



Order Filed on October 10, 2018  
by Clerk U.S. Bankruptcy Court  
District of New Jersey

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In Re:

**MESAW, LLC.,**

Debtor.

Case No.: 17-32925 (JKS)

Chapter 11

Hon. Judge: John K. Sherwood

**SIXTH INTERIM ORDER: (I) AUTHORIZING USE OF CASH COLLATERAL; (II) PROVIDING ADEQUATE PROTECTION FOR THE USE OF CASH COLLATERAL; (III) SCHEDULING AN INTERIM HEARING; (IV) WAIVING THE FOURTEEN-DAY STAY; AND (V) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two through four, is hereby ORDERED

**DATED: October 10, 2018**

Honorable John K. Sherwood  
United States Bankruptcy Court

Debtor: Mesaw, LLC  
Case No.: 17-32925  
Caption of Order: Sixth Interim Order: (I) Authorizing Use of Cash Collateral; (II) Granting Adequate Protection; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief.

This matter coming before the Court on the Motion of Mesaw, LLC (the “Debtor”) for Entry of Interim Order: (I) Authorizing Use of Cash Collateral; (II) Granting Bank of New Jersey and any other secured creditors (the “Secured Creditors”) Adequate Protection; (III) Scheduling a Final Hearing; (IV) Waiving the Fourteen-Day Stay; and (V) Granting Related Relief (the “Motion”), filed by the above-captioned debtor and debtor-in-possession (the “Debtor”); the Court having reviewed the Motion and the Certification of Stephen Anatro, and having considered the statements of counsel and the evidence presented in support of the Motion at a hearing before the Court (the “Interim Hearing”); the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion and the Interim Hearing was sufficient under the circumstances; and the Debtor agrees that the Secured Creditors have properly perfected pre-petition liens on personal property of the Debtor as described in the security agreements and UCC-1 financing statements, and the term “Cash Collateral” as defined by Section 363(a) of the Bankruptcy Code includes post-petition proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties subject to a security interest as provided in Section 552(b) and as the term “proceeds” is described in UCC Section 9-306; and after due deliberation, the Court having determined that the relief granted below is in the best interest of the Debtor, its estate and its creditors, is essential to preserve the going concern value of the estate, and is necessary to avoid immediate and irreparable

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harm to the to the estate pending a final hearing; the Court having determined there is a reasonable likelihood that the Debtor will prevail upon the merits at the final hearing of the Motion as required by Section 363(c)(3) of the Bankruptcy Code, and for good cause shown, it is;

ORDERED as follows:

1. Use of Cash Collateral. The Debtor is hereby authorized and empowered, until November 30, 2018, to use the Cash Collateral arising from the property listed in the Cash Collateral Budget attached hereto as **Exhibit "A"** in the ordinary course of the business of the Debtor and consistent and with the Cash Collateral Budget.
2. Adequate Protection. As adequate protection for use of cash collateral, the Secured Creditors are GRANTED:
  - a. Replacement Lien. A replacement perfected security interest under Section 361(2) of the Bankruptcy Code to the extent the Secured Creditors' cash collateral is used by the Debtor, to the extent and with the same priority in the Debtor's post-petition collateral, and proceeds thereof, that the Secured Creditors held in the Debtor's pre-petition collateral.
  - b. Preservation of Business Assets. The Debtor is directed to maintain and preserve the affected assets to include making all necessary repairs and maintaining sufficient insurances.
  - c. Cash Payments. As further adequate protection, pursuant to Section 361(1) of the Bankruptcy Code, the Debtor shall make payments to Bank of New Jersey as



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follows: (i) payment in the amount of \$1,900.00 on or before October 15, 2018; and  
(ii) payment in the amount of \$1,900.00 on or before November 15, 2018.

- d. Statutory Rights Under Section 507(b). To the extent the adequate protection provided for hereby proves insufficient to protect the Secured Creditor's interest in and to the cash collateral, the Secured Creditor shall have a superpriority administrative expense claim, pursuant to Section 507(b) of the Bankruptcy Code, senior to any and all claims against the Debtor under Section 507(a) of the Bankruptcy Code, whether in this proceeding or in any superseding proceeding.
- e. Deemed Perfected. The replacement lien and security interest granted herein is automatically deemed perfected upon entry of this Order without the necessity of the Secured Creditor taking possession, filing financing statements, mortgages or other documents. Although not required, upon request by the Secured Creditor, Debtor shall execute and deliver to the Secured Creditor any and all UCC Financing Statements, UCC Continuation Statements, Certificates of Title or other instruments or documents considered by the Secured Creditor to be necessary in order to perfect the security interests and liens in the Debtor's post-petition collateral and proceeds granted by this Order, and the Secured Creditor is authorized to receive, file and record the foregoing at the Secured Creditor's own expense, which actions shall not be deemed a violation of the automatic stay.
- f. Periodic Accountings. Within fourteen (14) days of the entry of this Order, the

