

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: :
: CASE NO. 18-51440-bem
STONE CONNECTION, INC. :
: CHAPTER 11
Debtor :
: _____
:

**EMERGENCY MOTION OF DEBTOR FOR (1) ORDER
AUTHORIZING USE OF CASH COLLATERAL
TO AVOID IMMEDIATE AND IRREPARABLE HARM, AND FOR
(2) FINAL ORDER AUTHORIZING CASH COLLATERAL USE**

COMES NOW Stone Connection, Inc., debtor and debtor in possession in the above-styled chapter 11 case (“Debtor”), by and through the undersigned counsel, and hereby files this Motion (the “Motion”) for the entry and approval of an order, pursuant to Sections 105 and 363 of the Bankruptcy Code and Rules 2002 and 4001 of the Federal Rules of Bankruptcy Procedure, authorizing Debtor’s use of cash collateral on an emergency basis to operate its business in accordance with the proposed budget (the “Budget”) attached hereto as Exhibit “A” and the proposed Interim Order (as defined below) attached as Exhibit “B.” In support hereof, Debtor shows as follows:

CONCISE STATEMENT OF RELIEF SOUGHT

Relief Sought: Authority to use cash collateral on an interim basis and, pending a final hearing, final authority to use cash collateral

**Entity with Interest
In Cash Collateral:** ACM VFP Legacy Assets, LLC

**Purposes for the Use
of Cash Collateral:** Payment of operational expenses and administrative expenses in accordance with the Budget attached as Exhibit “A”

Duration: Through the date the Court holds a hearing on final approval (See, Paragraph 12 of the Motion; Paragraph 2 of the Proposed Order)

Adequate Protection: A lien on all personal property of all Debtors, wherever located and whether created, acquired or arising prior to or after the Petition Date, including, without limitation, all accounts, accounts receivable, inventory, equipment, general intangibles, documents, instruments, chattel paper, deposit accounts and investment property, together with all proceeds of the foregoing items, to the extent such interests existed as of the Petition Date (Paragraph 14 of the Motion; Paragraph 5 of the Proposed Order).

Following a hearing on final approval, monthly interest payments (Paragraph 15 of the Motion; Paragraph 6 of the Proposed Order)

Additional Provisions: Establishment of Events of Default including (i) conversion of the case, (ii) appointment of a trustee, (iii) failure to maintain insurance, and (iv) failure to comply with the terms of the Proposed Order (Paragraph 8 of the Proposed Order)

Introduction

1. On January 30, 2018 (the “Petition Date”), Debtor filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the “Bankruptcy Code”). In accordance with Sections 1107 and 1108 of the Bankruptcy Code, Debtor continues to operate its business as debtor in possession.

2. No creditors’ committee has been appointed in this case. In addition, no trustee or examiner has been appointed.

3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

4. The statutory predicate for the relief requested herein is § 105(a) of the Bankruptcy Code.

Background

5. Debtor is one of the largest distributors of natural stone slabs and tiles for interior design and construction in the southeast. Debtor offers a range of products drawing on a global network of quarries, processors, and distributors.

6. Debtor is headquartered in Norcross, with offices, a warehouse, and a distribution center at 3045 Business Park Drive, Norcross, Georgia 30071 (the “Warehouse”). The Warehouse is owned by Debtor and has a value in excess of \$3,500,000.

7. On January 11, 2013, Debtor entered into a Loan and Security Agreement (the “Original Loan”) with VFP Intermediate Holdings, LLC (“VFP”), consisting of an asset based Revolving Line of Credit and a Term Loan. As collateral, Lender was provided, among other things, (i) a Deed to Secure Debt, Security Agreement, and Assignment of Leases covering the Warehouse, recorded at Deed Book 51934, Page 207, Gwinnett County records, and (ii) a security interest in inventory and receivables (collectively, and with all other assets pledged to or for the benefit VFP, the “Collateral”).

