



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 January 9, 2018

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:	§	
	§	
PULLARKAT OIL VENTURE, L.L.C.	§	CASE NO. 17-44743-MXM-11
Debtors.	§	
	§	CHAPTER 11
	§	
	§	HEARING DATE: 01/03/2018
	§	HEARING TIME: 1:30 P.M.
	§	
	§	JUDGE MARK X. MULLIN

ORDER GRANTING INTERIM AUTHORIZATION FOR USE OF CASH COLLATERAL

On this date, the Court considered the Agreed Emergency Motion for Use of Cash Collateral (“Motion”) filed by Pullarkat Oil Venture, L.L.C., the debtor-in-possession in the above captioned bankruptcy case (“Debtor”).

This matter having come before the Court on an emergency basis, and the Court having received the Motion, the evidence presented, and having heard the statements of counsel in support of the relief requested, the Court finds that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. §157(b); (c) notice of the Motion and the hearing on the Motion was sufficient under the circumstances and no further notice is required; (d) the requested relief should be granted.

IT IS THEREFORE ORDERED ADJUDGED AND DECREED THAT:

1. The Debtor is authorized on an interim basis to use the proceeds of its pre-petition accounts receivables (“Cash Collateral”) constituting the cash collateral of the Texas Comptroller of Public Accounts for the payment of its reasonable and necessary business expenses.

2. The interim relief granted herein shall remain effective until further order of the Court and a final hearing on the relief requested in the Motion is set for the 22nd day of March, 2018, at 1:30 p.m., in the Courtroom of the United States Bankruptcy Court, Northern District of Texas, Fort Worth Division, 501 West 10th Street, Fort Worth, TX 76102-3643. The Debtor shall immediately provide a copy of this order to all interested parties, including the Texas Comptroller of Public Accounts, its counsel, the United States Trustee, and the top-twenty unsecured creditors of the Debtor.

3. Notwithstanding anything herein to the contrary, the relief granted under this Order is without prejudice to any rights of the Texas Comptroller of Public Accounts (the “Comptroller”) to funds collected by Debtor that qualify as the State of Texas’ trust funds. The Comptroller is not precluded from pursuing such funds by this Order. Any liens or claims granted to any other party under this Order are not valid or enforceable in relation to any funds which do not constitute property of the Estate but which qualify as the State of Texas’ trust funds. In addition, any pre-petition State of Texas trust fund taxes in the possession of the Debtor shall be turned over to the Comptroller within two (2) business days of entry of this Order. The Debtor shall file all required tax returns and make payment of post-petition taxes owed to Comptroller on a timely basis as required by state law and by 28 U.S.C. §§ 959(b) and 960 in order to utilize the Comptroller’s cash collateral. If the Debtor continues to operate and

collect sales tax post-petition, then within five (5) business days of the entry of this Order: (a) Debtor shall establish a “Sales Tax Escrow Account” (“Sales Tax Account”) at an approved depository institution into which all sales taxes collected by Debtor shall be deposited; (b) once the Sales Tax Account is established, Debtor will deposit all sales tax collected by it directly into the Sales Tax Account; and (c) within 48 hours of Debtor’s receipt of the monthly statement for the Sales Tax Account, Debtor will provide a copy via email to counsel for the Comptroller by email to Courtney.Hull@oag.texas.gov.

4. As adequate protection of the Comptroller’s interest in the cash collateral in accordance with 11 U.S.C. §§ 361, 364(c)(2), 364(e) and 363(e) and applicable law, the Comptroller is hereby granted a replacement lien and security interest in the Debtor’s post-petition accounts receivable generated by the Debtor’s operations in an amount equal to the amount of cash collateral used in accordance with 11 U.S.C. § 361(2) in the same priority and in the same nature, extent and validity as such liens, if any, existed pre-petition.

