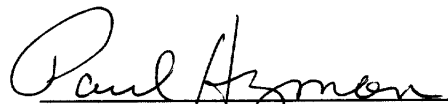




**ORDERED** in the Southern District of Florida on September 6, 2017.

  
Paul G. Hyman, Jr., Judge  
United States Bankruptcy Court

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

In re:

Case No. 17-18864-PGH

AA FLORIDA BRIDAL RETAIL,  
COMPANY, LLC, *et al.*,

Chapter 7

(Jointly Administered)

Debtors.

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**THIRD INTERIM ORDER (I) AUTHORIZING THE TRUSTEE TO OPERATE THE DEBTORS ON A LIMITED BASIS THROUGH SEPTEMBER 8, 2017; (II) AUTHORIZING DEBTORS TO UTILIZE CASH COLLATERAL THROUGH SEPTEMBER 8, 2017, (III) GRANTING ADEQUATE PROTECTION, AND (IV) GRANTING OTHER RELIEF [ECF NO. 159]**

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**THIS MATTER** came before the Court at a hearing on September 6, 2017 at 1:00 p.m. (Prevailing Eastern Time) upon the *Trustee's Third Emergency Motion for: 1) Limited Authority to Operate the Businesses of the Debtors Nunc Pro Tunc through September 8, 2017; and 2) Use*

of Cash Collateral through September 8, 2017 (ECF No. 159) (the "**Third Operations/Cash Collateral Motion**").

On July 14, 2017 (the "**Petition Date**"), each of the Debtors filed a separate voluntary petition commencing cases under chapter 7 of the Bankruptcy Code (collectively, the "**Chapter 7 Cases**") in the United States Bankruptcy Court for the Southern District of Florida (the "**Bankruptcy Court**"). On July 19, 2017, the Bankruptcy Court entered that certain *Order Granting Chapter 7 Trustee's Motion for Joint Administration* [ECF No. 16].

On July 19, 2017, the Trustee filed her first Emergency Motion for (1) Limited Authority to Operate the Businesses of the Debtors Nunc Pro Tunc to July 14, 2017; and (2) Use of Cash Collateral which included a budget (the "**First Budget**") for use of cash collateral which was agreed to by the FTC and FSJC (the "**First Operations/Cash Collateral Motion**") (ECF No. 19).

On July 26, 2017, this Court entered its Interim Order (I) Authorizing The Trustee to Operate the Debtors on a Limited Basis Nunc Pro Tunc to July 14, 2017; (II) Authorizing Debtors to Utilize Cash Collateral; (III) Granting Adequate Protection; and (IV) Granting Other Relief (the "**First Operations/Cash Collateral Order**") which allowed the Trustee to operate the Debtors' businesses for limited purposes (defined in the First Operations/Cash Collateral Motion) and utilize the Debtors' cash on hand pursuant to the First Budget through July 28, 2017 (ECF No. 46).

On July 27, 2017, the Trustee filed her second Emergency Motion for (1) Limited Authority to Operate the Businesses of the Debtors Nunc Pro Tunc to July 14, 2017; and (2) Use of Cash Collateral which included a budget (the "**Second Budget**") for use of cash collateral which was agreed to by the FTC (defined herein) and FSJC (defined herein) (the "**Second Operations/Cash Collateral Motion**") (ECF No. 59).

On July 28, 2017, this Court entered its Interim Order (I) Authorizing The Trustee to Operate the Debtors on a Limited Basis Nunc Pro Tunc to August 11, 2017; (II) Authorizing Debtors to Utilize Cash Collateral; (III) Granting Adequate Protection; and (IV) Granting Other Relief (the "**Second Operations/Cash Collateral Order**") which allowed the Trustee to operate the Debtors' businesses for limited purposes (defined in the Second Operations/Cash Collateral Motion) and utilize the Debtors' cash on hand pursuant to the Second Budget through August 11, 2017 (ECF No. 68).

On September 1, 2017, the Trustee filed her Third Operations/Cash Collateral Motion, which included a budget (the "**Third Budget**") for use of cash collateral which was agreed to by the FTC and FSJC (ECF No. 159).

This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334, and this matter constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

Pursuant to, among other documents and agreements, those certain Merchant Processing Applications and the Schedules thereto (collectively, the "**Credit Card Processing Agreement**"), before the commencement of the Chapter 7 Cases, Creditor CardConnect, LLC (f/k/a Financial Transaction Services, LLC) ("**FTS**") provided credit card processing services to the Debtors. To secure the obligations of the Debtors to FTS under the Credit Card Processing Agreement, the Debtors and FTS are party to that certain Security Agreement, dated September 12, 2014 (the "**Security Agreement**").

Through the Security Agreement and related ancillary documents and that certain Intercreditor Agreement entered into contemporaneously therewith between FTS and FSJC, FTS has a first-priority security interest in and continuing lien on all of the Debtors' assets located in

the United States, including any after-acquired property and all proceeds and products thereof, including, for the avoidance of doubt, proceeds of pending and/or future litigation, including under chapter 5 of the Bankruptcy Code (collectively, the “*Cash Collateral*”). FTS asserts that it duly perfected its liens upon, and security interests in, the Cash Collateral, and such liens and/or security interests are valid, binding, enforceable, non-avoidable and properly perfected.<sup>1</sup>

Based on the terms of this Third Interim Order, FTS has consented to the Debtors’ use of Cash Collateral solely on the terms and conditions set forth herein.

