

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:

**The Harrington & King Perforating  
Co., Inc., and Harrington & King  
South, Inc.,**

Debtors.

Chapter 11

Bankruptcy No. 16-bk-15650  
(Jointly Administered)

Honorable Deborah L. Thorne

**AGREED ORDER EXTENDING USE OF CASH COLLATERAL  
UNDER THE AGREED TENTH INTERIM CASH COLLATERAL ORDER**

This matter came before this Court on the continued motion (the "Motion") of Harrington & King Perforating, Inc. and Harrington & King South, Inc. (collectively, the "Debtors") requesting the use of cash collateral and certain other relief; the Debtors and Inland Bank & Trust having agreed to the terms hereof; and the Court having good and proper jurisdiction over this matter; and notice of the Motion being sufficient under the circumstances and no further notice being required, and the Court being duly advised in the premises, IT IS HEREBY ORDERED:

1. The Debtors' authority to use cash collateral under the Agreed Tenth Interim Cash Collateral Order (Dkt. No. 225) is extended through January 26, 2018, pursuant to the Budget attached hereto.
2. The Motion is continued to January 23, 2018 at 10:00 a.m.
3. Any advance made by Inland Bank and Trust on behalf of the Debtors during the period covered by this order shall be considered a post-petition advance under the Debtors' existing lines of credit with Inland Bank and Trust.

Dated: December 28, 2017

ENTERED:

**Prepared by:**

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United States Bankruptcy Judge

HARRINGTON & KING Case 16-15650 Doc 310 Filed 12/28/17 Entered 12/28/17 11:24:58 Desc Main											
COMBINED WEEKLY CHICAGO & TENNESSEE CASH FORECAST											
Month Dec. 2017 & Jan 2018											
Date - W/E	12/8/2017	12/15/2017	12/22/2017	12/29/2017	Total Dec	1/5/2018	1/12/2018	1/19/2018	1/26/2018	Total Jan	
Budget/Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>SHIPMENTS</b>											
Customer shipments	\$ 200,000	\$ 170,000	\$ 170,000	\$ 136,000	\$ 676,000	\$ 84,000	\$ 144,000	\$ 190,000	\$ 190,000	\$ 608,000	
Scrap	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	
Sales Allowances	\$ (1,500)	\$ (1,350)	\$ (1,350)	\$ (1,080)	\$ (5,280)	\$ (540)	\$ (1,200)	\$ (1,500)	\$ (1,500)	\$ (4,740)	
										\$ -	
<b>NET SALES</b>	<b>213,500</b>	<b>168,650</b>	<b>168,650</b>	<b>134,920</b>	<b>685,720</b>	<b>98,460</b>	<b>142,800</b>	<b>188,500</b>	<b>188,500</b>	<b>618,260</b>	618,260
<b>CASH FLOW</b>											
<b>RECEIPTS</b>											
<b>A/R Cash</b>											
A/R	\$ 161,422	\$ 166,198	\$ 150,000	\$ 140,000	\$ 617,620	\$ 150,000	\$ 180,000	\$ 168,650	\$ 168,650	\$ 667,300	
New Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total A/R Collections</b>	<b>161,422</b>	<b>166,198</b>	<b>150,000</b>	<b>140,000</b>	<b>617,620</b>	<b>150,000</b>	<b>180,000</b>	<b>168,650</b>	<b>168,650</b>	<b>667,300</b>	
<b>Non A/R Cash</b>											
Scrap Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	667,300
Preference Settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Non-A/R Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>RECEIPTS</b>	<b>161,422</b>	<b>166,198</b>	<b>150,000</b>	<b>140,000</b>	<b>617,620</b>	<b>150,000</b>	<b>180,000</b>	<b>168,650</b>	<b>168,650</b>	<b>667,300</b>	
<b>DISBURSEMENTS</b>											
<b>Inventory</b>											
Material Purchases	51,500	51,500	47,500	47,500	\$ 198,000	49,500	57,000	57,000	57,000	\$ 220,500	
Plant Overhead Spending - Punches, Oil & Lumber	13,250	13,250	13,250	13,250	\$ 53,000	13,250	13,250	13,250	13,250	\$ 53,000	
<b>Inventory Purchases</b>	<b>64,750</b>	<b>64,750</b>	<b>60,750</b>	<b>60,750</b>	<b>251,000</b>	<b>62,750</b>	<b>70,250</b>	<b>70,250</b>	<b>70,250</b>	<b>273,500</b>	
<b>Payroll &amp; Benefits</b>											
<b>Payroll Processing Service</b>											
Shop	-	-	-	-	-	-	-	-	-	\$ -	
Gross Payroll - Weekly	40,580	40,580	40,580	40,580	\$ 162,319	40,580	41,349	41,349	41,349	\$ 164,627	
401-k	650	650	650	650	\$ 2,600	650	650	650	650	\$ 2,600	
Fringe Benefits (Taxes, Benefits)	3,706	3,706	3,706	3,706	\$ 14,823	3,706	3,775	3,775	3,775	\$ 15,031	
Union Dues	470	470	1,220	470	\$ 2,630	470	470	1,220	470	\$ 2,630	
Contract Employees	3,500	3,500	3,500	3,500	\$ 14,000	3,500	3,500	3,500	3,500	\$ 14,000	
					\$ -					\$ -	
					\$ -					\$ -	
<b>Office</b>					\$ -					\$ -	
Gross Payroll, Chief Restructuring Officer	3,846	3,846	3,846	3,846	\$ 15,385	3,846	3,846	3,846	3,846	\$ 15,385	
Gross Payroll - Bi monthly	16,050	17,589	17,589	17,589	\$ 68,817	17,589	17,589	16,589	16,589	\$ 68,355	
Gross Payroll - Monthly	-	-	-	-	\$ -	-	-	-	-	\$ -	
401-k	-	-	-	-	\$ -	-	-	-	-	\$ -	
Office temp	-	-	-	-	\$ -	-	-	-	-	\$ -	
Fringe Benefits (Taxes, Benefits)	1,791	1,929	1,929	1,929	\$ 7,578	1,929	1,929	1,839	1,839	\$ 7,537	
<b>Payroll &amp; Benefits</b>	<b>70,593</b>	<b>72,270</b>	<b>73,020</b>	<b>72,270</b>	<b>288,152</b>	<b>72,270</b>	<b>73,108</b>	<b>72,768</b>	<b>72,018</b>	<b>290,164</b>	

