

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE:	§	
	§	Case No. 18-50018
AUTO SUPPLY COMPANY, INC.	§	
	§	Chapter 11
Debtor.	§	

MOTION OF DEBTOR-IN-POSSESSION FOR (I) INTERIM ORDER (A) AUTHORIZING INTERIM USE OF CASH COLLATERAL ON AN EMERGENCY BASIS PENDING A FINAL HEARING; (B) AUTHORIZING DEBTOR TO INCUR POST-PETITION DEBT ON AN EMERGENCY BASIS PENDING A FINAL HEARING; (C) GRANTING ADEQUATE PROTECTION AND PROVIDING SECURITY AND OTHER RELIEF TO WELLS FARGO BANK, N.A., AND (D) SCHEDULING FINAL HEARING PURSUANT TO RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND (II) FINAL ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL ON A FINAL BASIS, AUTHORIZING DEBTOR TO INCUR POST-PETITION DEBT AND GRANTING ADEQUATE PROTECTION, PROVIDING SECURITY AND OTHER RELIEF TO WELLS FARGO BANK, N.A.

Auto Supply Company, Inc., Debtor-in-Possession herein (the “Debtor”), by and through its proposed counsel, and pursuant to 11 U.S.C. §§ 105(a), 363 and 364 and Federal Rules of Bankruptcy Procedure 2002, 4001(b), 4001(c) and 9014, moves the Court on an emergency basis for the entry of (i) an interim order substantially in the form attached hereto as **Exhibit A** (the “Interim Order”), (a) authorizing the use of cash collateral on an interim basis, (b) authorizing Debtor to incur post-petition debt on an interim basis, (c) granting adequate protection, security and other relief to Wells Fargo Bank, N.A. (“Wells Fargo”), and (d) scheduling a final hearing pursuant to Rule 4001 of the Federal Rules of Bankruptcy Procedure; and (ii) a final order authorizing Debtor to use cash collateral on a final basis,

authorizing Debtor to incur post-petition debt on a final basis and granting adequate protection, security and other relief to Wells Fargo on a final basis (the "Motion").

This Motion is based on the Declaration of Charles A. Key, Jr. in Support of Chapter 11 Petition and First Day Motions Filed by Debtor-In-Possession ("Declaration") filed contemporaneous herewith, which Declaration is incorporated herein by reference in its entirety. In further support of the Motion, Debtor respectfully represents as follows:

CONCISE STATEMENT PURSUANT TO RULE 4001(c)(1)(B)

1. By this Motion, Debtor requests: (a) entry of an Interim Order and a Final Order authorizing it to incur post-petition financing pursuant to Sections 105 and 364 of the Bankruptcy Code, in accordance with the Postpetition Agreement executed by Debtor, as borrower, and Wells Fargo, as lender, attached hereto as **Exhibit B** (the "Postpetition Agreement"); (b) authorization pursuant to Sections 346(c)(1), (c)(2) and (c)(3) of the Bankruptcy Code to grant first priority, post-petition liens and security interests in property of the estate encumbered by prepetition liens and security interests and a superpriority administrative expense claim to Wells Fargo, subject to the Carve Out (defined below); (c) pending a final hearing, to obtain emergency post-petition advances under the Postpetition Agreement, subject to the Budget attached hereto as **Exhibit C**; and (d) in accordance with Bankruptcy Rules 4001(b)(2) and (c)(2), to schedule a final hearing and approve notice with respect thereto.

2. The material provisions of the proposed debtor-in-possession financing are summarized as follows:

As of the Petition Date, Debtor was indebted to Wells Fargo under the terms of a prepetition Credit Agreement dated September 11, 2014 ("Credit Agreement"). A copy of the Credit Agreement is attached to the Postpetition Agreement as Exhibit B. Under the terms of the Credit Agreement, the Debtor was extended a Line of Credit and a Term Loan. Wells Fargo is secured by a first priority security interest in and lien upon all of Debtor's assets. Debtor and Wells Fargo have agreed to enter into a Postpetition Agreement that modifies the Credit Agreement as set forth below:

Under the Postpetition Agreement, the Credit Agreement is amended to provide for a total amount at any time outstanding not to exceed the lesser of (a) \$9,400,000 (the "Maximum Revolver Amount") minus Letter of Credit Usage minus Reserves, and (b) the sum of the following (the "Borrowing Base"):

- (i) eighty-five percent (85%) of Eligible Accounts, plus
- (ii) the lowest of
 - (A) \$8,000,000 and
 - (B) the sum of (1) 65% of the Value of Eligible Inventory, or (2) 85% times the most recently determined Net Liquidation Percentage times the Value of Eligible Inventory; plus
- (iii) the Permitted Overadvance; less
- (iv) Letter of Credit Usage, less
- (v) all Reserves, less
- (vi) any other Obligations (other than the Term Loan, amounts under the Line of Credit and Letter of Credit Usage, but including all amounts outstanding under this Agreement and the Financing Order).

