

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:  
RIVARD COMPANIES, INC.,  
d/b/a Central Wood Products,  
d/b/a Rivard Contracting, and  
d/b/a Gronomics,**

**BKY No.: 18-43603  
Chapter 11 Case**

**Debtor.**

---

**NOTICE OF EXPEDITED HEARING AND MOTION FOR  
APPROVAL TO USE CASH COLLATERAL AND  
FOR ADEQUATE PROTECTION**

---

**TO: THE DEBTOR, THE UNITED STATES TRUSTEE, AND OTHER PARTIES IN  
INTEREST AS SPECIFIED IN LOCAL RULE 9013.3.**

1. Rivard Companies, Inc. (hereinafter referred to as "Debtor"), the Debtor-In-Possession in the above-referenced proceeding, moves the Court for expedited relief and gives notice of hearing.

2. The Court will hold an expedited hearing on the Debtor's Motion at 9:00 a.m. on Wednesday, November 21, 2018, before the Honorable William J. Fisher, in Courtroom No. 2B, United States Courthouse, 316 North Robert Street, St. Paul, MN 55101, or as soon thereafter as counsel can be heard. A final hearing on the Debtor's Motion for Use of Cash Collateral and for Adequate Protection ("Motion") is set for 1:30 p.m. on Wednesday, December 19, 2018, before the Honorable William J. Fisher, in Courtroom No. 2B, United States Courthouse, 316 North Robert Street, St. Paul, MN 55101.

3. Any response to the Expedited Hearing and Motion shall be filed and served not later than 2 hours prior to the November 21, 2018 hearing date. Any response to the Wednesday, December 19, 2018, Final Hearing on the Debtor's Motion, shall be filed and

served not later than Friday, December 14, 2018, which is five days prior to the hearing date. **THE COURT MAY ALSO GRANT THE DEBTOR'S MOTIONS, INCLUDING FINAL APPROVAL OF ANY ADEQUATE PROTECTION AGREEMENTS WITHOUT A FURTHER HEARING UNLESS AN APPROPRIATE OBJECTION IS INTERPOSED IN ACCORDANCE WITH THE RULES.**

4. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§157 and 1334, Bankruptcy Rule 5005 and Local Rule 1070-1. This is a core proceeding. The case is now pending in this Court, having been filed on November 16, 2018.

5. This Motion arises under 11 U.S.C. §§363 and 361, together with Bankruptcy Rule 4001(c) and Local Rule 4001-2. The Debtor seeks an expedited Hearing on its Motion to use cash collateral and to provide adequate protection.

6. The Debtor operates several businesses. The Debtor engages in wood clearing and the sale of mulch products and other related wood products. The Debtor manufactures and sells cedar outdoor products such as planters, tables and related products. The Debtor also manufactures and sells bean bag toss games.

7. The Debtor's pre-bankruptcy assets and the Debtor's cash collateral may be subject to security interests in favor of the following creditors:

- a. Village Bank;
- b. Itria Ventures/High Crest;
- c. LG Funding;
- d. Samson Horus;
- e. Queen Funding; and
- f. Fox Capital Group

These are the only creditors who appear to or may claim an interest in cash collateral. The Debtor has other secured creditors who claim security interests and/or lease interests in certain of the Debtor's property. The Debtor's cash flow problems have caused it to file this Chapter 11 case. Without the use of cash collateral, the Debtor will not be able to operate in the normal course.

8. The Debtor's verified Rule 4001-2 Statement is attached to this Motion and marked as **Exhibit A**. The Statement includes a four-month expense projection of the debtor's business operation from December 2018 through March 2019. The Statement also includes a two-week list of expenses that the Debtor must pay to avoid immediate and irreparable harm to its business. The Statement also includes a four-month Profit & Loss Statement covering the period of December 2017 through March 2018. The Debtor estimates that its revenues and income in the months of December 2018 through March 2019 will be substantially the same to those revenues derived for the same period one year earlier. The Debtor's essential expenses in the month of November will include: material purchases, payrolls, related tax payments and insurances.

9. Cause exists to hear this matter on an expedited basis. The Debtor will suffer irreversible and irreparable harm if it is not able to use cash collateral. The expenditures the Debtor proposes to make between the preliminary hearing on the Debtor's Motion and the Final Hearing are described in detail on the attached verified Rule 4001-2 Statement. If the Debtor is unable to pay these expenses, it will not be able to conduct its business. The Debtor's cash collateral since the filing date will stay the same and not decrease demonstrating further adequate protection.

10. Pursuant to applicable rules, the Debtor reserves the right to call Michael Rivard, the CEO of the Debtor or Lisa Rivard, the President of the Debtor, in support of this Motion.

11. On an interim basis and pending the final hearing on the Debtor's Motion, the Debtor proposes to grant replacement liens to creditors listed in paragraph 7a. through 7f. above.

