



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

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THE COURT'S DOCKET

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

Signed September 21, 2017


United States Bankruptcy Judge

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

In re:

LE-MAR HOLDINGS, INC, *et al.*,¹

Debtors

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

**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**

CAME ON FOR CONSIDERATION the Emergency Motion of Debtors for Authority to
Use Cash Collateral (the "Motion").² Upon consideration of the Motion, the record in this

¹ 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).

**INTERIM ORDER GRANTING MOTION (A) AUTHORIZING USE OF CASH COLLATERAL
PURSUANT TO SECTION 363(C) OF THE BANKRUPTCY CODE AND (B) SCHEDULING A FINAL
HEARING PURSUANT TO BANKRUPTCY RULE 4001 AS TO USE OF CASH COLLATERAL**

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 Debtors may use Cash Collateral in accordance, and in a manner not materially inconsistent, with the Budget, until the Second Interim Hearing (defined below). 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).
- (c) To the extent Mobilization has a valid, perfected first position security interest, 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

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

diminution in the value of City's interest in such 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 provide to Mobilization, City and Ryder Truck Rental, Inc. ("Ryder") an operating report in the same form as the Budget attached as Exhibit "A" comparing the Debtors' budgeted expenses with its actual expenses up to the day before the operating report is due to Mobilization, City and Ryder. On or before October 9, 2017, the Debtors shall provide the operating report comparing budgeted expenses with actual expenses.

INTERIM ORDER GRANTING MOTION (A) AUTHORIZING USE OF CASH COLLATERAL PURSUANT TO SECTION 363(c) OF THE BANKRUPTCY CODE AND (B) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001 AS TO USE OF CASH COLLATERAL

(g) On or before October 6, 2016, the Debtors shall file and serve a proposed Second Interim Budget.

(h) A Second Interim Hearing on the Motion is set on **October 13, 2017, at 9:00 a.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 hearing 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, and (e) 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 October 9, 2017, at 5:00 p.m. (prevailing Central Time)**.

End of Order###

Exhibit "A"

Interim Budget

Le-Mar Holdings, Inc. - 4 Week Budget

(September 18, 2017 - October 13, 2017)

<u>REVENUE</u>	<u>Week of 22-Sep</u>	<u>Week of 29-Sep-07</u>	<u>Week of 6-Oct-17</u>	<u>Week of 13-Oct-17</u>
Income	\$ 520,000	\$ 520,000	\$ 520,000	\$ 520,000
Cash Balance Forward:	\$ -	\$ 138,100	\$ 30,550	\$ 390,450
Total:	\$ 520,000	\$ 658,100	\$ 550,550	\$ 910,450
<u>EXPENSES</u>				
Payroll	\$ 90,000	\$ 350,000		\$ 350,000
Payroll Taxes		\$ 95,000		\$ 95,000
Medical Insurance	\$ 87,000			\$ 87,000
Liability/Casualty Insurance/Wmployee Life/Workman's Comp./Long Term Disability	\$ 123,700			\$ 123,700
Fuel	\$ 35,000	\$ 95,000	\$ 95,000	\$ 95,000
Rent		\$ 20,500		
Lodging	\$ 2,000	\$ 4,000	\$ 4,000	\$ 4,000
Driver Expenses/Tire Repairs/Misc. Repairs	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
USPS/DOT Requirements/Loadtrek		\$ 4,600	\$ 16,900	
Utilities		\$ 14,250		
Truck Repairs - Maintenance	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Chapter 11 Expenses	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Misc. Expenses	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Total:	\$ 381,900	\$ 627,550	\$ 160,100	\$ 798,900
Balance:	\$ 138,100	\$ 30,550	\$ 390,450	\$ 111,550