The Borrowing Base will be determined by Lender upon receipt and review of collateral reports required under the Postpetition Agreement. The Postpetition Agreement provides for the Debtor to use Wells Fargo's cash collateral and to utilize the Line of Credit on a postpetition basis consistent with an agreed Budget. In addition,

Debtor is allowed certain overadvances set forth in the Budget for a given week, not to exceed \$725,000 in the aggregate at any time (or such higher amount as may be agreed by Lender in its sole discretion).

Wells Fargo is permitted to provide for reserves against the Borrowing Base in its sole discretion.

The Postpetition Agreement provides for interest to accrue and be paid at the Default Rate specified in the Credit Agreement of 2% above the interest rate provided in the Credit Agreement, which was Daily Three Month LIBOR plus 2.25%, or a current interest rate of 5.95%.

Account debtors of Debtor make payments to a collection account maintained at Wells Fargo, consistent with prepetition practices under the Credit Agreement. Wells Fargo is permitted to apply such payments to reduce the obligations under the Line of Credit.

The Postpetition Agreement terminates upon specified Termination Events, including specific Events of Default, a closing on the sale of substantially all of the Debtor's assets or March 17, 2018.

As adequate protection of its interests, Wells Fargo is being granted superpriority administrative expense status and postpetition liens to secure repayment of the postpetition obligations. In addition, Wells Fargo is being granted priority liens and replacement liens in its prepetition collateral.

Wells Fargo has agreed to a carveout for professional fees and costs and other administrative expense claims arising postpetition.

The Debtor has agreed not to surcharge Wells Fargo's collateral pursuant to Section 506(c) of the Bankruptcy Code.

The interim DIP financing Order provides a Challenge Period for parties in interest to challenge Wells Fargo's prepetition claims, liens and security interests. At the end of the Challenge Period, if no party in interest objects, Wells Fargo's claims, liens and security interests will be deemed allowed.

Wells Fargo has requested that a final Order authorizing the use of cash collateral and the financing under the Postpetition Agreement provide for automatic relief from the automatic stay with regard to its collateral upon the occurrence of a Termination Event.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of Debtor's Chapter 11 case and this Motion in this district is proper pursuant to 28 U.S.C. § 1408. The statutory predicates for the relief requested herein are 11 U.S.C. §§ 105 and 363 ("Bankruptcy Code"), as augmented by Federal Rules of Bankruptcy Procedure 2002, 4001 and 9014 ("Bankruptcy Rules").

FACTS

4. Debtor is a corporation organized and existing under the laws of the State of North Carolina. Its principal business is the supply of original equipment manufacturer automotive replacement parts ("OEM Parts") and aftermarket automotive replacement parts ("Aftermarket Parts") for passenger vehicles and light duty trucks to automotive repair professionals. Its customers range from franchised automotive dealers, independent automotive dealers, repair shops, automotive fleets, government garage facilities, to the individual automobile enthusiast.

5. On January 8, 2018 (the "Petition Date"), Debtor commenced a case under Chapter 11 of Title 11, United States Code in this Court. Debtor continues to operate its business and manage its properties as Debtor-in-Possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

6. No trustee or examiner has been appointed in Debtor's Chapter 11 case, and no creditors or other official committee has been appointed herein pursuant to Section 1102 or the Bankruptcy Code.

7. Debtor's business has been adversely impacted by several identifiable trends in the OEM Parts and Aftermarket Parts industry, including competition from large national parts chains, declining franchise dealer sales, pressure from trade creditors and declining inventory values affecting its borrowing strength, all as more fully described in Section C of the Declaration. Notwithstanding the liquidity problems suffered by Debtor over the past year, it believes its business strategy and future prospects remain fundamentally strong. So much so, that it has attracted the attention of a number of suitors in the industry who see the value of moving into the North Carolina market through the acquisition of a turnkey operation like Debtor. Debtor desires to implement the strategic acquisition of its business and obtain the highest and best price from potential suitors for the benefit of Debtor's creditors.

