mr. and Mrs. Mitchell’s in or about February of 2018, which will allow for the purchase of merchandise through the end of “tattoo season.” which usually extends through the winter months because the tattoos are covered during the healing process.

17. In this case, to the extent the Debtor may use Cash Collateral of Chase, it is submitted that Chase will be adequately protected from any such use and diminution in value by avoiding the likely adverse impact to the Prepetition Collateral that would occur if the Debtor was forced to liquidate its assets wholesale. The proposed use of Cash Collateral would prejudice no parties; rather, it would affirmatively and directly benefit the Debtor's estate and creditors by enhancing the prospects of a successful outcome for this case, as opposed to a haphazard liquidation of assets in a Chapter 7. *In re Holley Garden Apartments, Ltd.*, 238 B.R. 488, 495 (Bankr. M.D.Fla. 1999) (finding that "reorganization plan is usually preferable to a liquidation"). Moreover, Chase has not yet objected to the proposed use of Cash Collateral. *See In re Oxford Royal Mushroom Prods., Inc.*, 19 B.R. 974 (Bankr. E.D. Pa. 1982) (despite Section 363(e), unless creditor formally objects, it impliedly consents to debtor's use of cash collateral).

18. By this Motion, the Debtor is only currently seeking authority to use Cash Collateral to the extent necessary, subject to the Budget, to fund ongoing operations and this bankruptcy case while the Debtor attempts to negotiate and finalize additional funding sources and prepare a definitive plan of reorganization. The Debtor does not have any other currently-available sources of funds other than Cash Collateral, and any interruption in operations could have a devastating impact upon the value of the Prepetition Collateral, among other things. Moreover, the uncertainty concerning the Debtor's financial condition could also greatly reduce its' ability to procure goods and services from essential vendors and suppliers.

19. For the reasons set forth above, the proposed use of Cash Collateral is fair, reasonable and sufficient to satisfy the requirements of Sections 363(c) and (e). Accordingly, the requested relief is in the best interests of the Debtor, the estate and its creditors and should therefore be granted.

**LOCAL RULE 4001-2**

20. This Motion complies with Local Rule 4001-2 and the proposed use of Cash Collateral does not involve any of the prohibited provisions set forth in ¶¶II(B)(2) - (8) of the local “Guidelines for Motions Seeking Authority to Use Cash Collateral and Motion Seeking Approval of Postpetition Financing.”

**CONCLUSION**

WHEREFORE, Debtor, Funkytownmall.com, Inc., through undersigned counsel, hereby seeks the entry of an Order authorizing use of Cash Collateral in accordance with the proposed form of Order attached hereto as **Exhibit B** and consistent with the Budget attached hereto as **Exhibit C**, and for any other further relief this Court deems Court deems just and proper.

I HEREBY CERTIFY that I am admitted to the Bar of the United States District Court for the Southern District of Florida and I am in compliance with the additional qualifications to practice in this Court set forth in Local Rule 2090-1(A).

Dated: December 12, 2017.

Respectfully submitted:

LUBLINER KISH, PLLC

/s/ Matthew S. Kish  
Matthew S. Kish, Esq.  
Fla. Bar No. 491640  
1645 Palm Beach Lakes Blvd., Suite 1200  
West Palm Beach, FL 33401  
Phone: 561-207-2018  
Fax: 561-207-2001  
Email: [matt@lubliner-law.com](mailto:matt@lubliner-law.com)  
*Attorneys for Debtor*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this December 12, 2017, a true copy of the foregoing has been furnished by regular mail or electronically where available to all appearances, interested parties and to the 20 largest creditors on the attached service list.

s/ Matthew S. Kish  
Matthew S. Kish



SERVICE LIST:

- Office of the US Trustee: [USTPRegion21.MM.ECF@usdoj.gov](mailto:USTPRegion21.MM.ECF@usdoj.gov)

Via U.S. Mail: Mailing Matrix attached after exhibit(s)

## PROMISSORY NOTE

**Borrower:**

**Funkytownmall.com, Inc.**  
**3710 Buckeye Street, Ste 120**  
**Palm Beach Gardens, FL 33410**  
**Reference Number: 05FL1791255-2**