12. By making this Motion, the Debtor is not seeking to cross collateralize any pre-petition debt with post-petition collateral. The Debtor is not admitting the validity, perfection or amount of any pre-petition secured claim or waiving any right with respect thereto. The relief sought does not grant a lien on the Debtor's avoidance claims or bankruptcy causes of action as enumerated under the Bankruptcy Code. This Motion does not propose to secure pre-petition debt with post-petition loans or otherwise attempt to roll a pre-petition obligation into a post-petition obligation. This Motion does not deal with or carve out fees of any professionals. This Motion does not propose to prime any debt of the Debtor nor does this Motion provide automatic summary relief from the automatic stay to any creditor. The Debtor is simply proposing to use cash collateral to pay essential operating expenses and grant replacement liens in the Debtor's assets to those creditors listed in paragraph 7a. through 7f., which replacement liens would have the same priority, dignity and effect as the pre-petition liens held by said creditors, all pending the final hearing on the Debtor's Motion. The replacement liens proposed to be granted by the Debtor do not encumber any Bankruptcy causes of action.

**WHEREFORE**, the Debtor, through its undersigned attorneys, respectfully moves the Court for an Order granting the Debtor's Motion for expedited relief and granting the

Debtor's Motion authorizing it to use cash collateral and authorizing the Debtor to grant replacement liens to the following creditors:

- a. Village Bank;
- b. Itria Ventures/High Crest;
- c. LG Funding;
- d. Samson Horus;
- e. Queen Funding; and
- f. Fox Capital Group

which replacement liens will have the same priority, dignity and effect as the pre-petition liens held by said creditors, and for such other and further relief as the Court may deem just and equitable.

Date: November 16, 2018.

**STEVEN B. NOSEK, P.A.**  
/e/ Steven B. Nosek  
Steven B. Nosek, #79960  
2855 Anthony Lane South, Suite 201  
St. Anthony, MN 55418  
(612) 335-9171  
[snosek@noseklawfirm.com](mailto:snosek@noseklawfirm.com)  
**ATTORNEY FOR DEBTOR**

VERIFICATION

I, Michael Rivard, CEO 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: Nov 16, 2018.

A handwritten signature in black ink, appearing to read 'M. Rivard', is written over a horizontal line.

Michael Rivard, CEO

**EXHIBIT A**  
**RULE 4001-2 STATEMENT**

The Debtor filed a partial set of schedules and asks the Court to take judicial notice thereof.

Attached to this Statement as **Exhibit 1** is a 2-week list of expenses for the period of November 16, 2018 to November 30, 2018. Attached as **Exhibit 2** is a four-month expense projection of the Debtor's business operations. Attached as **Exhibit 3** is a Profit & Loss Statement for December 2017 through March 2018. The income that the Debtor anticipates for December 2018 through March 2019 should approximate the income derived as shown on **Exhibit 3**.

The Exhibits attached represent the critical expenditures required to be made by the Debtor to remain operational and to avoid irreparable injury.

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: November 16, 2018.

  
Michael Rivard, CEO

**Nov 18**

Expense

140-500 · Inventory - Gronomics Material	30,000.00	
140-510 · Inventory - Gronomics Fin Goods	2,500.00	
602-200 · Payroll Exp.- Office / Labor	30,000.00	
619-300 · Fuel - CWP	6,000.00	
619-500 · Fuel - Gronomics	500.00	
630-200 · General Liability Ins - Rivard	104.57	
630-300 · General Liability Ins - CWP	478.05	
630-500 · General Liability Ins Gronomics	911.29	
631-200 · Vehicle Insurance - Rivard	102.53	
631-300 · Vehicle Insurance - CWP	468.72	
631-500 · Vehicle Insurance Gronomics	893.50	
632-200 · Equipment Insurance - Rivard	133.85	
632-300 · Equipment Insurance - CWP	611.89	
632-500 · Equipment Insurance Gronomics	1,166.42	
640-200 · Telephone-Rivard	152.38	
640-300 · Telephone-CWP	696.57	
640-500 · Telephone - Gronomics	700.00	
652-500 · Travel Sales- Gronomics	500.00	
660-200 · Office Supplies & Exp.-Rivard	91.97	
660-300 · Office Supplies & Exp.-CWP	200.00	
660-500 · Office Supplies & Exp.-Gronomic	500.00	
662-500 · Postage and Delivery - Gronomic	150.00	
677-500 · Dues & Subscriptions Gronomics	2,500.00	
687-200 · Building Insurance Rivard	131.41	
687-300 · Business Insurance CWP	600.75	
687-500 · Building Insurance Gronomics	704.44	