8. Debtor is filing contemporaneously with this Motion a motion authorizing, *inter alia*, to sell Debtor's assets pursuant to Section 363 of the Bankruptcy Code free and clear of all liens and establishing procedures for the sale (the "Sale and Auction Bidding Procedures Motion").

9. It is the opinion of Debtor that the continued operation of its business as a going concern offers the best chance for a successful sale of Debtor's assets and will maximize the value of the assets and the ultimate return to its creditors. The

continued operation of Debtor's business and continued protection of Debtor's assets can only be accomplished by the payment of Debtor's operating expenses arising in the ordinary course of its business.

10. Debtor will need to be permitted to use cash collateral and to obtain post-petition financing to supplement revenues and to timely pay the on-going costs of operating, preserving and protecting the business and property of the estate, as well as to pay any costs of administration which may not be paid from the cash collateral. Post-petition financing is therefore necessary to preserve the going-concern value of the business for the benefit of creditors and the estate.

DEBTOR'S SECURED CREDITORS

11. Wells Fargo Bank, National Association. Pursuant to a Credit Agreement, dated as of December 11, 2014 (as amended and modified from time to time, the "Credit Agreement") by and among Debtor, Partland and Wells Fargo, and the other "Loan Documents" (as defined in the Credit Agreement), Debtor and Partland are jointly and severally liable to Wells Fargo for: (i) a revolving line of credit ("Revolving Facility") through Wells Fargo in the original amount of \$15,000,000.00 and (ii) a term loan ("Term Loan") with Wells Fargo in the amount of \$1,650,000.00 (the Revolving Facility and the Term Loan and such other "Obligations" (as defined in and owed to Wells Fargo under such Loan Documents, the "WF Prepetition Debt"). The WF Prepetition Debt is secured by properly perfected security interests in substantially all of Debtor's and Partland's assets, including, without limitation, all Accounts, Inventory, Chattel Paper, Commercial

Tort Claims, Deposit Accounts, Documents, General Intangibles, Accessions and Supporting Obligations, and the real property owned by Partland (such assets, the "Collateral"). The Credit Facility requires monthly payments of interest only. Borrowing availability under the Credit Facility is determined on the basis of a Borrowing Base calculated upon a percentage of Eligible Accounts and Eligible Inventory, as defined in the Credit Agreement. Each day, Debtor prepares and provides to Wells Fargo a Borrowing Base Report, which reveals the total Eligible Accounts and total Eligible Inventory. Based upon the contractual percentages Wells Fargo makes available under the Credit Facility funds for Debtor's operations including the payment of payroll, utilities, trade vendors, lease obligations, and other operating expenses. The current aggregate outstanding balances owed under the Revolving Facility and the Term Loan as of the Petition Date is approximately \$10,106,684.00.

12. AC Delco Distribution Agreement and General Motors Credit Account.

Debtor has a Distribution Agreement ("Distribution Agreement") with General Motors LLC ("GM") to market and sell AC Delco and General Motors Aftermarket Parts and products at its Retail Stores, which Distribution Agreement is modified, amended and renewed from time to time. Debtor has been an AC Delco distributor since 1999. Debtor purchases AC Delco products on credit terms. To secure the debt, GM has a purchase money security interest in the AC Delco product sold to Debtor, as well as a blanket lien on all other personal property assets owned by Debtor pursuant to a Security Agreement executed by Debtor on September 11,

2003. The current outstanding balance owed under the GM Credit Account is \$3,598,647.00. GM subordinated its debt to Wells Fargo by written Intercreditor and Subordination Agreement dated September 11, 2014.

13. Motorcraft Warehouse Distributor Sales Agreement and Ford Credit Account. Debtor has a Warehouse Distributor Sales Agreement ("Distributor Agreement") with Ford Motor Company ("Ford") to market and sell Motorcraft and Ford Aftermarket Parts and products at its Retail Stores, which Distributor Agreement is modified, amended and renewed from time to time. Debtor has been Motorcraft distributor since 2002. Debtor purchases Motorcraft products on credit terms. To secure the debt, Ford has a purchase money security interest in the Motorcraft product sold to Debtor pursuant to a Security Agreement executed by Debtor on September 14, 2014. The current outstanding balance owed under the Ford Credit Account is \$3,040,981.00. Ford subordinated its debt to Wells Fargo by written Subordination Agreement dated August 28, 2014.

