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5 General Insolvency Counsel for  
DECO ENTERPRISES, INC.  
6 Debtor and Debtor In Possession

7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA [LOS ANGELES DIVISION]**

10  
11 **In re:** ) **Case No. 2:20-bk-11846-BB**  
12 **DECO ENTERPRISES, INC.,** ) **Chapter 11**  
13 ) **RESPONSE TO "MOTION OF CREDITOR**  
14 **Debtor.** ) **SIGNIFY HOLDING B.V. UNDER 11 U.S.C.**  
15 ) **§ 1112(b)(1) TO CONVERT, DISMISS, OR**  
16 ) **APPOINT A CHAPTER 11 TRUSTEE";**  
17 ) **DECLARATION(S) AND EXHIBIT(S) IN**  
18 ) **SUPPORT THEREOF**  
19 ) **Date: April 19, 2023**  
20 ) **Time: 10:00 a.m.**  
21 ) **Place: Courtroom 1539**  
22 ) **Roybal Federal Building**  
23 ) **United States Bankruptcy Court**  
24 ) **255 East Temple Street**  
25 ) **Los Angeles, California 90012**

26 **TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY JUDGE:**

27 Deco Enterprises, Inc., the debtor and debtor in possession  
28 ("Debtor" or "Deco"), in the above captioned chapter 11 case, submits  
this Response to the "Motion Of Creditor Signify Holding B.V. Under  
11 U.S.C. § 1112(b)(1) To Convert, Dismiss, Or Appoint A Chapter 11  
Trustee," filed on behalf of Signify Holding B.V. ("Signify") on

March 24, 2023 [Docket #475] ("Motion").<sup>1</sup>

Deco submits that a ruling should be deferred because unusual circumstances exist establishing that converting or dismissing Deco's bankruptcy case is not in the best interests of creditors and the estate. Courts have much discretion in making the determination as to whether there are unusual circumstances that should prevent dismissal or conversion. *In re Prods. Int'l Co.*, 395 B.R. 101, 109 (Bankr. D. Ariz. 2008)

Unusual Circumstances And Justification For Plan Payment Defaults

Consistent with the financing agreement between Deco and PQL, Inc. ("PQL") at the time of plan confirmation, PQL has funded working capital needs in the form of inventory purchases made on behalf of Deco. PQL maintains title to the inventory until it is sold by Deco. Revenue generated by the sale of inventory was to cover plan obligations, the repayment of the inventory commitment by PQL, and non-inventory operating expenses of Deco. The agreement anticipated that with the support of PQL revenue would increase at a rate sufficient for the equity contribution of DQL to bridge to positive operating cash flows without interruption in fulfillment of plan obligations or breach of the PQL supply agreement. The revenue growth has not materialized which as been caused by some unusual circumstances consisting of unusual supply chain issues that arose during and as a result of the COVID pandemic, the closing of Deco's leased facility in Mexico, where a substantial portion of Deco's production occurs, and the untimely death of Deco's chief designer.

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<sup>1</sup> Signify has agreed to extend Deco's time to respond to the Motion to April 11, 2023.

1 As a result, Deco is reasonably justified for being delinquent on making  
2 plan payments and is not in compliance with the supply chain agreement to  
3 PQL which is owned approximately \$2 million incurred for inventory  
4 commitments, funding of Deco operating losses and the making of plan  
5 payments.

6  
7 Deco Current Debt Structure

8 Deco owes ABS Capitol, LLC ("ABS") approximately \$4 million.  
9 Deco's debt to ABS is collateralized by "all of Debtor's now owned or  
10 hereafter acquired right, title and interest" in and to Deco's  
11 assets. ABS' security interest in and lien against Deco's assets is  
12 junior only to the security interest and lien of Crossroads  
13 Financing, Inc. ("Crossroads"), which also has a blanket personal  
14 property security and lien in all of Deco's assets. See, **Exhibit A**,  
15 pp. 18-20 and **Exhibit B** to the Declaration Of Babak Sinai ("Sinai  
16 Declaration"), appended hereto.

17 In the event Deco's bankruptcy case was to be dismissed or  
18 converted to chapter 7, unsecured creditors will almost assuredly not  
19 receive any further distributions on account of their prepetition  
20 claims.

21  
22 Plan To Provide Unsecured Creditors With Additional Distributions  
23 Under The Plan

24 The shareholders of DQL, Deco's parent company, are in  
25 discussions to formulate a proposal to Deco to purchase Deco's  
26 assets, consisting of: inventory with a liquidation value of  
27 approximately \$100,000; furniture, fixtures, machinery and equipment  
28 with a liquidation value of approximately \$50,000; Employee Retention

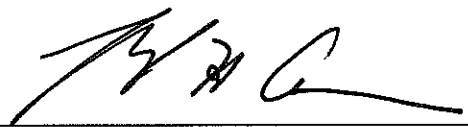
1 Credit ("ERC") refunds from the federal government aggregating more  
2 than \$500,000; and claims against Benjamin Pouladian with an unknown  
3 value.

4 The proposal would include satisfying the first priority secured  
5 claim of Crossroads (see, **Exhibit C** to the Sinai Declaration),  
6 pursuant to discussions with Crossroads; satisfying the Signify  
7 patent license claim under the Plan; payment of the administrative  
8 priority claims of the Aver Firm and Mousavi & Lee, LLP, aggregating  
9 approximately \$300,000.00; and payment to unsecured creditors of more  
10 than they would receive if Deco's bankruptcy case was converted to  
11 chapter 7 or dismissed. A Memorandum Of Understanding has been  
12 drafted, reviewed, and is being circulated to the DQL shareholders  
13 for signature.

14  
15 **WHEREFORE**, for the reasons set forth above, and as supported by  
16 the Declaration Of Babak Sinai and the exhibits appended hereto, and  
17 the Declaration Of Craig Allen, the hearing of Signify's Motion  
18 should be deferred to afford Deco and its parent company, DQL, an  
19 adequate and fair opportunity to provide Deco's creditors with an  
20 alternative to dismissal or conversion that maximizes the recovery of  
21 creditors of Deco's bankruptcy estate.

22  
23 Dated: April 11, 2023

LAW OFFICES OF RAYMOND H. AVER  
A Professional Corporation

24  
25  
26 By:   
27 RAYMOND H. AVER  
28 General Insolvency Counsel  
for DECO ENTERPRISES, INC.  
Debtor and Debtor In Possession

DECLARATION OF BABAK SINAI

I, BABAK SINAI, declare:

1. I am an officer and director of Deco Enterprises, Inc. ("Deco" or "Debtor"), the chapter 11 debtor and debtor in possession proceeding before the United States Bankruptcy Court for the Central District of California [Los Angeles Division] under *In re Deco Enterprises, Inc.*, Case No. 2:20-bk-11846-BB. I am one of the individuals designated to act on behalf of Debtor in all matters pertaining to its bankruptcy case.

2. Attached as **Exhibit A** hereto is a true and correct copy of the "Order (1) Approving Debtor In Possession Financing From Paragon Financial Group, Inc., Crossroads Financing, LLC, And ABS Capitol, LLC; (2) Authorizing Debtor And Paragon Financial Group, Inc. To Operate Under A Purchase Agreement In Order To Sell Accounts Post Petition To Paragon Financing Group, Inc.; (3) Granting Paragon Financial Group, Inc., Crossroads Financing, LLC, And ABS Capitol, LLC Post Petition Liens And Security Interests In Property Of The Estate; And (3) Modifying The Automatic Stay."

3. Attached as **Exhibit B** hereto is a true and correct copy of "Debtor's Amended Chapter 11 Plan, As Modified" ("Plan").

4. Attached as **Exhibit C** hereto is a true and correct copy of "Crossroads Funding II, LLC's Joinder To Motion Under 11 U.S.C. §1112(b)(1) To Convert, Dismiss, Or Appoint A Chapter 11 Trustee."

Unusual Circumstances And Justification For Plan Payment Defaults

5. Consistent with the financing agreement between Deco and PQL, Inc. ("PQL") at the time of plan confirmation, PQL has funded working

1 capital needs in the form of inventory purchases made on behalf of Deco.  
2 PQL maintains title to the inventory until it is sold by Deco. Revenue  
3 generated by the sale of inventory was to cover plan obligations, the  
4 repayment of the inventory commitment by PQL, and non-inventory operating  
5 expenses of Deco. The agreement anticipated that with the support of PQL  
6 revenue would increase at a rate sufficient for the equity contribution of  
7 DQL to bridge to positive operating cash flows without interruption in  
8 fulfillment of plan obligations or breach of the PQL supply agreement. The  
9 revenue growth has not materialized which as been caused by some unusual  
10 circumstances consisting of unusual supply chain issues that arose during  
11 and as a result of the COVID pandemic, the closing of Deco's leased  
12 facility in Mexico, where a substantial portion of Deco's production  
13 occurs, and the untimely death of Deco's chief designer. As a result, Deco  
14 is reasonably justified for being delinquent on making plan payments and is  
15 not in compliance with the supply chain agreement to PQL which is owned  
16 approximately \$2 million incurred for inventory commitments, funding of  
17 Deco operating losses and the making of plan payments.

18  
19 Deco Current Debt Structure

20 6. I am also a manager and a member of ABS Capitol, LLC  
21 ("ABS"). Deco owes ABS approximately \$4 million. Deco's debt to ABS  
22 is collateralized by "all of Debtor's now owned or hereafter acquired  
23 right, title and interest" in and to Deco's assets. ABS' security  
24 interest in and lien against Deco's assets is junior only to the  
25 security interest and lien of Crossroads Financing, Inc.  
26 ("Crossroads").

27 7. In the event Deco's bankruptcy case was to be dismissed or  
28 converted to chapter 7, unsecured creditors will almost assuredly not

1 receive any further distributions on account of their prepetition  
2 claims.

3  
4 Plan To Provide Unsecured Creditors With Additional Distributions  
5 Under The Plan

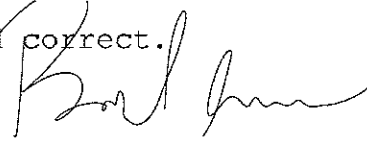
6 8. I am also a shareholder of DQL, Inc., Deco's parent  
7 company.

8 9. The shareholders of DQL, including Andy Streden, a  
9 shareholder and a principal of PQL, Craig Allen, and I are in  
10 discussions to formulate a proposal to Deco to purchase Deco's  
11 assets, consisting of Employee Retention Credit ("ERC") refunds from  
12 the federal government aggregating more than \$500,000; inventory with  
13 a liquidation value of approximately \$100,000; furniture, fixtures,  
14 machinery and equipment with a liquidation value of approximately  
15 \$50,000; and claims against Benjamin Pouladian with an unknown value.

16 10. The proposal would include satisfying the first priority  
17 secured claim of Crossroads with the ERC funds or other monies paid  
18 by DQL; satisfying the Signify patent license claim under the Plan;  
19 payment of the administrative priority claims of the Aver Firm and  
20 Mousavi & Lee, LLP, aggregating approximately \$300,000.00; and  
21 payment to unsecured creditors of more than they would receive if  
22 Deco's bankruptcy case was converted to chapter 7 or dismissed.

23  
24 11. I have personal knowledge of the facts stated herein,  
25 except where stated on information and belief, and where so stated, I  
26 am informed and believe that such facts are true and correct. If  
27 called and sworn as a witness, I could and would competently testify  
28 to the above.