8. VFP transferred its interest under the Original Loan to ACM VFP Legacy Assets, LLC (“Lender”) by assignment dated December 19, 2014, and recorded at Deed Book 53483, Page 65, Gwinnett County Records. On February 2, 2015, Debtor and Lender entered into the “First Amendment to Loan and Security Interest” (the “First Amendment”), which provided for asset based lending pursuant to a Revolver Note in the maximum amount of \$2,500,000 and a

Term Note in the principal amount of \$500,000, all of which remain secured by the Collateral. The Maturity Date under the First Amendment was January 10, 2018.

9. On January 4, 2018, Debtor and Lender entered into the “Second Amendment to Loan and Security Agreement” (the “Second Agreement”), which combined the remaining balance owed under the Revolver Note and Term Note into a \$450,000 Term Note, payable monthly with a Maturity Date of January 1, 2019. The \$450,000 Term Loan is secured by the Collateral. In addition to the Warehouse, which has an approximate value in excess of \$3,500,000, the Collateral includes inventory with an approximate value of \$1,000,000 and receivables with an approximate value of \$200,000. Additionally, in connection with the Second Modification, Debtor executed a Deed in Lieu of Foreclosure to be held by Lender and subject to recordation upon an Event of Default (i) after 30 days’ notice as to certain defaults (i.e. non-payment), and (iii) immediately as to certain defaults (i.e. insolvency, bankruptcy, and receivership).

Relief Requested

Use of Cash Collateral on an Interim Basis in Accordance with the Budget

10. By this Motion, Debtor seeks interim authorization to use cash collateral in accordance with the Budget pending a final hearing (hereinafter, the period for which interim authority is sought is referred to as the “Interim Period”). Debtor proposes to use cash collateral for general and administrative expenses as set forth in the Budget. The expenses incurred by Debtor and for which cash collateral will be used will all be incurred in the normal and ordinary course of Debtors’ businesses. A proposed “Interim Order Authorizing Limited Use of Cash Collateral by Debtors in Possession and Providing Adequate Protection to Citizens Business Credit” (the “Proposed Order”) is attached hereto as Exhibit “B.”

11. Bankruptcy Code Section 363(c)(2) provides that a debtor in possession may not use cash collateral unless an entity that has an interest in such cash collateral consents or the Court approves the use, conditioned on provision of adequate protection. Section 363(o) provides that at a hearing on the use of cash collateral, the entity asserting an interest in the cash collateral has the burden of proof on the issue of the validity, priority, or extent of such interest, and the debtor in possession has the burden of proof on the issue of adequate protection. Rule 4001(b)(2) provides that the Court may not hold a final hearing on a motion to use cash collateral earlier than 14 days after service of the motion, but may authorize the use of cash collateral prior to a final hearing as necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

12. Debtor requests authority to use cash collateral for the purpose of avoiding immediate and irreparable harm to the estate. The authority to continue using cash collateral should continue until the Court rules on Debtor's request following a final hearing.

13. Debtor recognizes that Lender is entitled to adequate protection of its secured interest in the Collateral and the cash collateral within the meaning of 11 U.S.C. §§ 361 and 363. Debtor acknowledges that, in consideration of Debtor's use of the Lender's Collateral and cash collateral, Lender is entitled to adequate protection of its security interest in and lien on the Collateral and cash collateral.

14. Debtor has agreed to provide such adequate protection pursuant to the terms hereof in the form of a postpetition replacement lien, as follows: In connection with Debtor's use of cash collateral during the Interim Period and to provide Lender adequate protection in respect of Debtor's use of such cash collateral as well as for any decrease in the value of its interests in the Collateral during the Interim Period, Debtor agrees, subject to approval of this Court, to (i)

grant the Lender *nunc pro tunc* as of the commencement of the Chapter 11 case, a lien pursuant to 11 U.S.C. §361(2) on and in all of Debtor's (property subject to prior perfected security interest and the Debtor's vehicles) to the same extent and priority and of the same kind and nature as existed as of the Petition Date.

15. Additionally, Debtor proposes to pay Lender monthly interest payments in the amount of \$5,756 (includes 3% default rate).