5. The monthly adequate protection payment made to the Comptroller shall have priority in the Chapter 11 case or related bankruptcy case if this case is converted to Chapter 7 in accordance with the provisions of Section 507(b) of the Bankruptcy Code over all administrative expenses of the kind specified in Section 507(a) of the Bankruptcy Code. No costs or administrative expenses which have been or may be incurred in this bankruptcy case, in any conversion of this bankruptcy case, or in any proceeding related thereto, and no priority claims, including, without limitation, any super priority claims, are or will be prior to or on parity with the Comptroller’s claim for the adequate protection amount.

6. Debtor shall remit payment to the Texas Comptroller of Public Accounts in the amount of \$4,317 monthly, which includes interest of 4.75%, with the first paying being due

December 31, 2017. Debtor's first payment will be remitted to Attorney, William F. Kunofsky, and deposited into attorney's iolta account. The first payment shall be provided to the Texas Comptroller of Public Accounts within five days of entry of the Order Granting Interim Authorization for Use of Cash Collateral. Each subsequent monthly payment to the Texas Comptroller of Public Accounts will be due on the 31st of the month.

6. In the event that the Debtor shall breach the terms of this Order, including but not limited to expending cash collateral outside of the scope of the Budget, the use of cash collateral provided for under this Order shall terminate and the Debtor shall notify the Comptroller of such breach within 24 hours.

END OF ORDER

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re: Pullarkat Oil Venture, L.L.C.

CASE NO 17-44743-MXM-11

CHAPTER 11

AMENDED 01/05/18

BUSINESS INCOME AND EXPENSES

FINANCIAL REVIEW OF THE DEBTOR'S BUSINESS. (NOTE: ONLY INCLUDE information directly related to the business operation.)

PART A - GROSS BUSINESS INCOME FOR PREVIOUS 12 MONTHS:

1. Gross Income for 12 Months Prior to Filing: \$266,370.00

PART B - ESTIMATED AVERAGE FUTURE GROSS MONTHLY INCOME:

2. Gross Monthly Income: \$218,953.76

PART C - ESTIMATED AVERAGE FUTURE MONTHLY EXPENSES:

3. Net Employee Payroll (Other Than Debtor):	<u>\$2,865.09</u>
4. Payroll Taxes:	<u>\$115.01</u>
5. Unemployment Taxes:	<u>\$0.00</u>
6. Worker's Compensation:	<u>\$0.00</u>
7. Other Taxes:	<u>\$0.00</u>
8. Inventory Purchases (including raw materials):	<u>\$192,913.70</u>
9. Purchase of Feed/Fertilizer/Seed/Spray:	<u>\$0.00</u>
10. Rent (other than debtor's principal residence):	<u>\$10,837.09</u>
11. Utilities:	<u>\$2,393.57</u>
12. Office Expenses and Supplies:	<u>\$12.68</u>
13. Repairs and Maintenance:	<u>\$267.28</u>
14. Vehicle Expenses:	<u>\$0.00</u>
15. Travel and Entertainment:	<u>\$43.37</u>
16. Equipment Rental and Leases:	<u>\$0.00</u>
17. Legal/Accounting/Other Professional Fees:	<u>\$400.00</u>
18. Insurance:	<u>\$1,718.74</u>
19. Employee Benefits (e.g., pension, medical, etc.):	<u>\$0.00</u>
20. Payments to be Made Directly by Debtor to Secured Creditors for Pre-Petition Business Debts (Specify):	None
21. Other (Specify):	
Bank Charges	<u>\$174.08</u>
Computer/Internet Expense	<u>\$484.30</u>
Contract Labor	<u>\$47.54</u>
Licenses & Permits	<u>\$268.71</u>
Marketing	<u>\$165.33</u>
Meals & Entertainment	<u>\$14.58</u>
Sales Tax	<u>\$7,569.13</u>
Security Alarm	<u>\$30.41</u>
Telephone	<u>\$153.06</u>
Ronil Radhakrishnan's (IF AVAILABLE)	<u>\$5,500.00</u>

22. Total Monthly Expenses (Add items 3 - 21) \$225,963.67

PART D - ESTIMATED AVERAGE NET MONTHLY INCOME:

23. AVERAGE NET MONTHLY INCOME (Subtract item 22 from item 2): (\$7,009.91)

RPM