

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA

| | | |
|--|---|-----------------------|
| _____ |) | |
| |) | Chapter 11 |
| In re: |) | |
| |) | Case No. 17-11444-SAH |
| Eateries, Inc., <i>et al.</i> ¹ |) | |
| |) | Jointly Administered |
| Debtors. |) | |
| _____ |) | |

DEBTORS' AMENDED MOTION FOR ORDER UNDER 11 U.S.C. §§ 105, 363, 364, 1107 AND 1108 (I) AUTHORIZING CONTINUED USE OF EXISTING BANK ACCOUNTS, BUSINESS FORMS, CREDIT CARD PROCESSING AGREEMENTS, AND CASH MANAGEMENT SYSTEM; (II) WAIVING REQUIREMENTS OF SECTION 345 OF THE BANKRUPTCY CODE; AND (III) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS AND NOTICE OF OPPORTUNITY FOR HEARING

Your rights may be affected. You should read this document carefully and consult your attorney about your rights and the effect of this document. If you do not want the Court to grant the requested relief, or you wish to have your views considered, you must file a written response or objection to the requested relief with the Clerk of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Ave., Oklahoma City, OK 73102 no later than Monday, April 24, 2017 at 12:00 p.m. You should also serve a file-stamped copy of your response or objection to the undersigned movant's attorney and all others required to be served and file a certificate of service with the Court. If no response or objection is timely filed, the Court may grant the requested relief without a hearing or further notice.

A hearing will be held on this Pleading at 1:30 p.m. on April 25, 2017 at 215 Dean A McGee Ave, 9th Floor, Oklahoma City, OK 73102, before Judge Sarah A. Hall.

¹ The affiliated Debtors are Eateries, Inc. and GRP of Zanesville, LLC, Case No. 17-11445-SAH.

If necessary, the Final Hearing on any interim orders entered regarding this pleading will be held on May 12, 2017, at 9:30 a.m. at 215 Dean A McGee Ave, 9th Floor, Oklahoma City, OK 73102, before Judge Sarah A. Hall.

Eateries, Inc. (“Eateries”) and GRP of Zanesville, LLC (“Zanesville”) debtors and debtors-in-possession (collectively the “Debtors”), hereby file this motion (the “Motion”) for entry of an order under 11 U.S.C. §§ 105, 363, 364, 1107 and 1108 (i) authorizing the continued use of Debtors’ existing bank accounts, business forms, cash management system, and credit card processing agreements; (ii) waiving requirements of section 345 of the Bankruptcy Code; and (iii) authorizing the continuation of certain intercompany transactions. This motion is based, in part, on the Affidavit of William C. Liedtke, III, Vice President of Eateries, and Zanesville, in Support of the Debtors’ Chapter 11 Petitions and First Day Motions, sworn to on April 17, 2017 (the “First Day Affidavit”), which sets forth a description of the Debtors’ businesses, the reasons for filing these chapter 11 cases and the relief sought from this Court to allow for a smooth transition into operations under chapter 11. Debtors adopt and incorporate herein the First Day Affidavit in its entirety. Debtors also show the Court:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105, 345, 363, 364, 1107 and 1108 of the Bankruptcy Code.

BACKGROUND

3. On April 18, 2017 (the “Petition Date”), the Debtors filed voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Western District of Oklahoma (the “Bankruptcy Court”).

4. The Debtors continue to operate their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. The U.S. Trustee has not yet appointed any official committees in these cases, and no request has been made for the appointment of a trustee or examiner.

5. These cases are jointly administered pursuant to this Court's Order entered April 18, 2017. [Dkt. No. 5]. A description of the Debtors’ business, the reasons for filing these chapter 11 cases and the relief sought from this Court to allow for a smooth transition into operations under chapter 11 is set forth in the First Day Declaration, which was filed contemporaneously with this Motion. The Debtors hereby adopt and incorporate the First Day Declaration as if fully set forth herein.

