

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

BKY No.: 17-30094

Maciej Paint Corporation d/b/a
Industrial Painting Specialists, Inc.,

Debtor.

**Notice of Hearing and Motion for Order Authorizing
Use of Cash Collateral and Approving Adequate Protection**

1. Maciej Paint Corporation d/b/a Industrial Painting Specialists, Inc. (the “Debtor”) moves the Court for the relief requested below and gives notice of hearing.

2. The Court will hold a hearing on the Debtor’s request for relief at 9:30 a.m. on Wednesday, May 10, 2017, in Courtroom 2C of the United States Bankruptcy Court, 316 North Robert Street, St. Paul, Minnesota 55101, before the Honorable Katherine A. Constantine.

3. Any response to the request for an order authorizing the use of cash collateral shall be filed and served by delivery or by mail not later than five (5) days before the hearing date which is Friday, May 5, 2017. **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§157 and 1334 and Fed.R.Bankr.P. 5005. This proceeding is a core proceeding. The petition commencing this case was filed on January 13, 2017 (the “Filing Date”). The case is now pending in this court. The Debtor previously filed a Motion for Use of Cash Collateral (Docket No. 6). The Court conducted hearings on the Debtor’s Motion on January 18 and entered an Order approving the Motion (Docket No. 11). The Debtor and Premier Bank filed a Stipulation for the Use of Cash Collateral (Docket No. 28) and the Court conducted another hearing on the Debtor’s Motion on

February 8, 2017 and entered an Order to approve the Motion and the Stipulation between the Debtor and Premier Bank (Docket No. 30) . The Stipulation between the Debtor and Premier Bank expires May 20, 2017. The Debtor needs the ongoing use of cash to operate its business from May 21, 2017 to August 31, 2017. The Debtor may enter into an extension of the Stipulation with Premier Bank. The parties are discussing a Stipulation but as of the date of the filing of this Motion no agreement has been reached.

5. This motion arises under 11 U.S.C. §363(c)(2) and Bankruptcy Rules 2002, 4001(b) and 9014.

6. In the event a stipulation is reached prior to the hearing, the Debtor will seek approval of the stipulation without further notice or hearing pursuant to Bankruptcy Rule 4001(d)(4) and DEBTOR HEREBY GIVES NOTICE OF INTENT TO SEEK APPROVAL OF ANY SUCH STIPULATION.

7. The Debtor requests orders authorizing use of cash collateral so that the Debtor may meet its ordinary expenses as estimated in the cash flow analysis attached hereto as Local Rule 4001-2 Statement.

8. The Debtor operates a painting shop. The Debtor has been in business for 20 years. Pre-bankruptcy assets consist of cash, accounts receivable, office equipment, industrial equipment and inventory. The Debtor's verified Rule 4001-2 Statement described the Debtor's assets and liabilities. As stated in earlier pleadings, the only creditor with an interest in cash collateral is Premier Bank.

9. The value of the Debtor's assets will not materially increase or decrease over the period in which the Debtor seeks to use cash collateral. The Debtor believes it will enter into a

further cash collateral Stipulation with Premier Bank which will provide adequate protection to Premier Bank.

10. The Debtor's cash needs are as set forth on the verified Rule 4001-2 Statement attached hereto.

11. The Debtor needs to use cash collateral to meet its ordinary expenses and will suffer immediate and irreparable harm if it is unable to use cash collateral.

Offer of Adequate Protection

12. The Debtor hereby tenders the following as adequate protection of the interest of the Secured Creditor:

(a) The Debtor shall use cash to pay ordinary and necessary expenses and administrative expenses for the items and in the amounts as estimated in Rule 4001-2 Statement attached to the Debtor's declaration. The Debtor's actual use of funds will not vary materially from the terms set forth in said Rule 4001-2 Statement.

