



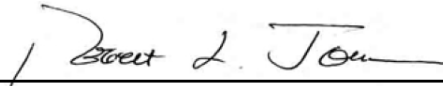
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**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 November 27, 2017

  
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
LUBBOCK DIVISION**

In re:

LE-MAR HOLDINGS, INC, *et al.*,<sup>1</sup>

Debtors

§ Chapter 11  
§  
§ Case No. 17-50234-RLJ  
§  
§ Jointly Administered  
§  
§

**THIRD ORDER GRANTING ON AN INTERIM BASIS EMERGENCY MOTION FOR  
INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO USE CASH  
COLLATERAL AND GRANTING ADEQUATE PROTECTION  
TO PRE-PETITION LENDERS**

<sup>1</sup> The Debtors in these chapter 11 cases are: Le-Mar Holdings, Inc. (Case No. 17-50234-RLJ), Edwards Mail Service, Inc. (Case No. 17-50235-RLJ), and Taurean East, LLC (Case No. 17-50236-RLJ).

CAME ON FOR CONSIDERATION the Emergency Motion of Debtors for Authority to Use Cash Collateral (the “Motion”).<sup>2</sup> Upon consideration of the Motion, the record in this bankruptcy case and the arguments of counsel, the Court finds and concludes that the bases set forth herein establish just cause for the relief granted and that the best interests of creditors in this bankruptcy case will be served by authorizing use of cash collateral and providing the adequate protection described herein.

THEREFORE, IT IS HEREBY ORDERED that:

- (a) The relief described herein is GRANTED on an interim basis.
- (b) The Debtors are authorized to use all collections received by the Debtors from the USPS (“Cash Collateral”) on an interim basis in accordance with the Interim Budget attached as **Exhibit “A”** (the “Budget”)<sup>3</sup>; provided, further, that all funds allocated for the line item Chapter 11 Expenses in the Budget and each prior Budget approved by this Court shall be placed in a segregated bank account. The Debtors may use Cash Collateral in accordance, and in a manner not materially inconsistent, with the Budget, up to and including January 31, 2018. For the purpose of this paragraph, a “material” inconsistency with the Budget occurs when the Debtors’ expenditures exceed five percent (5%) of the aggregate total expenses provided for in the Budget on a monthly basis (or exceed 10% on any one line item contained on the Budget).

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<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

<sup>3</sup> The Budget does not include a payment to Ryder Truck Rental, Inc. (“Ryder”) on account of the Ryder Commercial Truck Lease and Service Agreement (the “Ryder Agreement”) for January 2018 because the Budget assumes that the Ryder Agreement will be rejected as of December 31, 2017; provided, however, that the Debtors reserve their rights, in the exercise of their business judgment, to opt not to reject the Ryder Agreement, in which case the Budget will be amended to provide for payment to Ryder in January 2018 as required pursuant to the Ryder Agreement.

(c) To the extent Mobilization has a valid, perfected first position security interest, in the Debtors' accounts receivable from the USPS, Mobilization is granted adequate protection for any diminution in the value of Mobilization's interest in such cash collateral (the "Mobilization's Collateral") caused by the use of such Cash Collateral with a valid, perfected, and enforceable replacement first priority security interest in the post-petition accounts receivable due to the Debtors from the USPS (collectively, "Mobilization's Postpetition Collateral").

(d) To the extent City has a valid, perfected second priority security interest in the Debtors' accounts receivable from the USPS, City is granted adequate protection for any diminution in the value of City's interest in such cash collateral (the "City's Collateral") caused by the use of such Cash Collateral with a valid, perfected, and enforceable replacement second priority security interest in the post-petition accounts receivable due to the Debtors from the USPS (collectively, "City's Postpetition Collateral").

(e) To the extent that any applicable non-bankruptcy law otherwise would restrict the granting, scope, enforceability, or attachment of the replacement liens and security interests authorized or created by this Order, or otherwise would impose filing registration requirements with respect to such replacement liens, such law is preempted to the maximum extent permitted by the Bankruptcy Code, other applicable federal law, and the judicial power of the United States Bankruptcy Court. This Order shall be sufficient and conclusive evidence of the priority, perfection, attachment, and validity of all of the replacement liens and security interests granted herein, and the liens granted, created and/or ratified herein shall, by virtue of the filing of a certified copy of this Order in any filing or recording office in any county or state, constitute valid liens without the necessity of creating, filing, recording, or serving any financing statements or other documents that might otherwise be required under federal or state law in any jurisdiction or the

taking of any other action to validate the adequate protection replacement liens granted in this Order and, in such event, the subject filing or recording officer is authorized to file or record a certified copy of this Order.

(f) The Debtors shall on or before January 19, 2018, at 12:00 p.m. (prevailing Central Time) provide to counsel for Mobilization, City, Ryder, and the Official Committee of Unsecured Creditors (the “Committee”) an operating report in the same form as the Budget attached as Exhibit “A” comparing the Debtors’ budgeted expenses with its actual paid expenses up to the day before the operating report is due to Mobilization, City and Ryder.

(g) On or before January 18, 2018, at 5:00 p.m. (prevailing Central Time) the Debtors shall file and serve a proposed Fourth Interim Budget.

(h) A Fourth Interim Hearing on the Motion is set on **January 24, 2018, at 1:30 p.m. (prevailing Central Time)** before this Court at the George Mahon Federal Building, 1205 Texas Ave., Room 314, Lubbock, Texas 79401-4002. The Debtors shall promptly serve copies of this Order on the parties-in-interest. Any party-in-interest objecting to the relief sought in the Motion, as modified on the record at the September 20, 2017, October 13, 2017 and November 15, 2017, hearings before this Court, shall serve and file written objections, which objections shall be served upon (a) counsel for the Debtors, (b) counsel for Mobilization, (c) counsel for City, (d) the Office of the U.S. Trustee for the Northern District of Texas, (e) counsel for the Official Committee of Unsecured Creditors; and (f) any other party who has entered an appearance and requested notice and shall be filed with the Clerk of the United States Bankruptcy Court for the Northern District of Texas, to allow actual receipt of the foregoing **no later than January 19, 2018, at 5:00 p.m. (prevailing Central Time)**.

