



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 14, 2017

  
United States Bankruptcy Judge

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

In re

PREMIUM COMMERCIAL  
PLUMBING, INC.

Debtor.

Case No. 17-32426

Chapter 11

**FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL**

Pursuant to Debtor in Possession Premium Commercial Plumbing, Inc.'s ("Debtor") Motion for Interim and Final Authority to Use Cash Collateral, filed on June 23, 2017 [Dkt. No. 5] (the "Motion"), and following a hearing on the Motion held on July 10, 2017, and in consideration of the evidence produced and arguments made at the hearing, the Court finds as follows:

A. The Debtor has requested that it be allowed to use the Alleged Secured Creditors' (this term having the meaning ascribed in the Motion) claimed or potential cash collateral pursuant to section 363(c) of the Bankruptcy Code in order to provide funds to be used solely for

such purposes set forth in the budget (the “Budget”), attached hereto as Exhibit “A” in order to avoid immediate and irreparable harm to the Debtor’s estate which will occur if this Order is not approved.

B. An immediate and critical need exists for the Debtor to use the claimed cash collateral. Without the use of the claimed cash collateral, the Debtor will not have the funds to pay expenses necessary for the continued operation of its business and reorganization, and the Debtor will, as a result, suffer irreparable harm. The Debtor’s reorganization efforts require the use of the purported cash collateral, the use of the purported cash collateral will benefit the Debtor and its estate, and the ability of the Debtor to maximize the value of its estate is dependent upon the Debtor’s ability to use the claimed cash collateral.

C. Good, adequate, and sufficient cause has been shown to justify the granting of the relief provided for herein. The use of the claimed cash collateral by the Debtor is actual and necessary to preserve the Debtor’s estate and will avoid immediate and irreparable harm to the Debtor, its estate, and its assets.

D. Commercial Credit Group, Inc. (“Commercial Credit”) and the Internal Revenue Service (“IRS”) claim or may claim a security interest in property of the Debtor consisting of, among other things, Debtor’s accounts receivable and/or cash.

Accordingly, it is therefore

ORDERED that the Debtor is hereby authorized to use the Alleged Secured Creditors’ claimed cash collateral to pay expenses listed in the Budget, but not to exceed by 10% the budgeted amounts listed therein, and only in accordance with the terms and conditions contained in the Budget and contained in and provided for in this Order; it is further

ORDERED that, as adequate protection to the Alleged Secured Creditors for the

continued use of their claimed cash collateral,

- 1) The Alleged Secured Creditors of the Debtor shall receive replacement liens on post-petition accounts receivable and cash as adequate protection, as well as other types of property subject to their respective liens, which replacement liens shall be held by the Alleged Secured Creditors in the same extent, validity, priority, and value as they existed prior to the Petition Date;
- 2) Such replacement liens shall secure an amount equal to the sum of the aggregate diminution, if any, subsequent to the Petition Date, in the value of the claimed cash collateral of the respective Alleged Secured Creditors, provided this grant (i) shall be subject to any prior perfected liens, and (ii) the exercise and enforcement of this lien remains subject to the Court's determination that a diminution has occurred;
- 3) Debtor will maintain insurance coverage on all inventory and other property constituting the Alleged Secured Creditors' collateral;
- 4) Debtor will provide the Alleged Secured Creditors copies of its Monthly Operating Reports at the same time the Reports are filed with the Court; it is further

ORDERED that all U.S. Trustee's fees due pursuant to 28 U.S.C. § 1930(a)(6) shall be paid by the Debtor in the ordinary course of business; it is further

ORDERED that Debtor shall file all past due tax returns due prior to the petition date, if any, (including but not limited to income, excise, employment, and unemployment returns) within 90 days of the entry of this order and shall file such return with Leo Carey, Bankruptcy Specialist, Internal Revenue Service, Insolvency Group II, Stop: MC5026DAL, 1100 Commerce Street, Dallas, Texas 75242; it is further

ORDERED that Debtor shall file all post-petition date federal tax returns on or before the due date, and shall pay any balance due upon filing of the return. Copies of these returns, during the pendency of this case, shall be sent to: Internal Revenue Service, Insolvency Group II, Attn: Leo Carey, Bankruptcy Specialist, Stop: MC5026DAL, 1100 Commerce Street, Dallas, Texas 75242, telephone 214.413.5375; it is further

ORDERED The Debtor shall, during the pendency of this bankruptcy case, provide proof of deposit of all federal trust fund taxes within seven days from the date on which they are deposited. Proof of said deposit shall be sent to the IRS at: Internal Revenue Service, Insolvency Group II, Attn: Leo Carey, Bankruptcy Specialist, Stop: MC5026DAL, 1100 Commerce Street, Dallas, Texas 75242, telephone 214.413.5375, facsimile 214.413.5030; it is further

ORDERED that upon reasonable notice, the Debtor will, during the pendency of this case, permit the IRS to inspect, review, and copy any financial records of the Debtor at the Debtor's place of business, during normal business hours, and at the sole cost of the IRS; it is further

ORDERED that if the Debtor defaults in any of the requirements of this Order for adequate protection, IRS tax return filing and reporting to IRS, and/or trust fund deposit and reporting to the IRS, then the IRS shall provide the Debtor and Debtor's counsel with written notice of such default. If the default has not been cured within ten (10) days after notice of default is delivered to Debtor, whether mailed and/or transmitted by facsimile, the IRS may file a declaration with the Court as evidence of the default by the Debtor, then the IRS's consent to use of cash collateral shall be deemed withdrawn from the end of such ten (10) day period going forward and the Debtor may not further use the IRS's claimed cash collateral anymore without any further order of the Court; and it is further

ORDERED that Debtor's authorization to use the claimed cash collateral shall continue until the earlier of (i) the effective date of the confirmation of a plan of reorganization, including a plan of liquidation (ii) the sale of substantially all the assets of Debtor and the payment of proceeds therefrom to the Alleged Secured Creditors which have been determined by the Court to

be secured creditor; (iii) the conversion of this case under Chapter 7 of the Bankruptcy Code; or  
(iv) the dismissal of this case.

**### End of Order ###**