(b) The Debtor shall grant Premier Bank a replacement lien, to the extent of the Debtor's use of cash collateral, in all post-petition in the same type of lien of Premier Bank in pre-petition assets including post-petition cash, cash equivalent income, issues, profits, rents, accounts receivable, instruments, contract rights, deposit accounts, books and records, inventory, receivables and equipment.

(c) The Debtor will carry insurance on its assets.

(d) The Debtor shall provide to Premier Bank, upon its request, the following reports and documents on or before the following deadlines:

(1) All reports required under the terms of the loan documents between the Debtor and Premier Bank;

- (2) A copy of the monthly operating reports and other reports submitted to the office of the U.S. Trustee on a monthly basis, such copy to be mailed to Premier Bank or its attorney on the same date that the report is sent to the U.S. Trustee;
- (3) Statements of any event affecting the value or condition of the properties, as identified in the motion, including any material damage to the Properties; and
- (4) Any further financial and operational documentation and information that is reasonably requested by Premier Bank.

(e) The Debtor's permitted use of cash collateral pursuant to the cash collateral order will cease if the Debtor defaults on any obligation hereunder if Premier Bank provides notice of the default to Debtor and its counsel, and if such default is not cured within ten (10) business days from the date of receipt of the notice.

(f) The Debtor will continue to pay \$11,463.00 per month to Premier Bank.

13. The Debtor gives notice it may, if necessary, call Carol Maciej to testify with respect to the need for the relief sought in this Motion.

WHEREFORE, Debtor moves the Court for an order (a) Authorizing Use of Cash Collateral and Approving Adequate Protection; and (b) Granting such other relief the Court deems just and proper.

Dated: April 25, 2017.

STEVEN B. NOSEK, P.A.
By: /e/ Steven B. Nosek
Steven B. Nosek (No. 79960)
Yvonne R. Doose (No. 397066)
2855 Anthony Lane South
Suite 201
St. Anthony, MN 55418
Telephone: (612) 335-9171

Attorneys for Debtor

VERIFICATION

I, Carol Maolej, President of the Debtor named in the foregoing pleading, declare under penalty of perjury that the foregoing pleading is true and correct according to the best of my knowledge, information and belief.

Dated: 4-25, 2017.

Carol Maolej
Carol Maolej, President

EXHIBIT A
RULE 4001-2 STATEMENT

The Debtor has filed the balance of its Schedules and its monthly operating reports and asks the Court to take judicial notice thereof.

The Debtor's cash balance was approximately \$10,561.12 and its accounts receivable balance was approximately \$206,775.88 on the petition date. The Debtor estimates the value of the cash and collectable accounts receivable on the petition date to be approximately \$199,077.36. The Debtor has a line of credit with Premier Bank with a current principle balance of approximately \$452,013.69. The cash, accounts receivable, and the balance of the Debtors assets were given as collateral for the line of credit.

As of April 21, 2017, the Debtor's cash balance was approximately \$83,408.00 and its accounts receivable balance was \$345,419.94. As of April 21, 2017, the Debtor estimates the value of the cash and accounts receivable to be approximately \$409,353.16. This amount was as calculated by discounting the accounts receivable balance by the invoices over 90 days past due.

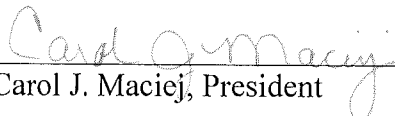
Between January 13, 2017 and April 21, 2017, the Debtor has increased its current assets on an estimated liquidated basis by \$210,275.80.

The Debtor estimates its cash balance to be approximately \$234,000.00 and its accounts receivable balance to be approximately \$300,000.00 on December 31, 2017. The total current assets are therefore estimated to be worth \$534,000.00 on a liquidated basis on December 31, 2017. This is an increase in current assets by \$124,000.00 over the next eight months. This calculation is based on sales at \$1,600,000.00 for the eight-month period of May through December 2017, which is approximately the amount of sales for the same period in 2016.