This Court having held a hearing on September 6, 2017 at 1:00 p.m. (the “*Hearing*”); and upon the record made by the Debtors, the Chapter 7 Trustee, FTS and all other parties in interest present at the Hearing (which parties either consented to relief requested in the Motion and/or having been heard at the Hearing); and this Court having found that due and proper notice of the Motion was provided under the circumstances; and it appearing that no other or further notice need be provided; and this Court having heard and resolved or overruled all objections to the interim relief requested; and having found that granting such relief on an interim basis and as set forth herein is in the best interest of the Debtors’ estates; and having found that the legal and factual bases set forth at the Hearing establish just cause for the relief granted herein to the extend provided herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY**

**ORDERED AND ADJUDGED** as follows:

1. The Third Operations/Cash Collateral Motion is **GRANTED** on an interim basis to the extent, and subject to the terms and conditions, set forth herein.

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<sup>1</sup> The Debtors have advised the Court on the record that FTS’ liens are valid and properly perfected. However, at this juncture, FTS’ liens, other than to the extent replacement liens have been granted in favor of FTS, remain subject to investigation and challenge by the Trustee and any interested party.

2. Limited Operation of the Debtors. The Trustee is authorized to operate for limited purposes defined in the Third Operations/Cash Collateral Motion through September 8, 2017.

3. Use of Cash Collateral. The Chapter 7 Trustee shall be entitled to use Cash Collateral in the aggregate amount up to \$110,786.00 through and until September 8, 2017, for the limited purpose to fund the items detailed in the Third Budget attached hereto as Exhibit A.

4. In addition to the existing rights and interests of FTS, and for the purpose of attempting to provide adequate protection for the interests of FTS, FTS is hereby GRANTED, as security for the amount of Cash Collateral used by the Debtors (the "*Cash Collateral Amount*"), a valid, perfected, and enforceable security interest (the "*Replacement Liens*") in and upon all assets of the Debtors located in the United States, including any after-acquired property and the proceeds thereof, including for the avoidance of doubt, proceeds (through insurance, settlement, or otherwise) of pending and/or future litigation, including under chapter 5 of the Bankruptcy Code or similar state law claims, commenced by or on behalf of the Debtors and/or the Debtors' estates, up to the Cash Collateral Amount, which Replacement Liens shall be provided on a superpriority basis under sections 364(c) and 507(b) of the Bankruptcy Code, which shall not be subject to any carve-outs, including, for the avoidance of doubt, section 726(b) of the Bankruptcy Code, and, for the avoidance of doubt, shall be not be subject to reduction until CardConnect's claims against the Debtors' estates are otherwise paid in full.

5. For the avoidance of doubt, the Replacement Liens herein granted: (a) are and shall be in addition to all security interests, liens, rights of setoff existing in favor of FTS; (b) are and shall be valid, perfected, enforceable and effective as of the date of the entry of this Order without further action by Debtors, the Chapter 7 Trustee or FTS and without the necessity of the

execution, filing, or recordation of any financing statements, security agreements, lien applications or other documents; and (c) shall secure the payment of indebtedness to FTS in an amount equal to the aggregate Cash Collateral used or consumed by the Debtors.

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Submitted By:

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*Attorneys for Chapter 7 Trustee*

[Attorney Eyal Berger is directed to serve a conformed copy of this Order to all interested parties immediately upon receipt and shall file a certificate of service with the Clerk.]

**EXHIBIT "A"**

AA Florida Bridal Retail Company LLC., et al., Debtors  
 Case No.: 17-18864-BKC-PGH

Cash Collateral Budget through September 8, 2017

Third Cash Collateral Budget						
Week Ending:	8/18/2017	8/25/2017	9/1/2017	9/8/2017	Total thru 9/8/17	Notes
Warehouse Rent	\$ -	\$ -	\$ 8,734	\$ -	\$ 8,734	1
Warehouse Utilities	-	-	2,500	-	2,500	1
Dan Larouche (IT Programmer)	2,125	2,125	2,125	2,125	8,500	2
Christine Wadsworth (Credit Card Charge Back)	1,600	1,600	1,600	1,600	6,400	3
Laurie Paler (Credit Card Charge Back)	-	-	-	-	-	4
Employee Data	-	-	-	-	-	
Employee Data	-	-	-	-	-	
Cost to Move out of Delray Office	-	-	-	-	-	
Shipping - Contracts	-	-	-	-	-	5
Insurance	-	-	60,652	-	60,652	6
Web Hosting	-	-	5,000	-	5,000	
Remitting Sales Tax	-	-	-	-	-	
Other Misc costs	2,000	2,000	2,000	2,000	8,000	
Trustee IT Consultant	-	-	-	-	-	7
Delray Office - Admin rent	-	-	11,000	-	11,000	8
Iron Mountain	-	-	-	-	-	9
Cost to Terminate 401K	TBD	TBD	TBD	TBD	TBD	10
<b>Total Expenses</b>	<b>\$ 5,725</b>	<b>\$ 5,725</b>	<b>\$ 93,611</b>	<b>\$ 5,725</b>	<b>\$ 110,786</b>	

- Notes:**
- (1) Includes July, August & September.
  - (2) Rate \$85 per hour
  - (3) Rate \$40 per hour
  - (4) Rate \$65 per hour
  - (5) \$400 per store/61 stores
  - (6) Includes all insurance
  - (7) Website updates/move IT equipment
  - (8) Estimate of rent 7/14/17 - 8/20/17
  - (9) Storage Costs for July & August
  - (10) To Be Determined