16. The use of cash collateral shall be used strictly in accordance with the terms of the Budget.

17. Notwithstanding anything herein to the contrary, Debtor proposes that the liens and administrative claims granted to Lender hereunder in connection with the use of Collateral and cash collateral be subject and junior to the fees of the Office of the United States Trustee pursuant to 28 U.S.C. §1930. The security interests and liens granted to Lender in connection with the use of the cash collateral will be valid and perfected without the need for the execution or filing of any further documents or instruments.

Final Authority for Use of Cash Collateral

18. Debtor further requests that the Court schedule a final hearing on cash collateral use and, following such hearing, enter a final order authorizing cash collateral use. At such hearing, the Court will consider any additional adequate protection requested by Lender or agreed upon by Debtor.

Basis for Relief

The Court Should Approve the Motion Because the Lender has been Provided Adequate Protection

19. Debtor has agreed to provide adequate protection as contemplated by Section 363(c)(2) of the Bankruptcy Code and hereby seek the Court's approval thereof. The Bankruptcy

Code does not explicitly define “adequate protection,” but does provide a non-exclusive list of the means by which a debtor may provide adequate protection, including “other relief” resulting in the “indubitable equivalent” of the secured creditor’s interest in such property. 11 U.S.C. § 361. What constitutes adequate protection must be evaluated on a case-by-case basis. *In re Swedeland Dev. Group Inc.*, 16 F.3d 552, 564 (3rd Cir. 1994) (citing *In re O'Connor*, 808 F.2d 1393, 1396-97 (10th Cir. 1987)); *In re Martin*, 761 F.2d 472, 476 (8th Cir. 1985).

20. Adequate protection is meant to ensure that the secured lender receives the value for which it originally bargained. *Swedeland*, 16 F.3d at 564 (citing *O'Connor*, 808 F.2d at 1396) (“the whole purpose of adequate protection for a creditor is to ensure that the creditor receives the value for which he bargained pre bankruptcy”). Courts have noted that “the essence of adequate protection is the assurance of the maintenance and continued recoverability of the lien value during the interim between the filing . . . and the confirmation.” *In re Arriens*, 25 B.R. 79, 81 (Bankr. D.Or. 1982). The focus of the requirement is to protect a secured creditor from diminution in value during the use period. See *In re Kain*, 86 B.R. 506, 513 (Bankr. W.D. Mich.1988); *In re Becker Indus. Corp.*, 58 B.R. 725, 736 (Bankr. S.D.N.Y. 1986); *In re Ledgmere Land Corp.*, 116 B.R. 338, 343 (Bankr. D. Mass. 1990).

21. Debtor’s requested use of cash collateral as set forth in the Budget and the protections proposed to be afforded to Lender in the Proposed Order, in light of the circumstances, are reasonable, appropriate, and sufficient to satisfy the legal standard of “adequate protection” and will serve to maintain the value of the Lender’s Collateral. Lender is substantially oversecured and bears little if any risk of diminution.

The Use of Cash Collateral Will Preserve the Debtor's Assets and Value

22. If Debtor is not allowed to use cash collateral, its business will likely shut down without an orderly process, which will diminish the value of the assets. Debtor requires the use of cash collateral in order to protect and preserve the value of its inventory and to facilitate the collection of receivables.

23. It is well established that a bankruptcy court, where possible, should resolve issues in favor of preserving the business of the debtor as a going concern:

A debtor, attempting to reorganize a business under Chapter 11, clearly has a compelling need to use "cash collateral" in its effort to rebuild. Without the availability of cash to meet daily operating expenses such as rent, payroll, utilities, etc., the congressional policy favoring rehabilitation over economic failure would be frustrated.

In re George Ruggiere Chrysler-Plymouth, Inc., 727 F.2d 1017, 1019 (11th Cir. 1984).

24. As discussed above, Debtor will use cash collateral during the Interim Period in the ordinary course of its business. If Debtor cannot continue to use cash collateral during the Interim Period, it likely will be forced to cease operations without an orderly process and without the ability to pay accruing administrative expenses. This cessation would damage the value of Debtor's assets. In contrast, granting authority will allow Debtor to maintain operations and preserve the value of its assets.