Attached as Exhibit 1 to this statement is the Debtor's cash flow projections for the balance of 2017. The projections include payment for employee pre-petition earned and unpaid vacation benefits. The projections also include adequate protection payments to Premier Bank.

The undersigned verifies under penalty of perjury that the information contained in this pleading is true and correct according to the best of her knowledge, information, and belief.

Dated: April 25, 2017



Carol J. Maciej, President

Maciej Paint Corporation Cash Flow Projections

	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	4/30/17	5/31/17	6/30/17	7/31/17	8/31/17	9/30/17	10/31/17	11/30/17	12/31/17
REVENUES/INFLOWS	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Checkbook Beginning Cash Balance	\$ 58,680	\$ 85,612	\$ 112,544	\$ 105,976	\$ 132,908	\$ 159,840	\$ 186,772	\$ 213,704	\$ 207,136
AR Collections	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Total Cash Available for the Month	\$ 258,680	\$ 285,612	\$ 312,544	\$ 305,976	\$ 332,908	\$ 359,840	\$ 386,772	\$ 413,704	\$ 407,136
EXPENSES/OUTFLOWS									
Payroll	\$ 67,000	\$ 67,000	\$ 100,500	\$ 67,000	\$ 67,000	\$ 67,000	\$ 67,000	\$ 100,500	\$ 67,000
Pre-petition Vacation and Holiday	\$ 5,455	\$ 5,455	\$ 5,455	\$ 5,455	\$ 5,455	\$ 5,455	\$ 5,455	\$ 5,455	\$ 5,455
Paint Expense	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Other shop supplies	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Gas and Diesel	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Office Supplies	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Hazard Waste Expense	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
Repairs & Maintenance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Utilities	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500
Telephone	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Misc	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Premier Bank Adequate Protection	\$ 11,463	\$ 11,463	\$ 11,463	\$ 11,463	\$ 11,463	\$ 11,463	\$ 11,463	\$ 11,463	\$ 11,463
Health Insurance	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Other Insurance	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Professional Fees	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Total Expenses/Outflows	\$ 173,068	\$ 173,068	\$ 206,568	\$ 173,068	\$ 173,068	\$ 173,068	\$ 173,068	\$ 206,568	\$ 173,068
Projected Ending Cash	\$ 85,612	\$ 112,544	\$ 105,976	\$ 132,908	\$ 159,840	\$ 186,772	\$ 213,704	\$ 207,136	\$ 234,068

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

**BKY No.: 17-30094
Chapter 11**

**Maciej Paint Corporation d/b/a
Industrial Painting Specialists, Inc.,
Debtor.**

CERTIFICATE OF SERVICE

I hereby certify that on April 25, 2017, I caused a copy of the **Notice of Hearing and Motion for Order Authorizing Use of Cash Collateral and Approving Adequate Protection; Verification; Exhibit; and Proposed Order** to be filed electronically with the Clerk of Court through ECF, and that ECF will send an e-notice of the electronic filing to the following:

- US Trustee: ustregion12.mn.ecf@usdoj.gov, ecfbkup@comcast.net
- Sarah J. Wencil: Sarah.J.Wencil@usdoj.gov
- James M. Jorissen: jjorissen@losgs.com, vrittenbach@losgs.com
- Mary L. Cox: mcox@steinmoore.com, notices@steinmoore.com
- Roylene A. Champeaux: Roylene.Champeaux@usdoj.gov,
karen.mailkowski@usdoj.gov,
usamn.ecfbankruptcy@usdoj.gov, Muriel.holland@usdjo.gov,
Isaac.mcgurran-hanson@usdoj.gov, Carla.kohl@usdoj.gov

I further certify that I caused a copy of the **Notice of Hearing and Motion for Order Authorizing Use of Cash Collateral and Approving Adequate Protection; Verification; Exhibit; and Proposed Order** to be faxed and/or emailed and/or mailed by US Mail to the following:

Maciej Paint Corporation 5858 – 152 nd Street North Hugo MN 55038 Carol@ipspaint.com	Internal Revenue Service Attn: Jesse L. Nieman 6200 Shingle Creek Pkwy. Brooklyn Center MN 55430 Fax: 651-312-2208	MN Dept of Revenue 551 Bankruptcy Sections PO Box 64447 St. Paul MN 55164 Mdor.bkysec@state.mn.us
IRS District Director Room 320 Stop 5700 30 7 th Street E #1222 St. Paul MN 55401 No Fax or Email	IRS District Counsel 380 Jackson Street 650 Cray Plaza St. Paul MN 55101 No Fax or Email	Chemical Marketing 9945 Flanders Court NE Attn: Jeff Light Blaine MN 55449-1807 jlight@chemmktg.com
Fabyanske, Westra & Thomson PA Tom Tucci 333 S 7 th Street #2600 Minneapolis, MN 55402 ttucci@fwhtlaw.com	Diamond Vogel Paint PO Box 380 Orange City IA 51041	Elan Financial Services PO Box 790408 Saint Louis MO 63179-0408 1-866-807-9053
Goldstar Electric Inc Attn: Mike 2581 English Street Maplewood MN 55109 No Fax or Email	Hydrite Chemical Co Attn: Jesse Shea PO Box 689227 Chicago IL 60695-5227	International Paint LLC PO Box 847202 Dallas TX 75284-7202 No Fax or Email

Inthermo, Inc. Attn: Jay Yess 7640 – 215 th Street W Lakeville, MN 55044	Pfifner Heating & Air Conditioning 6301 Welcome Avenue N #26 Brooklyn Park MN 55429 Fax: 763-533-9767	PPG Architectural Finishes, Inc 400 Bertha Lamme Drive Cranberry Twp PA 16066 Email: jjacob@ppg.com
National Coatings & Supplies, Inc./Single Source, Inc. Attn: Sheila Campbell 4900 Falls of Neuse Rd Raleigh NC 27609 Sheila.Campbell@ncs-coatings.com	Robert Ziegler BBZ Consulting, LLC 3814 Cooper Lane Cody WY 82414 RJZ441@yahoo.com	Sherwin Williams Attn: Jeff Boots 78 Minnesota Avenue Little Canada MN 55117 Fax: 651-483-2670
Siwek Lumber & Millwork 2536 Marshall Street NE Minneapolis MN 55418 Fax: 952-492-6676	SSPC PO Box 536030 Pittsburgh PA 15253-5902 No Fax or Email	Stericycle 2850 100 th Court NE Blaine MN 55449
Sterling Supply Inc. 459 Harding Street NE Minneapolis MN 55413 Fax: 612-331-4576	TNEMEC Company Inc PO Box 843797 Dallas TX 75284-3797 Fax: 1-816-483-3401	Washington County Dept of Public Health & Environment 14949 62 nd Street N PO Box 6 Stillwater MN 55110 Fax: 651-430-6730
XCel Energy PO Box 9477 Minneapolis MN 55484-9477 Fax: 1-800-311-0050	US Attorney 300 South 4 th Street #600 Minneapolis MN 55415 Fax: 612-664-5788	Carlson Advisors, LLP Darren Kray dKray@carlson-advisors.com

STEVEN B. NOSEK, P.A.

Dated this 25th day of April, 2017.

/e/ Steven B. Nosek
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 ATTORNEYS FOR DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

BKY No.: 17-30094

Maciej Paint Corporation d/b/a
Industrial Painting Specialists, Inc.,

Debtor.

Order Regarding Cash and Adequate Protection

The motion of Maciej Paint Corporation d/b/a Industrial Painting Specialists, Inc. (the “Debtor”) for an order authorizing the use of cash collateral and to provide adequate protection came before the court. Appearances were noted on the record. Pursuant to the request of the parties,

IT IS ORDERED:

1. The Debtor’s Motion is APPROVED.

Dated:

Katherine A. Constantine
United States Bankruptcy Judge