14. Debtor is not aware of any other liens or security interests against accounts receivable or inventory, the proceeds of which would constitute "cash collateral" as the term is defined in the Bankruptcy Code.

RELIEF REQUESTED

15. By this motion Debtor seeks the entry of an order authorizing Debtor's use of cash collateral, which constitutes cash collateral in which Wells Fargo, GM and Ford have an interest within the meaning of Section 363 of the Bankruptcy Code, and granting adequate protection therefor only to Wells Fargo. Debtor seeks an Order authorizing the relief requested herein and providing for the continued

use of cash collateral and provision of adequate protection to Wells Fargo pursuant to Rule 4001(b), Federal Rules of Bankruptcy Procedure.

BASIS FOR RELIEF REQUESTED

Necessity of Debtor's Use of Cash Collateral

16. In order to insure that Debtor can protect its enterprise value as well as the value of its assets, Debtor needs to timely pay on-going, post-petition operating expenses, including payroll, payroll taxes, rent, utilities, inventory vendors (for post-petition purchases), insurance premiums, customer loyalty programs, and cost of administration of the Chapter 11 case. Attached hereto as **Exhibit C** is Debtor's monthly budget of estimated expenditures for the next ninety (90) days (the "Budget").

17. The use of cash collateral is necessary to prevent the deterioration in the value of Debtor's assets and to provide Debtor with working capital necessary to maintain the operation of its business. Unless the business is able to meet its short-term obligations, Debtor will be unable to properly market Debtor's assets and realize the highest price for the assets. Without the use of cash collateral, the value of the business as a going concern will suffer immediate and irreparable harm, resulting in financial loss to all creditors.

18. Debtor does not have sufficient available sources of working capital and financing to carry on the operation of its businesses without the funding contemplated by the DIP Order. Without such funding, the continued operation of Debtor's business would not be possible, and serious and irreparable harm to Debtor

and the estate would occur. The preservation, maintenance, and enhancement of the going concern value of Debtor is of the utmost importance to a successful sale of Debtor's assets under Chapter 11 of the Bankruptcy Code.

Necessity of Debtor Obtaining Post-Petition Financing

19. Debtor requires approval of the Postpetition Debt and related Postpetition Agreement to fund operating expenses in accordance with Debtor's Budget. Even with the ability to use cash collateral, Debtor's financial projections show that Debtor cash collateral alone would be insufficient to fund Debtor's operations. Moreover, Wells Fargo has only consented to the Debtor's use of cash collateral as provided in the DIP Order.

20. The Postpetition Debt to be authorized by the DIP Order would provide Debtor with access to sufficient funds to cover projected operating expenses and the administrative expenses of this Chapter 11 case, combined with possible proceeds of the sale of the Debtor's assets after an auction.

21. Debtor will be unable to meet its post-petition obligations unless it has access to the funds provided under the Postpetition Agreement. In the absence of the proposed post-petition financing, Debtor, the estate and creditors will suffer immediate and irreparable harm.

22. Approval of the Postpetition Debt and Postpetition Agreement will permit Debtor to pay on-going, post-petition obligations and will preserve the going-concern value of Debtor's business.

23. Debtor believes that the terms of the Postpetition Agreement are fair and reasonable and in the best interests of Debtor, the estate and its creditors.

LEGAL AUTHORITIES

A. Authority for Use of Cash Collateral

24. Section 363(c)(2) of the Bankruptcy Code provides that a debtor “may not use, sell or lease cash collateral ... unless (A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. §363(c)(2).

25. Secured creditors will generally consent to the use of cash collateral only if the secured creditor’s interest in the cash collateral is adequately protected.

26. Adequate protection must be determined on a case-by-case basis permitting a debtor maximum flexibility in structuring its adequate protection proposal. *Martin v. United States Commodity Credit Corp. (In re Martin)*, 761 F.2d 472, 474 (8th Cir. 1985); *In re Ames Dept Stores*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990).

27. Adequate protection itself takes on many forms and is a flexible concept. *In re B & W. Tractor Company, Inc.*, 38 B.R. 613, 618 (Bankr. E.D.N.C. 1984). It not only includes the continuation of periodic payments, but also includes the likes of provision of replacement liens, the availability of an equity cushion in the collateral of the secured creditor, or the use of cash collateral to maintain and preserve or enhance the value of the secured creditor’s collateral.

28. To satisfy the requirements of the Bankruptcy Code, Debtor has agreed to provide Wells Fargo, among other things, with replacement liens, an acknowledged claim under Section 507(b) of the Bankruptcy Code, stipulations regarding is liens and claims, a surcharge waiver at a final hearing, and the ability to apply collections first to its Prepetition Debt (subject to the rights of parties to challenge such applications).