Total Expense

80,798.34

**EXHIBIT 1**



	<u>Dec 18</u>	<u>Jan 19</u>	<u>Feb 19</u>	<u>Mar 19</u>	<u>TOTAL</u>
<b>Expense</b>					
140-300 - Inventory - Mulch Purchased	0.00	0.00	0.00	10,000.00	10,000.00
140-500 - Inventory - Gromonics Material	30,000.00	30,000.00	30,000.00	30,000.00	120,000.00
512-500 - Shipping Fees - Gromonics	4,600.00	0.00	1,046.57	0.00	5,646.57
536-500 - Manufacturing Subcontract - Grono	5,529.96	9,367.77	4,818.27	5,293.16	25,009.16
580-500 - Delivery Expense - Gromonics	5,530.36	10,420.56	12,528.94	31,430.51	59,910.37
602-200 - Payroll Exp.- Office / Hourly	3,303.52	2,416.56	2,109.62	2,699.39	10,529.09
602-300 - Payroll Exp.- CWP; Admin	21,551.54	16,979.60	12,394.39	14,640.07	65,565.60
602-500 - Payroll Exp.-Gromonics;Sales	70,855.14	69,999.21	58,240.43	62,369.72	261,464.50
607-200 - Worker's Comp Ins - Rivard	5.36	10.72	0.00	0.00	16.08
607-300 - Worker's Comp Ins - CWP	604.80	732.25	907.37	928.73	3,173.15
607-500 - Worker's Comp Ins - Gromonics	881.78	1,123.44	1,305.74	1,336.44	4,647.40
619-200 - Fuel - Rivard	0.00	0.00	0.00	0.00	0.00
619-300 - Fuel - CWP	1,444.11	933.54	2,731.69	2,279.74	7,389.08
619-500 - Fuel - Gromonics	3,869.50	3,488.23	6,116.28	3,305.22	16,779.23
620-300 - Parts & Supplies - CWP	(305.21)	164.84	141.70	306.54	307.87
622-200 - Equip. Rep.& Maint.-Rivard	0.00	0.00	0.00	16.28	16.28
622-300 - Equip. Rep.& Maint.-CWP	1,930.73	1,299.31	1,371.53	2,564.20	7,165.77
622-500 - Equip. Rep.& Maint. -Gromonics	124.95	2,329.85	1,054.70	641.82	4,151.32
627-300 - Vehicle/Driver Taxes & Fees-CWP	46.69	136.28	10,462.96	0.00	10,645.93
630-200 - General Liability Ins - Rivard	1,301.36	209.14	0.00	0.00	1,510.50
630-300 - General Liability Ins - CWP	5,949.10	956.10	0.00	0.00	6,905.20
630-500 - General Liability Ins Gromonics	11,340.48	1,822.58	0.00	0.00	13,163.06
631-200 - Vehicle Insurance - Rivard	102.53	205.06	0.00	0.00	307.59
631-300 - Vehicle Insurance - CWP	468.72	937.44	0.00	0.00	1,406.16
631-500 - Vehicle Insurance Gromonics	893.50	1,787.00	0.00	0.00	2,680.50
632-200 - Equipment Insurance - Rivard	133.85	205.26	0.00	0.00	339.11
632-300 - Equipment Insurance - CWP	611.89	938.34	0.00	0.00	1,550.23
632-500 - Equipment Insurance Gromonics	1,166.42	1,145.72	0.00	0.00	2,312.14
640-200 - Telephone-Rivard	81.72	110.17	109.67	68.97	370.53
640-300 - Telephone-CWP	373.58	366.49	364.18	178.14	1,282.39
640-500 - Telephone - Gromonics	799.06	811.25	856.30	339.59	2,806.20
652-500 - Travel - Gromonics	1,377.79	4,360.84	684.62	5,239.93	11,663.18
660-200 - Office Supplies & Exp.-Rivard	103.64	109.80	32.04	124.20	369.68
660-300 - Office Supplies & Exp.-CWP	579.57	526.56	146.47	503.51	1,756.11
660-500 - Office Supplies & Exp.-Gromonic	1,364.27	1,748.52	529.18	1,174.59	4,816.56
662-500 - Postage and Delivery - Gromonic	449.20	0.00	161.17	59.39	669.76
665-100 - Bank & CC Fees - Company	115.88	0.00	0.00	0.00	115.88
665-200 - Bank & CC Fees Rivard	305.20	23.67	28.18	75.39	432.44
665-300 - Bank & CC Fees - CWP	1,926.62	661.36	321.85	463.98	3,373.81
665-500 - Bank & CC Fees Gromonics	4,436.23	2,718.23	1,442.25	1,689.29	10,286.00
677-500 - Dues & Subscriptions Gromonics	4,182.21	5,799.33	3,990.32	6,455.76	20,427.62
682-500 - Building Repair&Maint - Gromonics	268.40	548.95	309.27	0.00	1,126.62
685-200 - Building Utilities - Rivard	339.19	299.23	269.12	335.69	1,243.23
685-300 - Building Utilities - CWP	1,550.59	1,367.93	1,230.29	1,534.57	5,683.38
685-500 - Building Utilities - Grono	3,889.40	3,497.60	3,282.85	3,797.83	14,467.68
687-200 - Building Insurance Rivard	131.41	262.82	0.00	0.00	394.23
687-300 - Business Insurance CWP	600.75	1,201.50	0.00	0.00	1,802.25
687-500 - Building Insurance Gromonics	430.44	2,381.88	0.00	0.00	2,812.32
<b>Total Expense</b>	<u>195,246.23</u>	<u>184,404.93</u>	<u>158,987.95</u>	<u>189,852.65</u>	<u>728,491.76</u>

