CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 6, 2017

_____

United States Bankruptcy Judge

_____

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:	§	
	§	
CHESTON, INC.	§	**CASE NO. 17-32076-bjh-11**
	§	**Chapter 11**
	§	
Debtor.	§	

**ORDER GRANTING DEBTOR'S MOTION FOR USE OF CASH COLLATERAL
PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE AND PROVIDING
ADEQUATE PROTECTION AND GRANTING LIENS AND SECURITY INTERESTS**

Upon the Emergency Motion for Interim and Final Orders Authorizing Debtor to Use Cash

Collateral Pursuant to 11 U.S.C. § 363 (the "Motion") (Docket No. 4) pursuant to Sections 105,

361, 363 and 364 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") and

Federal Rule of Bankruptcy Procedure 4001, filed by Cheston, Inc. ("Debtor"), subject to the terms

and conditions set forth herein, including the (i) grant of mortgages, security interests, liens and

claims for the benefit of JPMorgan Chase Bank N.A. (the "Secured Lender"), post-petition which are co-extensive with its pre-petition liens (to the extent of such liens, if any) as more fully set forth herein, and upon the proceedings held before this Court and good and sufficient cause appearing therefore,

THE COURT HEREBY FINDS:

A.   On May 29, 2017 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor is now operating its business and managing its property as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner and no official committee has yet been appointed.

B.   This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 Case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C.   The Debtor's ability to use Cash Collateral (as such term is defined in the Bankruptcy Code) is vital to the confidence of the Debtor's vendors and suppliers of the goods and services, to the customers and to the preservation and maintenance of the going concern value of the Debtor's estate.

D.   Secured Lender may claim that substantially all of the Debtor's assets are subject to the prepetition liens of the Secured Lender.

E.   The Debtor has requested entry of this Order pursuant to Bankruptcy Rule 4001(b) and (d). This Court concludes that entry of this Order is in the Debtor's best interest and its estate and creditors as its implementation will, among other things, allow for the continued operation and rehabilitation of the Debtor's existing business.

F.   No other party has appeared to object to the Motion, or request adequate protection.

THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that the Debtor be, and hereby is, authorized pursuant to the terms of this Order to use Cash Collateral subject to the terms, protections and consideration described in this Order; it is further

ORDERED that the Secured Lender is hereby granted valid, binding, enforceable, and perfected replacement liens and security interests in accordance with Bankruptcy Code Sections 361, 363, 364(c)(2), 364(e), and 552 (the "Post-petition Liens") co-extensive with the Secured Lender's pre-petition liens (if any) in all currently-owned or hereafter-acquired property and assets of the Debtor, of any kind or nature, whether real or personal, tangible or intangible, wherever located, and all proceeds[1] and products, including, without limitation, all accounts receivable, general intangibles, inventory, and deposit accounts. Notwithstanding the foregoing, (i) nothing herein shall grant a lien on, interest in or claim on causes of action under Chapter 5 of the Bankruptcy Code; and (ii) nothing herein shall prime the lien of an ad valorem taxing authorities; it is further

ORDERED that the Post-petition Liens granted to the Secured Lender in this Order are automatically perfected without the need for filing of a UCC-1 financing statement with the Secretary of State's Office or any other such act of perfection; it is further

ORDERED that the Debtor may set aside $2,500 per month toward its professional fees; but there shall be no payment of accrued professional fees without a prior Court order; it is further

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[1] For purposes of this Order, "proceeds" of any of the Secured Lender's collateral shall mean Proceeds (as defined in the Uniform Commercial Code) of such collateral security for all Cash Collateral permitted to be used hereunder by the Debtor.

ORDER ON DEBTOR'S MOTION FOR USE OF CASH COLLATERAL   Page 3

ORDERED that all cash accounts of Debtor and all accounts receivable collections by Debtor post-petition shall be deposited in a separate cash collateral account, being Debtor's debtor-in–possession depositary account; it is further

ORDERED that as adequate protection in accordance with Section 363(e) of the Bankruptcy Code, the Debtor shall pay to the Secured Lender on the 1st day of the month beginning on July 1, 2017 the sum of $3,000 per month, and the automatic stay under Section 362(a) of the Bankruptcy Code shall be, and hereby is, modified to the extent necessary to permit the Secured Lender to apply such payments to principal amounts owing to the Secured Lender as of the Petition Date; it is further

ORDERED that from and after the Petition Date, cash collateral shall not, directly or indirectly, be used to pay expenses of the Debtor or otherwise disbursed except for those expenses and/or disbursements that are expressly permitted herein and as shown on the Debtor's budget attached hereto as **Exhibit "1"** plus (i) 10% per line item, and (ii) fees owed to the United States Trustee; it is further

ORDERED that during the pendency of this Order, the Debtor shall

(i)   maintain insurance on the Secured Lender's collateral;

(ii)   execute and deliver to the Secured Lender all such agreements, financing statements, instruments and other documents as the Secured Lender may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto; and

(iii)   comply with the Secured Lender's requests to audit the books and records on site monthly with reasonable notice to the Debtor and its counsel;

it is further

ORDERED that the provisions of this Order shall be binding upon and inure to the benefit of the Secured Lender and the Debtor. However, nothing herein shall prevent the Secured Lender from seeking any form of relief under the Bankruptcy Code; it is further

ORDERED that the Debtor shall, serve by U. S. mail, first class postage prepaid, a copy of this Order, to (a) the Office of the U. S. Trustee; (b) counsel to the Secured Lender; (c) all creditors in this case on the Matrix and (d) all parties requesting notice in this case; it is further

ORDERED that the Debtor's authority to use cash collateral under this Order shall terminate on September 30, 2017.

<div align="center"># # # END OF ORDER # # #</div>

Agreed as to form:

/s/ Howard Marc Spector
Howard Marc Spector
Texas Bar No. 00785023
Spector & Johnson, PLLC
12770 Coit Road, Suite 1100
Dallas, Texas 75251

Proposed Attorneys for Debtor

 /s/ Richard Dafoe
Richard Dafoe
Texas Bar No. _____
Vincent Serafino Geary Waddell Jenevein, P.C.
1601 Elm Street, Suite 4100
Dallas, TX 75201

Attorneys for JPMorgan Chase Bank N.A.

	July	August	September
Food/Liquor/Beer/Wine Inventory	$ 46,000.00	$ 46,000.00	$ 46,000.00
Wages	$ 40,000.00	$ 40,000.00	$ 40,000.00
Rent	$ 21,000	$ 21,000.00	$ 21,000.00
TX Comptroller-State/TABC tax	$ 20,000.00	$ 20,000.00	$ 20,000.00
Utilities/Cable/Phones/TV	$ 6,500.00	$ 6,500.00	$ 6,500.00
Services	$ 3,000.00	$ 3,000.00	$ 3,000.00
Credit Card Processing	$ 3,000.00	$ 3,000.00	$ 3,000.00
Misc	$ 3,000.00	$ 3,000.00	$ 3,000.00
Insurance	$ 2,500.00	$ 2,500.00	$ 2,500.00
Equipment Lease	$ 2,400.00	$ 2,400.00	$ 2,400.00
Payroll Services	$ 400.00	$ 400.00	$ 400.00
Operating Supplies	$ 275.00	$ 275.00	$ 275.00
Total	$ 148,075	$ 148,075	$ 148,075

Exhibit 1