1 Executed this 5<sup>th</sup> day of April, 2023, at Miami, Florida. I  
2 declare under penalty of perjury under the laws of the United States  
3 of America that the foregoing is true and correct.



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BABAK SINAI

**DECLARATION OF CRAIG ALLEN**

I, CRAIG ALLEN, declare:

1. I was formerly the chief financial officer ("CFO") of Deco Enterprises, Inc. ("Deco" or "Debtor"), the chapter 11 debtor and debtor in possession proceeding before the United States Bankruptcy Court for the Central District of California [Los Angeles Division] under *In re Deco Enterprises, Inc.*, Case No. 2:20-bk-11846-BB.

2. I am a shareholder of Deco's parent company, DQL, Inc.

3. I have recently, since the end of March 2023, re-engaged with Deco in an effort to preserve the going concern value of Deco for the benefit of all interested parties, including the creditors of Deco's bankruptcy estate.

4. I have engaged in multiple discussions with the other shareholders of DQL and legal counsel in an effort to devise a structure pursuant to which funds would be received by Deco and used to pay a portion of its debts, including those to the prepetition creditors under Deco's reorganization plan.

5. I have had positive substantive telephone conversations with representatives of Crossroads Financing, Inc. ("Crossroads") about a potential structured payoff to Crossroads. I have also had substantive telephone conversations with local bankruptcy counsel for Signify Holding B.V. ("Signify"), and have answered the questions posed by counsel regarding the structure of the funding.

6. After significant thought and discussion, a Memorandum Of Understanding has been drafted, reviewed, and is being circulated to the DQL shareholders for signature. Under the terms of the Memorandum Of Understanding new money capital will be contributed to

1 a new company to acquire the assets of Deco in exchange for payment  
2 that would be utilized to satisfy Crossroads's claim, satisfy the  
3 Signify patent license claim, the administrative priority claims of  
4 the Aver Firm and Mousavi & Lee, LLP, and a payment to unsecured  
5 creditors of a percentage of their claims.

6 7. I am cautiously optimistic that the structure devised will  
7 work to the benefit of all parties in interest and require  
8 additional time to finalize an agreement to bring to the creditors  
9 and parties in interest for review and to the Court for approval.

10  
11 8. I have personal knowledge of the facts stated herein,  
12 except where stated on information and belief, and where so stated, I  
13 am informed and believe that such facts are true and correct. If  
14 called and sworn as a witness, I could and would competently testify  
15 to the above.

16 Executed this 11<sup>th</sup> day of April, 2023, at Los Angeles,  
17 California. I declare under penalty of perjury under the laws of the  
18 United States of America that the foregoing is true and correct.

19  
20   
21 \_\_\_\_\_  
22 CRAIG ALLEN  
23  
24  
25  
26  
27  
28

## **EXHIBIT A**

1 RAYMOND H. AVER - SBN 109577  
2 LAW OFFICES OF RAYMOND H. AVER  
3 A Professional Corporation  
4 10801 National Boulevard, Suite 100  
5 Los Angeles, California 90064  
6 Telephone: (310) 571-3511  
7 email: ray@averlaw.com

8 General Insolvency Counsel for  
9 DECO ENTERPRISES, INC.  
10 Debtor and Debtor In Possession

FILED & ENTERED

DEC 03 2020

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY wesley DEPUTY CLERK

11 UNITED STATES BANKRUPTCY COURT

12 CENTRAL DISTRICT OF CALIFORNIA [LOS ANGELES DIVISION]

13 In re: ) Case No. 2:20-bk-11846-BB  
14 DECO ENTERPRISES, INC., ) Chapter 11  
15 Debtor. ) ORDER (1) APPROVING DEBTOR IN  
16 ) POSSESSION FINANCING FROM  
17 ) PARAGON FINANCIAL GROUP, INC.,  
18 ) CROSSROADS FINANCING, LLC, AND  
19 ) ABS CAPITOL, LLC; (2)  
20 ) AUTHORIZING DEBTOR AND PARAGON  
21 ) FINANCIAL GROUP, INC. TO  
22 ) OPERATE UNDER A PURCHASE  
23 ) AGREEMENT IN ORDER TO SELL  
24 ) ACCOUNTS POST PETITION TO  
25 ) PARAGON FINANCING GROUP, INC.;  
26 ) (3) GRANTING PARAGON FINANCIAL  
27 ) GROUP, INC., CROSSROADS  
28 ) FINANCING, LLC, AND ABS  
29 ) CAPITOL, LLC POST PETITION  
30 ) LIENS AND SECURITY INTERESTS IN  
31 ) PROPERTY OF THE ESTATE; AND (3)  
32 ) MODIFYING THE AUTOMATIC STAY

Date: November 18, 2020

Time: 2:00 p.m.

Place: Courtroom 1575

United States Bankruptcy Court  
Roybal Federal Building  
255 East Temple Street  
Los Angeles, California 90012

Debtor's "Motion For Interim And Final Orders: (1)  
Approving Debtor In Possession Financing From Paragon Financial  
Group, Inc., Crossroads Financing, LLC, And ABS Capitol, LLC;  
(2) Authorizing Debtor and Paragon Financial Group, Inc. To  
Operate Under A Purchase Agreement In Order To Sell Accounts  
Postpetition To Paragon Financial Group, Inc.; (3) Granting  
Paragon Financial Group, Inc., Crossroads Financing, LLC, And  
ABS Capitol, LLC Post Petition Liens And Security Interests In  
Property Of The Estate; And (4) Modifying The Automatic Stay"  
came on regularly for hearing before the undersigned United  
States Bankruptcy Judge in courtroom 1539 of the United States  
Bankruptcy Court for the Central District of California [Los  
Angeles Division] on December 2, 2020.

Appearing on behalf of Deco Enterprises, Inc., the chapter  
11 debtor and debtor in possession in the above captioned case,  
was its general insolvency counsel, Law Offices of Raymond H.  
Aver, A Professional Corporation ("Aver Firm"), by Raymond H.  
Aver, Esquire. All other appearances are as noted in the  
Court's record of the hearing.

The Court having reviewed and considered the following  
pleadings and papers:

Debtor's "Motion For Interim And Final Orders: (1)  
Approving Debtor In Possession Financing From Paragon Financial  
Group, Inc., Crossroads Financing, LLC, And ABS Capitol, LLC;  
(2) Authorizing Debtor and Paragon Financial Group, Inc. To  
Operate Under A Purchase Agreement In Order To Sell Accounts  
Postpetition To Paragon Financial Group, Inc.; (3) Granting  
Paragon Financial Group, Inc., Crossroads Financing, LLC, And

1 ABS Capitol, LLC Post Petition Liens And Security Interests In  
2 Property Of The Estate; And (4) Modifying The Automatic Stay"  
3 ("DIP Financing Motion"); and any responses or opposition to the  
4 DIP Financing Motion, and having heard and considered the  
5 arguments and representations of counsel made during the  
6 hearing, the Court makes the following findings of fact and  
7 conclusions of law<sup>1</sup>:

8 A. Deco Enterprises, Inc. ("Deco" and "Debtor") is a  
9 corporation organized and existing under the laws of the State  
10 of California. Deco commenced the above captioned bankruptcy  
11 case by filing a voluntary petition for reorganization pursuant  
12 to chapter 11 of Title 11 of the United States Code, 11 U.S.C.  
13 §101 et seq. ("Code") with the United States Bankruptcy Court  
14 for the Central District of California [Los Angeles Division]  
15 ("Court") on February 20, 2020 ("Petition Date").

16 B. The Court has jurisdiction of this contested matter  
17 pursuant to 28 U.S.C. §§157 and 1334, and General Order No. 13-  
18 05 of the United States District Court for the Central District  
19 of California. Venue is proper in this district pursuant to 28  
20 U.S.C. §1408. Consideration of the DIP Financing Motion  
21 constitutes a "core proceeding" as defined in 28 U.S.C.  
22 §§157(b)(2)(A), (D), (G), (K) and (M).

23 C. The Court finds that sufficient and adequate notice of  
24 the DIP Financing Motion and the ~~preliminary~~ hearing **on** the DIP  
25

26  
27  
28 1 Unless otherwise indicated, capitalized terms used in this order shall  
have the meanings set forth in the DIP Finance Motion.

1 Financing Motion has been given pursuant to Bankruptcy Rules  
2 2002, 4001(c), 6004, 9006, and 9013 and 9014, and as required by  
3 Sections 102, 362, 363, 364, 503 and 507 of the Code for the  
4 relief provided by this order.

5 D. Deco continues to manage its affairs and operate its  
6 business and properties as a debtor in possession pursuant to  
7 Sections 1107 and 1108 of the Code.

8 E. No Committee of Unsecured Creditors or a Chapter 11  
9 Trustee **has** been appointed.

10 F. Prior to the Petition Date, Siena Lending Group, LLC  
11 ("Siena"), as lender; Deco, as borrower; and ABS Capitol, LLC  
12 ("ABS Capitol"), as guarantor, entered into a Loan And Security  
13 Agreement, by which Siena made available to Deco an \$8 million  
14 revolving credit facility ("Credit Facility").

15 G. The indebtedness under the Credit Facility is secured  
16 by a "blanket personal property" security interest in Deco's  
17 assets.

18 H. The indebtedness under the Credit Facility is also  
19 guaranteed by ABS Capitol, which guaranty is collateralized by a  
20 second priority deed of trust recorded against **the** commercial  
21 real property located at 2917 Vail Avenue, Commerce, California  
22 90040 ("Vail Avenue Property") owned by ABS.

23 I. In order for Deco to continue operating its business,  
24 and with the goal of returning the company to the business  
25 levels it previously enjoyed, Deco needs working capital to  
26 purchase inventory in necessary quantities so that it can  
27 adequately service its customers' needs.  
28

1 J. Siena suspended working capital advances to Deco under  
2 the existing credit facility prior to Deco's bankruptcy filing  
3 and began applying cash collections to pay down debt without  
4 replacement of availability. This resulted in suppressed  
5 inventory availability that can be used to finance profitable  
6 growth to the benefit of the creditors, both secured and  
7 unsecured. This also resulted in a lack of working capital  
8 advances at the point of inventory purchase or product shipment,  
9 where such advances are critical to Deco's profitability.

10 K. Debtor's management advises that it has been unable to  
11 obtain credit from any other source on terms better than those  
12 set forth in the Paragon Agreements, the Finance Agreement and  
13 the Note & Security Agreement. During the period immediately  
14 before and after the Petition Date, Deco attempted, without  
15 success, to obtain financing in the form of additional or  
16 replacement debt or equity financing. Deco contacted multiple  
17 lenders, including bank and non-bank ABL lenders, established PO  
18 financing institutions, and numerous lenders in the hard-money  
19 or mezzanine space. Ultimately Deco's balance sheet was not  
20 sufficiently strong to support any of these financing options.

21 L. Deco solicited references for lenders with experience  
22 lending to debtors in possession operating in  
23 bankruptcy. Ecapital Commercial Financing Corp. d/b/a Paragon  
24 Financial Group ("Paragon") and Crossroads Financing, LLC  
25 ("Crossroads") were referred by multiple parties. Deco  
26 contacted seven referred lenders in total, two of which chose  
27 not to submit term sheets. Deco ran a competitive process  
28 negotiating the most favorable fees and advance rates possible

1 before choosing the combination of Paragon and Crossroads on  
2 that basis.