**Lender:**

**JPMorgan Chase Bank, NA**  
**RM - West Palm Beach LPO**  
**3399 PGA Blvd. Ste 100, Flr 01**  
**Palm Beach Gardens, FL 33410**

Principal Amount: \$250,000.00

Date of Note: 03/12/2012

**PROMISE TO PAY:** Funkytownmall.com, Inc. ("Borrower") promises to pay to JPMorgan Chase Bank, NA, its successors and assigns ("Lender") or order, in lawful money of the United States of America, the total principal amount of \$250,000.00 or so much as may be outstanding, together with interest on the unpaid outstanding principal balance from the date advanced until paid in full at the rate or rates referenced in this Note.

**LOAN TYPE.** This Note evidences a SBA Business Line of Credit.

**PAYMENT TERMS.** Borrower will pay this loan in accordance with the following payment schedule(s):

Accrued interest or \$100.00, whichever is greater, but not to exceed the then outstanding balance of this Note, shall be payable monthly, beginning on April 15, 2012, and on the same calendar day monthly thereafter until the Final Availability Date. As of the Final Availability Date (as defined in the Additional Terms), no further advances under this line of credit will be available. Thereafter, 47 consecutive monthly payments shall be due on the same calendar day as payments were due prior to the Final Availability Date, with each payment equal to the greater amount of (1) \$250.00, or (2) the aggregate sum of (a) accrued interest, plus (b) 1/84th of the unpaid principal balance immediately following the Final Availability Date. A final payment shall be due and payable on the same calendar day in the 48th month following the Final Availability Date in the amount of the outstanding principal balance of this Note, plus all accrued but unpaid interest and any other unpaid amounts due under this Note.

Payments and any other credits shall be allocated among principal, interest, late charges, collection costs, fees and other charges at the discretion of Lender, unless otherwise required by applicable law. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

**INTEREST RATE.**

The unpaid principal balance of this Note shall accrue interest at a variable rate equal to the sum of the Prime Rate in effect from time to time plus 2.350 percentage point(s), except as otherwise provided herein. "Prime Rate" means a fluctuating interest rate announced by Lender as its prime rate (which rate may not be the lowest, best or most favorable rate of interest which Lender may charge on loans to its customers). Each change in the interest rate to be charged on the Note will become effective on the same day as the Prime Rate changes. The interest rate change will not occur more often than once each Business Day.

**PREPAYMENT PREMIUM.** Borrower may pay without fee all or any portion of the loan evidenced by this Note at any time. All prepayments shall be applied in such order and manner as Lender may from time to time determine in its sole discretion.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged a late charge of 5.00% of the payment due or \$25.00, whichever is greater, up to the maximum amount of \$250.00 per late charge.

**DEFAULT RATE.** Upon the occurrence of any Event of Default, including, but not limited to, (i) any material

## PROMISSORY NOTE

adverse change in the business assets, affairs, prospects or financial condition of Borrower or any Guarantor, (ii) failing to provide financial statements, copies of Federal tax returns and other information relating to the financial condition, properties and affairs of any Obligor, as provided for in the Note and/or any Related Document or as Lender requests from time to time, or (iii) failure to pay upon final maturity, at Lender's option and if permitted by applicable law, Lender may (A) add any unpaid accrued interest to principal and such sum will bear interest there from until paid at the rate provided in this Note, including any increased rate, and/or (B) increase the interest rate on this Note by 3.000 percentage points (the "Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change, if any, that would have applied had there been no Event of Default.

**ANNUAL FEE.** A non-refundable annual fee of \$250.00, or such other amount as advised by Lender, may be charged to your line of credit for each year that advances are available under this Note or for each year there remains a principal amount outstanding on this Note. No refund of any part of the annual fee will be made in the event of cancellation of the line of credit for any reason. The annual fee for the first year will be \$0.00. If the annual fee has been waived by Lender based on any promotional offer made in connection with Borrower's Chase business checking account, the annual fee may be reinstated by Lender if such account is closed for any reason whatsoever.