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

**EXHIBIT A**

**Le-Mar Holdings, Inc. - Two Month Budget**

(December 1, 2017 - January 31, 2018)

<b><u>REVENUE</u></b>	<b>Month of 1-Dec-17</b>	<b>Month of 1-Jan-18</b>
Income	\$ 2,332,979.00	\$ 2,246,401.00
Cash Balance Forward:	\$ 612,905.00	\$ 475,103.22
Total:	\$ 2,945,884.00	\$ 2,721,504.22
 <b><u>EXPENSES</u></b>		
Payroll/Taxes/Employee Life/ Dental Insurance/Long Term Disability	\$ 970,000.00	\$ 1,001,000.00
EE Life/Dental/LTD/Supp Past Due	\$ -	\$ -
EE Child Support/Garnishments - Past due		
Payroll Taxes 9.1/9.15 (up to \$200k)	\$ 50,000.00	\$ 50,000.00
Employee Service		
ADP	\$ 2,750.00	\$ 2,750.00
Benefits First - Online portal	\$ 975.00	\$ 975.00
CMS	\$ 2,300.00	\$ 2,300.00
Vericheck	\$ 2,500.00	\$ 2,500.00
Medical Insurance	\$ 104,000.00	\$ 104,000.00
Medical Insurance Claims	\$ -	\$ -
Workman's Comp	\$ 33,200.00	\$ 33,200.00
Workman's Comp Deductibles	\$ 10,000.00	\$ 10,000.00
Insurance		
Great West Fleet Insurance	\$ 89,000.00	\$ 89,000.00
Prior Policy- Premium Audit	\$ 35,000.00	\$ 38,000.00
Taurean Property Insurance	\$ 1,400.00	\$ 1,400.00
Fuel Comdata/Wet Hose/ Misc. Fuel	\$ 460,000.00	\$ 420,000.00
Utilities	\$ 12,500.00	\$ 12,500.00
Lodging/Driver Layover	\$ 14,000.00	\$ 14,000.00
Tolls	\$ 3,500.00	\$ 3,500.00
Driver Expenses/Tire Repairs/Misc. Repairs	\$ 3,000.00	\$ 3,000.00
Check Cashing Places		
GPS/Loadtrek	\$ 16,450.00	\$ 16,450.00
DOT/Registrations/UCR	\$ 1,650.00	\$ -

Office Equipment/Supplies	\$	2,200.00	\$	2,200.00
Contract Labor/Temp Drivers				
CDS/Pro Drivers/Driver Resource	\$	35,000.00	\$	27,500.00
Hughes Transport	\$	2,000.00	\$	2,000.00
Venture 1 Trucking	\$	5,000.00	\$	5,000.00
<b><u>Equipment Lessors/ Lenders</u></b>				
Replacement Equipment	\$	-	\$	250,000.00
City/Bank Happy State	\$	-	\$	-
Enterprise	\$	20,597.12		
Reagor-Dykes/ Ally Financial	\$	12,000.00		
CAR Equipment	\$	3,700.00		
Lubbock National Bank	\$	5,387.44		
Ryder - Leases	\$	240,000.00		
GE- Volvo Truck Payments	\$	28,526.27		
Volvo Truck Payments	\$	86,756.84		
Balboa Capital	\$	-	\$	32,518.00
Layover/Parking				
Austin Rent - HP Lumina	\$	15,250.00	\$	15,250.00
Bob Perkins	\$	250.00	\$	250.00
DavidKehl	\$	5,350.00	\$	5,350.00
Jerry Stover	\$	400.00	\$	400.00
Jerry Stover (Farwell Utilities)	\$	120.00	\$	120.00
Economy Inn	\$	480.00	\$	480.00
America's Best Value Inn	\$	1,400.00	\$	1,400.00
PatriotCacheStorage	\$	158.00	\$	158.00
River Road Storage	\$	-	\$	-
Stowe"s RV	\$	450.00	\$	450.00
Tra Park	\$	450.00	\$	450.00
Maintenance				
Truck Supplies	\$	2,000.00	\$	2,000.00
Truck Washes/Inspections/ Etc.	\$	2,500.00	\$	2,500.00
Maintenance - Other 3rd Party	\$	30,000.00	\$	60,000.00
Maintenance/Tires - Ryder	\$	30,000.00	\$	-
Other Tires/ Southern Tire Mart	\$	15,000.00	\$	15,000.00
Mortgage				
First United Bank	\$	19,219.16	\$	19,219.16
Arthur Burkey	\$	3,163.25	\$	-
City Bank (900 W Crosby)	\$	2,614.36	\$	-
Mike Davis	\$	3,583.34	\$	3,583.34
Property Taxes (personal and real)	\$	-	\$	284,584.39

City Bank	\$	15,000.00	\$	15,000.00
Mobilization Funding	\$	20,000.00	\$	20,000.00
Chapter 11 Expenses	\$	40,000.00	\$	40,000.00
US Trustee Quarterly Fees				
Misc. Expenses	\$	10,000.00	\$	10,000.00
Total:		<b>\$ 2,470,780.78</b>		<b>\$ 2,619,987.89</b>
Balance:		<b>\$ 475,103.22</b>		<b>\$ 101,516.33</b>