

UNITED STATES BANKRUPTCY COURT
 NORTHERN DISTRICT OF INDIANA
 HAMMOND DIVISION

IN RE:)	Chapter 11
)	
Algozine Masonry Restoration, Inc.)	Case No. 16-23208
)	
Debtor.)	
_____)	

**SIXTH INTERIM ORDER GRANTING DEBTOR’S EMERGENCY
 MOTION FOR AUTHORITY TO USE CASH COLLATERAL**

HAMMOND on July 13, 2017

This cause comes before the Court on the “Debtor’s Emergency Motion For Authority To Use Cash Collateral” (the “Cash Use Motion”) filed by Algozine Masonry Restoration, Inc., as debtor and debtor-in-possession (the “Debtor”). In the Cash Use Motion, the Debtor seeks authority to use Cash Collateral to pay for operating and administrative expenses and a carve-out for its professional fees. It also seeks an interim order authorizing and allowing the use of Cash Collateral on an interim basis pending a final hearing on the Cash Use Motion. The Court, having considered the Cash Use Motion and being duly advised of the premises, makes the following findings of fact and conclusions of law:

1. On November 10, 2016 (the “Petition Date”), the Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtor is continuing to operate its business as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This proceeding presents a core proceeding under 28 U.S.C. §§ 157(b)(2)(A) and (M). The Court’s jurisdictional limits and ability to enter final judgments under *Stern v. Marshall*, 131 S.Ct. 2594, 180 L.Ed.2d 475 (U.S. 2011) are not implicated.
3. Notice of the Cash Use Motion has been given in accordance with Federal Rule of Bankruptcy Procedure 4001(b).
4. The urgency of the relief requested in the Cash Use Motion is grounds for conducting an emergency hearing to grant interim relief.
5. The Debtor operates an a tuckpointing and brick restorations business in Griffin, Indiana. It has approximately 17 employees as of the Petition Date.
6. The Debtor became indebted to the following lenders:

Cash Collateral Creditor	Obligation Secured	Amount	Collateral
Ridgestone Bank Loan secured also by property owned by Co-Debtor Algozine Properties LLC, located at 2000 North Lafayette Court, Griffith, Indiana	Term Loan	\$1,069,377.90	Blanket lien on all assets, including real property owned by Co-Debtor
Snap Financial	Revolving Line of Credit	\$256,946.00	Blanket lien on all assets
Kabbage Lending	2/11/16	\$43,107.00	Blanket lien on all assets
Bank de Leon	Revolving Line of Cred	\$72,500.00	Blanket lien on all assets
Arch Capital	Revolving Line of Cred	\$62,950.00	Blanket lien on all assets
Platinum Rapid Funding	Revolving Line of Cred	\$113,000	Blanket lien on all assets
Gilco Scaffolding Co. LLC	Judgement creditor	\$114,474.00	All tools, Equipment, vehicles, and office material used in conducting business for Debtor

7. All of the Debtor's cash and cash equivalents (cash and accounts receivable) as of the Petition Date and all proceeds thereof securing the Debtor's obligations to the Cash Collateral Creditors constitute "cash collateral" as that term is defined in § 363(a) of the Bankruptcy Code (the "Cash Collateral"). The Debtor knows of no party other than the Cash Collateral Creditors who may claim an interest in the Cash Collateral.

8. The Debtor cannot operate its business without maintaining its business operations, paying for necessary services, and satisfying its other working capital needs in the ordinary course of business.

9. The Debtor lacks sufficient unencumbered Cash Collateral with which to continue to operate its business in this chapter 11 case.

10. The Debtor must have immediate interim authority to use Cash Collateral to continue its operations without interruption long enough to allow it to achieve a chapter 11 plan.

11. The Debtor lacks an alternative borrowing source from which it could secure sufficient funding to operate its business without the use of Cash Collateral.

12. The Debtor has developed a budget for ordinary and necessary operating and administrative expenses for each 30 day period covered by this order (the "Budget"). The Budget

will be used per each 30 days period governed by this order. A true and correct copy of the Budget is attached hereto as **Exhibit A**.

13. The Debtor also seeks a carve-out for its professional fees equal to the amount of such professional's retainer as approved by the Court as reasonable and necessary (the "Carve Out").

14. The Debtor's use of Cash Collateral to the extent and the terms and conditions set forth herein is in the best interests of the Debtor, its estate, and its creditors in that it allows the Debtor to maintain its business and avoid serious irreparable harm to the estate and the Debtor's creditors.

15. The Cash Use Motion complies with Federal Rule of Bankruptcy Procedure 4001.

16. Byline Bank as Successor to Ridgestone Bank, having consented to the Use of cash collateral on the first and Second Order, Third Order, Fourth Order and Fifth Order.

