

UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF MASSACHUSETTS
(Eastern Division)

In Re:

Chapter 11

GARBER BROS., INC.,

Case No. 17-11802 (MSH)

Debtor.

**ORDER CONCERNING INTERIM USE OF CASH COLLATERAL
AND ADEQUATE PROTECTION**

Upon consideration of the Debtor's *Motion for Order Authorizing the Use of Cash Collateral and for Related Relief* dated July 26, 2017 (the "**Motion**") filed by Garber Bros., Inc. (the "**Debtor**"), pursuant to which the Debtor seeks authority to use funds and assets of the Debtor constituting cash collateral subject to the security interest claimed by Citizens Bank, N.A. (the "**Lender**"), Zurich American Insurance Company, and the Massachusetts Department of Revenue as well as funds received and other cash collateral that are subject to replacement liens granted by this Order (all of the foregoing, the "**Cash Collateral**"); the Lender having assented to the entry of this Order; and after due deliberation and sufficient cause appearing therefor,

THE COURT FINDS AND RULES THAT:

- A. This Court has jurisdiction over these cases under 28 U.S.C. Section 1334(b).
- B. The Motion initiates a core proceeding pursuant to 28 U.S.C. Section 157(b)(2) as to which this Court may issue a final order.

C. The form of the Motion and the Cash Collateral Stipulation¹ meet the requirements of Fed. R. Bankr. P. 4001(b)(1)(A) and (B) and MLBR 4001-2(a) and (c). Service thereof has been made in accordance with Fed. R. Bankr. P. 4001(b)(1)(C) and MLBR 4001-2(b). Notice of the hearing thereunder (the “**Hearing**”) has been given in accordance with Fed. R. Bankr. P. 4001(b)(3) and MLBR 4001-2(e). Due and adequate notice has been given to all parties entitled thereto, and no other or further notice is necessary or required.

D. This Court has reviewed the Motion and the Cash Collateral Stipulation and has considered the representations of the Debtor regarding the relief requested therein. The Hearing was held before this Court on August 2, 2017. At the Hearing, this Court heard and considered arguments by all parties that wished to be heard.

E. The relief requested in the Motion and the Cash Collateral Stipulation is necessary pending the final hearing contemplated by Fed. R. Bankr. P. 4001(b)(2) (the “**Final Hearing**”), and is in the best interest of the Debtor, its estate, its creditors and other parties in interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The use of Cash Collateral is approved on an interim basis through October 6, 2017 in accordance with the Motion, this Court’s prior order regarding Cash Collateral dated July 17, 2017 [docket no. 139], and the budget attached to this order as Exhibit A (the “Budget”), and under the terms and conditions of the Cash Collateral Stipulation.

2. On or before the 15th day of each month, the Debtor shall submit to the Office of the United States Trustee and file with the Court a cash flow report showing a comparison for the prior

¹ All terms used in this Order with initial capitalization that are defined in the Motion shall have the same meaning when used in this Order as in the Motion.

calendar month of actual results of all items contained in the Budget to the amounts originally contained in the Budget.

3. As set forth in the Budget, the Debtor shall reserve and escrow the amount of \$66,000 on account of the motion by certain asserted creditors to compel disgorgement of non-estate property [docket no. 155] and pending the disposition of such motion.

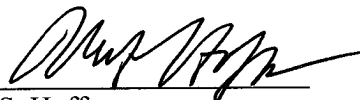
4. Any and all objections to the Motion and the Cash Collateral Stipulation, insofar as they seek interim relief, are hereby overruled. All objections to the Motion and the Cash Collateral Stipulation, insofar as they seek other than interim relief, are hereby expressly preserved to the Final Hearing, *provided* that any such objection shall be made in writing, filed with this Court and served upon the United States Trustee and upon counsel to the Debtor, the Lender, and all parties requesting notice in this case on or before the Objection Deadline (as defined forth below).

5. The Final Hearing is hereby scheduled for Oct 4, 2017 at 11:00 a.m. before the Court.

6. All objections to the further use of Cash Collateral shall be filed not later than Sept 21, 2017 at 4:30 p.m. (the "Objection Deadline"). *Any budget for further use of cash collateral shall be filed by Sept. 22, 2017*

7. The Debtor shall serve a copy of this Order on all persons entitled to receive notice under Fed. R. Bankr. P. 4001(b)(3) and MLBR 4001-2(e).