6. Eateries (directly or through its various subsidiaries, including Zanesville) operates a chain of 15 restaurants located in 9 states, and previously employed more than 450 people. These restaurants are located in various shopping malls whose business is directly related to the volume of shoppers visiting the anchor tenants in such malls. The continued increase in online shopping has left brick-and-mortar shopping centers to fight over a smaller group of consumers. As a result, over the last year, certain segments of the retail shopping industry have experienced a significant downturn resulting in announcements by Macy’s, Sears, and, most recently, JCPenney that they have or will close hundreds of these anchor stores. This downturn has had a direct impact on this business of those restaurants located in shopping malls experiencing decreased business. As a result of the decreased business, Eateries has been attempting to

renegotiate its lease terms with various of its landlords without success. Indeed, the downturn has resulted in the closure of 4 of Eateries' restaurant locations in advance of the filing of this bankruptcy, leaving 11 in operation in 6 states, employing approximately 375 people, at the time of the filing of this case.

RELIEF REQUESTED

7. By this Motion, the Debtors seek entry of an order (i) authorizing the Debtors to use existing accounts as "debtor-in-possession" accounts in which all accounts receivable and other amounts owed to the Debtors shall be paid and deposited; (ii) authorizing the continued use of Debtors' existing bank accounts, business forms, cash management system, and credit card processing agreements; (iii) waiving requirements of section 345 of the Bankruptcy Code; and (iv) authorizing the continuation of certain intercompany transactions. In summary, the Debtors request that they be authorized to maintain their current cash management system.

BASIS FOR RELIEF

8. Eateries is the parent company of its wholly owned subsidiary Zanesville as well as several additional non-debtor subsidiaries that ceased operations prior to the Petition Date.

9. As of the Petition Date, the Debtors maintained a cash management system that permits it to fund its ongoing operations. The Debtors' prepetition cash management system required, among other things, the daily movement of funds among and between the Debtors, various bank accounts and merchant processors.

A. The Existing Bank Accounts.

10. Prior to the commencement of their chapter 11 cases, in the ordinary course of their businesses, the Debtors maintained eighteen (18) bank accounts (collectively, the "Bank Accounts"). A listing of the Bank Accounts is provided on Exhibit "A" attached hereto as well

as a description of the use of each Bank Account. The Debtors believe that all of the Bank Accounts are in financially stable banking institutions.

11. The Office of the United States Trustee has established certain operating guidelines for debtors-in-possession in order to supervise administration of chapter 11 cases. These guidelines require chapter 11 debtors to, among other things, (a) close all existing bank accounts and open new debtor-in-possession bank accounts; (b) establish one debtor-in-possession account for all estate monies required for payment of taxes including payroll; (c) maintain a separate debtor-in-possession account for cash collateral; and (d) obtain checks for all debtor-in-possession accounts which bear the designation "Debtor-In-Possession," the bankruptcy case number and the type of accounts. The Debtors believe that implementing these guidelines would require a substantial modification, if not abandonment, of their prepetition cash management system.

12. The Bank Accounts are part of the carefully-constructed and automated cash management system that ensures the Debtors' ability to efficiently monitor and control all of their cash (as more fully described below). The requirement that the Debtors close all existing and open all new accounts would disrupt the Debtors' operations and result in delays in payments to employees, customers and creditors thereby impeding the Debtors' ability to ensure as smooth a transition into chapter 11 as possible.

13. The Debtors believe that their existing cash management system provides a cost-effective and efficient means of managing the Debtors' finances and the maintenance of such a system will benefit all creditors by reducing day-to-day operating expenses of the Debtors' estates. Accordingly, as set forth below, the Debtors submit that failure to continue the cash

management system would disrupt the Debtors' operations and impose a financial burden on the estates, while providing little benefit, if any, to the Debtors' estates and creditors.

14. Any payments that are received in the Debtors accounts will be treated as the Bank's² cash collateral and the Debtors shall only be allowed to use such amounts by agreement of the Bank or order of this Court. The Debtors believe that this system will substantially comply with the Office of the United States Trustee's operating guidelines and provide the Bank with all of the protections of their cash collateral that they are entitled to under the Bankruptcy Code being that the Debtors will only be permitted to use the cash in the Bank Accounts if the Bank consents or is adequately protected pursuant to sections 363 and 361.