3 M. Deco's management has spent a considerable amount of  
4 time and effort aggressively negotiating contract terms with the  
5 proposed post petition lenders in an effort to benefit and  
6 protect the estate and its creditors. Deco is unable to obtain  
7 financing on terms better than those being offered by Paragon,  
8 Crossroads and ABS Capitol.

9 N. Paragon is willing, subject to Court approval of the  
10 DIP Financing Motion, to extend factoring facilities to Debtor  
11 by making purchase price advances to Debtor in exchange for  
12 purchasing accounts from Debtor, up to a maximum amount of \$1.8  
13 million, and Paragon, in its discretion, may elect to purchase  
14 additional accounts and make advances in excess of the Maximum  
15 Amount pursuant to a "Factoring And Security Agreement"  
16 ("Purchase Agreement") and a "Post-Petition Chapter 11  
17 Bankruptcy Rider To Factoring And Security Agreement" ("Rider")  
18 (jointly, the "Paragon Agreements"), attached as Exhibit 1 and  
19 Exhibit 2, respectively, to the Declaration of Craig Allen  
20 ("Allen Declaration") in support of the DIP Financing Motion,  
21 the provisions of which are incorporated in this order as if  
22 fully stated, which purchase price advances will be used in a  
23 manner consistent with the terms and conditions of the Paragon  
24 Agreements, this order and the Budget (defined below and as the  
25 same may be modified from time to time) solely for (1) working  
26 capital and other general corporate purposes, (2) permitted  
27 payment of costs of administration of the case, and (3) payment  
28 of fees and expenses as approved by the Court.

1 O. Crossroads is willing, subject to Court approval of  
2 the DIP Financing Motion, to extend a \$2.0 million credit  
3 facility pursuant to a "Loan And Security Agreement" ("Finance  
4 Agreement"), as more fully detailed in the Finance Agreement,  
5 attached as Exhibit 3 to the Allen Declaration, the provisions  
6 of which are incorporated in this order as if fully stated,  
7 which inventory advances will be used in a manner consistent  
8 with the terms and conditions of the Finance Agreement, this  
9 order and the Budget (defined below and as the same may be  
10 modified from time to time) solely for (1) working capital and  
11 other general corporate purposes, (2) permitted payment of costs  
12 of administration of the case, and (3) payment of fees and  
13 expenses as approved by the Court.

14 P. ABS Capitol is willing, subject to Court approval of  
15 the DIP Financing Motion, to make a \$2.9 million loan pursuant  
16 to a "Promissory Note" ("Note") and a "Security Agreement," as  
17 more fully detailed in the Note and the Security Agreement  
18 ("Note & Security Agreement"), attached as Exhibit 7 and Exhibit  
19 8 to the Allen Declaration, the provisions of which are  
20 incorporated in this order as if fully stated, and  
21 this financing will enable Debtor to obtain the accounts  
22 receivable factoring and the inventory financing necessary to  
23 Debtor's efforts to reorganize by satisfying the Siena  
24 indebtedness allowing Debtor to utilize the Siena collateral for  
25 the Paragon factoring facility and the Crossroads credit  
26 facility, and the ABS Capitol loan.

27 Q. Deco is unable to obtain financing on terms better  
28 than those being offered by Paragon, Crossroads and ABS Capitol.

R. The Court finds that the terms of such Paragon

1 Agreements, Finance Agreement and Note & Security Agreement  
2 (collectively, the "DIP Financing Agreements") and the  
3 transactions contemplated by the DIP Financing Agreements are  
4 fair and reasonable under the circumstances, reflect Debtor's  
5 exercise of prudent business judgment consistent with its  
6 fiduciary duties, and are supported by reasonably equivalent  
7 value and fair consideration. Paragon, Crossroads and ABS  
8 Capitol (collectively, the "DIP Financiers") have acted in good  
9 faith in agreeing to provide the DIP Financing Agreements, and  
10 in negotiating the terms of such financing, which has been  
11 negotiated in good faith and at arm's length. Accordingly, **each**  
12 **of** Paragon, Crossroads and ABS Capitol is ~~each~~ an "entity that  
13 is extending credit in good faith," as that phrase is used in  
14 §364(e) of the Code, and Paragon, Crossroads and ABS Capitol and  
15 Debtor are entitled to the protections afforded under §364(e) of  
16 the Code. Likewise, the purchase and sale of the Accounts under  
17 the Paragon Agreements is in good faith and Paragon is entitled  
18 to the protections afforded pursuant to section 363(m) of the  
19 Bankruptcy Code, in the event that this order or any provision  
20 of this order is vacated, reversed or modified, on appeal or  
21 otherwise.  
22

23 S. Debtor is authorized to enter into the DIP Financing  
24 Agreements, and, in connection therewith, shall execute all  
25 documents required by the DIP Financing Agreements and any and  
26 all additional documents that may be reasonably required by the  
27 DIP Financiers to carry out and consummate the DIP Financing  
28 Agreements.

1 T. The Court finds that, based on the DIP Financing  
2 Motion and other filings to date, and in light of Debtor's  
3 current financial situation as evidenced by the filing of the  
4 voluntary petition for relief, Debtor is unable to obtain  
5 sufficient unsecured credit allowable under Section 503(b)(1) of  
6 the Code to be treated as an administrative expense of the  
7 estate pursuant to Section 364(c), or to obtain an adequate  
8 revolving credit facility secured by a senior or equal lien on  
9 property of Debtor's estate under Section 364(d). Pursuant to  
10 the Paragon Agreements, Debtor has agreed to grant Paragon a  
11 first and senior ownership interest in all Purchased Accounts  
12 purchased by Paragon (as defined in the Paragon Agreements) and  
13 to grant Paragon a perfected first and senior priority security  
14 interest in Debtor's accounts and the Collateral (as defined in  
15 the Paragon Agreements), and Crossroads has conditioned the  
16 financing upon a grant of a perfected senior security interest  
17 in Debtor's inventory, in Debtor's non-Purchased Accounts and  
18 the Collateral (as defined in the Finance Agreement), subject to  
19 an Intercreditor Agreement between Paragon, Crossroads and  
20 Debtor ("Intercreditor Agreement").

21 U. In addition, pursuant to the "Stipulated Order (A)  
22 Resolving 'Motion To Determine The Amount Of The Claim Of Siena  
23 Lending Group, LLC Or, In The Alternative, To Estimate The  
24 Amount Of The Claim For Allowance Purposes,' And (B) To  
25 Allowance And Payment Of Secured Claim Of Siena Lending Group,  
26 LLC," entered November 20, 2020 [Docket #293] ("Stipulated  
27 Order"), among other things, Siena has agreed to reduce its  
28 claim as provided in the Stipulated Order ("Siena Allowed  
Claim"), which amount is inclusive of any fees, charges,

1 interest, including attorney fees, as may be permitted under 11  
2 §506(b) of the Code. As described in and subject to the terms  
3 in the Stipulated Order, the Siena Allowed Claim shall be paid  
4 from proceeds advanced under the DIP Financing Agreements. And,  
5 ~~and~~ as provided in the Stipulated Order, upon the indefeasible  
6 payment in full in cash of the Siena Allowed Claim as provided  
7 in the Stipulated Order, all liens, security interests and  
8 claims, granted to, or held by, Siena shall be deemed  
9 automatically released and terminated.

10 V. Good cause has been shown for the issuance of this  
11 order. Among other things, the issuance of this order will  
12 provide Debtor with the working capital it deems necessary to  
13 increase Debtor's business operations and to pay the wages and  
14 other expenses associated with running Debtor's business, and  
15 retain customer and vendor confidence by demonstrating an  
16 ability to maintain normal business operations. The financings  
17 authorized by this order are therefore in the best interest of  
18 Debtor's estate and its creditors.

19 THEREFORE, WITH THE **FOREGOING** FINDINGS OF FACT AND  
20 CONCLUSIONS OF LAW FORMING A PART OF THIS ORDER, **IT IS HEREBY**  
21 **ORDERED AND ADJUDGED AS FOLLOWS:**

22 1. The DIP Finance Motion is **GRANTED in its entirety**  
23 subject to the provisions of this order. Solely to the extent  
24 the Siena Allowed Claim is indefeasibly paid in full in cash at  
25 the closing of the DIP Financing Transactions in accordance with  
26 the terms and conditions of the Stipulated Order and this order,  
27 Siena's Opposition to the DIP Financing Motion [Docket #282] is  
28 deemed withdrawn. Any objections to the relief sought in the  
DIP Finance Motion that have not been previously resolved or

1 ~~withdrawn~~ are hereby overruled on the merits, with prejudice.

2 This order shall become effective immediately upon its entry.

3       2. Debtor and Paragon are hereby immediately authorized  
4 to enter into, and operate under and in accordance with, the  
5 Paragon Agreements and this order, and shall further be entitled  
6 to execute, deliver, and perform under all other documents,  
7 instruments, and agreements necessary to effectuate and carry  
8 out the terms of the Paragon Agreements and this order, and the  
9 Paragon Agreements are hereby approved in all respects,  
10 including, but not limited to **the following**: Debtor is hereby  
11 permitted to sell Accounts to Paragon and Paragon is authorized,  
12 in its sole and absolute discretion, to Purchase Accounts and  
13 make Purchase Price Advances **and** over advances, and to provide  
14 any other financial accommodations to Debtor, after deduction by  
15 Paragon of amounts allowed under the Paragon Agreements,  
16 including, but not limited to, the Required Reserve Amount.  
17 Paragon shall be the absolute owner of any Purchased Accounts  
18 purchased in accordance with this order and the Paragon  
19 Agreements, free of any claims and interests. Notwithstanding  
20 the above, Paragon and Deco will operate under the Paragon  
21 Agreements for the limited purpose of enabling Paragon to  
22 purchase Accounts in order to make purchase price advances to  
23 Deco to ensure sufficient funds are available to Deco to  
24 indefeasibly pay in full in cash the Siena Allowed Claim as  
25 provided in the Stipulated Order and as more fully detailed in  
26 paragraph 12, below, provided that, immediately upon the  
27 satisfaction of the Siena Allowed Claim as provided in the  
28 Stipulated Order, any such limitation shall automatically cease  
without further order of court and Paragon and Deco shall be

1 permitted to operate under the Paragon Agreements and the terms  
2 of this Order as authorized by the Court.

3 3. Without limiting ~~action to~~ the authorization set forth  
4 in Sections 1 and 2 above, Debtor is further authorized,  
5 pursuant to Sections 363(b)(1), (d), (e) and (f) of the Code, to  
6 sell to Paragon Debtor's accounts regardless of whether such  
7 accounts arise from the sale of goods and/or performance of  
8 services Debtor provides to its customers before and/or after  
9 the Petition Date which, upon purchase by Paragon, shall be  
10 deemed Purchased Accounts (as defined in section 1 and 32.26 of  
11 the Purchase Agreement).