29. Debtor contends that such adequate protection offered to Wells Fargo is sufficient to protect Wells Fargo's interests in its collateral to be used by Debtor during the next ninety (90) days of its bankruptcy case.

30. Moreover, Wells Fargo has consented to the relief requested in this Motion with regard to cash collateral usage, on the basis set forth in the proposed DIP Order.

31. Debtor contends that the adequate protection offered to Wells Fargo likewise is sufficient to protect GM and Ford's interests, if any, in cash collateral to be used by Debtor in light of the fact that Debtor's use of cash collateral will be to maintain and preserve the value of GM's and Ford's respective collateral. Based upon the sale of Debtor's assets as proposed in the Sale Motion filed contemporaneously herewith, Debtor's assets do not have a value sufficient to secure GM's and Ford's claims, possibly rendering them completely unsecured. Accordingly, beyond adequately protecting Wells Fargo's interest in the Collateral, Debtor submits GM and Ford have no interest to protect at this time.

32. GM has not consented to the relief sought and has reserved all of its rights and remedies.

B. Authority for Approval of Post-Petition Financing

33. Section 364 of the Bankruptcy Code provides that a debtor may incur unsecured debt in the ordinary course of business allowable as an administrative expense, or after notice and a hearing, incur unsecured debt other than in the ordinary course of business allowable as an administrative expense. If a debtor is unable to obtain unsecured credit allowable as an administrative expense, the court may grant a post-petition lender a super-priority administrative expense, secure the credit with a lien on unencumbered assets or secure the credit with a junior lien on encumbered property. If a debtor is unable to obtain credit otherwise, the court may grant the post-petition lender a senior or equal lien on encumbered property to secure the post-petition credit.

34. Debtor is unable to obtain credit on an unsecured basis either with an administrative expense claim, a super-priority administrative expense claim or on a secured basis, other than from Wells Fargo, which was Debtor's primary pre-petition working capital lender. Wells Fargo will only agree to extend the post-petition financing to Debtor if Debtor grants Wells Fargo, *inter alia*, a first-priority, post-petition security interest on all of Debtor's assets. As noted above, Wells Fargo already holds a perfected, pre-petition first-priority security interest on all of Debtor's assets.

35. Debtor is not required to conduct an exhaustive search for alternative financing. “The statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable. This is particularly true when . . . time is of the essence. . . [.]” See *Bray v. Shenandoah Fed. Sav. & Loan Ass’n (In re Snowshoe, Inc.)*, 789 F.2d 1085, 1088 (4th Cir. 1986).

36. Debtor submits that in this case time is of the essence. If Debtor is unable to incur the proposed post-petition financing, Debtor will be unable to pay on-going operational and administrative expenses and the going-concern value of the business will decline rapidly.

37. Debtor sought to obtain both secured and unsecured post-petition financing from Fisher Auto Parts, Inc. (“Fisher”), its “stalking horse” bidder, and from other large suppliers, but received no commitments, and no terms as favorable as those offered by Wells Fargo. Debtor has been unable to locate any alternative post-petition financing. With all of Debtor’s assets encumbered by at least two security interests and Debtor’s assets perhaps worth less than the claims of the creditors asserting secured claims against the assets, the likelihood of finding alternative financing more favorable than that offered by Wells Fargo is exceedingly small, if not non-existent.

38. Courts recognize that debtors-in-possession generally enjoy little negotiating power with a proposed post-petition lender, particularly where the lender has a pre-petition lien on cash collateral. However, in assessing a debtor-in-possession’s request to approve post-petition financing, most courts “permit debtors-

in-possession to exercise their basic business judgment consistent with their fiduciary duties.” *In re Ames Dept. Stores, Inc.*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990).

39. It is Debtor’s reasonable belief that the proposed post-petition financing is the only viable alternative. In Debtor’s business judgment, the proposed post-petition financing is imperative to the continued operation of Debtor’s business.

40. As the *Ames* court noted in assessing a proposed post-petition financing agreement, “the court’s discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest”. *Id.* at 40.

