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JUDGE: M. A. Mahoney

PARTIES: Demopolis Packing Company, Inc., Compass Bank

CHAPTER: 11

ATTORNEYS: R. R. Blair, W. McArdle

DATE: 7/21/95

KEY WORDS:

PUBLISHED:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF ALABAMA

In Re

DEMOPOLIS PACKING COMPANY, INC.,

Case No. 95-11380-MAM-11

Debtor.

**ORDER ON COMPASS BANK'S MOTION FOR RELIEF FROM STAY
AND DEBTOR'S MOTION TO USE CASH COLLATERAL**

This matter came before the Court on Compass Bank's Motion for Relief from Stay and on the Debtor's Motion to Use Cash Collateral. Robert R. Blair appeared as counsel for the Debtor and Walter McArdle appeared as attorney for Compass Bank. Other appearances were as noted in the record. The Court took evidence *ore tenus* and the findings and conclusions of the Court are included on the record. This Court concludes that the Motion of Compass Bank for relief from stay is due to be denied, that the Debtor's motion to use cash collateral is due to be heard, and that interim use of cash collateral pursuant to Fed. R. Bankr. P. 4001(b)(2) for not more than fifteen (15) days is appropriate pursuant to the evidence presented.

Therefore, it is ORDERED that the Motion of Compass Bank for relief from stay is DENIED without prejudice.

It is further ORDERED that the Debtor's Motion to use cash collateral is set for final hearing on August 2, 1995 at 9:30 a.m.

It is further ORDERED that until such hearing, the Debtor is authorized to use cash collateral, consisting of inventories of goods for resale and accounts receivable, for which Compass Bank has a valid and perfected security interest, according to the budget presented as Debtor's Exhibit 4 on July 18, 1995.

It is further ORDERED that the Debtor shall provide adequate protection to Compass Bank for the use of the cash proceeds by (1) maintaining at all times an inventory and receivables level equal to its present size, prepetition and postpetition; (2) extending the security interest of Compass Bank in the Debtor's prepetition inventory and receivables to include all postpetition inventory and receivables acquired by the Debtor in the operation of the Debtor's business with the same force and effect as the security interest attached to the Debtor's prepetition receivables and inventory; (3) paying to Compass Bank interest at the contract rate on the unpaid principal balance of \$359,562, payable in monthly installments beginning August 1, 1995; (4) providing monthly reports on a timely basis to the Bankruptcy Administrator with copies to Compass Bank; and (5) maintaining as current the Debtor's in-house accounting.

It is further ORDERED that this Order is without prejudice to the rights of Compass Bank to file an appropriate motion to prohibit or further condition the use of cash collateral.

Dated: July 21, 1995

MARGARET A. MAHONEY
U.S. BANKRUPTCY JUDGE