

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:)	BK No.: 18-11597
)	
ERI AMERICA, INC.,)	Chapter: 11
)	Honorable Donald R. Cassling
)	
Debtor(s))	

**FIFTH ORDER AUTHORIZING USE OF CASH COLLATERAL AND
GRANTING ADEQUATE PROTECTION**

This cause coming on the Motion of ERI AMERICA, INC., (“the Debtor”) for an Interim Order Authorizing Use of Cash Collateral and Granting Adequate Protection (the “Motion”) and the Court being fully advised in the premises;

IT IS HEREBY FOUND THAT:

- A. Due notice of the Motion has been given to all parties entitled thereto;
- B. This matter is a core proceeding pursuant to 28 U.S.C. 157(b)(2), and the Court has jurisdiction over the matters raised in the Motion under 28 U.S.C. 157 and 1334;
- C. The relief requested in the Motion is in the best interests of Debtor, its estate, creditors, and other parties in interest;
- D. The Illinois Department of Revenue, the Internal Revenue Service, Birla Precision Technologies, Inc. and Mapal, Inc. have assert secured claims against some or all of the Debtor’s assets, including the Debtor’s cash and accounts receivable pursuant to tax liens or pending Citation to Discover Assets (“Lienholders”);
- E. Good and sufficient cause exists for the granting of the relief requested in the Motion as set forth herein.

Accordingly, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted on an interim basis as provided herein. Except as expressly set forth herein, the terms and conditions of this Order (the “Second Cash Collateral Order”) shall continue in full force and effect though and including October 30, 2018. A further hearing to consider the Motion and entry of additional cash collateral orders will be held on October 30, 2018 at 10:00 am Central Time.
2. To the extent that the Lienholders have valid, perfected, and enforceable liens, or other interests, in Debtor’s cash and/or accounts receivable and other collateral may be reduced to cash (the “Cash Collateral”), the Debtor may use the Cash Collateral to pay those items delineated in the budget (the “Cash Collateral Budget”) attached to this Order as Exhibit A, with a variance from actual-to-projected weekly disbursements not to exceed 10%, on a cumulative basis. The Debtor’s permission to use the Cash Collateral as provided herein shall be for the period commencing on the date that this case commenced (the “Petition Date”) through and including the period ending September 30, 2018.
3. As adequate protection for any interests of the Lienholders in the Cash Collateral, the LIENHOLDERS are granted replacement liens upon and in, Debtor’s post-petition cash and accounts receivable in the same priority as the LIENHOLDERS’s existing, pre-petition liens (to the extent valid), and in no event to exceed the type, kind, priority and amount, if any, of their liens which existed on the date that the Debtor filed its petition to commence this case.
4. In the event actual weekly disbursements exceed the Cash Collateral Budget attached hereto, by more than 10% on a cumulative basis, the Lienholders may file a motion for relief from the Automatic

Stay provided in Section 362 of the Bankruptcy Code; except that the LIENHOLDERS shall not be entitled to such a hearing on this basis if actual disbursements are greater than 10% above the Cash Collateral Budget on a cumulative basis (i) the Debtor provides written notice to the LIENHOLDERS prior to the making of any such disbursements, and (ii) either the LIENHOLDERS consents in writing, or the LIENHOLDERS does not object in writing to such disbursements within twenty-four (24) hours of receipt of such notice. Notice as described in the paragraph shall be made by email to counsel who have appeared in this case.

5. Except as set forth herein, the Debtor and the LIENHOLDERS reserve their respective rights with regard to the LIENHOLDERS's assertion of secured claims against the Debtor. Nothing in this Interim Cash Collateral Order shall be construed to impair the rights of the LIENHOLDERS to assert any claims (including claims to have liens against additional collateral) or the rights of the Debtor, any committee appointed in this case, or any other entity to contest the validity, priority, perfection or amount of the Lienholders Claims.

6. That the Debtor is authorized to make make monthly adequate protection payments to the LIENHOLDERS consisting of 9% interest retroactive to the Petition date as follows:

Illinois Department of Revenue \$79.00
Internal Revenue Service \$865.23
Birla Precision Technologies Inc. \$1,153.37
Mapal, Inc. \$771.05

7. This Fifth Cash Collateral Order is immediately enforceable upon entry.

Enter:


United States Bankruptcy Judge

Dated: 02 OCT 2018

Prepared by:

JOSEPH E. COHEN
105 W. Madison Street
Suite 1100
Chicago, IL 60602
312/368-0300

Exhibit "A"

10/2-10/31/18

Revenues	
Sales #1	\$ 23,500.00
Shipping Charges Reimbursed	175.00
Sales Commissions	(690.00)
Sales Discounts	-
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Total Revenues	\$ 22,985.00

Cost of Sales	
Cost of Sales-Collets	1,719.00
Cost of Sales - Custom Tools	2,300.00
Cost of Sales - Taps	-
Cost of Sales - Turning Tools	-
Cost of Sales-Toolholders	1,638.00
Cost of Sales - Live Tools	-
Cost of Sales-Drills	131.00
Cost of Sales-accessories	98.00
Cost of Sales-Freight	332.00
Cost of Sales-Duty	161.00
Cost of Sales-Brokerage Fees	-
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Total Cost of Sales	\$ 6,379.00
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Gross Profit	\$ 16,606.00

Expenses	
Illinois Dept of Revenue	-
Internal Revenue Service	865.23
Mapal, Inc.	771.00
Auto Expenses	1,140.00
Bank Charges	-
Computer Expense	610.00
Entertainment Expense	-
Insurance Expense - Commercial	1,468.40
Insurance Expense - Health	1,480.00
Laundry and Cleaning Exp	250.00
Maintenance Expense	-
Office Expense	115.00
Payroll Tax Expense	1,823.00
Postage Expense	27.00
Printing & Stationery	-
Rent or Lease Expense	-
OFFICE EQUIPMENT RENTAL	22.00
Telephone Expense	710.00
Tooling Expense	-
Travel Expense	110.00
Wages Expense	6,400.00

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Warehouse Expense	138.00
Utilities Expense	650.00
Purchase Disc-Expense Items	<u>-</u>
Total Expenses	<u>16,579.63</u>
Net Income	<u>26.37</u>