

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)
) Chapter 11
MARKPOL DISTRIBUTORS, INC., *et al.*,)
) Case No. 18-06105
 Debtors.¹)
) (Jointly administered)
)
) Hon. A. Benjamin Goldgar
)
)
)

**FOURTEENTH INTERIM ORDER AUTHORIZING THE USE OF CASH
COLLATERAL PURSUANT TO 11 U.S.C. § 363 AND GRANTING RELATED RELIEF**

THIS MATTER COMING TO BE HEARD upon the motions (ECF Nos. 5 and 86) of Markpol Distributors, Inc. ("Markpol"), Vistula Development, Incorporated ("Vistula"), and Kozyra Holdings, LLC – 955 Lively LLC ("955 Lively", together with Markpol and Vistula, the "Debtors"), debtors/debtors-in-possession herein in the above-captioned chapter 11 cases ("Chapter 11 Cases"), requesting the entry of a fourteenth interim order authorizing the Debtors' use of the cash collateral of MB Financial, N.A., (the "Prepetition Secured Lender") within the meaning of Section 363(a) of the Bankruptcy Code (the "Cash Collateral"); and the Debtors having modified the relief requested in the Motion to seek the use of Cash Collateral ("Motion") through the close of business on March 30, 2019 in accordance with the terms of this order (the "Fourteenth Interim Order") and the Budgets (as hereinafter defined); and the Court having considered the terms of the motions, and this Fourteenth Interim Order, and after due deliberation and consideration, and good and sufficient cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The motions are granted on the terms and conditions set forth in this Fourteenth Interim Order. This Fourteenth Interim Order will become effective and binding upon all parties in interest immediately upon its entry. Debtors are hereby authorized to use the Cash Collateral through March 30, 2019 solely in accordance with the Budgets (as hereinafter defined) and the other terms and conditions set forth in this Fourteenth Interim Order, unless otherwise authorized in writing by the Prepetition Secured Lender.

2. Attached hereto as Exhibits A-C are budgets ("Budgets") for each of the Debtors for the period commencing on ~~February 9, 2019~~ and ending at the close of business on March 30, 2019 (the "Budget Period"). (The Budgets reflect on a line-item basis the Debtors' anticipated

February 3, 2019

¹ The Debtors in these cases, along with their federal tax identification numbers are: Markpol Distributors, Inc. (20-3579454), Vistula Development, Incorporated (20-8549454), and Kozyra Holdings, LLC – 955 Lively LLC (90-1005740).

cumulative expenses which Debtors expect to incur during each week of the Budget Period. On a weekly basis for the period from the Petition Date through each week of the Budget Period: (a) the aggregate actual disbursements by the Debtors from the Petition Date to any report date must be no greater than 110% of the aggregate amount of projected disbursements for such period as set forth in the Budget; (b) Debtors must provide the Prepetition Secured Lender through its representative Mary Alberts via email at MAAlberts@mbfinancial.com by 5:00 p.m. Central each Wednesday: (i) a detailed accounts receivable aging report for Markpol; (ii) a weekly accounts receivable billing log for Markpol; (iii) a weekly budget variance report for all Debtors; (iv) a weekly inventory purchase log for Markpol; and (v) CVS system screen shots representing the next four (4) week payments to the reporting for Markpol; and (c) Debtors must also provide the Prepetition Secured Lender through its representative Mary Alberts via email at MAAlberts@mbfinancial.com: (i) monthly financials statements (income statement and balance sheet) by the 20th of each following month; (ii) rolling four quarter financial statement forecasts due five (5) days prior to the start of each respective quarter, *e.g.*, March 31, June 30, September 30 and December 31; and (iii) a monthly inventory report for Markpol.

3. Debtors may not make any payments or other distributions other than the itemized projected disbursements set forth in the Budgets without the prior written consent of the Prepetition Secured Lender. The Budgets may not be modified without the prior written consent of the Prepetition Secured Lender or further order of this Court.

4. In return for the Debtors' continued interim use of cash collateral, Prepetition Secured Lender is granted adequate protection for its asserted secured interests in substantially all of the Debtors' assets, including cash collateral equivalents and the Debtors' cash and accounts receivable, among other collateral (the "Collateral") to the extent and validity as held prepetition.

a. The Debtors must permit the Prepetition Secured Lender to inspect, upon reasonable notice, within reasonable hours, the Debtor's books and records;

b. The Debtors must maintain and pay premiums for insurance to cover the Collateral from fire, theft and water damage, and the Prepetition Secured Lender consents to the payment of such premiums from its cash collateral;

c. The Debtors must, upon reasonable request, make available to the Prepetition Secured Lender evidence of that which constitutes its collateral or proceeds;

d. The Debtors must properly maintain the Collateral in good repair and properly manage the Collateral; and

e. Prepetition Secured Lender is granted replacement liens, attaching to the Collateral, but only to the extent of their prepetition liens.