Lender is Adequately Protected by the Grant of Replacement Liens on Postpetition Assets and Monthly Interest Payments

25. The Bankruptcy Code expressly provides that "granting a replacement lien is a means of adequate protection". 11 U.S.C. § 361(2). Granting replacement liens provides ample adequate protection of the secured creditor's interest in cash collateral. *See e.g. In re O'Connor*, 808 F.2d at 1393; *In re Dixie-Shamrock Oil & Gas. Inc.*, 39 B.R. 115, 118 (Bankr. M.D. Tenn. 1984). Debtor will adequately protect Lender's interests in cash collateral by providing

replacement liens on Debtor's postpetition property to the extent Debtor's use of cash collateral results in a postpetition decrease in the value securing Lender's claims.

26. Here, Debtor submits that Lender is dramatically oversecured and, therefore, is unlikely to suffer any diminution to the value of its Collateral. Accordingly, a replacement lien provides Lender adequate protection.

27. The Bankruptcy Court also expressly provides that periodic cash payments constitute adequate protection. 11 U.S.C. § 361(1). The payments are intended to protect the affected entity against a decrease in the value of its collateral, which would directly affect the entity's interest in the collateral. *See, Traveler Ins. Co. v. American AgCredit Corp. (In re Blehm Land & Cattle Co.)*, 859 F.2d 137 (10th Cir. 1988). Here, Debtor's proposed monthly interest payments coupled with its oversecured status, will protect Lender's interest.

28. Debtor believes that use of cash collateral (a) during the Interim Period in order to avoid irreparable harm pursuant to the terms and conditions set forth above, and (b) on a final basis following a final hearing on cash collateral use, is fair and reasonable and adequately protects Lender. The combination of (i) Debtor's ability to preserve the value of its assets with the use of cash collateral, (ii) the value of Lender's Collateral in relation to its debt, and (iii) the postpetition liens granted to Lender, adequately protects Lender's secured position under Section 361. For all of the reasons stated above, approval of the Motion is proper.

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WHEREFORE, Debtor respectfully requests that the Court enter an order (A) authorizing Debtor (i) to use the Collateral and cash collateral pursuant to the terms set forth above and in accordance with the Budget during the Interim Period, (ii) to grant the liens set forth above in connection with the use of the Collateral and cash collateral, and (B) setting a final hearing hereon at least fourteen (14) days after the entry of an interim order on this Motion, and (C) for such other and further relief as the Court deems just and proper.

Dated: January 30, 2018

LAMBERTH, CIFELLI,
ELLIS & NASON, P.A.
Proposed Attorneys for Debtor

By: /s/ G. Frank Nason, IV
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EXHIBIT "A"

BUDGET

Income Statement Analysis

Stone Connection Inc.

| | February | March | April | May |
|-------------------------------------|-----------------|----------------|----------------|----------------|
| Revenue (net of sales taxes) | 100,600 | 100,600 | 120,600 | 120,600 |
| Selling Expenses | | | | |
| Cartage | 4,024 | 4,024 | 4,824 | 4,824 |
| Payroll Cost | 13,861 | 13,861 | 13,861 | 13,861 |
| | 17,885 | 17,885 | 18,685 | 18,685 |
| Slab Purchase | | | | |
| - External supply local | 0 | 0 | 0 | 0 |
| - External supply imports | 40,240 | 40,240 | 48,240 | 48,240 |
| Total Slab purchase | 40,240 | 40,240 | 48,240 | 48,240 |
| Administration Cost | | | | |
| Bank Charges | 4,024 | 4,024 | 4,824 | 4,824 |
| Insurance's | 10,392 | 10,392 | 10,392 | 0 |
| Licenses | 1,000 | 1,000 | 1,000 | 1,000 |
| Office Cleaning | 700 | 700 | 700 | 700 |
| Office Equipment rental | 772 | 772 | 772 | 772 |
| Post. Tel & Fax | 1,402 | 1,402 | 1,402 | 1,402 |
| Printing & Stationary | 1,092 | 1,092 | 1,092 | 1,092 |
| Sundry Expense | 1,000 | 1,000 | 1,000 | 1,000 |
| Travelling- Local | 2,012 | 2,012 | 2,412 | 2,412 |
| Water & lights | 5,054 | 5,054 | 5,054 | 5,054 |
| US Trustee Fees | 0 | 0 | 1,625 | 0 |
| HR Services | 2,800 | 2,800 | 2,800 | 2,800 |
| Payroll cost | 9,440 | 9,440 | 9,440 | 9,440 |
| Total Admin Cost | 39,687 | 39,687 | 42,512 | 30,495 |
| Adequate Protection | | | | |
| Veritas | 5,756 | 5,756 | 5,756 | 5,756 |
| | 5,756 | 5,756 | 5,756 | 5,756 |
| Total Cash Outflow | 103,567 | 103,567 | 115,192 | 103,176 |