**EXHIBIT 2**

Rivard Companies  
Profit & Loss

Accrual Basis

	Dec 17	Jan 18	Feb 18	Mar 18	TOTAL
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Uncategorized IncomeR/C;INACTIV	0.00	(5,961.88)	30.00	95.01	(5,836.87)
410-300 · Manufactured Mulch Sales	2,625.43	23,550.30	3,588.01	80.74	29,844.48
410-315 · Landscape	1,388.12	646.10	797.02	57.04	2,888.28
430-500 · Gromonics	183,242.22	177,705.24	257,003.67	485,023.51	1,102,974.64
440-600 · Erosion Control Products	0.00	1,050.00	300.00	420.00	1,770.00
450-200 · Land and Lot Clearing Services	5,592.95	5,779.00	4,225.00	14,040.00	29,636.95
460-200 · Log Sales	(1,916.88)	0.00	0.00	0.00	(1,916.88)
470-900 · Concrete	0.00	60.00	0.00	0.00	60.00
480-100 · Delivery Income - Company	(190.00)	0.00	0.00	0.00	(190.00)
480-300 · Delivery Income - CWP	1,067.71	1,789.13	544.16	916.91	4,317.91
480-500 · Delivery Income - Gromonics	474.09	1,591.35	2,046.10	3,289.04	7,400.58
490-100 · Sales & Service Discounts Taken	(372.00)	155.00	(10.00)	(72.00)	(299.00)
490-300 · Sales Credits & Disc CWP	(20.01)	(12.92)	0.00	0.00	(32.93)
490-500 · Sales Credits & Disc.-Gromonics	(10,879.99)	(6,655.80)	(3,035.42)	(4,226.73)	(24,797.94)
491-500 · Damage Allowance-Gro	(94.33)	(53.36)	0.00	0.00	(147.69)
493-500 · Gromonics Returns	(1,975.01)	(2,452.15)	(3,072.29)	(1,552.68)	(9,052.13)
<b>Total Income</b>	<b>178,942.30</b>	<b>197,190.01</b>	<b>262,416.25</b>	<b>498,070.84</b>	<b>1,136,619.40</b>
<b>Cost of Goods Sold</b>					
5000 · Cost of Goods Sold	0.00	0.00	0.00	0.00	0.00
501-300 · Mulch-COGS	(51,788.68)	0.00	0.00	0.00	(51,788.68)
501-305 · Landscape Supplies	0.00	0.00	0.00	2,639.39	2,639.39
510-300 · Freight Costs - CWP	630.00	0.00	0.00	0.00	630.00
512-300 · Misc. Shipping Fees	0.00	0.00	55.00	0.00	55.00
512-500 · Shipping Fees - Gromonics	4,600.00	0.00	1,046.57	0.00	5,646.57
530-300 · COGS - Manufactured Mulch	26,904.27	0.00	0.00	0.00	26,904.27
536-500 · Manufacturing Subcontract-Grono	10,529.96	9,367.77	4,818.27	5,293.16	30,009.16
537-500 · Finishing Costs - Gromonics	36,559.88	0.00	0.00	62,395.00	98,954.88
545-500 · Gromonics Cost of Goods Sold	46,834.96	2,355.11	7,252.21	410,827.65	467,269.93
560-600 · Erosion Control Materials	0.00	308.00	200.00	300.00	808.00
580-500 · Delivery Expense - Gromonics	5,530.36	10,420.56	12,528.94	31,430.51	59,910.37
<b>Total COGS</b>	<b>79,800.75</b>	<b>22,451.44</b>	<b>25,900.99</b>	<b>512,885.71</b>	<b>641,038.89</b>
<b>Gross Profit</b>	<b>99,141.55</b>	<b>174,738.57</b>	<b>236,515.26</b>	<b>(14,814.87)</b>	<b>495,580.51</b>
<b>Expense</b>					
Uncategorized ExpensesR/C,INACT	(0.01)	0.00	0.00	0.00	(0.01)
538-500 · Equipment Rental- Gromonics	2,000.00	0.00	0.00	149.16	2,149.16
601-500 · Permits - Gromonics	0.00	459.45	0.00	0.00	459.45
602-200 · Payroll Exp.- Office / Hourly	3,303.52	2,416.56	2,109.62	2,699.39	10,529.09
602-300 · Payroll Exp.- CWP; Admin	21,551.54	16,979.60	12,394.39	14,640.07	65,565.60
602-500 · Payroll Exp.-Gromonics;Sales	70,855.14	69,999.21	58,240.43	62,369.72	261,464.50
604-200 · Payroll Tax Expense - Rivard	257.46	266.70	188.25	241.65	954.06
604-300 · Payroll Tax Expense - CWP	5,772.92	6,412.65	4,955.29	5,111.83	22,252.69
604-500 · Payroll Tax Gromonics	9,127.62	10,433.90	7,729.67	8,124.76	35,415.95
605-500 · Show Expense - Gromonics	12,595.00	87.50	1,595.00	448.19	14,725.69
607-200 · Worker's Comp Ins - Rivard	5.36	10.72	0.00	0.00	16.08
607-300 · Worker's Comp Ins - CWP	604.80	732.25	907.37	928.73	3,173.15
607-500 · Worker's Comp Ins-Gromonics	881.78	1,123.44	1,305.74	1,336.44	4,647.40
619-200 · Fuel - Rivard	0.00	0.00	0.00	0.00	0.00
619-300 · Fuel - CWP	1,444.11	933.54	2,731.69	2,279.74	7,389.08
619-301 · Fuel- Shannon Mcgreggor	0.00	0.00	966.50	0.00	966.50
619-500 · Fuel - Gromonics	3,869.50	3,488.23	6,116.28	3,305.22	16,779.23
620-300 · Parts & Supplies - CWP	(305.21)	164.84	141.70	306.54	307.87
622-200 · Equip. Rep.& Maint.-Rivard	0.00	0.00	0.00	16.28	16.28
622-300 · Equip. Rep.& Maint.-CWP	1,930.73	1,299.31	1,371.53	2,564.20	7,165.77
622-500 · Equip. Rep.& Maint. -Gromonics	124.95	2,329.85	1,054.70	641.82	4,151.32
623-300 · Shop Tools, Machinery - CWP	78.19	0.00	(122.61)	224.51	180.09
623-500 · Shop Tools, Machinery Exp-Grono	1,703.23	3,848.08	1,756.56	2,066.58	9,374.45
627-300 · Vehicle/Driver Taxes & Fees-CWP	46.69	136.28	10,462.96	0.00	10,645.93
630-200 · General Liability Ins - Rivard	1,301.36	209.14	0.00	0.00	1,510.50
630-300 · General Liability Ins - CWP	5,949.10	956.10	0.00	0.00	6,905.20
630-500 · General Liability Ins Gromonics	11,340.48	1,822.58	0.00	0.00	13,163.06