**FEE(S):** In addition to all other obligations under this Note, Borrower shall pay the following fees together with all other fees described in this Note:

Vendor Fee	Paid At Closing	\$7.50
Recording Fee	Paid At Closing	\$35.00
SBA Packaging Fee	Waived	\$0.00
Small Business Administration(SBA) Fee	Advanced Against Line	\$3,750.00
SBA Tax Transcript	Advanced Against Line	\$18.60
Documentary Stamp Fee	Paid At Closing	\$875.00
<b>Total:</b>		<b>\$4,686.10</b>

**SECURITY AGREEMENT.** Borrower hereby grants, pledges and assigns to Lender, as security for repayment of the Indebtedness, a security interest in the following property, together with any substitutions and replacements therefor, and all products and proceeds thereof:

all business assets, inventory, equipment, accounts, general intangibles, chattel paper, documents, instruments, and letter of credit rights

Such property, together with any property described in any Related Document, is referred to in this Note as the "Collateral".

**CREDIT HOLDS.** Notwithstanding anything to the contrary in this Note, Lender may apply all payments and credits in accordance with the standard operating procedures of Lender and with the requirements of applicable law. For billing and interest accrual purposes, credit for the payment is given on the Business Day the payment is processed and posted to the account. Nevertheless, after processing Lender may elect to verify the receipt of good funds or otherwise elect to place a "credit hold" on such payments before releasing any payment amount as available credit for additional advances on the line of credit.

Lender makes the following line of credit payments available for readvance the next Business Day after processing: (a) electronic payments, (b) payments made on Chase.com, and (c) payments made at any branch

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office of Lender if made (i) by check drawn upon a deposit account with Lender or (ii) in cash. Lender currently places a credit hold on most other payments for a period of seven days commencing on the Business Day the payment is processed; provided that when the day following the seventh day of the credit hold period is not a Business Day, then the payment amount will not be available for additional advances until the next Business Day.

Lender may change its credit hold policy from time to time and will advise Borrower, including by inclusion of a message on the billing statement for this Note. To preclude an overdraft during the credit hold period Borrower must remember the portion of each payment intended to reduce the principal balance may not be immediately available for additional advances on the line of credit. The balance available for advances can be verified by contacting the Lender on-line, by telephone or in person at a branch location.

### REDUCTIONS IN CREDIT AVAILABLE; FUTURE MODIFICATIONS; AND AMENDMENTS TO THIS NOTE

**Reductions in Credit Available.** As described further in the Additional Terms of this Note, Lender may reduce the maximum amount of principal available under the revolving line of credit evidenced by this Note, at any time prior to the Final Availability Date, for any reason, and at the sole option and discretion of Lender, to the amount set forth in a Line Reduction Date notice (which amount will not be less than the principal balance outstanding on this Note as of the close of business on the Line Reduction Date). Such reduction in the maximum amount of principal available shall become effective as of close of business on the Line Reduction Date. Notwithstanding any such reduction, all other provisions of this Note shall remain in full force and effect, including the payment terms as set forth in this Note, and including Lender's right to elect to make future further reductions in the available credit.

**Future Modifications.** Lender shall have the right, from time to time, to renew, modify and/or extend this Note in its sole discretion (each a "Future Modification"), including, without limitation, the right to (a) increase the principal amount of this Note, (b) extend the Maturity Date, (c) reduce the interest rate temporarily and then increase the rate to no more than the amount provided for herein, (d) permanently reduce the interest rate, (e) modify the periodic payment terms, and/or (f) change fees and time frames for imposition of fees. Lender will inform Borrower of any such Future Modification by written notice, which may take the form of inclusion of such Future Modification in the periodic loan account statement sent to the Borrower. Any use of the principal amount or any other feature of this Note after such notice shall constitute Borrower's acceptance of such Future Modification.

**Amendments to this Note.** Lender reserves the right to amend or modify the provisions of this Note at any time by mailing or delivering a copy of such amendment or modification to the Borrower. Such amendment or modification shall be binding on the Borrower thirty days after it is mailed or delivered.