EXHIBIT "B"

PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: :
 :
STONE CONNECTION, INC. : CASE NO. 18-51440-bem
 :
 : CHAPTER 11
Debtor :
 :
_____ :

**INTERIM ORDER AUTHORIZING LIMITED USE
OF CASH COLLATERAL BY DEBTORS IN POSSESSION
AND PROVIDING ADEQUATE PROTECTION**

This matter came on for a hearing before the Court on _____ 2018 (the "Preliminary Hearing"), on the "Emergency Motion of Debtor for (1) Order Authorizing Use of Cash Collateral on an Emergency Basis to Avoid Immediate and Irreparable Harm, and (2) Final Order Authorizing Cash Collateral Use" filed by Stone Connection, Inc., debtor and debtor in possession ("Debtor"), pursuant to Section 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b) (the "Cash Collateral Motion") to use certain cash that is subject to security interests and liens in favor of ACM VFP Legacy Assets, LLC ("Lender"), and therefore constitutes cash collateral within the meaning of Section 363 of the Bankruptcy Code.

Having considered the matters set forth in the Cash Collateral Motion and all representations of counsel at the Interim Hearing, the Court makes the following findings of fact

and conclusions of law applicable to the use of cash collateral by Debtor and the adequate protection to Lender (to the extent any findings of fact constitutes conclusion of law, they are adopted as such, and *vice versa*):

THE COURT HEREBY FINDS:

A. On January 30, 2018 (the "Petition Date"), Debtor filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the "Bankruptcy Code"). In accordance with Sections 1107 and 1108 of the Bankruptcy Code, Debtor continues to operate its business as debtor in possession.

B. Debtor alleges that on January 11, 2013, Debtor entered into a Loan and Security Agreement (the "Original Loan") with VFP Intermediate Holdings, LLC ("VFP"), consisting of an asset based Revolving Line of Credit and a Term Loan. As collateral, Lender was provided, among other things, (i) a Deed to Secure Debt, Security Agreement, and Assignment of Leases covering the Warehouse, recorded at Deed Book 51934, Page 207, Gwinnett County records, and (ii) a security interest in inventory and receivables (collectively, and with all other assets pledged to or for the benefit VFP, the "Collateral").

C. Debtor alleges that VFP transferred its interest under the Original Loan to Lender by assignment dated December 19, 2014, and recorded at Deed Book 53483, Page 65, Gwinnett County Records. On February 2, 2015, Debtor and Lender entered into the "First Amendment to Loan and Security Interest" (the "First Amendment"), which provided for asset based lending pursuant to a Revolver Note in the maximum amount of \$2,500,000 and a Term Note in the principal amount of \$500,000, all of which remain secured by the Collateral. The Maturity Date under the First Amendment was January 10, 2018.

D. Debtor further alleges that on January 4, 2018, Debtor and Lender entered into the "Second Amendment to Loan and Security Agreement" (the "Second Agreement"), which combined the remaining balance owed under the Revolver Note and Term Note into a \$450,000 Term Note, payable monthly with a Maturity Date of January 1, 2019. The \$450,000 Term Loan is secured by the Collateral. Debtor also alleges that in addition to the Warehouse, which has an approximate value in excess of \$3,000,000, the Collateral includes inventory with an approximate value of \$1,000,000 and receivables with an approximate value of \$200,000. Additionally, Debtor alleges that in connection with the Second Modification, Debtor executed a Deed in Lieu of Foreclosure to be held by Lender and subject to recordation upon an Event of Default (i) after 30 days' notice as to certain defaults (i.e. non-payment), and (iii) immediately as to certain defaults (i.e. insolvency, bankruptcy, and receivership).

