

IT IS SO ORDERED.

Dated: 20 October, 2017 10:00 PM

*Jessica E. Price Smith*

JESSICA E. PRICE SMITH  
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION, CLEVELAND

In re:	)	Chapter 11
U.S. Tommy, Inc.,	)	Case No. 17-16150
Debtor.	)	JUDGE: Jessica Price Smith

**INTERIM ORDER GRANTING EMERGENCY MOTION OF DEBTOR AND DEBTOR IN POSSESSION FOR INTERIM AND FINAL ORDER (I) AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION THEREFOR AND RELATED RELIEF AND (III) SETTING A FINAL HEARING TO CONSIDER AND APPROVE DEBTOR'S POST-PETITION USE OF CASH COLLATERAL NUNC PRO TUNC**

This matter is before the Court upon the *Emergency Motion of Debtor and Debtor in Possession for Interim and Final Order (i) Authorizing the Debtor's Use of Cash Collateral, (ii) Granting Adequate Protection Therefor, and (iii) Setting a Final Hearing to Consider and Approve the Debtor's Post-petition Use of Cash Collateral Nunc Pro Tunc* [Doc. No. 9] (the "Motion"), filed on October 17, 2017, by U.S. Tommy, Inc., debtor and debtor-in-possession (the "Debtor"). Grand Pacific Holding Corporation ("Grand Pacific") filed an . . . *Objection to Debtor's Emergency Motion for Authority to Use Cash Collateral* on October 19, 2017 [Doc. No. 13] (the

“Objection”). Grand Pacific asserts a valid, perfected, first priority mortgage lien, assignment of rents, and security interest in, among other property, all of the Debtor’s rents, fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in the Debtor’s hotel (the “Cash Collateral”). An interim hearing on the Motion and Objection took place on October 19, 2017, at which counsel for the Debtor, Grand Pacific, and the Office of the United States Trustee appeared and were heard.

Upon notice and the interim hearing, the Court finds that the Debtor has alleged good cause and it appears appropriate to grant its Motion, notwithstanding the Objection, but subject to the terms and conditions set forth in this Order. It is therefore,

**ORDERED, ADJUDGED AND DECREED** that, subject to the terms of this Order, the Debtor is authorized to use Cash Collateral only through November 16, 2017 (the “Interim Period”), pursuant to the terms and provisions of this Interim Order and pursuant to section 363(c)(2)(B) of the Bankruptcy Code to pay those categories and dollar amounts of expenses that are set forth in the budget attached hereto as Exhibit A (the “Budget”). The Debtor may not use or seek to use Cash Collateral other than pursuant to the terms of this Interim Order and the Budget; it is further,

**ORDERED ADJUDGED AND DECREED** that the Debtor has stipulated that Grand Pacific’s claims are secured with, among other assets, the Debtor’s Cash Collateral; however, this stipulation is subject to review by any party in interest or an official committee of unsecured creditors (if one is appointed in this case); it is further,

**ORDERED, ADJUDGED AND DECREED** that, as adequate protection to Grand Pacific during the Interim Period pursuant to Sections 361 and 363 of the Bankruptcy Code:

- (a) Grand Pacific is granted a valid and perfected replacement security interest in, and a lien upon, all property of the Debtor’s estate (to the same extent, and with the same validity, perfection, and priority of the pre-petition liens

and security interests that Grand Pacific asserts), to the extent that the Debtor's use, sale, or lease of property results in a decrease in the value of Grand Pacific's interest in such property (the "Replacement Lien"). Under Section 552(b)(2) of the Bankruptcy Code, the liens and security interests that Grand Pacific asserts in the Debtor's pre-petition rents, fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in the Debtor's hotel shall, and hereby does, continue to extend to all of the Debtor's rents, fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in the Debtor's hotel that are acquired by the Debtor's estate after the commencement of this case to the extent provided in Grand Pacific's pre-petition mortgage and security agreement (the "Continuing Lien"). For the avoidance of doubt, the Replacement Lien is in addition to (and is not a limitation upon or a substitute for) the Continuing Lien; and