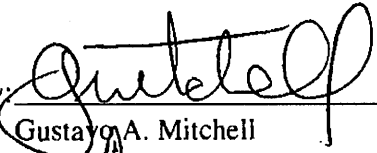
**ADDITIONAL LOAN TERMS.** Certain definitions and other additional terms and conditions of the Note, are attached to this Note and are incorporated herein by reference (the "Additional Terms"). This Note represents the final agreement between Lender and Borrower and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreement of the parties. There are no unwritten agreements between Lender and Borrower or Guarantors. Borrower agrees to be bound by all terms of this Note, including but not limited to the jury waiver provisions (where not prohibited by applicable law). Borrower agrees that Lender may record or file this Note if Lender deems it necessary to protect its interest. Borrower acknowledges receipt of the important Additional Terms which are part of this Note and the Security Agreement included in this Note. **BORROWER AGREES THIS SECURITY AGREEMENT SECURES ALL INDEBTEDNESS OF BORROWER AND IS NOT LIMITED TO A SPECIFIC LOAN.** "Indebtedness" is more fully defined in the Additional Terms, is used in its most comprehensive sense to mean any and all obligations of every kind and character of Borrower, or any one or more of them, to Lender, now existing or hereinafter incurred, and includes obligations owing after payment in full of the specific term loan or line of credit described in this Note.

**PROMISSORY NOTE**

Borrower agrees that a facsimile of the signature(s) of the signer(s) of this Note, in any capacity, may be used to evidence the Borrower's acceptance of the terms of this Note. Any use of the principal amount or any other feature of this Note may be used as evidence of the foregoing authorizations, acceptances and agreements.

**CONDITIONS FOR FUNDING.** IN ADDITION TO THE OTHER REMEDIES UNDER THIS NOTE, WITHOUT THE CONSENT OF BORROWER OR NOTICE TO ANYONE, LENDER HAS NO OBLIGATION TO MAKE THE INITIAL ADVANCE OR ANY ADVANCE UNDER THIS NOTE IF LENDER DETERMINES, IN ITS SOLE DISCRETION, THAT (A) BORROWER'S NAME ON THIS NOTE OR ANY GUARANTOR'S NAME ON THE GUARANTY IS INCORRECT OR INCOMPLETE; (B) LENDER'S LIEN ON THE COLLATERAL WILL NOT BE THE FIRST LIEN, FREE AND CLEAR OF ALL OTHER LIENS, SECURITY INTERESTS OR ENCUMBRANCES; OR (C) ANY OTHER EVENT OF DEFAULT PROVIDED FOR IN THIS NOTE HAS OCCURRED. ADVANCING FUNDS ON THIS LOAN DOES NOT WAIVE ANY OF LENDER'S RIGHTS AND REMEDIES UNDER THIS NOTE.

Funkytownmall.com, Inc.

By:  Gustavo A. Mitchell Date: 03/09/12  
Print Title: Pres.

By:  MARIELA MITCHELL Date: 03/09/12  
Print Title: VP

**FLORIDA DOCUMENTARY STAMP TAX**

Florida documentary stamp tax required by law in the amount of \$875.00 has been paid or will be paid directly to the Department of Revenue.

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional) Phone:(800) 331-3282 Fax: (818) 662-4141	
B. SEND ACKNOWLEDGEMENT TO: (Name and Address)	8644 JPMORGAN CHASE
CT Lien Solutions	32303751
P.O. Box 29071	FLFL
Glendale, CA 91209-9071	

FLORIDA SECURED TRANSACTION REGISTRY

**FILED**

2012 Mar 14 11:09 AM

\*\*\*\*\* 201206351339 \*\*\*\*\*

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Funkytownmall.com, Inc.					
OR	1b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
1c. MAILING ADDRESS 3710 Buckeye Street, Ste 120		CITY Palm Beach Gardens	STATE FL	POSTAL CODE 33410	COUNTRY USA
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION FL	1g. ORGANIZATIONAL ID #, if any 651136928 <input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME JPMorgan Chase Bank, NA					
OR	3b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
3c. MAILING ADDRESS Collateral Mgmt Small business P.O. Box 33035		CITY Louisville	STATE KY	POSTAL CODE 40232-9891	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds)

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22.F.S. have been paid

Florida documentary stamp tax is not required

5. ALTERNATIVE DESIGNATION (if applicable)  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

32303751

Funkytownmall.com, Inc.

