



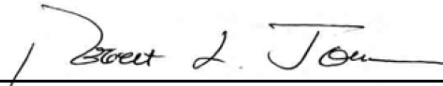
CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

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 December 28, 2018


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
§
§
§
§
§

**THIRTEENTH 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**

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).

THIRTEENTH 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

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 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”); 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, 2019. 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, 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

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

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) Mobilization’s Postpetition Collateral and City’s Postpetition Collateral, and any other adequate protection granted herein, shall be subject to the liens granted City under the *Final Order Granting Debtors’ Motion for a Final Order Granting Authority to Obtain Debtor in Possession Financing, Determining Adequate Protection, Superpriority Claims and Priming Liens, and Granting Related Relief* and the *Final Order Granting Debtors’ Motion for an Order Granting Authority to Modify the Approved Debtor in Possession Financing and Granting Related Relief* entered by the Court authorizing the Debtors to enter into debtor-in-possession financing (“DIP Facility”) with City on a final basis (as modified).

(f) Debtors’ use of Cash Collateral provided for under this Order, and any agreement by City to allow the Debtors to use Cash Collateral under this Order, does not prejudice or affect City’s ability to enforce its rights under the DIP Facility, the loan documents evidencing the DIP Facility and any amendments to the DIP Facility, and all orders entered by this Court authorizing the DIP Facility or any modifications to the DIP Facility; provided, that all of the Debtors’ rights and remedies are preserved under DIP Facility, the loan documents evidencing the DIP Facility

THIRTEENTH 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

and any amendments to the DIP Facility, and all orders entered by this Court authorizing the DIP Facility or any modifications to the DIP Facility

(g) 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.

(h) The Debtors shall on or before January 18, 2019, 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, Ryder, and the Committee.

THIRTEENTH 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

(i) On or before January 17, 2019, at 5:00 p.m. (prevailing Central Time) the Debtors shall file and serve a proposed Fourteenth Interim Budget.

(j) A Fourteenth Interim Hearing on the Motion is set on **January 24, 2019, 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, November 15, 2017, January 25, 2018, February 27, 2018, April 3, 2018, May 1, 2018, June 5, 2018, July 18, 2018, September 12, 2018, October 12, 2018, November 28, 2018, and December 17, 2018 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 Committee; 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 18, 2019, at 5:00 p.m. (prevailing Central Time)**.

End of Order###

THIRTEENTH 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

Exhibit "A"

THIRTEENTH 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

Le-Mar Holdings, Inc. Thirtieth Interim Budget (January, 2019)

	Budget January
REVENUE	
USPS Base Contract	\$ 1,780,000
USPS Extra Trips	\$ 250,000
Freight Income	\$ 5,000
Property Rental Income	\$ -
DIP Advance / (Repayment)	\$ -
Cash Balance Forward:	\$ -
Total:	\$ 2,035,000
EXPENSES	
DIP Interest	\$ 6,000
Payroll/Taxes/Employee Life/	\$ 700,000
Health & Welfare Benefits	\$ 95,000
EE Life/Dental/LTD/Supp Past Due	
EE Child Support/Garnishments - Past due	
Payroll Taxes 9.1/9.15 (up to \$200k)	
Post Petition Payroll Taxes Oct/December 2017	
Employee Service	
ADP / Paylocity	\$ 4,000
Benefits First - Online portal	
CMS	\$ 2,300
Hire Right	\$ 1,000
Medical Insurance	\$ 15,000
Medical Insurance Claims	\$ -
Workman's Comp	\$ 26,000
Workman's Comp Deductibles	\$ -
Insurance	
Fleet Insurance	\$ 130,000
ELPI	\$ 1,300
Taurean Property	\$ 1,000
Fuel Comdata/Wet Hose/ Misc. Fuel	\$ 400,000
Utilities	\$ 12,500
Utilities Deposits	
Lodging/Driver Layover	\$ 15,000
Tolls	\$ 3,000
Driver Expenses/Tire Repairs/Misc. Repairs	

Le-Mar Holdings, Inc. Thirtieth Interim Budget (January, 2019)

	Budget
	<u>January</u>
Check Cashing Places	
GPS/Loadtrek	\$ 14,500
DOT/Registrations/UCR	\$ 4,000
Office Equipment/Supplies	\$ 4,000
Contract Labor/Temp Drivers	
CDS/Pro Drivers/Driver Resource	\$ 60,000
Hughes Transport	\$ 2,000
Venture 1 Trucking	\$ 7,000
<u>Equipment Lessors/ Lenders</u>	
Replacement Equipment	
City Bank/Happy State	
Enterprise	\$ 10,000
Reagor-Dykes/ Ally Financial	
Honda/BOA/Citizens/TD Auto	\$ 7,800
CAR Equipment	
Lubbock National Bank	\$ 5,400
Ailco	\$ 2,400
Ryder - Leases	\$ 110,000
BMO	\$ 23,600
Key Equipment	
Volvo Truck Payments	\$ 67,000
BALC	\$ 6,000
Balboa Capital	
Layover/Parking	
Austin Rent - HP Lumina	
Bob Perkins	\$ 300
David Kehl	\$ 5,400
Jerry Stover	
Jerry Stover (Farwell Utilities)	
Economy Inn	\$ 500
America's Best Value	\$ 1,100
PatriotCacheStorage	\$ 200
River Road Storage (Austin parking)	
Ryder (Grand Prairie)	\$ 6,800
Stowe's RV	\$ 500
Tra Park	
DunBar	\$ 500
Pro-rated September Rents	

Le-Mar Holdings, Inc. Thirtieth Interim Budget (January, 2019)

	Budget <u>January</u>
Maintenance	
American Mobile Wash	
FleetWash	
Griffin Oil	
Maintenance - Other 3rd Party	\$ 60,000
Maintenance/Tires - Ryder	\$ 15,000
Midtex	
Southern Tire Mart	
Mortgage	
First United Bank	
Arthur Burkey	
City Bank (900 W Crosby)	
Mike Davis	
Property Taxes	
City Bank	\$ 20,000
Mobilization Funding	\$ 40,000
Chapter 11 Expenses	
Special Counsel (Ogletree)	
Financial Advisor (Riverbend)	
NTA-Riverbend	
US Trustee Quarterly Fees	
Misc. Expenses	\$ 7,000
	Total: <u>\$ 1,893,100</u>
	Book Balance: <u><u>\$ 141,900</u></u>