12 4. Effective immediately upon the entry of this order, ~~in~~  
13 **with** respect to Debtor's existing or hereafter arising monetary  
14 and non-monetary obligations to Paragon under and with respect  
15 to the Paragon Agreements ("Paragon Obligations"), Debtor  
16 consents to a modification of the automatic stay, and Paragon  
17 shall be free from any restrictions and shall be entitled to  
18 collect all Accounts, regardless of whether such Accounts arise  
19 from the sale of goods and/or performance of services Debtor  
20 provides to its customers after the Petition Date. Paragon  
21 shall be irrevocably and unconditionally authorized and is  
22 hereby permitted to retain and apply all payments and proceeds  
23 of any Purchased Accounts purchased by Paragon (regardless of  
24 whether any such Purchased Accounts arise from the sale of goods  
25 and/or performance of services Debtor provides to its customers)  
26 to the repayment of the Paragon Obligations of Debtor arising  
27 from the Purchase Price Advances made by Paragon to or for the  
28 benefit of Debtor of whatever kind or nature, subject only to

1 the Siena Liens to the extent the Siena Allowed Claim is not  
2 indefeasibly paid in full in cash as provided in the Stipulated  
3 Order and this Order. Paragon, likewise is irrevocably and  
4 unconditionally authorized and is hereby permitted, in each case  
5 subject to the terms and conditions of the Intercreditor  
6 Agreement, to retain and apply all payments and proceeds of any  
7 non-Purchased Accounts that arise from the sale of goods and/or  
8 performance of services Debtor provides to its customers, to the  
9 repayment of Debtor's Paragon Obligations, of whatever kind or  
10 nature in accordance with the Paragon Agreements, subject to the  
11 terms and conditions as may be expressly provided under the  
12 Intercreditor Agreement. As provided in paragraph 12, the  
13 Paragon Obligations and the Crossroads Obligations shall be  
14 subject only to the Siena Liens to the extent the Siena Allowed  
15 Claim is not indefeasibly paid in full in cash as provided in  
16 the Stipulated Order and this order.

17 5. Pursuant to and as authorized by the Paragon  
18 Agreements and Section 9-406 of the Uniform Commercial Code,  
19 Paragon is expressly authorized to send and deliver to any  
20 customer of Debtor (i.e., Account Debtor) one or more written  
21 notifications of assignment in order to notify each such Account  
22 Debtor that Debtor has sold, assigned and/or transferred to  
23 Paragon the right to receive payment due in connection with any  
24 present and future Purchased Accounts and/or non-Purchased  
25 Accounts, and all Accounts shall be payable and paid solely to  
26 Paragon as provided in such written notification of assignment,  
27 and in accordance with paragraph 2, above. Debtor is  
28 specifically directed, as required by Section 8.4 of the

1 Purchase Agreement, before sending any Invoice to an Account  
2 Debtor, to clearly state in a manner satisfactory to Paragon  
3 that the right to receive payment of Debtor's Purchased and non-  
4 Purchased Accounts **has** been assigned and/or **that such accounts**  
5 are factored by and shall be payable exclusively to Paragon.  
6 Pursuant to and as authorized by the Finance Agreement and  
7 Section 9-406 of the Uniform Commercial Code, and to the extent  
8 expressly permitted by, and subject to the Intercreditor  
9 Agreement, Crossroads is permitted to issue a notice of  
10 assignment to account debtors to whom an assignment letter is  
11 not issued by Paragon.

12 6. In the event **that**, notwithstanding **the fact** that ~~each~~  
13 ~~an~~ Account Debtor **has or should have been** ~~shall be~~ notified  
14 otherwise, Debtor comes into possession of any payments and/or  
15 Proceeds of Purchased Accounts or non-Purchased Accounts, Debtor  
16 shall immediately notify Paragon and Crossroads of its receipt  
17 of the payment, segregate such payment from Debtor's general  
18 operating funds, hold such payment in express trust for Paragon,  
19 or, after payment in full of Paragon, **for** Crossroads, separate  
20 and apart from Debtor's own property and funds, and, by no later  
21 than the next banking day following the date of receipt, deliver  
22 such payment to Paragon in the identical form in which received.

23 7. Debtor shall at no time during this case be permitted  
24 to use any cash collateral, as defined in Section 363 of the  
25 Bankruptcy Code, to the extent that the source of such cash  
26 collateral constitute payments and/or proceeds of Purchased  
27 Accounts or non-Purchased Accounts, provided, however, prior to  
28 an Event of Default (as defined in section 12.1 of the Purchase

1 Agreement as amended and supplemented by Section 8.1 of the  
2 Rider), or an Event of Default (as defined in the Finance  
3 Agreement), and subject to the terms of the Intercreditor  
4 Agreement between Paragon, Crossroads and Debtor, the parties  
5 agree that Debtor shall be permitted to use any portion of any  
6 Purchase Price Advances that Paragon makes to Debtor and any  
7 amounts that may be paid to Debtor by a credit to the Reserve  
8 Account (as identified in Section 1.3.5 under the Paragon  
9 Agreements), solely for (1) working capital and other general  
10 corporate purposes, (2) permitted payment of costs of  
11 administration of the case, (3) payment of fees and expenses as  
12 approved by the Court in compliance with Debtor's Budget, a copy  
13 of which is attached to this order, the Paragon Agreements, this  
14 order and the Bankruptcy Code and Bankruptcy Rules (including  
15 the Local Rules).

16 8. Subject to the provisions of paragraph 12 below,  
17 immediately upon entry of this order, and as provided in the  
18 Stipulated Order and as more fully provided in paragraph 12  
19 below, Debtor and Crossroads are immediately authorized to enter  
20 into, and operate under and in accordance with, the Finance  
21 Agreement and this order, and shall further be entitled to  
22 execute, deliver, and perform under all other documents,  
23 instruments, and agreements necessary to effectuate and carry  
24 out the terms of the Finance Agreement and this order, and the  
25 Finance Agreement is hereby approved in all respects.

26 9. Immediately upon the satisfaction of the Siena Allowed  
27 Claim as provided in the Stipulated Order and as more fully  
28 provided in paragraph 12 below, Debtor and ABS Capitol are

1 immediately authorized to enter into, and operate under and in  
2 accordance with, the Note & Security Agreement and this order,  
3 and shall further be entitled to execute, deliver, and perform  
4 under all other documents, instruments, and agreements necessary  
5 to effectuate and carry out the terms of the Note & Security  
6 Agreement and this order, and the Note & Security Agreement are  
7 hereby approved in all respects, provided, however, **that** nothing  
8 contained in the Note & Security Agreement, or any other  
9 agreement between Debtor and ABS Capitol will in any way permit  
10 ABS Capitol **to interfere** with and/or **impair**, or otherwise **seek**  
11 to enforce any right or privilege that may in any way interfere  
12 with and/or adversely affect any of the rights, interests and  
13 claims provided by Debtor to Paragon and/or Crossroads under  
14 this order, the Paragon Agreements, or the Finance Agreement,  
15 including, but not limited to, Paragon's exclusive right to  
16 retain payment of all Purchase Accounts, sold to Paragon, and  
17 non-Purchased Accounts, including, without limitation, the  
18 rights provided to Paragon in paragraphs 2 through 6, above, or  
19 otherwise hereunder.

20 10. Attached is Debtor's Budget for the period **from**  
21 November 2020, through February 2021. The Budget reflects, on a  
22 line item basis, anticipated cash receipts and expenditures, on  
23 a monthly basis, and includes all necessary and required  
24 expenses that Debtor expects to incur during each month of the  
25 Budget. Debtor shall be authorized to use the Purchase Price  
26 Advances received in exchange for Paragon's purchase of  
27 Purchased Accounts in connection with the Paragon Agreements and  
28 the proceeds from the inventory loan from Crossroads only for

1 payment of such items as are set forth in the Budget and subject  
2 to the terms and conditions set forth in the Paragon Agreements,  
3 the Finance Agreement and this order. The Budget shall be  
4 revised by the fifteenth day of each month during the bankruptcy  
5 case, and Debtor's use of cash collateral shall be deemed  
6 authorized unless written objection **to a revised Budget** is made  
7 in writing within three (3) business days of submission **thereof**  
8 to the DIP Financiers. Not later than the second (2nd) business  
9 day of each month commencing the first full month after issuance  
10 of this order, Debtor shall provide the DIP Financiers with a  
11 variance report reflecting, on a line item basis, the actual  
12 cash disbursements and revenues for the preceding month and the  
13 percentage variance (the "Variance Percent") of such actual  
14 disbursements and revenues from those reflected in the Budget  
15 for that period, if any. Any disbursement by Debtor other than  
16 for budgeted amounts as set forth in the Budget shall constitute  
17 an Event of Default in accordance with the provisions of this  
18 order unless Paragon and Crossroads consent to those changes in  
19 writing; provided, however, that Debtor may make payments in  
20 excess of the total budgeted disbursements so long as the  
21 Variance Percent of the aggregate of all actual disbursements  
22 for each month shall not exceed ten percent (10.0%) of the  
23 budgeted disbursements for that month.

24 11. Immediately upon the indefeasible payment in full in  
25 cash of the Siena Allowed Claim in accordance with the terms and  
26 conditions of the Stipulated Order and this order as provided in  
27 paragraph 12, below, pursuant to Sections 364(c)(2), 364(c)(3),  
28 and 364(d) of the Code, as security for all Purchase Price

1 Advances made by Paragon and all Advances made by Crossroads  
2 under the Paragon Agreements and the Finance Agreement,  
3 respectively, to or for the benefit of Debtor of whatever kind  
4 or nature, following issuance of this order as well as any other  
5 Obligations owing to Paragon (i.e., the Paragon Obligations) or  
6 Crossroads under the Finance Agreement (the "Crossroads  
7 Obligations"), and subject to the terms of the Intercreditor  
8 Agreement:

9 (1) Paragon is hereby indefeasibly granted, a valid,  
10 binding, enforceable, unavoidable and perfected first  
11 priority ownership interest in all Purchased Accounts, and  
12 a senior ownership interest and liens in all Purchased  
13 Accounts and non-Purchased Accounts (constituting Factor  
14 Priority Collateral as defined in the Intercreditor  
15 Agreement);

16 (2) Crossroads is hereby granted a valid binding,  
17 enforceable, unavoidable and perfected first and senior  
18 security interest in all inventory and all non-Purchased  
19 Accounts (constituting Inventory Lender Priority Collateral  
20 as defined in the Intercreditor Agreement);

21 (3) subject to sections (1) and (2) above, and the  
22 Intercreditor Agreement, Paragon and Crossroads are each  
23 hereby granted a valid, binding, enforceable, unavoidable,  
24 perfected and first priority security interest and lien in  
25 all of Debtor's property and assets acquired or arising as  
26 of and after the Petition Date, including, but not limited  
27 to the following **(collectively, the "DIP Collateral")**: All  
28 of Debtor's now owned or hereafter acquired right, title

1 and interest in and to each of the following:

2 (a) Accounts (excluding any Purchased Accounts);

3 (b) Chattel Paper;

4 (c) Deposit Accounts;

5 (d) Inventory;

6 (e) Goods;

7 (f) Equipment;

8 (g) Instruments;

9 (h) Investment Property;

10 (i) Documents;

11 (j) Letter of Credit Rights;

12 (k) General Intangibles (including payment  
13 intangibles);

14 (l) Supporting Obligations;

15 (m) all files, correspondence, computer programs,  
16 tapes, disks and related data processing software which  
17 contain information identifying or pertaining to any of the  
18 Collateral or any Account Debtor or showing the amounts  
19 thereof or payments thereon or otherwise necessary or  
20 helpful in the realization thereon or the collection  
21 thereof; and

22 (n) to the extent not listed above as original  
23 collateral, proceeds and products of the foregoing,  
24 specifically excluding recoveries from actions brought  
25 pursuant to Sections 506(c), 544, 545, 547, 548, 549, 550,  
26 553, and 724 of the Code;

27 (4) ABS is hereby granted a junior and subordinate security  
28 interest and lien, inferior in priority to the security

1 interests granted to Paragon and Crossroads, in the DIP  
2 Collateral, provided, however, in no event shall ABS be  
3 permitted to interfere with and/or impair, or otherwise seek to  
4 enforce any right or privilege that may in any way interfere  
5 with and/or adversely affect any of the rights, interests and  
6 claims provided to Paragon and Crossroads by Debtor in the DIP  
7 Collateral, unless and until Paragon and Crossroads deliver a  
8 written notice to ABS that **(a)** Paragon and Crossroads no longer  
9 **have** any interest in the DIP Collateral and **(b)** all Obligations  
10 owing to Paragon (i.e., Paragon Obligations) and Crossroads  
11 (i.e., Crossroads Obligations), respectively, are fully and paid  
12 satisfied; and

13 (5) the DIP Financiers are granted a first and senior  
14 priority security interest and lien in all of Debtor's property  
15 and assets acquired or arising before the Petition Date,  
16 including, but not limited to, all accounts, inventory and  
17 general intangibles, subordinate only to the duly perfected,  
18 valid and unavoidable liens and security interest granted to  
19 Siena in Debtor's prepetition property and assets (collectively,  
20 the "Prepetition Collateral"), which lien held by Siena shall be  
21 released as provided in section 12, below.