0000128569

**EXHIBIT A**



A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON  
 CT LIEN SOLUTIONS, 8003313282  
 Email SOSACK@UCCDIRECT.COM

B. SEND ACKNOWLEDGEMENT TO:

2016 Sep 26 02:49 PM  
 \*\*\*\*\* 201608966354 \*\*\*\*\*

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 201206351339

1b.  This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. CURRENT RECORD INFORMATION - DEBTOR NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b)

2a. ORGANIZATION'S NAME  
 FUNKYTOWNMALL.COM, INC.

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

3. CURRENT RECORD INFORMATION - SECURED PARTY NAME - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME  
 JPMORGAN CHASE BANK, NA

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

4.  **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

5.  **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

6.  **ASSIGNMENT**  Full or  Partial : Give name of assignee in item 9a or 9b and address of assignee in item 9c; and also give name of assignor in item 11.

7.  **AMENDMENT** (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 8 and/or 9.

**CHANGE** name and/or address: Give current record name in item 8a or 8b; Also give new name (if name change) in item 9a or 9b and/or new address (if address change) in item 9c.

**DELETE** name: Give record name to be deleted in item 8a or 8b.

**ADD** name: Complete item 9a or 9b, and 9c; also complete items 9d-9g (if applicable).

8. CURRENT RECORD INFORMATION - INSERT ONLY ONE NAME (8a OR 8b) - Do Not Abbreviate or Combine names

8a. ORGANIZATION'S NAME

8b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
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9. CHANGED (NEW) OR ADDED INFORMATION: - INSERT ONLY ONE NAME (9a OR 9b) - Do Not Abbreviate or Combine names

9a. ORGANIZATION'S NAME

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
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9c. MAILING ADDRESS Line One

This space not available.

MAILING ADDRESS Line Two	CITY	STATE	POSTAL CODE	COUNTRY
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10. AMENDMENT (COLLATERAL CHANGE): check only one box.  
 Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

11. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT  
 (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor, which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

11a. ORGANIZATION'S NAME  
 JPMORGAN CHASE BANK, NA

11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
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12. OPTIONAL FILER REFERENCE DATA 55652003

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

In re:

FUNKYTOWNMALL.COM, INC.,

Debtor.

\_\_\_\_\_ /

CASE NO.: \_\_\_\_\_

Chapter 11

**INTERIM / FINAL ORDER AUTHORIZING  
DEBTOR'S USE OF CASH COLLATERAL**

THIS MATTER came before the Court pursuant to Bankruptcy Rule 4001 and 11 U.S.C. § 363 upon the *Emergency Motion for Order Authorizing Use of Cash Collateral* [ECF \_\_\_\_] (the "Motion") filed by debtor-in-possession, Funkytownmall.com, Inc. (the "Debtor"), seeking entry of interim and final orders authorizing use of cash collateral as defined in Section 363(a), granting adequate protection and related relief. The Court, having reviewed the Motion and heard argument of counsel, after notice and a final hearing on \_\_\_\_\_, noting that no objections have been filed, finding good and sufficient cause having been shown, and otherwise being fully advised in the premises, it is accordingly:

**EXHIBIT B**



**ORDERED** that:

1. The Debtor is authorized to use Cash Collateral<sup>1</sup> for the line items detailed in the Budget attached to this Order as Exhibit “A.” The Debtor shall not exceed the budgeted line item amounts by more than 20%. The attached Budget provides for a limited carve out for administrative and general expenses, including: (a) Court approved attorney fees to the Debtor’s general counsel in this case, Lubliner Kish PLLC, and (b) estimated fees due to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930.

2. Pursuant to this Court’s Guidelines for Motions Seeking Authority to Use Cash Collateral and Motion Seeking Approval of Postpetition Financing, any adequate protection provided to creditors are subject and subordinate to fees due to the clerk of the court or the United States Trustee pursuant to 28 U.S.C. §1930.

3. To adequately protect Chase (as defined in the Motion) and/or any other potentially secured creditors in connection with the use by the Debtor of any Cash Collateral and other property upon which security interests and liens may have been previously granted by the Debtor to Chase and/or any other putative secured creditors, the Court hereby confirms the grant, assignment and pledge by the Debtor to any such secured creditors a post-petition security interest and lien (only to the same validity, extent, and priority of such pre-petition security interests, if any exist) in the secured creditor’s Pre-Petition Collateral, any of its goods, property, assets and interests in property in which the secured creditors may have held a lien or security interest prior to the Petition Date, and the proceeds from the disposition of any of such Prepetition Collateral.