B. The Debtors Should Be Granted Authority to Continue to Use Existing Business Forms and Checks

15. In order to minimize expenses to their estates, the Debtors also request that they be authorized to continue to use all correspondence, business forms and checks existing immediately prior to the Petition Date, without reference to the Debtors' status as debtors-in-possession.

16. As a result of the notices sent by the Debtors, and the size of and publicity surrounding these cases, parties doing business with the Debtors undoubtedly will be aware of the Debtors' status as chapter 11 debtors-in-possession. Changing checks, correspondence and business forms would be expensive and burdensome to the Debtors and disruptive to the Debtors' business operations and would provide little real benefit to the parties with whom the Debtors do business. For these reasons, the Debtors request that they be authorized to use

² The Debtors have filed concurrently herewith an Expedited Motion to Incur Debtor-in-Possession Financing and to use Cash Collateral based upon a pre-petition negotiated agreement with SpiritBank (the "Bank").

existing checks and business forms without being required to place the label “debtor-in-possession” on each.

C. The Debtors Should Be Authorized to Continue to Use Their Existing Cash Management System

17. As stated above, the Debtors maintain a carefully-constructed and automated cash management system that ensures the ability of the Debtors to monitor and control all of their cash. Accordingly, in order to avoid disruption of their operations and ensure an orderly transition into chapter 11, the Debtors request authorization to continue to use their existing cash management system (as it may be modified by the Debtors in the ordinary course of business).

18. Generally, the cash management system is described as follows:

Currently Account Payable check runs are weekly and Vendors are paid based upon priority and cash available. When liquidity allows all vendors are paid within terms when liquidity is strained vendors are paid upon priority of importance to store operations. Employees and taxes have first priority then those deemed critical vendors then other operational vendors then capital expenditures. All invoices have been approved before entering into Accounts Payable system for payment.

The overall structure of the various accounts is generally: Credit card deposits for all stores are deposited in depository account at JPMorgan Chase Bank (“Chase”) along with the operating cash deposits for ZANESVILLE and BRIDGEPORT. All other restaurants deposit cash in local depository banks (the “Local Bank Accounts”). Transfers from the Local Bank Accounts are done via ACH when accounts reach minimum balances to transfer to keep account balances positive and justify fees charged for transfers. Payroll checks are processed through the Payroll Account at Chase with use of positive pay to prevent fraudulent checks. Direct deposit files are uploaded by payroll (Abacus) and approved by treasury (Abacus) (dual control.) Account payable checks are cut in an AP Account at Chase and positive pay is used to prevent fraudulent checks. Certain vendors that require payment via ACH (utilities and liquor vendors) send statement or invoices before pulling funds out of an ACH account (other accounts prevent ACH payments.) Currently stores have preprinted vendor checks for vendors that require COD and blank stock checks. Stores use preprinted checks “Store Checks” for COD deliveries and liquor vendors as required by law to be paid COD will need to disburse Store Checks checks for COD delivery.

19. The Company's cash management system is centrally administered and includes, among other things, centralized forecasting, reporting, fund collection and funds disbursement functions. All funds flow between the primary operating account for Eateries and the rest of the Bank Accounts. The principal components of the system are described above and as follows:

(a) Eateries' Operating Account at JPMorgan Chase Bank ("Chase"), Account # xxxxxx7326 (the "Operating Account") - This is Eateries' primary operations account and receives from operations of the 15 restaurants, account receivables, Credit Card Account and other miscellaneous deposits. Intra-bank transfers to the AP Account, ACH Account, and Payroll Account are initiated from this account.

(b) Eateries' Accounts Payable Account at Chase, Account # xxxxxx8001 (the "AP Account"). Account payable checks are cut from this Account and positive pay is used to prevent fraudulent checks.

(c) Eateries' ACH Account at Chase, Account # xxxxxx8332 (the "ACH Account"). Certain vendors that require payment via ACH (utilities and liquor vendors) send statement or invoices before pulling funds out of an ACH account (other accounts prevent ACH payments.)