Date - W/E		12/8/2017	12/15/2017	12/22/2017	12/29/2017	Total Dec	1/5/2018	1/12/2018	1/19/2018	1/26/2018	Total Jan	
Budget/Actual		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
<b>Operating Expenses</b>												290,164
R&M - Machines		1,150	1,150	1,150	1,150	\$ 4,600	1,150	1,150	1,150	1,150	\$ 4,600	
Bank Fees		850	850	850	850	\$ 3,400	850	850	850	850	\$ 3,400	
Freight & Cartage		925	925	925	900	\$ 3,675	900	900	1,000	1,000	\$ 3,800	
Insurance - Life		-	1,500	-	-	\$ 1,500	-	1,500	-	-	\$ 1,500	
Insurance - Workers Comp		-	-	-	-	\$ -	-	-	-	-	\$ -	
Insurance - Property, Liability & General		-	-	13,719	11,755	\$ 25,474	-	-	13,719	11,755	\$ 25,474	
Interest Expense		-	-	-	-	\$ -	-	-	-	-	\$ -	
Real Estate Taxes		-	-	-	-	\$ -	-	-	-	-	\$ -	
Utilities - Gas		-	-	4,000	-	\$ 4,000	-	-	8,700	-	\$ 8,700	
Utilities - Electric		-	9,500	11,600	-	\$ 21,100	-	9,500	11,600	-	\$ 21,100	
Utilities - Water		-	-	-	350	\$ 350	-	-	-	-	\$ -	
Commissions		-	-	-	-	\$ -	-	-	-	5,000	\$ 5,000	
Directors' Fees		-	-	-	-	\$ -	-	-	-	-	\$ -	
Automobile Gas & Insurance		-	-	-	-	\$ -	-	-	-	-	\$ -	
Office general expense		-	-	-	-	\$ -	-	-	-	-	\$ -	
Computer Programming		1,250	1,250	1,250	1,250	\$ 5,000	1,250	1,250	1,250	1,250	\$ 5,000	
Telephone		1,619	-	8,530	-	\$ 10,149	150	1,469	8,530	-	\$ 10,149	
Travel & Lodging		1,250	1,250	1,250	1,250	\$ 5,000	1,250	1,250	1,250	1,250	\$ 5,000	
Computer Supplies		-	-	-	-	\$ -	-	-	-	-	\$ -	
Network Service		-	-	-	-	\$ -	-	-	-	-	\$ -	
Misc.		-	-	5,000	5,000	\$ 10,000	5,000	5,000	5,000	5,000	\$ 20,000	
Computer, office supplies & Other Facility Costs		600	600	600	600	\$ 2,400	600	600	600	600	\$ 2,400	
<b>Total Operating Expenses</b>		<b>7,644</b>	<b>17,025</b>	<b>48,874</b>	<b>23,105</b>	<b>96,648</b>	<b>11,150</b>	<b>23,469</b>	<b>53,649</b>	<b>27,855</b>	<b>116,123</b>	
<b>Total Operating Disbursements</b>		<b>142,987</b>	<b>154,045</b>	<b>182,643</b>	<b>156,125</b>	<b>635,799</b>	<b>146,170</b>	<b>166,827</b>	<b>196,667</b>	<b>170,123</b>	<b>679,786</b>	
<b>Intercompany Transfers</b>												679,786
Management Fee Income (cash receipt)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Management Fee Expense (cash disbursement)		-	-	-	-	\$ -	-	-	-	-	\$ -	
<b>Total Intercompany Transfers</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Professional Fees</b>												
Debtor Bankruptcy Counsel (Retainer)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Debtor Bankruptcy Counsel (Outstanding Bills)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Debtor Employment Counsel (Retainer)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Debtor Workers Comp Counsel-Pudlo (Retainer)		5,000	-	-	-	\$ 5,000	-	-	-	-	\$ -	
Debtor Financial Advisor (Retainer)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Debtor Financial Advisor (Outstanding Bills)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Committee Professionals (Retainer)		-	-	-	-	\$ -	-	-	-	-	\$ -	
Pension Obligation Deferral Fee		-	-	-	-	\$ -	-	-	-	-	\$ -	
US Trustee		-	-	-	11,375	\$ 11,375	-	-	-	11,375	\$ 11,375	
Tax Accountant		-	-	-	-	\$ -	-	-	-	-	\$ -	
Other		-	-	-	-	\$ -	-	-	-	-	\$ -	
<b>Professional Fees</b>		<b>5,000</b>	<b>-</b>	<b>-</b>	<b>11,375</b>	<b>16,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,375</b>	<b>11,375</b>	
<b>Debt Service</b>												
Inland Bank - Note 1		-	-	-	-	\$ -	-	-	-	-	\$ -	
Inland Bank - Note 2		-	-	-	-	\$ -	-	-	-	-	\$ -	
Inland Bank - Real Estate Tax escrow		-	-	-	-	\$ -	-	-	-	-	\$ -	
Inland (new) line of credit		-	-	-	-	\$ -	-	-	-	-	\$ -	
Southern Heritage - Note 1		-	-	-	-	\$ -	-	-	-	-	\$ -	
Southern Heritage - Note 2		-	-	-	-	\$ -	-	-	-	-	\$ -	
Ally Bank		-	-	-	-	\$ -	-	-	-	-	\$ -	
<b>Debt Service</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DISBURSEMENTS</b>		<b>147,987</b>	<b>154,045</b>	<b>182,643</b>	<b>167,500</b>	<b>652,174</b>	<b>146,170</b>	<b>166,827</b>	<b>196,667</b>	<b>181,498</b>	<b>691,161</b>	
<b>NET OPERATING CASH FLOW</b>												691,161
		<b>13,435</b>	<b>12,153</b>	<b>(32,643)</b>	<b>(27,500)</b>	<b>(34,554)</b>	<b>3,830</b>	<b>13,173</b>	<b>(28,017)</b>	<b>(12,848)</b>	<b>(23,861)</b>	