22 12. As provided under the Stipulated Order, the Siena  
23 Allowed Claim (which allowed claim is inclusive of any fees,  
24 charges, and interest, including attorney fees as may be  
25 permitted to 11 U.S.C. § 506(b)), in the total amount of  
26 \$3,050,000.00, plus per diem interest accruing in the amount of  
27 \$993.48 beginning on November 23, 2020 until the date the Siena  
28 Allowed Claim is paid, will be paid in full in cash in

1 accordance with the terms of the Stipulated Order and this order  
2 on or before the close of business on Wednesday, December 16,  
3 2020, as follows: (a) Deco authorizes Paragon and/or Crossroads  
4 to remit directly to Siena via ACH debit or wire transfer the  
5 total amount of \$454,864.53, from the initial advance(s) made  
6 for the benefit of Deco, in accordance with the terms and  
7 conditions of the Paragon Agreements and/or the Finance  
8 Agreement ("Paragon/Crossroads - Siena Payoff Amount Portion");  
9 and (b) ABS Capital shall thereafter immediately direct Empower  
10 Escrow, or any other escrow company, to unconditionally and  
11 irrevocably remit directly to Siena an electronic payment in  
12 cash, in an amount not to exceed \$2,627,985.51 ("ABS - Siena  
13 Payoff Portion") (and, together with the Paragon/Crossroads -  
14 Siena Payoff Amount Portion, the "Siena Payoff Amount"), which,  
15 combined with the Paragon/Crossroads - Siena Payoff Amount  
16 Portion, will fully satisfy the Siena Allowed Claim in  
17 accordance with the terms of the Stipulated Order.

18 Substantially contemporaneously with lodging this order with the  
19 Court, counsel to Siena, Gregory Vizza, Esquire, shall transmit  
20 Siena's bank ACH/wire instructions for the Paragon/Crossroads -  
21 Siena Payoff Amount Portion and the ABS Payoff Amount Portion,  
22 via email **to the following parties (collectively, the "Notice**  
23 **Parties"):**

24 a. counsel to Deco, Raymond H. Aver, Esquire, to  
25 the email account ray@averlaw.com;

26 b. counsel to ABS Capitol, Amy Mousavi Esquire, to  
27 the email account amousovi@mousovillee.com;  
28

1 c. counsel to Paragon, Jared Ullman, Esquire, to  
2 the email account jared.ullman@uulaw.net  
3 and David Kupetz, Esquire, to the email account  
4 dkupetz@sulmeyerlaw.com; and  
5 d. counsel to Crossroads, Howard Steinberg,  
6 Esquire, to the email account  
7 steinbergh@gtlaw.com.

8 Siena shall retain the Paragon/Crossroads - Siena Payment Amount  
9 Portion, and shall not be permitted to disburse and/or otherwise  
10 apply the Paragon/ Crossroads - Siena Payoff Amount Portion  
11 until Siena timely receives the ABS Payoff Amount Portion, in  
12 cleared funds. Siena shall confirm receipt of the Siena Payoff  
13 Amount via email to counsel for the Notice Parties within one  
14 (1) business day of the receipt of such funds. Upon receipt of  
15 such confirmation from Siena, Debtor shall promptly file with  
16 the Court a notice confirming that the Siena Allowed Claim was  
17 indefeasibly paid in full in cash in accordance with the  
18 Stipulated Order and this order. In the event that Siena does  
19 not timely receive the ABS Payoff Amount in full and  
20 indefeasible satisfaction of the Siena Allowed Claim, Paragon  
21 and/or Crossroads may send a notice(s) to Siena via transmission  
22 of an email to Siena's counsel requesting a refund of the  
23 Paragon/Crossroads - Siena Payoff Amount Portion ("Refund  
24 Notice"). Siena shall unconditionally, ~~and Deco hereby~~  
25 ~~consents,~~ to return the proceeds of the Paragon/Crossroads -  
26 Siena Payoff Amount Portion within three (3) business days of  
27 receiving the Refund Notice by remitting payment via ACH debit  
28 or wire payment as directed by the Refund Notice, **and Deco**

1 **hereby consents to such return.** Should Siena fail, for any  
2 reason, to timely return the Paragon/Crossroads - Siena Payoff  
3 Amount Portion to Paragon and/or Crossroads, as applicable in  
4 violation of this section, Paragon and/or Crossroads shall be  
5 permitted seek appropriate relief from the Court, on an  
6 emergency basis. For the sake of clarity, nothing in this order  
7 shall or is intended to affect, modify, or alter Siena's  
8 prepetition liens and security interests in the Prepetition  
9 Collateral, and the post-petition replacement liens, adequate  
10 protection liens, and security interests granted to Siena in  
11 each of the cash collateral orders entered by the Court  
12 (collectively, the "Siena Liens") until the Siena Allowed Claim  
13 is indefeasibly paid in full in cash in accordance with the  
14 Stipulated Order and this order. Immediately upon the  
15 indefeasible payment in full in cash of the Siena Allowed Claim  
16 in accordance with the terms of the Stipulated Order and this  
17 order: (a) without the requirement of any notice or a hearing,  
18 the Siena Liens shall automatically, unconditionally and  
19 irrevocably be deemed released and terminated; and (b) Deco  
20 shall immediately upon Siena's confirmation of the indefeasible  
21 payment in full in cash of the Siena Allowed Claim file a UCC-3  
22 Amendment Statement terminating the effectiveness of any and all  
23 initial UCC-1 Financing Statements filed by Siena naming Deco,  
24 as debtor.

25 13. The attorneys' fees claim of Debtor's counsel ("Aver  
26 Firm Claim") shall be entitled to priority in payment over  
27 Debtor's prepetition and post petition obligations for (a) the  
28 amounts contained in Debtor's budgets, previously approved by

1 the Court and paid by Debtor; **(b)** the amounts contained in  
2 Debtor's Budget, a copy of which is attached to this order, and  
3 paid by Debtor; and **(c)** the amounts contained in any future  
4 budget approved by Paragon and Crossroads and paid by Debtor, to  
5 the extent of a sinking-fund that Debtor shall create solely and  
6 exclusively by setting aside five percent (5%) of all Purchase  
7 Price advances (as defined in the Factoring Agreement) in a  
8 separate account ("Carve-Out"), to compensate Debtor's counsel,  
9 with the funding of the Carve-Out to immediately cease in the  
10 Event of Default under the Paragon Agreements (as defined in  
11 section 12.1 of the Purchase Agreement and as amended and  
12 supplemented in Section 8.1 of the Rider), under the Finance  
13 Agreement (as defined in section 12 of the Finance Agreement),  
14 and/or this order, until such time as the default is cured. The  
15 Carve-Out shall be deposited into a trust account maintained by  
16 Debtor's counsel. Debtor's counsel shall promptly provide the  
17 escrow bank account information and a signed W-9 Tax Form,  
18 provided by Paragon, to Paragon's counsel as a condition  
19 precedent to remitting the Carve-Out to Debtor's counsel. The  
20 Carve-Out shall only be distributed upon application by Debtor's  
21 counsel in accordance with the provisions of Sections 330 and  
22 331 of the Code and a subsequent order of the Court granting  
23 same. Paragon shall have no exposure for any portion of any  
24 professional fees or expenses of any kind ~~but for~~ **with the**  
25 **exception of its obligation to its** deposit such Carve-Out  
26 percentage of each Purchase Price advance as described herein.  
27 Notwithstanding the **foregoing**, the Carve-Out shall take effect  
28 after the Siena Allowed Claim is indefeasibly paid in full in

1 cash in accordance with the terms and conditions of the  
2 Stipulated Order and this order.

3 14. Notwithstanding any provisions of any agreement,  
4 instrument, document, the Uniform Commercial Code, or any other  
5 relevant law or regulation of any jurisdiction:

6 a. no further notice, filing, or other act shall  
7 be required, including, but not limited to, the  
8 filing of any UCC financing statement, in order  
9 to effect such perfection of the first priority  
10 security interest in the Purchased Accounts in  
11 favor of Paragon, the security interest in the  
12 inventory in favor of Crossroads, and any liens  
13 and security interests granted to the DIP  
14 Financiers in the DIP Collateral and  
15 Prepetition Collateral; ~~including~~, and

16 b. such perfection shall be effective, ~~nunc pro~~  
17 ~~tunc~~, as of the date that the Siena Allowed  
18 Claim is indefeasibly paid in full in cash in  
19 accordance with the Stipulated Order and this  
20 order;

21 provided, however, that (1) Paragon in its discretion shall be  
22 entitled to perfect any and all ownership rights in the  
23 Purchased Accounts and security interests and liens granted  
24 pursuant to the Paragon Agreements and this order;

25 (2) Crossroads in its discretion shall be entitled to perfect  
26 its security interest in the inventory and the liens granted  
27 pursuant to the Finance Agreement and this order; and (3) ABS  
28 Capitol in its discretion shall be entitled to perfect its

1 security interest in the liens granted pursuant to the Note &  
2 Security Agreement and this order. If Paragon, Crossroads or  
3 ABS Capitol, in its sole discretion, ~~shall~~ elects to file any  
4 UCC financing statement or other document in accordance with the  
5 DIP Finance Motion and this order, Debtor shall be deemed to  
6 have authorized the filing thereof and the same shall be deemed  
7 to have been perfected at the time and on the date of issuance  
8 of entry of this order.

9 15. Other than as set forth in this order, the security  
10 interests and liens granted to the DIP Financiers in the DIP  
11 Collateral and the Prepetition Collateral shall not be made  
12 subject to or *pari passu* with any lien or security interest  
13 hereinafter granted in the case or any case under chapter 7 of  
14 the Code upon the conversion of the case, or in any other  
15 proceedings superseding or related to any of the foregoing  
16 (collectively, "Successor Case"). The security interests and  
17 liens granted to the DIP Financiers shall be valid and  
18 enforceable against any trustee or other estate representative  
19 appointed in the case or any successor case, and/or upon the  
20 dismissal of the case or successor case, and shall not be  
21 subject to Sections 506(c), 510, 549, or 550 of the Code. No  
22 lien or interest avoided and preserved for the benefit of any  
23 estate pursuant to Section 551 of the Code shall be made *pari*  
24 *passu* with or senior to the security interests and liens granted  
25 to the DIP Financiers.