41. In this case, Wells Fargo’s agreement to provide postpetition financing is benefiting all creditors, not simply itself. The proposed postpetition financing is structured such that Debtor expects to be able to pay all of the Debtor’s anticipated disbursements through the closing of the sale from Wells Fargo’s loans. These disbursements are reflected in the Budget, and they include millions of dollars for employees, utilities, vendors and customers. Wells Fargo has also agreed to a “carve out” for the Debtor’s professional fees that is also reflected in the Budget. Meanwhile, Debtor expects Wells Fargo’s overall exposure to remain relatively unchanged or slightly worse during the proposed sale period in this case. As a

result, the proposed Postpetition Debt facility represents a package whereby Debtor expects to pay substantially all of its administrative expenses from Wells Fargo's loans and collateral, while Wells Fargo will not see its position improved until a sale process is completed. And, that sale process to be funded by Wells Fargo could result in higher bids and payments to creditors. Clearly, the postpetition financing from Wells Fargo will not and is not intended by Debtor to solely benefit Wells Fargo.

42. Approval of the post-petition financing will provide Debtor with immediate access to necessary funds and will avoid immediate and irreparable harm to Debtor, the estate and its creditors. Without postpetition financing, Debtor would be forced to close its business and forced to liquidate its assets.

43. Debtor has demonstrated that it has exercised sound business judgment in determining that the proposed post-petition financing is necessary and appropriate. Consequently, the Court should grant authority to Debtor to enter into the Postpetition Agreement and any other documents necessary to effect the post-petition financing.

C. Request for Interim Approval of Post-Petition Financing

44. Rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure provides that the Court may not commence a final hearing on a motion for authority to obtain credit less than fourteen (14) days after the service of the Motion. Debtor requires access to the funds provided by post-petition financing before that time period runs. The Court is permitted, upon request, to conduct a preliminary hearing

and to grant authority to Debtor to obtain credit in the interim period to the extent necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

45. Pursuant to Rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure, Debtor hereby requests that the Court conduct an expedited hearing to consider entry of an Interim Order authorizing Debtor to borrow sufficient funds to pay its operating expenses, subject to the Budget, pending a final hearing.

NOTICE AND PRIOR MOTIONS

46. Notice of this Motion has been provided to the Bankruptcy Administrator for the Middle District of North Carolina, Debtor's pre-petition secured creditors, the twenty (20) largest unsecured creditors, and any party-in-interest requesting notice through the Court's CM/ECF electronic noticing system. Debtor shall also serve notice as required by the Court in any order entered shortening notice and expediting hearing on this Motion. In light of the nature of the relief requested herein, Debtor submits that no other or further notice is necessary or required.

47. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE, Debtor respectfully requests that the Court:

1. Enter an Interim Order authorizing Debtor's use of cash collateral, and provision of adequate protection therefor as provided by this Motion;
2. Enter an Interim Order authorizing Debtor to incur post-petition financing consistent with the Postpetition Agreement;

3. Schedule a further hearing regarding this Motion, the Interim Order, and Debtor's Request for a Final Order, after providing such notice as is required by Rule 4001 of the Federal Rules of Bankruptcy Procedure; and
4. For such other and further relief as the Court deems just and proper.

This the 8th day of January, 2018.

/s/Ashley S. Rusher
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UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

IN RE: §
AUTO SUPPLY COMPANY, INC. § Case No. 18-50018
Debtor. § Chapter 11
§

CERTIFICATE OF SERVICE

The undersigned does hereby certify that he has this date served a copy of the MOTION OF DEBTOR-IN-POSSESSION FOR (I) INTERIM ORDER (A) AUTHORIZING INTERIM USE OF CASH COLLATERAL ON AN EMERGENCY BASIS PENDING A FINAL HEARING; (B) AUTHORIZING DEBTOR TO INCUR POST-PETITION DEBT ON AN EMERGENCY BASIS PENDING A FINAL HEARING; (C) GRANTING ADEQUATE PROTECTION AND PROVIDING SECURITY AND OTHER RELIEF TO WELLS FARGO BANK, N.A., AND (D) SCHEDULING FINAL HEARING PURSUANT TO RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND (II) FINAL ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL ON A FINAL BASIS, AUTHORIZING DEBTOR TO INCUR POST-PETITION DEBT AND GRANTING ADEQUATE PROTECTION, PROVIDING SECURITY AND OTHER RELIEF TO WELLS FARGO BANK, N.A. through the Court's CM/ECF system and by facsimile transmission or electronic mail, addressed to the parties on the attached list.

This the 8th day of January, 2018.

/s/Ashley S. Rusher
Ashley S. Rusher, NCSB #14296
Attorney for Debtor-in-Possession

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CASE NO. 18-50018

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