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Debtor shall provide bi-weekly periodic accountings to the Secured Creditor setting forth the cash receipts and disbursements made by the Debtor under this Order. In addition, the Debtor shall provide the Secured Creditor all other reports required by the pre-petition loan documents and any other reports reasonably required by the Secured Creditor, as well as copies of the Debtor's monthly United States Trustee operating reports. Upon appointment of a Creditor's Committee, the Debtor shall submit a copy of the monthly U.S. Trustee operating reports to counsel to said Committee if counsel has been appointed, and until counsel is retained, to the Chairman of said Committee.

- g. Default Hearing. In the event Debtor defaults or violates this Order, the Secured Creditor is entitled to request a hearing within fourteen (14) days (or if immediate and irreparable injury, loss or damage may occur, an emergency hearing within 48 hours).
- h. Creditor's Rights of Inspection and Audit. Upon reasonable notice by the Secured Creditor, Debtor shall permit such creditor and any of its agents reasonable and free access to the Debtor's records and place of business during normal business hours to verify the existence, condition and location of collateral in which said creditor holds a security interest and to audit Debtor's cash receipts and disbursements.

- 3. Interlocutory Order and No Modification of Secured Creditors' Adequate Protection. This is an interlocutory order. Nothing contained herein shall be deemed or construed to (a) limit the Secured Creditors to the relief granted herein; (b) bar the Secured Creditors from seeking

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other and further relief (including without limitation relief from the terms of this Order) for cause shown on appropriate notice to the Debtor and other parties-in-interest entitled to notice of same: or (c) require the Secured Creditors to make any further loans or advances to the Debtor. The Order may be modified for cause shown by the Debtor, the Secured Creditors, or any other party-in interest on due notice. No such modification, however, shall deprive the Secured Creditors of their interest in Debtor's property (pre-petition and post-petition).

4. This Interim Order shall be effective as of the Petition Date.

#### **NEXT INTERIM HEARING**

IT IS FURTHER ORDERED, AND NOTICE IS HEREBY GIVEN that the next interim hearing for the continued use of cash collateral associated with the relief requested in the Motion is scheduled for November 20, 2018, at 10:00 a.m. prevailing Eastern Time, in the United States Bankruptcy Court for the District of New Jersey, Newark New Jersey. Any objections to the Debtor's continued use of Cash Collateral shall be filed with the Court and served upon counsel for the Debtor and the Office of the United States Trustee. If no objections are filed, then this Interim Order may continue in full force and effect and may be deemed a Final Order without further notice or hearing in accordance with Bankruptcy Rule 4001(d)(3).

#### **NOTICE**

IT IS FURTHER ORDERED that the Debtor serve a copy of this Order and Notice by



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first class mail within three business days from the date hereof, on (i) the United States Trustee, (ii) all affected parties; (iii) counsel to any committee appointed under Section 1102 of the Bankruptcy Code, if one has been appointed and if not, to Debtor's twenty largest Rule 1007(d) unsecured creditors; and (iv) all parties who filed notice of appearance herein. Debtor shall immediately file with the Clerk a Certificate of Service of said mailing.

## **EXHIBIT A**

Budget and Cash Flow Projection

	9/26-10/2	10/3-10/9	10/10-10/16	10/17-10/23	10/24-10/30	10/31-11/6	11/7-11/13	11/14-11/20
	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Operating Expense								
Advertising	19	19	19	19	19	19	19	19
Automobile Expense	38	38	38	38	38	38	38	38
Merchant Account Fees	309	309	309	309	309	309	309	309
Dues & Subscriptions	62	62	62	62	62	62	62	62
Grooming Supplies	46	46	46	46	46	46	46	46
Insurance Expense	309	309	309	309	309	309	309	309
Office Expense	96	96	96	96	96	96	96	96
Payroll Expense	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Payroll Tax Expense	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rent	10,000	-	-	10,000	-	-	-	-
Repairs & Maintenance	58	58	58	58	58	58	58	58
Protected Payment			1,900					1,900
Utilities	2,000	-	-	2,000	-	-	-	-
<b>Total Expenses</b>	<b>23,937</b>	<b>937</b>	<b>11,937</b>	<b>23,937</b>	<b>937</b>	<b>11,937</b>	<b>11,937</b>	<b>2,837</b>
<b>Net Income</b>	<b>{14,337}</b>	<b>8,663</b>	<b>{2,337}</b>	<b>6,763</b>	<b>{14,337}</b>	<b>8,663</b>	<b>{2,337}</b>	<b>6,763</b>