

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:) BK No.: 17-11811
Rebuiltcars Corporation)
)
) Chapter: 11
) Honorable Timothy A. Barnes
)
)
Debtor(s))

NINTH INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL PURSUANT TO SECTION 363(C)(2) AND BANKRUPTCY RULE 4001(b) RELATING TO MOTION FOR ORDER PERMITTING DEBTOR TO USE CASH COLLATERAL BELONGING TO AUTOMOBILE FINANCE CORPORATION

THIS CAUSE was scheduled for hearing before the Court upon the Motion for Order Permitting Debtor to Use Cash Collateral Belonging to 1st Global Capital, Automobile Financing Corporation, Capital Merchant Services, First Home Bank, and Swift Capital Regarding the Debtor’s Business Assets (Docket Entry No. 4, the “Motion”) filed by Rebuiltcars Corporation (the “Debtor”) on April 17, 2017 pursuant to 11 U.S.C. § 363.

The Court has been advised that the Debtor and Automotive Finance Corporation (“AFC”) have agreed to interim terms resolving AFC’s objection to the Debtor’s use of cash collateral in which AFC asserts an interest, and it appears to the Court that the terms and conditions of that agreement are reasonable and appropriate, are in the best interests of the Debtor, its estate, and its creditors, and the Court finds it appropriate to authorize the Debtor’s use of cash collateral in which AFC asserts an interest as set forth herein on an interim basis and until such time as the Court conducts a final hearing on the Motion.

WHEREFORE, based upon the foregoing Findings of Fact, it is ORDERED that:

- A. The Motion is GRANTED on an interim basis as provided for herein;
- B. A hearing on the Motion shall be held on ~~February~~ ^{March} 7, 2018 at 10:30 a.m. before the Honorable Timothy A. Barnes at the Dirksen Federal Building, located at 219 S. Dearborn, Courtroom 744, Chicago, Illinois.
- C. During the interim period of cash use and until such time as the Court conducts a final hearing on the Motion, the Debtor shall be authorized to use cash collateral in which AFC asserts an interest for its post-petition, necessary and reasonable operating expenses.
- D. During the period of interim cash use and until such time as the Court conducts a final hearing on the Motion, the Debtor may sell the AFC Secured Vehicles in the ordinary course of business. As adequate protection for the Debtor’s use of cash collateral in which AFC asserts an interest, the Debtor shall provide the AFC with adequate protection under 11 U.S.C. § 363(e) as follows:
 - i. The Debtor may sell any AFC Secured Vehicle for an amount sufficient to pay AFC the full amount owing on that vehicle as of the date of sale as indicated in the records of AFC (the “Payoff Amount”). Absent written permission from AFC, the Debtor may not sell such a vehicle for less than the Payoff Amount, and the Debtor may not dispose of any AFC Secured Vehicle through trade;
 - ii. Upon the sale of an AFC Secured Vehicle, the Payoff Amount shall be deposited into a separate deposit account (the “AFC Escrow Account”) maintained at a financial institution on the list of debtor in possession institutions approved by the United States Trustee. No funds in the AFC Escrow Account

may be used by the Debtor for any purpose until further Order of the Court;

iii. Upon the sale of an AFC Secured Vehicle, the Debtor shall provide written documentation to AFC that, in AFC's discretion, verifies the final sale of such vehicle, and within two (2) business days of such verification AFC shall provide the Debtor with the title to the vehicle. AFC shall otherwise retain all vehicle titles;

iv. Other than for routine maintenance and test-drives during normal business hours, the Debtor shall not allow any AFC Secured Vehicle to leave its premises until receipt of title from AFC;

v. AFC shall be granted replacement liens in all property and assets of any kind and nature in which Debtor has an interest, whether real or personal, tangible or intangible, wherever located, now-owned or hereafter-acquired or arising and all proceeds, products, rents and profits thereof, including, without limitation, all cash, accounts, chattel paper, deposit accounts, documents, equipment, general intangibles, instruments, investment property, letters of credit rights, vehicles, goods, accounts receivable, inventory, cash-in-advance deposits, real estate, machinery, intellectual property (including trademarks and trade names), licenses, causes of action, rights to payment, including tax refund claims, insurance proceeds and tort claims, and the proceeds, products, rents and profits of all of the foregoing with the same priority, validity, and extent as AFC's pre-petition liens; provided, however, that such liens shall not attach to any claims or causes of action arising under 11 U.S.C. §§ 544, 545, 547, 548 or 550;

vi. The Debtor shall provide AFC within a reasonable time after entry with (a) a written report regarding each AFC Secured Vehicle sold or otherwise disposed of during the previous week, including (i) the date of such sale, (ii) an identification of such vehicle, and (iii) the sale price of such vehicle, (b) a written report regarding each Secured Vehicle still owned by the Debtor and the location and condition of such vehicle, and (c) a report of the balance in the AFC Escrow Account, including a listing of all deposits and withdrawals;

vii. The Debtor shall at all times keep the AFC Secured Vehicles insured under the same terms and conditions as set forth in the respective AFC Note. AFC may inspect its collateral and all documents related thereto and the Debtor's premises during regular business hours without notice to the Debtor or its counsel. The Debtor shall maintain all documents related to AFC's collateral, including all sale documents, at its principal place of business; and

viii. The Debtor shall remain current in the payment of all post-petition tax liabilities, including but not limited to accruing ad valorem property taxes, sales and use taxes, payroll taxes, and income taxes.