(d) Eateries' Credit Card and Cash Depository Account at Chase, Account # xxxxxx3501 (the "Credit Card Account") - This Account is the merchant account for credit card deposits as well as depository for cash from two local restaurants.

(e) Eateries' Payroll Account at Chase, Account # xxxxxx8696 (the "Payroll Account"). All payroll checks are cut from this Account on a bi-weekly basis.

(f) Eateries' operating account at Commerce Bank, Account # XXXX9485 (the "Commerce Operating Account"). This account sweeps to ACH and payroll and is being transitioned to Chase Bank.

(g) Eateries' local bank accounts described on Exhibit A (the "Local Accounts") and described above. These accounts are used as depository accounts for 13 restaurants to deposit operating revenues which are then periodically swept into the Operating Account.

20. The cash management system procedures the Debtors use constitutes ordinary, usual, and essential business practice and are consistent with those used by other major corporate enterprises. The cash management system provides significant benefits to the Debtors, including the ability to (a) trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable; (b) control corporate funds centrally; (c) minimize idle cash; and (d) reduce administrative expenses by facilitating the movement of funds and the development of more timely and accurate balance presentment information. As stated above, requiring the Debtors to adopt new, segmented cash management systems would be expensive and disruptive. Consequently, maintenance of the existing cash management system during these chapter 11 cases is in the best interest of all the Debtors, their estates and the creditors.

D. The Debtors Should Be Authorized to Continue Compliance with Credit Card Processing Agreements

21. The Debtors are party to processing agreements (collectively, the “Processing Agreements”) with two (2) merchants (collectively, the “Merchant Processors”) that enable the Debtors to accept credit cards as payment for their merchandise. These Processing Agreements are essential to the Debtors’ business, as they allow the Debtors’ customers the flexibility to purchase products on credit. This flexibility is essentially taken for granted by modern restaurant customers, and its loss would significantly impair the Debtors’ ability to serve, attract, and retain those customers

22. The Merchant Processors are paid monthly. The Debtors estimate that, as of the Petition Date, approximately \$6,000.00 in fees to the Merchant Processors are accrued and unpaid, most of which are to be paid within 21 days after the Petition Date. Because credit card sales account for the majority (70%) of Debtors’ total sales, it is critical that there be no

disruptions in these payments. The Debtors seek authority from the Court to pay all prepetition accrued but unpaid fees due to the Merchant Processors, and to continue such payments to Merchant Processors in the ordinary course of Debtors' business.

E. Waiver of Compliance with 11 U.S.C. § 345

23. Section 345 of the Bankruptcy Code provides that, inter alia, a "trustee in a case under this title may make such deposit or investment of money of the estate for which such trustee serves as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). Section 345 further provides that, unless the Bankruptcy Court orders otherwise, for deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," the debtor must require the institution with which the money is deposited or invested to either post a bond or deposit "securities of the kind specified in Section 9303 of title 31." 11 U.S.C. § 345(b).

24. The Debtors have no reason to believe at this time that their cash management system, as described above, does not comply with Section 345 of the Bankruptcy Code. Nevertheless, to the extent that it may not comply with Section 345 or any other requirements of the U.S. Trustee, the Debtors request that the Bankruptcy Court waive any such noncompliance, because the Debtors' cash sweep system is designed to protect the principal invested while maximizing liquidity and generating a reasonable return at minimal expense to the Debtors. Therefore, to the extent that the Debtors' cash management practices vary from those required by the U.S. Trustee Guidelines and the Bankruptcy Code, the Debtors maintain that sufficient cause exists to waive the investment requirements of Section 345(b) to allow the Debtor to continue their cash management system.

E. The Debtors Should Be Authorized to Continue Certain Intercompany Transactions

25. Eateries and Zanesville regularly engage in intercompany financial transactions in the ordinary course of their respective businesses with each other. All intercompany transactions are reflected as discrete transfers in the appropriate intercompany accounts.

26. Specifically, Eateries covers payroll each month for Zanesville and funds other trade transactions as needed. Then, on a frequent basis, Zanesville transfers 100% of its income to Eateries.