26 16. Pursuant to Sections 364(c)(1), (2), and (3) of the  
27 Code, **except for statutory fees owing to the United States**  
28 **Trustee and the attorney's fees claim of Debtor's counsel as**

1 **provided for in paragraph 13 of this order**, all post petition  
2 Obligations now existing and hereafter due to any of the DIP  
3 Financiers by Debtor, including the Paragon Obligations and the  
4 Crossroads Obligations, shall also have priority in payment over  
5 any administrative expenses or charges that are or may be  
6 incurred after issuance of this order, including, without  
7 limitation, expenses, charges or claims of the kind specified in  
8 Sections 503(b), 506(c), and 507(a) and (b) of the Code  
9 ~~(specifically excluding~~ **except from** recoveries **generated** from  
10 actions brought pursuant to Sections 506(c), 544, 545, 547, 548,  
11 549, 550, 553, and 724 of the Code.

12 17. Unless Paragon, Crossroads and ABS Capitol shall have  
13 given **their** prior written consent, there shall not, at any time,  
14 be entered in this case any further order that:

- 15 a. is inconsistent with the provisions contained in  
16 this order, including in respect to the use of  
17 cash collateral;
- 18 b. authorizes Debtor to obtain credit or incur any  
19 indebtedness that is (A) secured by a security  
20 interest or lien in property that constitutes  
21 part of the DIP Financiers' DIP Collateral and/or  
22 Prepetition Collateral or (B) entitled to  
23 priority administrative status which is equal or  
24 senior to that granted to the DIP Financiers in  
25 this order; or
- 26 c. **authorizes** the enforcement by any creditor of a  
27 claim, the effect of which **would be to permit**  
28 ~~will authorize the seizure or application of any~~  
of the DIP Collateral and/or Prepetition

Collateral or proceeds thereof to be **seized or**  
applied to such creditor's obligations.

Moreover, except as otherwise set forth in this order, any cash  
collateral orders or any further orders of the Court (including  
adequate protection orders), ~~Debtor shall comply,~~ **shall be**  
**consistent** in all material respects with the DIP Financing  
Agreements.

18. Debtor shall indemnify and hold harmless the DIP  
Financiers from and against any and all damages, losses, settlement  
payments, obligations, liabilities, claims, actions or causes of  
action, whether groundless or otherwise, and reasonable costs and  
expenses incurred, suffered, sustained or required to be paid by  
an indemnified party of every nature and character arising out of  
or related to the Paragon Agreements or the transactions  
contemplated thereby, the Finance Agreement or the transactions  
contemplated thereby, or the Note & Security Agreement or the  
transactions contemplated thereby and by this order, whether such  
indemnified party is party thereto, except to the extent resulting  
from Paragon's, Crossroads' or ABS Capitol's fraud, gross  
negligence, or willful misconduct as determined by a final,  
nonappealable order of a court of competent jurisdiction. The  
indemnity includes indemnification for Paragon's or Crossroads'  
exercise of discretionary rights granted under the Paragon  
Agreements or Finance Agreement. In all such litigation, or the  
preparation therefor, **each of** Paragon, Crossroads **and** ABS Capitol  
shall be entitled to select its own counsel and, in addition to  
the foregoing indemnity, Debtor agrees to promptly pay the

1 reasonable fees and expenses of such counsel. All fees and  
2 expenses of professionals of Paragon, Crossroads or ABS Capitol  
3 shall be paid by Debtor under this order or the Paragon Agreements,  
4 the Finance Agreement or the Note & Security Agreement upon ten  
5 (10) day's notice to Debtor, the Office of the United States  
6 Trustee, and all creditors and parties in interest requesting  
7 notice and subject to objections as to **the** reasonableness of such  
8 fees or expenses; provided, however, **that** the reimbursement to  
9 Paragon contemplated **by** this order may be made by Paragon in  
10 accordance with the Paragon Agreements by deducting such amounts  
11 from collections of any Accounts and any Reserve. The terms and  
12 provisions concerning the indemnification of the DIP Financiers  
13 shall continue in this case, in any successor cases, following  
14 dismissal of this case or any successor case, following termination  
15 of the Paragon Agreements and/or the repayment of the Paragon  
16 Obligations.  
17

18  
19 19. Pursuant to Section 22 of the Paragon Agreements, and  
20 except to the extent inconsistent with the Code and until the entry  
21 of a final, non-appealable order confirming a plan, Paragon shall  
22 be entitled to be reimbursed all of its reasonable attorneys' fees  
23 and costs in accordance with the following procedure: Paragon, by  
24 and through its counsel, shall transmit a copy of its monthly  
25 statements for fees and costs (redacted as necessary to protect  
26 privileged and confidential information, including information  
27 protected by the attorney-client and/or work-product privileges)  
28 to **the following parties for their review:** (1) the United States  
Trustee; (2) counsel for the unsecured creditor's committee, if

1 any; and (3) Debtor's counsel ~~for their review~~. Unless a written  
2 objection (specifying the line item of the bill objected to, the  
3 reason for the objection and a proposed resolution of the  
4 objection) is received by Paragon's counsel within 15 days of  
5 submission of a monthly statement to the above stated parties,  
6 Paragon shall automatically be entitled to charge Debtor's Reserve  
7 Account or demand payment from Debtor **of the amount due under such**  
8 **statement**. To the extent any such party-in-interest fails to  
9 timely deliver a written objection, no further objection may  
10 thereafter be made in connection therewith and any objections shall  
11 be deemed to have been waived.

12 20. The protections afforded to Paragon under the Paragon  
13 Agreements and to Crossroads under the Finance Agreement and this  
14 order and any actions taken pursuant to this order shall survive  
15 the entry of any orders which may be subsequently entered in this  
16 case; and such ownership of the Purchased Accounts and security  
17 interest rights, liens and interests recognized or granted to  
18 Paragon under the Paragon Agreements and to Crossroads under the  
19 Finance Agreement and this order shall continue in this case and  
20 any successor case and/or following dismissal of this case or any  
21 successor case; and such ownership of the Purchased Accounts and  
22 security interests, liens, and interests shall maintain their  
23 priority as provided by this order until all Paragon Obligations  
24 and Crossroads Obligations have been fully and indefeasibly paid  
25 and satisfied. The time of payment of any and all of the Paragon  
26 Obligations arising out of or incurred pursuant to the Paragon  
27 Agreements and the Crossroads Obligations under the Finance  
28 Agreement, respectively, shall not be altered or impaired by any  
plan of reorganization, whether proposed by Debtor or any other

1 party in interest; and the Obligations of Debtor to Paragon under  
2 the Paragon Agreements and to Crossroads under the Finance  
3 Agreement, respectively, shall not, in this chapter 11 case, be  
4 discharged by the entry of any order confirming a plan and,  
5 pursuant to Section 1141(d)(4) of the Code, unless and until prior  
6 to or concurrently with the entry of such order, Paragon is paid  
7 in full and all monetary and non-monetary obligations under the  
8 Paragon Agreements are fully and indefeasibly satisfied, and  
9 likewise, Crossroads is paid in full and all monetary and non-  
10 monetary obligations under the Finance Agreement are fully and  
11 indefeasibly satisfied.

12 21. As to Paragon, in the event of and upon the occurrence  
13 of any Event of Default under the Paragon Agreements (as defined  
14 in section 12.1 of the Purchase Agreement and as amended and  
15 supplemented in Section 8.1 of the Rider), and/or this order,  
16 Debtor's right to use cash collateral, ~~secure~~ **obtain** further  
17 Purchase Price Advances, Reserve releases and other advances from  
18 Paragon, shall, *inter alia*, without any further notice,  
19 immediately terminate upon the issuance of a written notice of  
20 default sent *via email* to counsel for Deco, Raymond H. Aver,  
21 Esquire, to the email account ray@averlaw.com, and to Craig Allen,  
22 to the email account callen@getdeco.com. If Deco contests the basis  
23 for such Event(s) of Default, Deco shall notify Paragon and  
24 Crossroads, in writing, within two (2) business days after the  
25 **date of delivery** of a notice of default by providing Paragon and  
26 Crossroads with detailed and sufficient proof **that** each such Event  
27 of Default **has** been fully cured and satisfied.  
28

1        22. As to Crossroads, in the event of and upon the  
2 occurrence of any Event of Default under the Finance Agreement  
3 (as defined in section 12 of the Finance Agreement), and/or  
4 this order, Debtor's right to use cash collateral, and ~~secure~~  
5 **obtain** further Advances, from Crossroads, shall, *inter alia*,  
6 without any further notice, immediately terminate upon the  
7 issuance of a written notice of default sent *via email* to  
8 counsel for Deco, Raymond H. Aver, Esquire, to the email account  
9 ray@averlaw.com, and to Craig Allen, to the email account  
10 callen@getdeco.com. If Deco contests the basis for such Event(s)  
11 of Default, Deco shall notify Crossroads and Paragon, in  
12 writing, within two (2) business days after the **date of delivery**  
13 of a notice of default by providing Crossroads and Paragon with  
14 detailed and sufficient proof **that** each such Event of Default  
15 **has** been fully cured and satisfied.  
16

17        23. In the event of the occurrence of an uncured Event of  
18 Default under the Paragon Agreements or the Finance Agreement, and  
19 after three (3) business days of giving notice of default to  
20 Debtor, all parties in interest requesting notice, and to the  
21 United States Trustee, Paragon and Crossroads shall have the right  
22 (in addition to all of the other rights under the Paragon  
23 Agreements as to Paragon and all of the other rights under the  
24 Finance Agreement as to Crossroads) without further order of the  
25 Court and free of the restrictions of Section 362 of the Code and  
26 any injunction issued under Section 105 of the Code or other  
27 applicable law or rule, to forthwith deliver a proposed order to  
28 the Court granting full and complete relief from the automatic  
stay under Section 362 of the Code authorizing Paragon and/or

1 Crossroads, to pursue any and all rights as described herein and  
2 directing Debtor (or any superseding Trustee) to immediately  
3 surrender and deliver peaceful possession of all the DIP Collateral  
4 to Paragon and/or to Crossroads, at all times subject to the  
5 Intercreditor Agreement. In addition, to the extent of any  
6 liability owed to Paragon and/or Crossroads, any and all payments  
7 or proceeds realized upon the sale, liquidation, collection or  
8 disposition of the DIP Collateral shall be paid to Paragon and/or  
9 Crossroads subject to and in accordance with the terms of the  
10 Intercreditor Agreement, free and clear of any claim or charge,  
11 whether arising out of or based upon §§ 506(c) or 503(b) of the  
12 Code, or otherwise, and no costs or expenses of administration  
13 which have or may be incurred in Debtor's case and have not been  
14 paid, any conversion of Debtor's case pursuant to Section 1112 of  
15 the Code, or pursuant to Section 506(c) of the Code, or in any  
16 future proceedings or cases related hereto, shall be charged  
17 against Paragon, its claims, or Crossroads, its claims, or the DIP  
18 Collateral, as the case may be, without the prior written consent  
19 of Paragon and/or Crossroads, and no such consent shall be implied  
20 from any other action, inaction or acquiescence by Paragon or  
21 Crossroads.