E. Debtor alleges that an immediate and ongoing need exists for Debtor to use cash collateral to continue the operations of the business as a debtor in possession under Chapter 11 of the Bankruptcy Code and to preserve the value of Debtor's assets as a "going concern." Debtor proposes to use cash collateral during the Cash Collateral Period (as defined below) in the

amounts and for the purposes specified in the budget prepared by Debtor and annexed hereto as Exhibit A (the "Budget").

F. Debtor's counsel has certified that a copy of the Cash Collateral Motion, together with notice of the Interim Hearing, has been served by electronic mail, telecopy transmission, hand delivery, overnight courier or first class United States mail upon the United States Trustee, Lender, the creditors listed on the list filed with the Court pursuant to Bankruptcy Rule 1007(d), and all creditors known to claim any liens upon any of the Cash Collateral. The Court finds that notice of the Cash Collateral Motion, as it relates to this Order, is sufficient for all purposes under the Bankruptcy Code and the Bankruptcy Rules, including, without limitation, Sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b).

G. Good cause has been shown for the entry of this Order and authorization for Debtor to use cash collateral pending the final hearing on the Cash Collateral Motion pursuant to Bankruptcy Rule 4001(b) (the "Final Hearing"). Debtor's need for the use of cash collateral is immediate and critical, and entry of this Order will minimize disruption of Debtor's business and serve to preserve the assets of Debtor's estate and is in the best interest of Debtor, its creditors and estate.

H. Debtor stipulates that Lender is entitled to adequate protection of its interests in the Pre-Petition Collateral.

I. Based on the record presented at the Interim Hearing, it appears that the terms of Debtor's use of cash collateral, as embodied in this Order, are fair and reasonable.

J. This Court has jurisdiction to enter this Order pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Cash Collateral Motion constitutes a core proceeding, as defined in 28 U.S.C. § 157(b)(2).

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

1. Disposition of Motion. The Cash Collateral Motion is hereby GRANTED as hereinafter set forth.

2. Limited Cash Collateral Use Authorized. During the Cash Collateral Period (as defined below), the Debtor shall be authorized to use Cash Collateral (as defined below) only for Permitted Purposes (as defined below). As used herein:

(a) the term "Cash Collateral Period" shall mean the period commencing _____, _____, 2018, and ending on the sooner to occur of (a) _____ .m. (prevailing Eastern time) on February, _____, 2018, or (b) the occurrence of an Event of Default (as defined in paragraph 8 below);

(b) the term "Cash Collateral" shall mean and include (i) proceeds of Collateral in the ordinary course of business or of post-petition accounts receivable arising from

Debtor's sale after the Petition Date of pre-petition Collateral inventory in the ordinary course of business, (ii) proceeds derived from the post-petition sale in the ordinary course of business of inventory acquired by Debtor after the Petition Date, and (iii) all proceeds derived from the post-petition sale of any other Collateral whether in the ordinary course of business or outside the ordinary course of business, subject to the Court's approval after notice and a hearing; and

- (c) the term "Permitted Purposes" shall mean use by Debtor of Cash Collateral to pay expenses shown on the Budget and limited to amounts and line items shown on the Budget, provided that no Cash Collateral may be used to pay any pre-petition claim against Debtor (other than (i) payroll, payroll related taxes, employee benefits, and trust fund taxes, (ii) insurance financing, (iii) interest to Lender, or (iv) as otherwise ordered by the Court)

3. Turnover of Cash Collateral; Cash Collateral Subject to Lender's Liens. Lender shall turnover to such accounts as designated by Debtor all Cash Collateral in Lender's possession and any Cash Collateral received by Lender postpetition. Until expended by Debtor, all Cash Collateral shall remain subject to the liens and claims of Lender.