27. The Debtors anticipate that the intercompany transactions will continue following the Petition Date. Because the Debtors engaged in the intercompany transactions on a regular basis before the Petition Date and such transactions are common for enterprises like the Debtors, the Debtors believe that such transactions are ordinary course, within the meaning of section 363(c)(1) of the Bankruptcy Code, and thus do not require the Court's approval. Nonetheless, out of an abundance of caution, the Debtors are seeking express authority to engage in such transactions.

28. To ensure that each individual Debtor will not, at the expense of its creditors, fund the operations of another entity, the Debtors will continue to maintain records of such transfers, including records of all current intercompany accounts receivable and payable, with balances existing as of the Petition Date. Accordingly, the Debtors submit that the continuation of the intercompany transactions is in the best interests of the Debtors' estates and creditors.

APPLICABLE AUTHORITY

29. Bankruptcy courts regularly recognize that the strict enforcement of bank account and business form requirements set forth in the United States Trustee operating guidelines does

not necessarily serve the purposes of chapter 11, particularly where the entities involved form a large and complex organization.

30. Similar relief to that requested herein has been granted in this district, including the waiver of the U.S. Trustee guidelines regarding the debtor-in-possession designation on checks and business forms and a debtor's continued use of its existing cash management procedures and policies. *In re Paul Transportation, Inc.*, Case No. 10-13022 (Bankr. W.D. Okla., May 21, 2010); *In re Roma Foods of Oklahoma, Inc.*, Case No. 09-12488 (Bankr. W.D. Okla., May 12, 2009); *In re Harold's Stores, Inc.*, Case No. 08-15027 (Bankr. W.D. Okla., November 10, 2008); *In re Rocor Int'l, Inc.*, Case No. 02-17658 (Bankr. W.D. Okla., August 7, 2002).

31. The relief requested herein is also commonly granted in other jurisdictions. *In Re Texoma Peanut Company, Inc.* Case No. 14-81334 (TRC) (Bankr. E.D. Okla., November 6, 2014); *In re TSG, Inc.*, Case No. 06-80899 (Bankr. E.D. Okla., November 9, 2006); *In re Cano Petroleum, Inc.*, Case No. 12-31549 (Bankr. N.D. Tex. March 16, 2012); *In re Dynegy Holdings, LLC*, Case No. 11-38111 (Bankr. S.D.N.Y. January 26, 2011); *In re Seahawk Drilling, Inc.*, Case No. 11-20089 (Bankr. S.D. Tex. February 14, 2011); *In re Stallion Oilfield Services, Inc.*, Case No. 09-13562 (Bankr. D.Del. October 20, 2009).

32.

NOTICE

Notice of this pleading has been provided by e-mail, facsimile, or overnight delivery to: (i) the Office of the United States Trustee; (ii) SpiritBank, care of counsel Kevin Blaney; (iii), Fresh Capital, LLC, Practical Investors, LLC, and Fiesta Holdings, Inc. care of counsel Jared Giddens, Dillon Curran, Justin Pybas (“Secured Lenders”); (iv) Debtors’ landlords listed on Schedule G, and (v) the twenty largest unsecured creditors for each of the Debtors.

CONCLUSION

The Debtors respectfully request that the Court enter interim and final orders (i) authorizing the continued use of the Debtors’ existing bank accounts, business forms, cash management system, and credit card processing agreements; (ii) waiving the requirements of Section 345 of the Bankruptcy Code authorizing the Debtors to enter into intercompany transactions pursuant to their prepetition cash management system; and (iii) granting such other relief as is just and proper.

A proposed order granting the relief requested herein is attached hereto as Exhibit B.