22 24. Paragon shall have the right, pursuant to the Paragon  
23 Agreements, and Crossroads shall have the right, pursuant to the  
24 Finance Agreement, and this order, on reasonable oral notice to  
25 Debtor, at any time during Debtor's normal business hours, to  
26 perform a field audit and/or examination of Debtor's books,  
27 accounts, checks, orders, invoices, bills of lading,  
28 correspondence and any other records of Debtor, and Debtor shall  
make all of same available to Paragon and its representatives for  
such purposes.

1        25. The failure of the DIP Financiers to seek relief or  
2 otherwise exercise its rights and remedies under this order, or  
3 the DIP Financing Agreements, respectively, or applicable law, as  
4 the case may be, shall not constitute a waiver of any of the rights  
5 under this order, the agreements, or otherwise.

6        26. The Paragon Obligations and the Crossroads Obligations,  
7 and the claims, liens and security interest rights granted to or  
8 for the benefit of Paragon and Crossroads pursuant to this order  
9 and the Paragon Agreements and the Finance Agreement, are not  
10 subject to any setoff, reduction or disallowance of any kind,  
11 including, without limitation, under Section 502(d) of the Code.

12        27. Paragon, Crossroads and/or ABS Capitol may, but shall  
13 not be required to, file a Proof Of Claim in this case to preserve  
14 its right to receive a distribution applicable to any obligations  
15 or expenses incurred after issuance of this order.

16        28. This order does not create any rights for the benefit of  
17 any third party, creditor, equity holder or any direct, indirect,  
18 or incidental beneficiary, except as explicitly provided for in  
19 this order.  
20

21        29. The Court has and shall retain jurisdiction to enforce  
22 this order according to its terms.

23        30. The terms of the DIP Financing Agreements are found to  
24 have been negotiated in good faith and at arm's length between  
25 Debtor and the DIP Financiers and any Purchase Price Advances or  
26 other financial accommodations which are caused to be issued to  
27 Debtor by Paragon pursuant to the Paragon Agreements, any Advances  
28 or other financial accommodations which are caused to be issued to  
Debtor by Crossroads pursuant to the Finance Agreement, and the

1 loan which is caused to be extended to Debtor by ABS Capitol  
2 pursuant to the Note & Security Agreement are deemed to have been  
3 extended in good faith, as the term is used in Sections 363(m) and  
4 364(e) of the Code, and the DIP Financiers shall be entitled to  
5 the full protection of Sections 363(m) and 364(e) of the Code in  
6 the event that this order or any provision hereof is vacated,  
7 reversed or modified, on appeal or otherwise. Accordingly, if  
8 this order or any of the provisions of this order are hereafter  
9 modified, vacated or stayed, such modification, vacatur or stay  
10 shall not affect (a) the validity of the Paragon Obligations  
11 incurred by Debtor to Paragon, the Crossroads Obligations incurred  
12 by Debtor to Crossroads and Debtor's obligations to ABS Capitol  
13 prior to the effective date of such modification, vacatur or stay,  
14 or (b) the validity or enforceability of any ownership interest of  
15 Paragon and any security interest, lien or priority authorized or  
16 created by this order or pursuant to the Paragon Agreements, the  
17 Finance Agreement and the Note & Security Agreement.  
18 Notwithstanding any such modification, vacatur or stay, any  
19 Paragon Obligations incurred by Debtor to Paragon, any Crossroads  
20 Obligations incurred by the Debtor to Crossroads or any obligations  
21 of Debtor to ABS Capitol, prior to the effective date of such  
22 modification, vacatur or stay shall be governed in all respects by  
23 the provisions of this order, and Paragon, Crossroads and ABS  
24 Capitol shall be entitled to all the rights, remedies, privileges  
25 and benefits granted in this order and pursuant to the Paragon  
26 Agreements with respect to all such Paragon Obligations, the  
27 Finance Agreement with respect to all such Crossroads Obligations,  
28 and the Note & Security Agreement with respect to all ABS Capitol  
obligations, respectively.

1 31. Pursuant to Bankruptcy Rule 6004(h), the terms of this  
2 order ~~in respect to authorizing~~ **that relate or pertain to** a sale  
3 of Debtor's Accounts shall be deemed immediately effective and  
4 enforceable and not stayed until the expiration of fourteen (14)  
5 days absent (i) an application by a party in interest for such  
6 stay in conformity with Bankruptcy Rule 8005 and (ii) a hearing  
7 upon notice to Debtor, Paragon, Crossroads and ABS Capitol.

8 32. Nothing contained in this order is either intended by  
9 the Court to permit or authorize any Account Debtor to unilaterally  
10 modify or extend the terms of payment on Accounts, or otherwise  
11 delay remitting timely payment to Paragon of sums due on the  
12 Accounts.

13 33. If there is any conflict between this order and any of  
14 the DIP Financing Agreements and any other agreements between Deco  
15 on the one hand, and Paragon, Crossroads and/or ABS, on the other  
16 hand, the terms and provisions of this order shall control, except  
17 that, as to Paragon and Crossroads, **in the event of a** direct  
18 conflict between the terms of this order and the Intercreditor  
19 Agreement, the Intercreditor Agreement shall control.

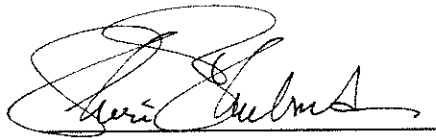
20 34. To the extent of any conflict between this order and any  
21 prior cash collateral orders entered by the Court solely with  
22 respect to the adjustments of the priorities of liens and security  
23 interests as described in Paragraph 12 herein, the terms of  
24 Paragraph 12 of this order shall control.

25 35. Debtor shall mail a copy of this order to the Office of  
26 the United States Trustee, the DIP Financiers, the twenty largest  
27 unsecured creditors, and any other person or entities requesting  
28 notice within three (3) business days after its entry.

1 36. No further hearing of the DIP Financing Motion shall be  
2 required by the Court, and this order shall constitute findings of  
3 fact and conclusions of law and shall take effect immediately upon  
4 entry.

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24

25 Date: December 3, 2020

26   
27 Sheri Bluebond  
28 United States Bankruptcy Judge

1 Respectfully submitted by:

2 LAW OFFICES OF RAYMOND H. AVER  
3 A Professional Corporation

4  
5 By: 

6 RAYMOND H. AVER  
7 General Insolvency Counsel for  
8 DECO ENTERPRISES, INC.  
9 Debtor and Debtor In Possession

10 Approved as to form and content by:

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16 SIENA LENDING GROUP, LLC

17 ULLMAN & ULLMAN, P.A.

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23 dba Paragon Financial Group

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25 By: \_\_\_\_\_

26 HOWARD J. STEINBERG  
27 Attorneys for  
28 CROSSROADS FINANCING, LLC

1 Respectfully submitted by:

2 LAW OFFICES OF RAYMOND H. AVER  
3 A Professional Corporation  
4


5 By: \_\_\_\_\_  
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7 General Insolvency Counsel for  
8 DECO ENTERPRISES, INC.  
9 Debtor and Debtor In Possession  
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11  
12  
13 By: Mousavi  
14 AMY A. MOUSAVI

15 Attorneys for  
16 ABS CAPITOL, LLC  
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# Cash Requirements

|   | Projected<br>Nov-20 | Projected<br>Dec-20 | Projected<br>Jan-21 | Projected<br>Feb-21 |
|---|---------------------|---------------------|---------------------|---------------------|
| Category  |                     |                     |                     |                     |
| 401 K   | 2,394               | 2,490               | 1,303               | 1,260               |
| Accounting  | -                   | -                   | -                   | -                   |
| Advertising & Promotion                               | 2,529               | 2,529               | 2,529               | 2,529               |
| Amortization Expense                                  | -                   | -                   | -                   | -                   |
| Auto/Truck Expenses                                   | 256                 | 256                 | 256                 | 256                 |
| Auto Insurance  | -                   | -                   | 14,558              | -                   |
| Bank Service Charges                                  | 784                 | 784                 | 784                 | 784                 |
| Capital Expenditure - Tooling                         | 154,120             | -                   | -                   | -                   |
| Capital Expenditure - Other                           | 8,000               | 8,000               | 8,000               | 8,000               |
| Collection Expenses                                   | -                   | -                   | -                   | -                   |
| Commissions   | 24,668              | 39,386              | 17,178              | 34,260              |
| Computer & Internet                                   | 10,420              | 10,420              | 10,420              | 10,420              |
| Contributions   | -                   | -                   | -                   | -                   |
| Deposit/Points for DIP financing AR facility          | -                   | -                   | -                   | -                   |
| Deposit/Points for DIP financing Inventory Facility   | -                   | -                   | -                   | -                   |
| Dues & Subscriptions                                  | -                   | -                   | -                   | -                   |
| Equipment Rental                                      | -                   | -                   | -                   | -                   |
| Freight In  | 41,128              | 51,193              | 59,367              | 62,251              |
| Freight In - MX                                       | -                   | -                   | -                   | -                   |
| Freight Out   | 21,037              | 48,022              | 68,132              | 90,858              |
| Gas & Oil   | -                   | -                   | -                   | -                   |
| Independent Contractors                               | 21,296              | 21,296              | 21,659              | 21,115              |
| Indirect  | -                   | -                   | -                   | -                   |
| Insurance - General                                   | -                   | -                   | 5,458               | -                   |
| Interest Expense - ABS                                | -                   | 22,974              | 22,974              | 22,974              |
| Interest Expense - Crossroads/Paragon                 | -                   | 25,071              | 41,651              | 53,905              |
| Accrued Interest Siena                                | 257,508             | -                   | -                   | -                   |
| Legal Fees - Siena                                    | 64,839              | -                   | -                   | -                   |
| Harvest Fees  | 29,897              | -                   | -                   | -                   |
| Loan Origination Fees                                 | 209,250             | -                   | -                   | -                   |
| Interest Expense - Siena                              | -                   | -                   | -                   | -                   |
| Interest Expense - Vail Ave. Second                   | -                   | -                   | -                   | -                   |
| Interest Sub Debt                                     | -                   | -                   | -                   | -                   |
| Inventory Increase/Decrease Account (Stock Taking)    | -                   | -                   | -                   | -                   |
| Labor Back Charges/Reworks                            | -                   | -                   | -                   | -                   |
| Legal   | 20,000              | 23,671              | 31,858              | 43,393              |
| Licenses & Fees                                       | 15,344              | -                   | -                   | 17,532              |
| Machine payment                                       | -                   | -                   | -                   | -                   |
| Maintenance & Repairs                                 | 577                 | 577                 | 577                 | 577                 |
| Manufacturing MX                                      | -                   | -                   | -                   | -                   |
| Inventory Purchases                                   | 137,702             | 785,422             | 775,959             | 666,377             |
| Meals & Entertainment                                 | -                   | -                   | -                   | -                   |
| Merchant Fees   | 345                 | 345                 | 345                 | 345                 |
| Office Expense  | -                   | -                   | -                   | -                   |
| Office Supplies                                       | 1,543               | 1,543               | 1,543               | 1,543               |
| Other Income  | -                   | -                   | -                   | -                   |
| Payroll fees  | 266                 | 266                 | 266                 | 266                 |
| Payroll tax   | -                   | -                   | -                   | -                   |
| Postage   | -                   | 55                  | 37                  | 40                  |
| Principal Payment - Siena                             | 2,727,653           | -                   | -                   | -                   |
| Property Taxes  | -                   | 24,666              | -                   | -                   |
| Real Estate Refinancing                               | -                   | -                   | -                   | -                   |
| Rent Equipment  | 2,009               | 1,649               | 1,649               | 1,649               |
| Rent Facility   | 15,888              | 15,888              | 15,888              | 15,888              |
| Research & Development Costs                          | 3,000               | 3,000               | 3,000               | 3,000               |
| Rubbish   | 1,113               | 1,113               | 1,113               | 1,113               |
| Sales Tax   | -                   | -                   | -                   | -                   |
| Scrap Inventory                                       | -                   | -                   | -                   | -                   |
| Security  | 165                 | 165                 | 165                 | 165                 |
| Storage   | 25,079              | 25,780              | 26,317              | 26,255              |
| Telephone   | 1,456               | 1,456               | 1,456               | 1,456               |
| Travel  | -                   | -                   | 500                 | 500                 |
| Trustee Fees  | -                   | -                   | 20,051              | -                   |
| Utilities   | 5,141               | 5,987               | 3,756               | 5,328               |
| Wages   | 140,244             | 157,152             | 184,691             | 181,586             |
| Warehouse Supplies                                    | 3,300               | 3,258               | 3,907               | 4,334               |
| Warranty Material                                     | 5,557               | 4,685               | 9,344               | 12,576              |
| Beginning ABL Balance                                 | 852,653             | 512,900             | 1,238,605           | 2,050,939           |
| Cash Requirements (net of ABL payoff)                 | 3,101,856           | 1,289,098           | 1,356,692           | 1,292,474           |
| Capital Infusion                                      | -                   | -                   | -                   | -                   |
| Cash Infusion ABS Capital                             | 2,902,000           | -                   | -                   | -                   |
| Cash Infusion 2nd on Vail Ave.                        | -                   | -                   | -                   | 300,000             |
| Less: Collections                                     | (539,609)           | (563,393)           | (544,358)           | (692,136)           |
| Net Advances under Factoring and Inventory Facilities | (339,753)           | 725,705             | 812,334             | 300,338             |
| Ending ABL Balance                                    | 512,900             | 1,238,605           | 2,050,939           | 2,351,277           |