Accrual Basis

	Dec 17	Jan 18	Feb 18	Mar 18	TOTAL
631-200 · Vehicle Insurance - Rivard	102.53	205.06	0.00	0.00	307.59
631-300 · Vehicle Insurance - CWP	468.72	937.44	0.00	0.00	1,406.16
631-500 · Vehicle Insurance Gronomics	893.50	1,787.00	0.00	0.00	2,680.50
632-200 · Equipment Insurance - Rivard	133.85	205.26	0.00	0.00	339.11
632-300 · Equipment Insurance - CWP	611.89	938.34	0.00	0.00	1,550.23
632-500 · Equipment Insurance Gronomics	1,166.42	1,145.72	0.00	0.00	2,312.14
640-200 · Telephone-Rivard	81.72	110.17	109.67	68.97	370.53
640-300 · Telephone-CWP	373.58	366.49	364.18	178.14	1,282.39
640-500 · Telephone - Gronomics	799.06	811.25	856.30	339.59	2,806.20
650-200 · Advertising - Rivard	0.00	69.30	0.00	0.00	69.30
650-300 · Advertising - CWP	0.00	316.80	0.00	0.00	316.80
650-400 · Advertising - Eco Bales	0.00	603.90	0.00	0.00	603.90
650-500 · Advertising - Gronomics	1,097.06	968.69	148.71	28.00	2,242.46
651-500 · Commission - Gronomics	197.59	150.00	0.00	0.00	347.59
652-500 · Travel - Gronomics	1,377.79	4,360.84	684.62	5,239.93	11,663.18
655-500 · Meals & Entertainment-Gronomics	68.51	20.27	140.57	205.62	434.97
656-500 · Employee Appreciation-GRO	3,709.24	0.00	0.00	0.00	3,709.24
660-200 · Office Supplies & Exp.-Rivard	103.64	109.80	32.04	124.20	369.68
660-300 · Office Supplies & Exp.-CWP	579.57	526.56	146.47	503.51	1,756.11
660-500 · Office Supplies & Exp.-Gronomic	1,364.27	1,748.52	529.18	1,174.59	4,816.56
660-700 · Office Exp. - Distribution Yard	0.00	143.28	0.00	0.00	143.28
662-300 · Postage and Delivery - CWP	73.50	0.00	0.00	0.00	73.50
662-500 · Postage and Delivery - Gronomic	449.20	0.00	161.17	59.39	669.76
664-100 · North Mill Fees	128.81	0.00	0.00	0.00	128.81
664-200 · North Mill Fees-Clearing	588.85	0.00	0.00	0.00	588.85
664-500 · North Mill Fees-Gro	1,122.48	0.00	0.00	0.00	1,122.48
665-100 · Bank & CC Fees - Company	115.88	0.00	0.00	0.00	115.88
665-200 · Bank & CC Fees Rivard	305.20	23.67	28.18	75.39	432.44
665-300 · Bank & CC Fees - CWP	1,926.62	661.36	321.85	463.98	3,373.81
665-500 · Bank & CC Fees Gronomics	4,436.23	2,718.23	1,442.25	1,689.29	10,286.00
66900 · Reconciliation Discrepancies	(1,241.95)	(9,429.54)	9,429.55	0.00	(1,241.94)
670-100 · Professional Fees	0.00	0.00	0.00	0.00	0.00
670-200 · Professional Fees - Rivard	43.80	16.49	19.28	16.35	95.92
670-300 · Professional Fees- CWP	218.43	114.43	116.75	104.63	554.24
670-500 · Professional Fees - Gronomics	492.83	231.30	231.34	184.70	1,140.17
677-200 · Dues and Subscriptions-Rivard	0.00	44.80	280.84	108.62	434.26
677-300 · Dues & Subscriptions CWP	0.00	254.80	1,283.84	799.49	2,338.13
677-500 · Dues & Subscriptions Gronomics	4,182.21	5,799.33	3,990.32	6,455.76	20,427.62
680-200 · Building Rent Rivard	0.00	448.00	224.00	1,554.00	2,226.00
680-300 · Building Rent CWP	0.00	2,048.00	1,024.00	7,104.00	10,176.00
680-500 · Building Rent Gronomics	0.00	3,904.00	1,952.00	13,542.00	19,398.00
682-200 · Building Repair & Maint-Rivard	30.80	63.00	35.49	0.00	129.29
682-300 · Building Repair & Maint-CWP	140.80	287.98	162.24	0.00	591.02
682-500 · Building Repair&Maint-Gronomics	268.40	548.95	309.27	0.00	1,126.62
685-200 · Building Utilities - Rivard	339.19	299.23	269.12	335.69	1,243.23
685-300 · Building Utilities - CWP	1,550.59	1,367.93	1,230.29	1,534.57	5,683.38
685-500 · Building Utilities-Grono	3,889.40	3,497.60	3,282.85	3,797.83	14,467.68
687-200 · Building Insurance Rivard	131.41	262.82	0.00	0.00	394.23
687-300 · Business Insurance CWP	600.75	1,201.50	0.00	0.00	1,802.25
687-500 · Building Insurance Gronomics	430.44	2,381.88	0.00	0.00	2,812.32
<b>Total Expense</b>	<b>187,791.07</b>	<b>156,380.38</b>	<b>142,711.44</b>	<b>153,143.07</b>	<b>640,025.96</b>
<b>Net Ordinary Income</b>	<b>(88,649.52)</b>	<b>18,358.19</b>	<b>93,803.82</b>	<b>(167,957.94)</b>	<b>(144,445.45)</b>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
710-100 · Gain (loss) on sale of assets	0.00	8,500.00	0.00	7,500.00	16,000.00
712-100 · Miscellaneous Income	39,449.42	0.00	2,906.72	1,502.83	43,858.97
712-300 · Miscellaneous Income CWP	0.00	415.00	0.00	0.00	415.00
712-500 · Miscellaneous Income Gronomics	(571.04)	(1,438.62)	0.00	92.00	(1,917.66)
715-300 · Fin. Chrg. Inc. - CWP	14.00	0.00	0.00	0.00	14.00
<b>Total Other Income</b>	<b>38,892.38</b>	<b>7,476.38</b>	<b>2,906.72</b>	<b>9,094.83</b>	<b>58,370.31</b>
<b>Other Expense</b>					
720-200 · Interest Expense Rivard	2,077.62	0.00	1,500.00	560.00	4,137.62