Respectfully submitted,

s/ Mark A. Craige

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PROPOSED COUNSEL FOR DEBTOR

| Financial Institution | Account Name | Account Number | Routing Number | Description of Account | Contact Person | Address | Fax Number | Phone Number |
|--|--------------|----------------|----------------|---|-----------------|--|--------------|--------------|
| Commerce Bank | Eateries Inc | XXXXX 485 | 101000019 | Form er operating account | Rebekah Carlton | 0 Klahoma City, OK 73116 | 405-254-3013 | 405-608-2721 |
| J Morgan Chase Bank | Eateries Inc | XXXXX 7326 | 103000648 | 0 perating account | Ao ll guyen | 100 N . Broadw ay Ave, Floor 04, 0 Klahoma City, OK 73102 | 866 910 3819 | 405-231 6139 |
| J Morgan Chase Bank | Eateries Inc | XXXXX 8001 | 103000648 | AP account | Ao ll guyen | 100 N . Broadw ay Ave, Floor 04, 0 Klahoma City, OK 73102 | 866 910 3819 | 405-231 6139 |
| J Morgan Chase Bank | Eateries Inc | XXXXX 8332 | 103000648 | ACH account | Ao ll guyen | 100 N . Broadw ay Ave, Floor 04, 0 Klahoma City, OK 73102 | 866 910 3819 | 405-231 6139 |
| J Morgan Chase Bank | Eateries Inc | XXXXX 8696 | 103000648 | Payroll account Credit Card and Cash depository account | Ao ll guyen | 100 N . Broadw ay Ave, Floor 04, 0 Klahoma City, OK 73102 | 866 910 3819 | 405-231 6139 |
| J Morgan Chase Bank Local Bank Accounts | Eateries Inc | XXXXX 3501 | 103000648 | (cash dep for stores 31, 57) | Ao ll guyen | 100 N . Broadw ay Ave, Floor 04, 0 Klahoma City, OK 73102 | 866 910 3819 | 405-231 6139 |
| Arvest | Eateries Inc | XXXXX 7714 | 082900872 | Cash Depository for stores 9, 40 | Jessica Smith | 402 S . R angeline Rd Joplin, MO 64801 | | 405-419-1842 |
| 0 Id National | Eateries Inc | XXXXX 9828 | 086300012 | Cash Depository for stores 53 | | 1422 S W interst, Adrian, MI 49221 | | 517-366-6200 |
| First Financial | Eateries Inc | XXXXX 0213 | 074900356 | Cash Depository for stores 49 | | 2750 N Vermilion St, Danville, IL 61832 | | 217-431-8750 |
| Huntington | Eateries Inc | XXXXXX 3897 | 41215032 | Cash Depository for stores 65 | | 0 hio Valley Mall, 68011 Mall Ring Rd, St Clairsville, OH 43950 | | 740-695-4101 |
| Northumbertland | Eateries Inc | XXXXX 0701 | 031312835 | Cash Depository for stores 85 | | 245 Front St, Northumbertland, PA 17857 | | 570-473-3531 |
| PNC | Eateries Inc | XXXXXX 6766 | 043000096 | Cash Depository for stores 68, 72 | | 108 Clearview Cir, Butler, PA 16001 | | 724-287-7791 |
| Regions | Eateries Inc | XXXXXX 2404 | 074014213 | Cash Depository for stores 23, 51, 63 | | 310 Highway 78 E, Jasper, AL 35501 | | 800-734-4667 |
| BB&T | Eateries Inc | XXXXXXXX 3965 | 051503394 | Cash Depository for stores 43 | Dee Benson | 1114 Benvenue Road Rocky Mount, NC 27804 | 252-212-6069 | 252-212-6057 |
| BB&T | Eateries Inc | XXXXXXXX 7957 | 031309123 | Cash Depository for stores 83 | Dee Benson | 1114 Benvenue Road Rocky Mount, NC 27804 | 252-212-6069 | 252-212-6057 |

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

| | | |
|--|---|------------------------|
| _____ |) | |
| |) | Chapter 11 |
| In re: |) | |
| |) | |
| EATERIES, INC., <i>et al.</i> ¹ |) | Case No. 17-11444-SAH |
| Debtors. |) | |
| _____ |) | (Jointly Administered) |