5. Any financial reports required to be provided to the Prepetition Secured Lender pursuant to this Order shall also be provided or made available to counsel retained by the Official Committee of Unsecured Creditors.

6. A continued hearing on the Motion is scheduled before the Court on March ²⁵ 2019 at 10:00 a.m.

Dated: 04 FEB 2019

ENTERED:


UNITED STATES BANKRUPTCY JUDGE

**Markpol Distributors, Inc.
Cash Collateral Budget**

Exhibit A

Budget Week	Budget Week	Budget Week	Budget Week	Budget Week	Budget Week	Budget Week	Budget Week	Budget Week	Budget Week
02/09/19	02/16/19	02/23/19	03/02/19	03/09/19	03/16/19	03/23/19	03/30/19		
Beginning Bank Cash	\$38,198	\$47,698	\$2,198	\$25,698	\$10,198	\$19,698	\$14,198		
Cash Receipts (a) CVS	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000		
Cash Receipts (a) Specialty Non AR Cash	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000		
Sub Lease Payments									
Total Receipts	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Cash Disbursements:									
Inventory	\$140,000	\$140,000	\$140,000	\$130,000	\$150,000	\$100,000	\$140,000		
Payroll-Related	\$80,000	\$100,000	\$100,000	\$80,000	\$20,000	\$100,000	\$0		
Lease (Rent)	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0		
Vehicle Expense Fuel	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000		
Insurance (All)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Warehouse & Building Expense	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000		
Logistics Expense	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000		
Utilities	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500		
US Trustee Fee	\$0	\$26,000	\$26,000	\$0	\$0	\$0	\$0		
Software / IT	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		
All Misc. Other Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000		
Professional Fees	\$0	\$0	\$5,000	\$0	\$5,000	\$0	\$5,000		
Total Cash Disbursements	\$245,500	\$265,500	\$196,500	\$235,500	\$210,500	\$225,500	\$196,500	\$196,500	\$196,500
Ending Bank Cash Balance	\$38,198	\$47,698	\$25,698	\$10,198	\$19,698	\$14,198	\$37,698		

**Vistula Development Incorporated
Court Cash Collateral Budget**

Exhibit B

Budget Week	Budget Week 02/09/19	Budget Week 02/16/19	Budget Week 02/23/19	Budget Week 03/02/19	Budget Week 03/09/19	Budget Week 03/16/19	Budget Week 03/23/19	Budget Week 03/30/19
Budget Week Ending	\$5,612	\$5,612	\$6,024	\$6,024	\$6,024	\$1,024	\$1,436	\$1,436
Beginning Bank Cash	\$0	\$10,412	\$0	\$0	\$0	\$10,412	\$0	\$0
Rent Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Receipts	\$0	\$10,412	\$0	\$0	\$0	\$10,412	\$0	\$0
Cash Disbursements:								
Building Maintenance and Repairs	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0
US Trustee								
Professional Fees		\$10,000				\$10,000		
RE Tax Payment	\$0						\$0	
Total Cash Disbursements	\$0	\$10,000	\$0	\$0	\$5,000	\$10,000	\$0	\$0
Ending Bank Cash Balance	\$5,612	\$6,024	\$6,024	\$6,024	\$1,024	\$1,436	\$1,436	\$1,436

**Kozyra Holdings - 955 Lively LLC
Court Cash Collateral Budget**

Exhibit C

Budget Week Week Ending	Budget Week 2/9/19	Budget Week 2/16/19	Budget Week 2/23/19	Budget Week 3/2/19	Budget Week 3/9/19	Budget Week 3/16/19	Budget Week 3/23/19	Budget Week 3/30/19
Beginning Bank Cash	\$8,675	\$8,675	\$10,175	\$10,175	\$10,175	\$10,175	\$20,175	\$11,675
Rent Received	\$0	\$10,000	\$0	\$0	\$0	\$10,000	\$0	\$0
Total Receipts	\$0	\$10,000	\$0	\$0	\$0	\$10,000	\$0	\$0
Cash Disbursements:								
Building Maintenance and Repairs	\$0	\$8,500	\$0	\$0	\$0	\$0	\$8,500	\$0
US Trustee								
Professional Fees								
RE Tax Payment								
Annual Fee To Balance								
Total Cash Disbursements	\$0	\$8,500	\$0	\$0	\$0	\$0	\$8,500	\$0
Ending Bank Cash Balance	\$8,675	\$10,175	\$10,175	\$10,175	\$10,175	\$20,175	\$11,675	\$11,675