Dated: August 2, 2017



Melvin S. Hoffman
United States Bankruptcy Judge

EXHIBIT A

	Actual	Revised Year	Revised Year	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total
	21-Jul	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	12 weeks
		28-Jul	4-Aug	11-Aug	18-Aug	25-Aug	1-Sep	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	
Inflows:														
AR Collection	128	168	93	143	181	99	186	293	218	294	242	181	181	2,096
Inventory Sales/Returns	132			15	40									15
Prepaid Insurance Refund						50								40
Vendor Rebates														50
Equipment Sales/Auction proceeds			180											180
Proceeds From Life Insurance Policy									300					300
Other Cash Receipts	1													300
Total Inflows	261	168	273	158	221	149	186	293	518	294	242	181	181	2,681
"Part A" Expenses														
Payroll	21	20	19	13	13	12	12	12	10	10	10	9	9	150
Commission on Collections	1	2	2	2	2	2	2	2	2	2	2	2	2	24
Health Insurance	14	2		16	16				16	16				34
Director's Professional Fees	25	15	15	15	20	20	20	20	20	20	20	20	20	235
Special Counsel for Collection	5	5	5	5	5	5	5	5	5	5	5	5	5	60
Counsel for UCC	3	3	3	3	3	3	3	3	3	3	3	3	3	30
Property Insurance									10					10
Rent														11
Property Taxes														32
Utilities														17
RMC														12
Other														63
PACA Claim Reserve														66
Wind Down Fund														
Permitted Variance (5%)														
Subtotal Expenses	68	114	51	66	93	93	52	44	53	70	42	41	41	760
Inflows Net of Expenses	193	55	221	92	128	55	135	249	465	224	200	140	140	1,921
Estimated Tobacco & Sales Tax Disbursements														
Tobacco Taxes	18	44	54	30	46	58	32	60	95	71	95	78	59	723
Tobacco Tax - Disputed Tax Reserve														
Sales Tax	2	5	8	5	10	13	7	13	21	15	21	17	13	147
Subtotal Estimated Tax Disbursements	21	49	63	35	56	71	39	73	116	86	116	95	71	870
Net Cash Inflow (Outflow)	173	4	159	57	72	(16)	96	176	350	138	84	45	(112)	1,051
Beginning Cash	308	478	300	383	295	359	245	275	391	634	382	328	287	478
Loan (Paydowns) Advances	(3)	(182)	(75)	(145)	(8)	(98)	(66)	(60)	(107)	(390)	(137)	(86)	(86)	(1,355)
Ending Cash Balance	478	300	383	295	359	245	275	391	634	382	328	287	174	174
Beginning Loan Balance	1,358	1,355	1,173	1,098	953	944	847	781	721	614	223	86	-	1,355
Loan (Paydowns) Advances	(3)	(182)	(75)	(145)	(8)	(98)	(66)	(60)	(107)	(390)	(137)	(86)	-	(1,355)
Adjustment to Loan Balance														
Ending Loan Balance	1,355	1,173	1,098	953	944	847	781	721	614	223	86	-	-	-
Tobacco Tax Liabilities														
Beginning Tobacco Tax Liability	\$ (1,340)	\$ (1,322)	\$ (1,278)	\$ (1,224)	\$ (1,194)	\$ (1,148)	\$ (1,089)	\$ (1,057)	\$ (997)	\$ (902)	\$ (831)	\$ (736)	\$ (658)	\$ (1,322)
Payments - Tobacco Taxes	18	44	54	30	46	58	32	60	95	71	95	78	59	723
Disputed Excise Tax Reserve														
Ending Tobacco Tax Liability	\$ (1,322)	\$ (1,278)	\$ (1,224)	\$ (1,194)	\$ (1,148)	\$ (1,089)	\$ (1,057)	\$ (997)	\$ (902)	\$ (831)	\$ (736)	\$ (658)	\$ (599)	\$ (599)
AR Rollforward														
Beginning A/R Balance	\$ 9,514	\$ 9,379	\$ 9,206	\$ 9,111	\$ 8,964	\$ 8,778	\$ 8,677	\$ 8,485	\$ 8,183	\$ 7,959	\$ 7,655	\$ 7,407	\$ 7,220	\$ 9,379
Sales	(128)	(168)	(93)	(143)	(181)	(99)	(186)	(293)	(218)	(294)	(242)	(181)	-	(2,096)
Credits/Returns	(7)	(5)	(5)	(4)	(15)	(3)	(6)	(9)	(7)	(9)	(7)	(5)	(5)	(63)
Ending A/R Balance	\$ 9,379	\$ 9,206	\$ 9,111	\$ 8,964	\$ 8,778	\$ 8,677	\$ 8,485	\$ 8,183	\$ 7,959	\$ 7,655	\$ 7,407	\$ 7,220	\$ 7,220	\$ 7,220