

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
IN RE:

KUM GANG INC.,

Debtor.

Chapter 11

Case No.18-43997  
-----X

**FINAL ORDER AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL  
AND FOR RELATED RELIEF**

Upon the Motion (the "Motion") of Kum Gang Inc. (the "Debtor"), seeking authorization, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004 to use Debtor's cash collateral and other related relief, all as more fully described in the Motion, and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157, and consideration of the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157.

And consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 17(b), and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409, and due and proper notice of the Motion having been provided to (i) the United States Trustee for the Eastern District of New York (the "U.S. Trustee"), (ii) the Debtor's secured lenders, (iii) those creditors holding the twenty largest unsecured claims against the Debtor's estate, and (iv) those parties having requested notice in the case, and it appearing that no other or further notice need be provided, and a hearing having been held to consider the relief requested in the Motion (the "Hearing"), and the appearances of all interested parties having been noted in the record of the Hearing, the record of the Hearing, and all of the proceedings had before the Court, and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate and creditors, and all parties in interest and that the legal

and factual bases set forth in the Motion establish just cause for the relief granted herein, and (b) that this relief is necessary to avoid immediate and irreparable harm to the Debtor, and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted on ~~an interim~~ a final (CEC) basis as set forth herein, ~~and pending a final hearing, (CEC)~~ and it is further

ORDERED that effective as of the Petition Date, and upon the following terms and conditions, the Debtor is authorized to utilize Cash Collateral generated from its business (a) Pending further order of this Court, the Cash Collateral may be used by the Debtor on a weekly basis in the ordinary course of its businesses to pay the reasonable and necessary operating expenses of the Debtor in accordance with the Budget (provided that the Debtor may not exceed the Budget by ten percent per line item without further order of the Court or the written consent of Noah Bank); (b) that Debtor shall continue to make monthly payments to Noah Bank consistent with the Budget, (c) to the extent that an expense of the Debtor arises that is not included on the Budget, the Debtor may submit a written description of such proposed supplemental expenses to counsel for Noah Bank, together with a copy of the invoice therefor, if any, and any other appropriate statements, quotes, or other reasonably available substantiation for any such proposed supplemental expenses. Within five (5) days, Noah Bank may approve or object to any such proposed supplemental expense within its reasonable discretion. If Noah Bank approves a proposed supplemental expense, then the Debtor may use Cash Collateral to pay such approved supplemental expenses and such expense shall be deemed added to the Budget for the Debtor for that week. Noah Bank shall be deemed to consent to the payment of such proposed disbursement unless it objects in writing within five (5) days after receipt of notice or, if it requests additional information within two (2) days after receipt by Noah Bank of all information

so requested. If Noah Bank does not consent to a proposed supplemental expense within the time frames set forth herein, the Debtor may file an application with this Court, on notice to Noah Bank, seeking the entry of an order authorizing the Debtor to use Cash Collateral to pay such proposed supplemental expense; (d) Nothing in this order shall limit in any way the rights or claims of Noah Bank against the Debtor, or of the Debtor against Noah Bank, as provided by the various underlying prepetition loan and security agreements between the parties; and it is further

ORDERED that in addition to the existing rights and interests of Noah Bank in the Cash Collateral and for the purpose of adequately protecting it from collateral diminution, Noah Bank is hereby granted replacement liens ("Replacement Liens"), to the extent that said liens in prepetition Cash Collateral were valid, perfected and enforceable in the continuing order of priority of its pre-petition liens and claims and to the extent collateral diminution occurs during the Chapter 11 case, subject to (i) the claims of Chapter 11 professionals duly retained in the Chapter 11 case and to the extent awarded pursuant to Sections 330 and 331; (ii) United States Trustee quarterly fees pursuant to 28 U.S.C. Section 1930 and any applicable interest thereon pursuant to 31 U.S.C. Section 3717 and any fees due to the Clerk of the Court; and (iii) the fees of a hypothetical Chapter 7 trustee in the event that such is appointed. In addition, the Replacement Liens granted hereby shall not attach to the proceeds of any recoveries of estate causes of action under Sections 542 through 553 of the Code; and it is further

ORDERED that Noah Bank reserves its rights to hereafter request additional adequate protection and to object to the adequacy of the adequate protection granted herein; and it is further

ORDERED that Noah Bank, in the event that it believes that there has been a

default by the Debtor as to any terms contained in this Order, shall provide a 7-day notice of default of the terms of the order to the Debtor, U.S. Trustee, counsel to any official committees (or, if no committees have been appointed, to the top 20 unsecured creditors); and it is further

ORDERED that, to the extent the Debtor's loan agreement with Noah Bank and this Order conflict, the provisions of this Order govern; and it is further

ORDERED that notwithstanding any applicability of Bankruptcy Rules 7062, or 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtor is required to comply with all applicable minimum wage laws; and it is further

ORDERED that the Debtor shall serve this Order within three business days of its entry on (i) the Office of the United States Trustee for the Eastern District of New York, (ii) counsel to Noah Bank and all other scheduled secured creditors, if any, (iii) the Debtor's twenty largest unsecured creditors, (iv) counsel to any official committees (if such are), and (v) those parties who have requested notices in this case; and it is further

~~ORDERED that a final hearing ("Final Hearing") on the use of Cash Collateral shall be held on January 9, 2019 at 2:30 p.m.; and it is further~~ (CEC)

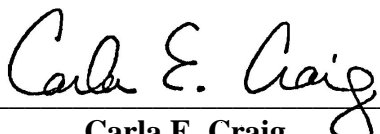
ORDERED that the provisions of this Order shall remain in full force and effect unless modified or vacated by subsequent order of this Court. If any or all of the provisions of this Order are modified, vacated, or stayed by subsequent order of this Court or any other court, such stay, modification or vacation shall not affect the validity and enforceability of any lien, priority or benefit, or application of payment authorized hereby with respect to any indebtedness of the Debtor to Noah Bank; and it is further

ORDERED that this Order shall be binding upon any subsequent appointed or elected trustee in a successor case under Chapter 7 of the Code; and it is further

ORDERED that the Bankruptcy Court shall retain jurisdiction with respect to all matters pertaining to this Order.

**Dated: Brooklyn, New York  
January 17, 2019**



  
\_\_\_\_\_  
**Carla E. Craig**  
**United States Bankruptcy Judge**