



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

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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 29, 2018

Handwritten signature of Mark X. Mullin in cursive script.

United States Bankruptcy Judge

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

IN RE:	§	
	§	CASE NO. 18-44350-mxm11
MORRIS AND HADLEY INC.	§	
80-0668012	§	
	§	
1848 Norwood Plaza Ste 212	§	
Hurst, TX 76054	§	
	§	
	§	CHAPTER 11
DEBTOR	§	

AGREED FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL

Came on for consideration the Motion for Entry of Interim and Final Orders Authorizing the Use of Cash Collateral (the "Motion") filed by MORRIS AND HADLEY INC. (the "Debtor"). Upon consideration of the Motion and the arguments of counsel, if any, the Court finds and concludes that good cause exists to grant the Motion on final basis.

As used in this Order, the following terms have the respective meanings set forth below:

- a). The term "Cash Collateral" shall be deemed to include, without limitation, all "cash collateral" as defined in section 363(a) of the Bankruptcy Code, and all deposits, rents, and all cash arising from the collection or conversion into cash of property of the Debtor in which the Creditor(s) have a pre petition security interest, lien or mortgage;
- b). The term "Lenders' Collateral" shall mean all property of the Debtor in which the lenders have a pre petition security interest, lien or mortgage; additionally, the term shall include the Internal Revenue Service even though Internal Revenue Service was not a voluntary lender to the Debtor.

Accordingly, it is hereby ORDERED that:

1. The Motion is hereby GRANTED on a FINAL BASIS as set forth below. Any subsequent modification, vacation or stay of this Order, or any part thereof, shall not affect any action or transfer made pursuant to this Order, including without limitation the use of Cash Collateral by the Debtor.
2. This Order shall be effective for the duration of the Debtor's bankruptcy case.
3. During the Term of this Order, the Debtor is authorized to operate its business and to use Cash Collateral to pay expenses arising in the ordinary course of business per the budget attached as Exhibit "A" to this Order.
4. Adequate Protection to the IRS. (a) As adequate protection of the IRS, the IRS shall be granted replacement liens on post-petition cash collateral and property of the Debtor, including inventory, accounts receivable, cash, cash equivalents, intangibles, and all other post-petition property of the Debtor, including proceeds and products thereof, but only to the same extent, validity and priority that existed pre-petition. This replacement lien shall be in addition to the liens that the IRS had in the assets of the Debtor as of the petition date. To the extent a lien is created in accounts receivable, and assets received, accruing, or becoming the Debtor's property on a post-petition basis, such replacement lien shall extend only to protect the IRS for the amounts of cash collateral used on a post-petition basis. To the extent that any applicable non-bankruptcy law would restrict the granting, enforceability, or attachment of the liens and security interests authorized or created by this paragraph, of otherwise would impose filing registration requirements with respect to such replacement lien, 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. The granting of the continuing replacement lien in post-petition property of the estate shall have no effect on any challenge or objection to the nature, extent, validity, and/or enforceability as to any of the pre-petition liens held by the IRS. Additionally, nothing herein constitutes an admission or an order with respect to the validity, priority and/or extent of the lien(s) purportedly held by the IRS.

(b) As further adequate protection, the Debtor shall make the following adequate protection payment: a monthly payment to the IRS in the amount of \$800.00 to be applied on the secured pre-petition tax debt. The Debtor shall make said payment to the United State of America,

Attn: Donna Webb, 1100 Commerce St. Ste. 300, Dallas, Texas 75242. This payment is due on November 15, 2018, with succeeding payments due on the 15th day of each month until further order of the Court. The Debtors shall be entitled to utilize the asserted Cash Collateral of the IRS and to utilize the property in which the IRS has asserted a secured interest subject to the provisions of this Agreed Order under the following terms and conditions:

5) The Debtors shall file all past due tax returns, if any, (including, but not limited to, income, excise, employment, and unemployment returns) within 60 days of the entry of this Order and shall file such return with Leo Carey, Bankruptcy Specialist, IRS, Insolvency Group II, Stop: MC5026DAL, 1100 Commerce St., Dallas, Texas 75242. This deadline may be extended with the approval of Leo Carey for cause shown without need for further order of the court.

6) The Debtors shall file all post-petition 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: IRS, Insolvency Group II, Stop: MC5026DAL, 1100 Commerce St., Dallas, Texas 75242, telephone (214) 413-5204.

7) The Debtors shall, during the pendency of this bankruptcy case, provide proof of deposit of all federal trust fund taxes within seven (7) days from the date on which they are deposited. Proof of said deposit shall be sent to the IRS at: IRS, Insolvency Group II, Stop: MC5026DAL, 1100 Commerce St., Dallas, Texas 75242, telephone (214) 413-5204, facsimile (888) 851-1227.

8) Upon reasonable notice, the Debtors will, during the pendency of this case, permit the IRS to inspect, review, and copy any financial records of the Debtor.

If the Debtor defaults on any of the requirements of this Order for adequate protection payments 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 mailed and/or transmitted by facsimile, the IRS may file a declaration with the Court as evidence of the default by the Debtor, and upon the filing of such declaration the authority to use cash collateral shall terminate.

###END OF ORDER###

Agreed upon by:

/s/Elizabeth Young

Elizabeth Young

Attorney for United States Trustee, Northern District of Texas

/s/Donna Webb

Donna Webb

Attorney for the Department of Justice

/s/Brandon Warren

Brandon Warren

Attorney at Acker Warren, P.C.

Attorney for Debtor