Accrual Basis

	Dec 17	Jan 18	Feb 18	Mar 18	TOTAL
720-300 · Interest Expense CWP	9,497.68	0.00	0.00	2,560.00	12,057.68
720-500 · Interest Expense Gronomics	18,104.95	0.00	0.00	4,880.00	22,984.95
725-300 · Finance Chg Exp CWP	0.00	0.00	545.00	0.00	545.00
725-500 · Finance Chg Exp Gronomics	265.11	377.68	1,158.52	2,013.06	3,814.37
730-300 · Bad Debt Expense - CWP	1,617.69	0.00	0.00	0.00	1,617.69
740-500 · R&D - Gronomics Product Dvlpmnt	0.00	0.00	0.00	179.78	179.78
<b>Total Other Expense</b>	<b>31,563.05</b>	<b>377.68</b>	<b>3,203.52</b>	<b>10,192.84</b>	<b>45,337.09</b>
<b>Net Other Income</b>	<b>7,329.33</b>	<b>7,098.70</b>	<b>(296.80)</b>	<b>(1,098.01)</b>	<b>13,033.22</b>
<b>Net Income</b>	<b><u>(81,320.19)</u></b>	<b><u>25,456.89</u></b>	<b><u>93,507.02</u></b>	<b><u>(169,055.95)</u></b>	<b><u>(131,412.23)</u></b>

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:  
RIVARD COMPANIES, INC.,  
d/b/a Central Wood Products,  
d/b/a Rivard Contracting, and  
d/b/a Gronomics,**

**BKY No.: 18-43603  
Chapter 11 Case**

**Debtor.**

---

**Memorandum of Law**

---

Rivard Companies, Inc. (“Debtor”) submits this Memorandum of Law in support of its Motion for an Order Authorizing Use of Cash Collateral (“Motion”).

**I. STATEMENT OF FACTS**

The Debtor relies on the verified statement of facts and Local Rule 4001-2 statement contained in the Motion and incorporates the same herewith.

**II. STATEMENT OF LAW AND DISCUSSION**

Section 363(c)(2) of the Bankruptcy Code provides that a debtor in possession may use cash collateral only with the secured creditor's consent or if the court, after notice and a hearing, so orders. Section 363(e) of the Bankruptcy Code provides that the court must provide the secured creditor with adequate protection of its interest upon request of the creditor. The Eighth Circuit Court of Appeals has discussed the issue of adequate protection in the following terms:

In any given case, the bankruptcy court must necessarily (1) establish the value of the secured creditor's interest, (2) identify the risks to the secured creditor's value resulting from the debtor's request for use of cash collateral, and (3) determine whether the debtor's adequate protection proposal protects values as nearly as possible against risks to that value consistent with the concept of indubitable equivalence.

*In re Martin*, 761 F.2d 472, 476-77 (8th Cir. 1985).

Based on the facts alleged in the Motion, the Secured Creditor's interest in the collateral are adequately protected by the Debtor's offer. The Debtor has estimated the liquidation value of its assets. The Debtor's cash collateral since the filing date will stay the same and not decrease demonstrating further adequate protection.