4. Termination of Authority to Use Cash Collateral. After the expiration of the Cash Collateral Period, Debtor shall forthwith cease to use any Cash Collateral except to the extent otherwise allowed by order of the Court after notice and a hearing. In no event shall Lender be obligated to monitor or otherwise be responsible for Debtor's use of Cash Collateral in conformity with this Order or Debtor's compliance with this Order.

5. Adequate Protection Liens Granted to Lender. As partial adequate protection of its interests, Lender is hereby granted liens ("Adequate Protection Liens") upon all real and personal property of Debtor, wherever located and whether created, acquired or arising prior to or after the Petition Date, to the extent and in the priority as Lender's liens and security interests existed as of the Petition Date. The Adequate Protection Liens are granted as adequate protection against any diminution in the value of any liens and security interests of Lender in any property of Debtor (including, without limitation, the Collateral) resulting from the imposition of the automatic stay or any use, sale, consumption or other disposition of such property (whether pursuant to this or any other order of the Court or the Bankruptcy Code). The Adequate Protection Liens shall be deemed automatically valid and perfected upon entry of this Order without the necessity of the execution by Debtor. The Adequate Protection Liens shall not extend to the proceeds of any avoidance actions received by Debtor or the estate pursuant to Sections 544, 547, 548, 549 or 550 of the Bankruptcy Code ("Avoidance Actions"). Notwithstanding anything herein to the contrary, the liens granted to Lender hereunder in connection with the use of Collateral and Cash Collateral shall be subject and junior to the fees of the Office of the United States Trustee pursuant to 28 U.S.C. §1930.

6. Monthly Interest Payments. Following the Final Hearing, Debtor will commence making monthly interest payments to Lender at the default interest rate in the approximate amount of \$5,756.

7. Reservation of Rights. Nothing contained in this Order shall be deemed to constitute a finding with respect to the adequacy of the protection of the interests of Lender in the Collateral or a waiver by Lender of its right to seek other or additional relief from the Court, including, without limitation, the right to seek additional protection, to move for relief from the automatic stay, to seek a dismissal or conversion of this Chapter 11 case or to seek the appointment of a trustee or examiner.

8. Events of Default. The occurrence or existence of any one or more of the following events or conditions shall constitute an "Event of Default": (i) the conversion or dismissal of the case; (ii) the appointment of a trustee or an examiner with expanded powers in the case; (iii) Debtor's failure to maintain casualty insurance insuring the Collateral; (iv) Debtor's failure duly and punctually to perform any of its obligations under this Order; or (v) this Order is amended, vacated, stayed, reversed or otherwise modified without the prior written consent of Agent.

9. Remedies Upon Event of Default. Upon the occurrence of an Event of Default, Lender or its counsel may file under this Court's CM/ECF filing system an affidavit of default specifying such Event of Default. If Debtor disputes that an Event of Default has in fact occurred, Debtor may file a contravening affidavit within 5 calendar days of the date of filing of the affidavit of default. If no such contravening affidavit is timely filed, Debtor shall forthwith cease any further use of Cash Collateral and the Court may enter an order prohibiting further use of Cash Collateral (but Debtor shall be prohibited from further use whether or not such an order is entered). If Debtor timely files a contravening affidavit, the Court shall set an expedited hearing.

10. Survival of Provisions of This Order. The provisions of this Order and any action taken pursuant to the terms hereof shall survive the entry of any order that may be entered dismissing the case or converting the case to a case under Chapter 7 of the Bankruptcy Code, and all of the terms and conditions of this Order as well as the liens and security interests granted pursuant hereto shall continue in this or in any superseding case under the Bankruptcy Code, and such liens and security interests shall retain their priorities provided by this Order until satisfied and discharged.