Based upon the foregoing findings and conclusions and the representations of counsel made at the hearing hereon, and good and sufficient cause appearing therefor, it is therefore CONSIDERED AND ORDERED as follows:

A. The foregoing findings and conclusions are hereby incorporated into the Order as if set forth in full herein.

B. The Cash Use Motion is hereby granted on an interim basis pending a final hearing.

C. The Debtor may use Cash Collateral only according to the terms set forth in this Order.

D. The Cash Collateral Creditors shall be entitled to the following Adequate Protection for the Cash Collateral Period as adequate protection for the Debtor's use of Cash Collateral:

i. The Debtor shall expend its Cash Collateral only for the items, and in the amounts, set forth in the Budget, plus a variance versus the Budget of up to 10% overall and for each line item;

ii. The Debtor shall provide to the Cash Collateral Creditors replacement liens on all property of the Debtor of the same type, description and priority as the Cash Collateral Creditors' pre-petition collateral to the extent that there is any diminution in value of such property resulting from the Debtor's post-petition use of such property;

iii. The post-petition security granted to the Cash Collateral Creditors shall have priority over all other claims (including but not limited to claims pursuant to Bankruptcy Code sections 503(b), 507(a), 507(b) and 726(b)) other than United

States Trustee fees, to the extent of any diminution in value of their collateral, subject to the Carve-Out provided in paragraph 13 above.

iv. The Debtor shall maintain insurance on all collateral of the Cash Collateral Creditors;

v. The Debtor shall maintain and care for the Debtor's property post-petition in a manner consistent with the Debtor's maintenance and care for such property pre-petition;

vi. The Debtor shall provide the Cash Collateral Creditors with monthly operating reports upon filing with the Court and the United States Trustee;

vii. The Debtor shall permit the Cash Collateral Creditors, or their representatives, to have access to any of the Debtor's premises, on reasonable prior notice, to inspect the Debtor's books and records and the Cash Collateral Creditors' collateral;

viii. Debtor having paid its Rent to Algozine Properties LLC, which in turn paid to Byline Bank \$5,500 on July 12, 2017 for the mortgage. The Debtor shall pay to Algozine Properties LLC rent as follows, with the amount being paid to Byline:

1. \$5,500 on 7/24/17
2. \$5,500 on 8/7/17
3. \$5,500 on 8/23/17
4. \$5,500 on 9/8/17
5. \$5,500 on 9/22/17
6. \$5,500 on 10 /6/17
7. \$5,500 on 10/20/17

17. The occurrence of any event listed in this paragraph shall be a default. If the Debtor fails to cure such default or file a motion contesting that a default has occurred within five business days of written notice of the default from the Cash Collateral Creditors, the automatic stay of 11 U.S.C. § 362 shall immediately be lifted with respect to the Cash Collateral Creditors without the need to obtain further order of this Court. Events of default include:

- i. The Debtor's failure to provide any of the listed forms of adequate protection set forth in paragraph D above; and
- ii. Appointment of a trustee; and
- iii. Conversion of the Debtor's bankruptcy case to a chapter 7 case.

18. Nothing in this Order shall bar or inhibit the Cash Collateral Creditors from seeking additional adequate protection, lifting of the automatic stay, conversion of the case to a chapter 7 case, appointment of the trustee or any other form of relief, or from consenting to the

Debtor's use of Cash Collateral amounts more than those set forth in the Budget.

19. The Carve-Out is approved on an interim basis pending a final hearing.

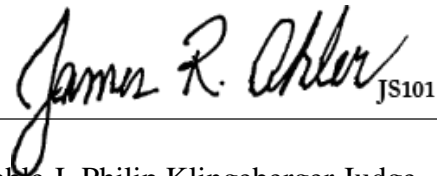
20. Notice of the entry of this Order shall be given by the Debtor to the parties upon whom service is required by Federal Rules of Bankruptcy Procedure 2002 and 4001.

21. The Court will conduct a Pre Trial Status Conference on the Cash Use Motion will be held at in Room October 19, 2017 at 11:00 ~~pm~~ am of U.S. Bankruptcy Courthouse, 5400 Federal Plaza, Hammond, Indiana 46320

E. In the event that no timely objection to the Motion is filed, this Order shall be deemed final for all purposes.

F. Absent further order of this Court, the Debtor's authority to use Cash Collateral shall expire on October 31, 2017

SO ORDERED this 14th day of July 2017.

Handwritten signature of James R. Ahler in black ink, with the initials JS101 written in the bottom right corner of the signature.

The Honorable J. Philip Klingeberger Judge
United States Bankruptcy Court

ALGOZINE MASONRY

Monthly Budget

	1 month
Cash on Hand	16,856
Total Sales:	220,000
Cost of Goods Sold:	
Subcontractors:	1,700
Materials:	8,300
Equipment Rental:	1,164
Debris Removal:	1,212
Union Benefits:	39,600
Licenses & Permits:	1,946
Labor:	58,700
Total COGS:	112,622
Expense:	
Vehicle/Gas/Oil/Misc.:	1,860
Repairs-Vehicles	800
Taxes-UC:	1,438
Performance Bonds:	
Safety Supplies:	200
Warehouse supplies:	1,372
Taxes-FICA:	32,560
Health Insurance - Office :	550
Health insurance Dave A reimburse	1,200
Health insurance Ray S reimburse	1,100
Property Taxes Escrow:	7,742
Insurance:	11,000
Rent Algozine - 1st week	5,500
Rent Algozine - 3rd week	5,500
Repairs/Maintenance:	800
Telephone/Internet :	1,688
Utilities:	1,008
Miscellaneous:	400
Payroll Expenses:	200
Depreciation:	0
Bank Charges:	200
Office Supplies:	100
Professional Fees:	2,100
Office Security:	50
Office Salary:	12,100
Warehouse / Drivers	12,180
Lease Payment Auto	500
Trustee Fees	975
Total G&A Expense:	103,123
Total COGS	112,622
Total Costs	215,745
Total Sales:	220,000
Cash on Hand	16,856
NOP/NOL:	21,111