Usually, in a Chapter 11, the risk to a secured creditor's interests in cash collateral is that the Debtor will use all of the collateral and not generate sufficient post-petition collateral to replace the used collateral. That is not a concern here, as the collateral will not decrease during the pendency of this case.

The Debtor has set forth how the value of its assets will remain the same and not decrease between the Filing Date and the dates through which the Debtor seeks use of cash collateral. The Debtor has further set forth its necessary budget. Pursuant to the Debtor's budget, the collateral position of the Secured Creditors does not adversely change in a material way during the period of the proposed use of cash collateral.

The Debtor's offer to the Secured Creditors as adequate protection of its interest is the Offer of Adequate Protection described in the Motion. Based on the facts and circumstances of this case the Offer of Adequate Protection adequately protects the Secured Creditors from any risks to its collateral from the Debtor's use of same.

The Court should grant the motion of the Debtor authorizing the use of cash collateral. The Debtor has immediate need to use cash collateral in which the Secured Creditors have an interest. The Debtor's use of cash collateral during the pendency of this case poses a nominal risk to the interest of the Secured Creditors. The Secured Creditors will be adequately protected by the granting of a post-petition liens with the same status, dignity and priority as existed in the cash collateral prior to the filing of the Debtor's petition, by the carrying of insurance for the full

replacement value of the collateral, by continuing to operate and to generate replacement collateral and by any other form of protection contained in the offer of adequate protection described in the Motion.

The Debtor requests an order authorizing use of cash collateral so that the Debtor may meet the ordinary expenses of operating the Debtor's business in accordance with the budget and cash flow projections attached to the Debtor's Declaration.

### **III. CONCLUSION**

For the foregoing reasons, the Court should approve the Debtor's the use of cash collateral on an interim and final basis as provided in the Motion.

**STEVEN B. NOSEK, P.A.**

Dated: November 16, 2018.

By: /e/ Steven B. Nosek  
Steven B. Nosek (79960)  
2855 Anthony Lane South, Suite 201  
Minneapolis, MN 55418  
Telephone: 612-335-9171  
Fax: 612-789-2109  
[snosek@noseklawfirm.com](mailto:snosek@noseklawfirm.com)  
**ATTORNEY FOR DEBTOR**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:  
RIVARD COMPANIES, INC.,  
d/b/a Central Wood Products,  
d/b/a Rivard Contracting, and  
d/b/a Gromonics,**

**BKY No.: 18-43603  
Chapter 11 Case**

**Debtor.**

---

**CERTIFICATE OF SERVICE**

---

I hereby certify that on November 16, 2018, I caused a copy of **Notice of Expedited Hearing and Motion For Approval to Use Cash Collateral and for Adequate Protection; Verification; Exhibit; Memorandum of Law; 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](mailto:ustregion12.mn.ecf@usdoj.gov), [ecfbkup@comcast.net](mailto:ecfbkup@comcast.net)

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

Rivard Companies, Inc. 19801 Highway 65 NE East Bethel, MN 55011 <a href="mailto:lisa@rivardcompanies.com">lisa@rivardcompanies.com</a>	Internal Revenue Service Centralized Insolvency Office PO Box 7346 Philadelphia PA 19101-7346 <b>Fax: 1-855-235-6787</b>	MN Dept of Revenue 551 Bankruptcy Sections PO Box 64447 St. Paul MN 55164 <a href="mailto:Mdor.bkysec@state.mn.us">Mdor.bkysec@state.mn.us</a>
IRS District Director Room 320 Stop 5700 30 7 <sup>th</sup> Street E #1222 St. Paul MN 55101 <b>No Fax or Email</b>	Village Bank 18770 Hwy 65 NE East Bethel MN 55011 <b>Fax: 763-398-8051</b>	Village Bank 9298 Central Avenue NE Blaine MN 55434 <b>Fax: 763-398-8051</b>
RP Financial, LLC 5810 W 78th Street Suite 175 Bloomington MN 55439 <b>Fax: 952-832-9525</b>	Leroy Lind-Linds Electronics 14850 Deveau Place Minnetonka MN 55345 <b>No Fax or Email</b>	Shamrock Development, Inc. 3200 Maint Street NW Suite 300 Coon Rapids MN 55448 <a href="mailto:mailto:azajac@shamrockcompanies.com">mailto:azajac@shamrockcompanies.com</a>
Caterpillar Financial Svc Corp 2120 West End Avenue PO Box 340001 Nashville TN 37203-0001 <a href="mailto:Nabc.customerservice@cat.com">Nabc.customerservice@cat.com</a>	Caterpillar Financial PO Box 730669 Dallas TX 75373-0669 <b>No Fax or Email</b>	Northern Land, LLC Steve Sadowski PO Box 637 Hugo MN 55038 <b>No Fax or Email</b>