Date - W/E		12/8/2017	12/15/2017	12/22/2017	12/29/2017	Total Dec	1/5/2018	1/12/2018	1/19/2018	1/26/2018	Total Jan
Budget/Actual		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>Line of Credit Activity</b>											
Borrowing on Inland Line of Credit		45,000	25,000	-	-	\$ 70,000	-	-	-	-	\$ -
Repayment of Inland Line of Credit		-	-	-	-	\$ -	-	-	-	-	\$ -
<b>Line of Credit</b>		45,000	25,000	-	-	70,000	-	-	-	-	-
<b>Beginning Cash</b>											
		(300,000)	(241,565)	(204,411)	(237,055)	(300,000)	(264,554)	(260,724)	(247,551)	(275,568)	(260,724)
<b>NET CF (Weekly)</b>											
		58,435	37,153	(32,643)	(27,500)	35,446	3,830	13,173	(28,017)	(12,848)	(23,861)
<b>Adjustment</b>											
<b>Ending Cash</b>											
		(241,565)	(204,411)	(237,055)	(264,554)	(264,554)	(260,724)	(247,551)	(275,568)	(288,416)	(284,585)
<b>PROFESSIONAL FEE CARVEOUT</b>											
Debtor Bankruptcy Counsel		-	-	-	-	-	-	-	-	-	-
Debtor Employment Counsel		-	-	-	-	-	-	-	-	-	-
Debtor Financial Advisor		-	-	-	-	-	-	-	-	-	-
Committee Professionals		-	-	-	-	-	-	-	-	-	-
Total Professional Fee Carveout		-	-	-	-	-	-	-	-	-	-
<b>ROLLFORWARDS</b>											
<b>Accounts Receivable</b>											
Beginning Balance		1,025,875	1,077,953	915,000	933,650	1,025,875	1,093,975	1,042,435	1,005,235	1,025,085	1,042,435
Net Sales		213,500	168,650	168,650	134,920	685,720	98,460	142,800	188,500	188,500	618,260
A/R Receipts		(161,422)	(166,198)	(150,000)	(140,000)	(617,620)	(150,000)	(180,000)	(168,650)	(168,650)	(667,300)
Adjustments/Reclass		-	-	-	-	-	-	-	-	-	1
<b>Ending Balance</b>		1,077,953	1,080,405	933,650	928,570	1,093,975	1,042,435	1,005,235	1,025,085	1,044,935	993,396
<b>Budget Error - Inland Nov-16 Payment Excluded</b>											
<b>Adjusted Ending Cash Balance - Budget</b>		(241,565)	(204,411)	(237,055)	(264,554)	(264,554)	(260,724)	(247,551)	(275,568)	(288,416)	(284,585)