**AMENDED ORDER UNDER 11 U.S.C. §§ 105, 345, 363, 364, 1107 AND 1108
(I) AUTHORIZING CONTINUED USE OF EXISTING BANK ACCOUNTS, BUSINESS
FORMS AND CASH MANAGEMENT SYSTEM; (II) WAIVING REQUIREMENTS OF
SECTION 345 OF THE BANKRUPTCY CODE; AND (III) AUTHORIZING
CONTINUATION OF INTERCOMPANY TRANSACTIONS AND NOTICE OF
OPPORTUNITY FOR HEARING
[This Order Corresponds to the Motion at Docket No. ___]**

Upon the amended motion (the “Motion”) of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), for entry of an order under 11 U.S.C. §§ 105, 345, 363, 364, 1107 and 1108 (i) authorizing the continued use of the Debtors' existing bank accounts,

¹ The affiliated Debtors are Eateries, Inc. and GRP of Zanesville, LLC, Case Nos. 17-11444 and 17-11445.

business forms, cash management system, and credit card processing agreements; (ii) waiving the requirements of § 345 of the Bankruptcy Code; and (iii) authorizing the continuation of certain intercompany transactions; and upon the Declaration of William C. Liedtke, III, Vice President of Eateries, Inc. (“Eateries”) and GRP of Zanesville, LLC (“Zanesville”) (collectively the “Debtors”), in Support of Debtors’ Chapter 11 Petitions and First Day Motions, sworn to on April 17, 2017; and the Court having determined that it has jurisdiction over the matters raised by the Motion and that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and it appearing that proper and adequate notice has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED.
2. The Debtors are authorized to continue to use their existing cash management system (the “Cash Management System”), under substantially the same conditions and terms as existed immediately prior to the date of the commencement of these cases (the “Petition Date”) as described in the Motion and as modified and set forth in this Order.
3. Notwithstanding any applicable legal or administrative regulation or guideline to the contrary, the Debtors are authorized to (i) designate, maintain and continue to use, with the same account numbers, all of the Debtors' bank accounts which were in existence on the Petition Date (the "Bank Accounts"), including, without limitation, the Bank Accounts listed on **Exhibit “A”** to Debtors’ Motion, and (ii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors-in-possession.

4. Notwithstanding any applicable legal or administrative regulation or guideline to the contrary, the Debtors are authorized to continue to use their existing business forms and checks, and are released from any requirement that they place the label "debtor-in-possession" on such business forms or checks.

5. The Debtors are authorized to engage in intercompany financial transactions in the ordinary course of the Debtors' respective businesses, and are further authorized to make any transfers that arise under the Cash Management System, or that are necessary or appropriate to sustain the value of the Debtors' businesses.

6. The Debtors are directed to maintain strict records of all transfers so that all transactions, including, but not limited to, intercompany transactions, may be readily ascertained, traced and recorded properly on applicable accounts.

7. The Debtors are authorized to invest funds in accordance with the Debtors' current investment practices in effect as of the Petition Date.

8. Notwithstanding any applicable legal or administrative regulation or guideline to the contrary, the Debtors are authorized to continue compliance with all credit card processing agreements in the ordinary course of business.

9. To the extent the deposits and investments authorized herein are not consistent with the requirements of 11 U.S.C. § 345(b), such requirements are waived, for good cause shown.

10. Each of the Debtors' Banks is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Commencement Date; (ii) all checks or other

items deposited in one of Debtors' accounts with such Bank prior to the Commencement Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Commencement Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

11. Any of the Debtors' Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Commencement Date should be honored pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

12. Those certain existing deposit agreements between the Debtors and their existing depository and disbursement banks (collectively, the "Banks") shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. The Debtors and the Banks may, without further Order of this Court, agree to and implement changes to the cash management systems and procedures in the ordinary course of business, including, without limitation, the opening and closing of bank accounts.

13. Notwithstanding Fed. R. Bankr. P. 6004(h) or any other applicable Rule of the Federal Rules of Bankruptcy Procedure, this Order shall take effect immediately upon approval.

IT IS SO ORDERED.

###

APPROVED FOR ENTRY:

CROWE & DUNLEVY, P.C.

s/ Mark A. Craige

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lysbeth.george@crowedunlevy.com

Attorneys for Debtors In Possession