Ziegler Inc. 901 West 94th Street Bloomington MN 55420-4299 <a href="mailto:John.oberstar@zieglercat.com">John.oberstar@zieglercat.com</a>	Itria Ventures/High Crest 462 7th Avenue, 20th Floor New York NY 10018 <a href="mailto:Joseph.savo@biz2.credit.com">Joseph.savo@biz2.credit.com</a>	LG Funding 1218 Union Street, Suite 2 Brooklyn NY 11225 <b>Fax: 1-718-767-5397</b>
Samsun Horus 90 John Street New York NY 10038 <b>Fax: 1-718-304-1163</b>	Queen Funding 101 Chase Avenue, Suite 208 Lakewood NJ 08701 <b>Fax: 1-646-760-9660</b>	Fox Capitol Group 17640 Bentley Drive Morgan Hill CA 95037 <b>Fax: 1-866-557-0455</b>
Lake Area Bank 1400 East Highway 96 White Bear Lake MN 55110 <b>No Fax or Email</b>	Fleetwoods - FS 16430 highway 65 NE Ham Lake MN 55304 <b>Fax: 651-636-9884</b>	All Integrated Solutions SDS12-1957 PO Box 86 Minneapolis MN 55486 <b>Fax: 651-639-1288</b>
Precision Landscape & Tree Inc 50 S Owasso Blvd East Little Canada MN 55117 <b>Fax: 651-482-8191</b>	Canarm 2157 Per kendale Avenue PO Box 367 Brockville ON K6V 5V6 <b>Fax: 1-613-342-8437</b>	Accu Fastener 830 Highway 23 East Cold Spring MN 56320 <b>Fax: 1-320-685-7780</b>
Precision Cedar Products Corp #601-17665 66A Ave Surrey BC V3S 2A7 <b>Fax: 1-604-576-0376</b>	S&A Land Clearing PO Box 637 Hugo MN 55038 <a href="mailto:Ssadowski59@yahoo.com">Ssadowski59@yahoo.com</a>	Fleetwoods 16430 highway 65 NE Ham Lake MN 55304 <b>Fax: 651-636-9884</b>
Forest Specialities, Inc. PO Box 527 Humboldt IA 50548 <b>Fax: 1-515-332-1036</b>	Thoresen Diaby Helle, et al 600 Highway 169 Suite 1960 St. Louis Park MN 55426 <b>Fax: 763-545-6514</b>	Minnesota Revenue Collection Div. BKY Division PO Box 64447 Saint Paul MN 55164-0447 <a href="mailto:Mdor.bkysec@state.mn.us">Mdor.bkysec@state.mn.us</a>
Cumulus Media 3582 Momentum Place Chicago IL 60689-5335 <b>Fax: 1-404-949-0740</b>	Litin Paper 3003 N Pacific Street Minneapolis MN 55411 <b>Fax: 612-607-5711</b>	Impact Printing Inc. 1067 Rice Street Saint Paul MN 55117 <b>Fax: 651-489-8077</b>
Doboszanski & Sons 9520 County Road 9 Loretto MN 55357 <b>Fax: 763-478-3186</b>	YTS Companies, LLC 14310 Northdale Blvd. Rogers MN 55374 <a href="mailto:info@ytsco.com">info@ytsco.com</a>	Schwegman Lundberg Woessner 1600 TCF Tower 121 S 8th Street Minneapolis MN 55402 <b>Fax: 612-339-3061</b>
Savannah Pallet PO Box 308 McGregor MN 55760 <b>Fax: 1-218-768-3112</b>	Castle Rock Cont. PO Box 514 Castle Rock MN 55010 <b>Fax: 1-507-663-0257</b>	Central Truck Services Inc. 23142 highway 65 NE East Bethel MN 55005 <a href="mailto:curt@centraltruckmn.com">curt@centraltruckmn.com</a>

Dated this 16th day of November, 2018.

**STEVEN B. NOSEK, P.A.**

/e/ Steven B. Nosek

Steven B. Nosek, #79960

2855 Anthony Lane South, Suite 201

St. Anthony, MN 55418

(612) 335-9171

[snosek@noseklawfirm.com](mailto:snosek@noseklawfirm.com)

**ATTORNEY FOR DEBTOR**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In Re:  
RIVARD COMPANIES, INC.,  
d/b/a Central Wood Products,  
d/b/a Rivard Contracting, and  
d/b/a Gromomics,

BKY No.: 18-43603  
Chapter 11 Case

Debtor.

---

INTERIM ORDER

---

The Motion of Rivard Companies, Inc. ("Debtor") for an Order granting interim use of cash collateral and to grant adequate protection hearing came on for expedited hearing before the undersigned on the 221<sup>st</sup> day of November, 2018. Appearances were noted.

**IT IS HEREBY ORDERED:**

1. The Debtor's Motion for expedited hearing is granted.
2. The Debtor is authorized to use cash collateral as described in **Exhibit 1** to the Debtor's Rule 4001-2 Statement on an interim basis; and
3. The Debtor is authorized to grant replacement liens to the following creditors:
  - a. Village Bank;
  - b. Itria Ventures/High Crest;
  - c. LG Funding;
  - d. Samson Horus;
  - e. Queen Funding;
  - f. Fox Capital Group

on all assets of the Debtor-In-Possession to the extent of use of cash collateral, which replacement liens shall have the same priority, dignity and effect as the pre-petition liens held by said creditors. Assets excluded from the replacement liens are the Debtor's bankruptcy causes of action; and

4. No additional steps need to be taken to perfect the replacement liens authorized herein; and

5. A further hearing on the motion for an order authorizing the use of cash collateral shall be held on Wednesday, December 19, 2018 at 1:30 p.m.

**Dated:**

---

**William J. Fisher**  
**United States Bankruptcy Judge**