- (b) Pursuant to Section 507(b) of the Bankruptcy Code, Grand Pacific is granted an administrative expense priority claim having the priority afforded by Section 507(b) to the extent of any diminution in the value of its collateral arising from the use, sale, or lease thereof; and
- (c) The Replacement Lien and the Continuing Lien shall relate back to the petition date and shall be deemed perfected and of the same force and effect as Grand Pacific's pre-petition liens and security interests without the necessity of further action by Grand Pacific; and
- (d) The Debtor shall to pay Grand Pacific the sum of \$18,297.91 [representing 6.25% of the principal balance of \$3,513,199.00 / 12] plus \$8,150.92 [representing 1/12 of the estimated annual insurance premium and real estate taxes] totaling \$26,448.83 by the end of business on November 5, 2017; and
- (e) Grand Pacific shall have, at any time during normal business hours, on reasonable request, access to (a) any of the premises that Debtor directly or indirectly owns, leases or otherwise has a right to occupy or use, and (b) all assets and properties of Debtor located on any such premises, including, without limitation, all accounts; and
- (f) The Debtor shall provide to Grand Pacific at the end of business on Monday of each calendar week, beginning October 23, 2017, an accounting of all expenditures made in the preceding week ending at Sunday midnight, together with supporting documentation; it is further,

**ORDERED, ADJUDGED AND DECREED** that the Debtor will honor its payment obligation set forth herein, and that failure to do so may give rise to Grand Pacific seeking relief from stay; it is further,

**ORDERED, ADJUDGED AND DECREED** that if there is a default by the Debtor under this Order, then Grand Pacific shall provide written notice thereof to the Debtor, the United States Trustee, and any official committee appointed in this case (directly or by their respective counsel), and the Debtor shall have 5 business days to cure the default during which time Grand Pacific may not exercise its rights and remedies for default set forth in this Order; it is further,

**ORDERED, ADJUDGED AND DECREED** that a further interim hearing on the Debtor's Motion shall be held on **November 14, 2017, at 10:30 a.m.** in Courtroom 2B of the Howard M. Metzenbaum U.S. Courthouse, 201 Superior Avenue, Cleveland, Ohio 44114-1235; and it is further

**ORDERED, ADJUDGED AND DECREED** that the Debtor shall serve a copy of this Order upon (a) the Office of the United States Trustee, (b) counsel for Grand Pacific, and (c) the Debtor's 20 largest unsecured creditors; and it is further

**ORDERED, ADJUDGED AND DECREED** that objections, if any, to the Debtor's Motion for use of cash collateral shall be filed and served on counsel for the Debtor on or before **November 7, 2017.**

**It is so ordered.**

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Submitted by:

/s/ Richard H. Nemeth  
Richard H. Nemeth (#0007392)  
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# Exhibit A

**U.S. TOMMY INC. - 2017**      PROJECTED SALES

10/17-11/16

**Ordinary Income/Expense**

Sales - Room	83,254
Monthly Rent	10,800
Total Revenue	94,054

Sale Tax Collected	13,737
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**EXPENSES**

Adequate protection payment GP	26448.83
Licensing fees	0
Room Operation Supplies	2,576
Payroll and Related Expenses	14,500
Travel Agency Booking Fee	4,692
Property Operation Expenses	1,263
Utilities	17,652
Tele, Cable & Internet Expense	3,594
Repair and Maintenance Elevator	1,668
Business Insurance	2,157
Automobile Expenses	1,465
Copier Expenses	426
Bank Fees / Charge Backs	2,456
Misc	486
Hotel Repair & Maintenance	5,369
Total Expenses	84,753

Sales Tax	(13,737)
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Net Ordinary Income - Room	9,301
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Adequate protection payment GP	Including advance for real estate tax and property insurance premium
Licensing fees	State and city hotel license fees , boiler license fee, elevator license fee
Room operation supplies	Towels, linens, paper products, bathroom products
Payroll and related expenses	Including bookkeeper. Payroll & payroll taxes.
Travel Agency Booking Fees	Expedia, Booking.com, Saber Hospitality Solutions
Property Operation Expenses	Refuse collection, security patrol, alarm co. General maintenance & laundry supplies.
Utilities	Gas, water, sewer and electricity
Repair & Maint. Elevator	Monthly maintenance fee [\$834] plus one anticipated service call.
Business Insurance	Business general liability policy premium.
Automobile Expenses	Fuel, insurance, repairs and maintenance.
Copier Expenses	Lease payment & service contract.
Bank Fees/Charge Backs	Bank fees for account maintenance & charge-backs for room cancellations.
Misc	Front desk office supplies & misc. petty cash expenditures
Hotel Repair and Maintenance	Dry wall , electrical , plumbing , and fixture repairs.