E. As further adequate protection under 11 U.S.C. § 363(e) of the Bankruptcy Code, the Debtor shall tender the sum of \$202.07 to AFC by May 2, 2017 and each month thereafter until further order of court.

F. All payments made to AFC during the period of interim cash use may be provisionally applied to the Debtor's obligations by AFC in its discretion.

G. If the Debtor fails to perform all obligations in accordance with the terms of this interim Order, and in the event the Debtor does not cure such failure within 5 business days after AFC provides Debtor's counsel with notice of such failure, then upon filing with the Court by AFC of a notice of default the Debtor's right to use AFC's cash collateral and sell the AFC Secured Vehicles shall

terminate pending either the consent of AFC or further order of the Court.

H. In the event any creditor receives relief under 11 U.S.C. § 362 with respect to collateral in which AFC assert an interest, the Debtor's right to use cash collateral in which AFC asserts an interest shall terminate without further order of the Court.

I. The Debtor expressly reserves its right to seek additional use of cash collateral beyond the stated term of this Order. AFC expressly reserves its right to seek further consideration of the relief granted in this Order or other cash collateral issues, including but not limited to its right to object to the Debtor's use of cash collateral on a final basis. Nothing in this Order shall waive any rights of any party unless expressly provided for herein.

J. This Order shall remain in full force and effect until the earlier of the (i) entry of an Order by the Court modifying the terms of this Order; (ii) entry of an Order by the Court terminating this Order for cause, including but not limited to breach of its terms and conditions; or (iii) entry of a subsequent interim or final Order approving use of cash collateral.

K. If any or all of the provisions of this Order are hereafter modified, vacated or stayed by any subsequent order of this Court or any other court, such stay, modification or vacation shall not affect the validity or enforceability of any lien or priority authorized or created hereby prior to the effective date of such modification, stay, vacation or final order to the extent that such lien or priority is valid, perfected, enforceable and otherwise nonavoidable as of the Petition Date.

L. The Debtor shall serve notice of this Order on all parties entitled to receive the same pursuant to Bankruptcy Rules 1007 and 4001.

Enter:



United States Bankruptcy Judge

Dated: **JAN 10 2018**

Prepared by:

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Monthly Budget

1	Receipts from operations	\$	38,000.00
2	Other Receipts		
3	Net Payroll:		
a	Officers	\$	1,133.00
b	Others	\$	3,642.00
4	Taxes		
a	Federal Income Taxes	\$	-
b	FICA withholdings	\$	1,090.00
c	Employees withholdings	\$	-
d	Employer's FICA	\$	534.00
e	Federal Unemployment Taxes	\$	34.00
f	State Income Tax	\$	-
g	State Employee withholdings	\$	228.00
h	All other state taxes	\$	320.00
5	Necessary expenses:		
a	Rent or mortgage payments	\$	8,660.00
b	Utilities	\$	929.00
c	Insurance	\$	958.00
d	Merchanise bought for manufacture or sale	\$	5,000.00
e	Other necessary expense (specify)		
	Merchant account fees	\$	325.00
	Parts Purchases-local	\$	100.00
	Parts Shipping Cost	\$	3,000.00
	SOS, inspect	\$	-
	Towing-local	\$	500.00
	Advertising and Promotion	\$	2,100.00
	Bank Service Charges	\$	50.00
	Car expenses	\$	800.00
	Computer and Internet Expenses	\$	28.00
	Dealer licenses	\$	-
	ebay fees	\$	2,500.00
	Misceleneous	\$	200.00
	Office Supplies	\$	200.00
	Parts programs	\$	1,310.00
	Paypal fees	\$	850.00
	Repairs and Maintenance	\$	300.00
	Shop Supplies	\$	500.00
	Telephone Expenses	\$	210.00
	Total Expenses	\$	35,501.00
	Net	\$	2,499.00
	Adequate Protection		
	1st Global Capital	\$	189.60
	Automotive Financing Company	\$	202.27
	Capital Merchant Services	\$	137.02
	First Home Bank	\$	1,705.31
	Swift Capital	\$	264.81
		\$	2,499.00