

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)	Case No.: 18-40472-659
)	Honorable Kathy Surratt-States
AKC ENTERPRISES, INC.,)	Chapter 11 #8 (re: #17)
)	
Debtor.)	Hearing Date: February 5, 2018
)	Final Hearing: February 26, 2018
)	
)	Robert E. Eggmann, Esq.
)	Thomas H. Riske, Esq.
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**ORDER AUTHORIZING INTERIM AND FINAL USE OF CASH COLLATERAL FOR
AKC ENTERPRISES, INC. AND GRANTING ADEQUATE
PROTECTION TO NEW FRONTIER BANK**

Upon the Emergency Motion for Interim and Final Orders Authorizing Interim Use of Cash Collateral Pursuant to §363 of the Bankruptcy Code (the “Motion”) filed by AKC Enterprises, Inc. (“Debtor”), the Court finds and concludes as follows:

1. The Court has jurisdiction over the Motion and issues raised therein pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (M).
2. Appropriate notice of the hearing on the Motion was provided to creditors and parties in interest as required under Rule 4001(b)(3) of the Federal Rules of Bankruptcy Procedure. Present at the February 5, 2018 hearing on the Motion were counsel for the Debtor and counsel for the United States Trustee.
3. On January 29, 2018, (“Petition Date”), Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. § 101 et. seq.)

4. Debtor is a Missouri corporation that operates a winery, wine shop and restaurant in St. Charles, Missouri. Debtor has operated since the Petition Date and is continuing to operate its business as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

5. Debtor is currently indebted to New Frontier Bank (“Bank”) in the appropriate sum of \$1,067,000.00 as evidenced by certain promissory notes (the “Pre-Petition Indebtedness”).

6. Bank has a pre-petition lien on substantially all of the Debtor’s assets including accounts, inventory, equipment, improvements, and proceeds thereof (collectively, the “Cash Collateral”), pursuant to a Security Agreement and certain Uniform Commercial Code Financing Statements.

7. Debtor will require use of the Bank’s Cash Collateral during the case. Debtor sells inventory in the ordinary course of business and replaces it daily and uses its accounts to pay ordinary expenses such as employee payroll.

8. Good cause has been shown for the entry of this Order. The ability of Debtor to operate and maintain its business and maximize a return for its creditors requires the availability of Cash Collateral on and subject to the terms and conditions set forth in this Order. In the absence of the use of Cash Collateral, the continued operation and maintenance of Debtor’s business may not be possible, and serious and irreparable harm to Debtor, its estate, and its creditors would occur.

NOW THEREFORE, the interim and final relief requested in the Motion is GRANTED and it is hereby ORDERED:

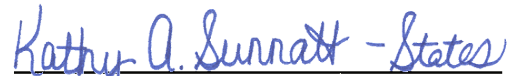
A. As adequate protection for use of its Cash Collateral Bank shall have a first priority replacement lien in any pre-petition assets of Debtor's estate which were subject to the Bank’s lien, whensoever acquired pursuant to the provisions of 11 U.S.C. §552. Debtor further

grants Bank a lien in all post-petition assets of Debtor from and after the Petition Date to the same extent, validity, priority, perfection and enforceability as its interest in any pre-petition assets of Debtor's estate. The security and priorities granted to Bank shall not affect or impair the separate existing collateral of all other creditors.

B. The replacement liens granted in this Order shall be subject only to the following carve-out (the "Carve-Out"): (i) the allowed professional fees and expenses of Debtor's bankruptcy counsel not to exceed \$25,000.00 to be paid as ordered by the Bankruptcy Court and only to the extent so ordered and (ii) the payment of quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6).

C. Debtor shall at all times maintain a policy of property and casualty insurance in an amount equal to the value of all of its assets;

D. No later than three (3) business days after the date of this Order, Thomas H. Riske is directed to serve a copy of said Order on all parties-in-interest not served electronically and is directed to file a certificate of service no later than one (1) business day after service.


KATHY A. SURRETT-STATES
Chief United States Bankruptcy Judge

DATED: March 1, 2018
St. Louis, Missouri
jjh

Order Prepared By:
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