11. Notice of Final Hearing. Promptly after the entry of this Order, within the time specified by local rules, Debtor shall serve a copy of this Order to the U.S. Trustee, Lender, the twenty (20) largest unsecured creditors, any creditors who have heretofore filed a request with the Court for notices, and each secured and unsecured creditor and shall file a certificate of service regarding same with the clerk of the Court. The Final Hearing shall be held at _____ **__m., on February __, 2018**, at Courtroom _____, United States Bankruptcy Court, 75 Ted Turner Drive, SW, Atlanta, Georgia. If at or after the Final Hearing the Court modifies any of the provisions of this Order, then such modifications shall not affect the rights and remedies

granted to Lender pursuant to this Order, all of which rights and remedies shall remain in full force and effect with respect to Cash Collateral used by Debtor prior to the effective date of such modifications.

**** END OF DOCUMENT****

Prepared and presented by:

LAMBERTH, CIFELLI,
ELLIS & NASON, P.A.
Counsel for Debtor

By: /s/ G. Frank Nason, IV
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Identification of parties to be served:

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David S. Weidenbaum, Office of U.S. Trustee, 362 Richard Russell Bldg., 75 Ted Turner Drive, SW, Atlanta, GA 30303

Exhibit A

(Budget)

Income Statement Analysis

Stone Connection Inc.

| | February | March | April | May |
|-------------------------------------|-----------------|----------------|----------------|----------------|
| Revenue (net of sales taxes) | 100,600 | 100,600 | 120,600 | 120,600 |
| Selling Expenses | | | | |
| Cartage | 4,024 | 4,024 | 4,824 | 4,824 |
| Payroll Cost | 13,861 | 13,861 | 13,861 | 13,861 |
| | 17,885 | 17,885 | 18,685 | 18,685 |
| Slab Purchase | | | | |
| - External supply local | 0 | 0 | 0 | 0 |
| - External supply imports | 40,240 | 40,240 | 48,240 | 48,240 |
| Total Slab purchase | 40,240 | 40,240 | 48,240 | 48,240 |
| Administration Cost | | | | |
| Bank Charges | 4,024 | 4,024 | 4,824 | 4,824 |
| Insurance's | 10,392 | 10,392 | 10,392 | 0 |
| Licenses | 1,000 | 1,000 | 1,000 | 1,000 |
| Office Cleaning | 700 | 700 | 700 | 700 |
| Office Equipment rental | 772 | 772 | 772 | 772 |
| Post. Tel & Fax | 1,402 | 1,402 | 1,402 | 1,402 |
| Printing & Stationary | 1,092 | 1,092 | 1,092 | 1,092 |
| Sundry Expense | 1,000 | 1,000 | 1,000 | 1,000 |
| Travelling- Local | 2,012 | 2,012 | 2,412 | 2,412 |
| Water & lights | 5,054 | 5,054 | 5,054 | 5,054 |
| US Trustee Fees | 0 | 0 | 1,625 | 0 |
| HR Services | 2,800 | 2,800 | 2,800 | 2,800 |
| Payroll cost | 9,440 | 9,440 | 9,440 | 9,440 |
| Total Admin Cost | 39,687 | 39,687 | 42,512 | 30,495 |
| Adequate Protection | | | | |
| Veritas | 5,756 | 5,756 | 5,756 | 5,756 |
| | 5,756 | 5,756 | 5,756 | 5,756 |
| Total Cash Outflow | 103,567 | 103,567 | 115,192 | 103,176 |

CERTIFICATE OF SERVICE

This is to certify that I, G. Frank Nason, IV, have this date served a true and correct copy of the foregoing EMERGENCY MOTION OF DEBTOR FOR (1) ORDER AUTHORIZING USE OF CASH COLLATERAL ON AN EMERGENCY BASIS TO AVOID IMMEDIATE AND IRREPARABLE HARM, AND FOR (2) FINAL ORDER AUTHORIZING CASH COLLATERAL USE by email to the parties listed below. An additional Certificate of Service will be submitted setting forth additional service parties.

David S. Weidenbaum
Office of the United States Trustee
362 Richard Russell Building
75 Spring Street, S.W.
Atlanta, GA 30303
david.s.weidenbaum@usdoj.gov

Dated: January 30, 2018

/s/ G. Frank Nason, IV
G. Frank Nason, IV