4. Nothing in this Order shall be construed as an improvement of the security or security interests of Chase and/or any other putative secured creditors as of the Petition Date. The

<sup>1</sup> Any capitalized terms not otherwise defined herein shall have the meanings ascribed them in the Motion.

replacement lien shall not apply to any funds recovered by the estate pursuant to avoidance actions arising under Sections 542 through 550 of the Bankruptcy Code.

5. This is/is not a final Order.

# # #

Submitted by:

Matthew S. Kish, Esq.  
Lubliner Kish PLLC  
1645 Palm Beach Lakes Blvd., Suite 1200  
West Palm Beach, FL 33401  
Phone: 561-207-2018  
Fax: 561-207-2001  
Email: [matt@lubliner-law.com](mailto:matt@lubliner-law.com)  
*Attorneys for Debtor*

Copies to: Matthew Kish, Esq.  
(Attorney Kish is directed to mail a copy of this Order to all interested parties and to file a certificate of service).

EXHIBIT B



Label Matrix for local noticing  
113C-9  
Case 17-24768-EPK  
Southern District of Florida  
West Palm Beach  
Tue Dec 12 15:26:32 EST 2017

FunkyTownMail.com, Inc.  
350 Hiatt Drive  
Palm Beach Gardens, FL 33418-7197

Adshi Electronic Equipment Co.  
#608 3 Building  
Chutian Homeland, Kingsh Town  
Changsha City, Hunan, China

Amazon Capital Lending  
410 Terry Ave. North  
Seattle, WA 98109-5210

Amazon Capital Services, Inc.  
PO Box 84837  
Seattle, WA 98124-6137

American Express  
American Express Tower  
200 Vesey Street  
New York, NY 10080-0001

Chase Card Services  
Cardmember Service  
P.O. Box 15153  
Wilmington, DE 19886-5153

Colonial Converting Corporation  
PO Box 198  
Sturgeon Bay, WI 54235-0198

Criteo Corp.  
PO Box 392422  
Pittsburgh, PA 15251-9422

FedEx  
3875 Airways, Module H3  
Department 4634  
Memphis, TN 38116

Fla. Dept. of Revenue  
5050 West Tennessee Street  
Tallahassee, FL 32399-0100

IPLA, LLP  
4445 Eastgate Mall, Suite 200  
San Diego, CA 92121-1979

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

JP Morgan Chase  
PO Box 6026  
Mailcode IL1-0054  
Chicago, IL 60680-6026

JP Morgan Chase Bank N.A.  
Collateral Mgmt Small Business  
PO Box 33035  
Louisville, KY 40232-3035

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

On Deck Capital, Inc.  
1400 Broadway  
25th Floor  
New York, NY 10018-5225

Palm Beach County Tax Collector  
301 N. Olive Avenue  
West Palm Beach, FL 33401-4791

PayPal Working Capital  
P.O. Box 5018  
Lutherville Timonium, MD 21094-5018

Roxy Tattoo Supply Limited  
Workshop 6-8, 3/F  
61-63 Au Pui Wan Street  
Fotan, Shatin, N.T., Hong Kong

Shopify Capital Inc.  
150 Elgin Street, 8th Floor  
Ottawa, ON K2P 1L4  
Canada

Think Trading, Inc.  
350 Hiatt Drive  
Palm Beach Gardens, FL 33418-7197

Toshiba  
1005 Convention Plaza  
Box 7900448  
Saint Louis, MO 63101-1229

UPS  
55 Glenlake Parkway NE  
Atlanta, GA 30328-3474

Matthew S Kish  
1200 N. Federal Hwy, Suite 200  
Boca Raton, FL 33432-2813

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

IRS

Special Procedures - Field Insolvency

7850 SW 6th Court

Fort Lauderdale, FL 33324

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)West Palm Beach

End of Label Matrix	
Mailable recipients	24
Bypassed recipients	1
Total	25