## **EXHIBIT B**

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8 General Insolvency Counsel for  
9 DECO ENTERPRISES, INC.  
10 Debtor and Debtor In Possession

11 UNITED STATES BANKRUPTCY COURT

12 CENTRAL DISTRICT OF CALIFORNIA [LOS ANGELES DIVISION]

13 In re:

14 DECO ENTERPRISES, INC.,

15 Debtor.

Case No. 2:20-bk-11846-BB

Chapter 11

DEBTOR'S AMENDED CHAPTER 11 PLAN,  
AS MODIFIED

Plan Confirmation Hearing

Date: June 2, 2021

Time: 2:00 p.m.

Place: Courtroom 1539

Roybal Federal Building  
United States Bankruptcy Court  
255 East Temple Street  
Los Angeles, California 90012

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I.

INTRODUCTION

Deco Enterprises, Inc. ("Deco," "Debtor," or "Proponent") is the debtor and debtor in possession in the above captioned chapter 11 bankruptcy case. On February 20, 2020 ("Petition Date"), Deco caused to be filed a voluntary petition for reorganization under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Central District of California [Los Angeles Division] ("Court"). Chapter 11 allows the debtor, and under some circumstances, creditors and others parties in interest, to propose a plan of reorganization ("Plan"). Deco is the party proposing the Plan.

This is a reorganizing plan. In other words, Deco proposes to restructure its debts through the Plan and accomplish payments under the Plan with cash on hand in the debtor in possession account, new working capital financing, a new value contribution, working capital availability under the existing debtor in possession financing and with income generated through its business operations. The Effective Date of the proposed Plan is 45 days following entry of a final order confirming the Plan.

II.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. General Overview

As required by the Bankruptcy Code, the Plan classifies claims and interests in various classes according to their right to priority of payments as provided in the Bankruptcy Code. The Plan states whether each class of claims or interests is impaired or unimpaired. The Plan provides the treatment each class will receive under the

Plan.

**B. Unclassified Claims**

Certain types of claims are not placed into voting classes; instead they are unclassified. They are not considered impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, Proponent has not placed the following claims in a class. The treatment of these claims is provided below.

**1. Administrative Expenses**

Administrative expenses are claims for costs or expenses of administering Debtor's Chapter 11 case which are allowed under Code section 507(a)(1). The Code requires that all administrative claims be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists all of Debtor's §507(a)(1) administrative claims and their treatment under the Plan.

| <u>NAME</u>   | <u>AMOUNT OWED</u>  | <u>TREATMENT</u>  |
|---|---|---|
| Aver Firm -<br>Debtor's general<br>insolvency counsel                           | \$250,000.00 (est.)<br>This balance is net<br>of the retainer and<br>post petition<br>payments. | Paid in full on the Effective Date<br>unless the claimant has agreed to<br>be paid later or the Court has not<br>yet ruled on the claim |
| Mousavi & Lee, LLP -<br>Debtor's special<br>corporate and<br>litigation counsel | \$10,000.00 (est.)<br>This balance is net<br>of post petition<br>payments.                      | Paid in full on the Effective Date<br>unless the claimant has agreed to<br>be paid later or the Court has not<br>yet ruled on the claim |
| United States Trustee<br>("OUST")   | \$0.00  | Paid in full on the Effective Date  |
| Court Clerk   | \$0.00  | Paid in full on the Effective Date  |
|   | TOTAL \$260,000.00<br>(est.)  |   |

1 Court Approval of Fees Required:

2 The Court must rule on all fees listed in this chart. For all  
3 fees except for the Clerk's Office fees and the OUST's fees, the  
4 professional in question must file and serve a properly noticed fee  
5 application and the Court must rule on the application. Only the  
6 amount of fees allowed by the Court will be owed and required to be  
7 paid under this Plan.

8 **2. Priority Tax Claims**

9 Priority tax claims are certain unsecured income, employment and  
10 other taxes described in 11 U.S.C. §507(a)(8). Payment of priority  
11 tax claims in full within 5 years of the order for relief and on  
12 terms not less favorable than those accorded the most favored non-  
13 priority creditor is required by 11 U.S.C. §1129(a)(9)(C).

14 The following chart lists all of Debtor's Section 507(a)(8)  
15 priority tax claims and their treatment under this Plan:

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| DESCRIPTION   | AMOUNT OWED  | TREATMENT  |
|---|--|--|
| Name = California Department of Tax & Fee Administration ("CDTFA")  | \$38,916.09  | The allowed priority claim of CDTFA estimated at \$38,916.09 as of the Petition Date, will be paid in full, which payment will include accrued interest at the rate of 3.25% per annum, in equal monthly payments of \$938.59 each over a 44-month period, commencing on the first (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date. The repayment period will not exceed 5 years after the order for relief date. The source of the payment will be the net monthly income from operation of Deco's business and/or the new capital contribution. |
| Type of tax = Sales Tax   | [See, POC #85 - CDTFA also has a general unsecured claim of \$29,965.20] |  |
| Total amount of allowed priority claim as of February 20, 2020 = \$38,916.09  |  |  |
| Payment interval = Monthly  |  |  |
| Payment amount = \$938.59   |  |  |
| Beginning date = First (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date   |  |  |
| Ending date = First (1 <sup>st</sup> ) day of the forty-four (44 <sup>th</sup> ) full month after the Effective Date, but not later than five (5) years after the Petition Date |  |  |
| Interest rate = 3.25%   |  |  |
| Total yearly payments = \$11,263.08   |  |  |
| Total payout amount = \$41,297.96   |  |  |

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| DESCRIPTION   | AMOUNT OWED   | TREATMENT   |
|---|---------------|---|
| Name = United States Customs & Border Protection ("U.S. Customs")   | \$22,475.74   | The allowed priority claim of U.S. Customs estimated at \$22,475.74 as of the Petition Date, will be paid in full, which payment will include accrued interest at the rate of 3.25% per annum, in equal monthly payments of \$542.08 each over a 44-month period, commencing on the first (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date. The repayment period will not exceed 5 years after the order for relief date. The source of the payment will be the net monthly income from operation of Deco's business and/or the new capital contribution. |
| Type of tax = Custom Duties   | [See, POC#94] |   |
| Total amount of allowed priority claim as of February 20, 2020 = \$22,475.74  |               |   |
| Payment interval = Monthly  |               |   |
| Payment amount = \$542.08   |               |   |
| Beginning date = First (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date   |               |   |
| Ending date = First (1 <sup>st</sup> ) day of the forty-fourth (44 <sup>th</sup> ) full month after the Effective Date, but not later than five (5) years after the Petition Date |               |   |
| Interest rate = 3.25%   |               |   |
| Total yearly payments = \$6,504.96  |               |   |
| Total payout amount = \$23,851.52   |               |   |

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| DESCRIPTION   | AMOUNT OWED                | TREATMENT   |
|---|----------------------------|---|
| Name = Franchise Tax Board ("FTB")  | \$800.00                   | The allowed priority claim of the FTB estimated at \$800.00 as of the Petition Date, will be paid in full, which payment will include accrued interest at the rate of 3.25% per annum, in one lump sum or in equal monthly payments of \$19.29 each over a 44-month period, commencing on the first (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date. The repayment period will not exceed 5 years after the order for relief date, and may be paid in full at any earlier time after the Effective Date. The source of the payment will be the net monthly income from operation of Deco's business and/or the new capital contribution. |
| Type of tax = Estimated tax   | [See, POC#93] <sup>1</sup> |   |
| Total amount of allowed priority claim as of February 20, 2020 = \$800.00   |                            |   |
| Taxable period = 2020   |                            |   |
| Payment interval = Monthly  |                            |   |
| Payment amount = \$19.29  |                            |   |
| Beginning date = First (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date   |                            |   |
| Ending date = First (1 <sup>st</sup> ) day of the forty-fourth (44 <sup>th</sup> ) full month after the Effective Date, but not later than five (5) years after the Petition Date |                            |   |
| Interest rate = 3.25%   |                            |   |
| Total yearly payments = \$231.48  |                            |   |
| Total payout amount = \$848.76  |                            |   |

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<sup>1</sup> On July 1, 2020, the FTB caused to be filed a "Proof Of Claim" [Claim No. 93], asserting an unsecured priority claim in the amount of \$800.00 for tax year ending 12.31.20. It is anticipated that the FTB's priority claim will be adjusted/amended once the referenced tax return, which is not yet due, has been filed/processed by the FTB. Accordingly, the treatment of the FTB's priority claim set forth above may be subject to change.

| DESCRIPTION  | AMOUNT OWED   | TREATMENT   |
|--|---------------|---|
| Name = IRS   | \$1,000.00    | The allowed priority claim of the IRS estimated at \$1,000.00 as of the Petition Date, will be paid in full, which payment will include accrued interest at the rate that is in effect as of the Effective Date and penalties incurred since the Petition Date, in one lump sum or equal monthly payments of \$24.12 each over a 44-month period, commencing on the first (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date, and may be paid in full at any earlier time after the Effective Date. The source of the payment will be the net monthly income from operation of Deco's business and/or the new capital contribution. |
| Type of tax = Income Tax (deficiency)  | [See, POC#18] |   |
| Tax years = December 31, 2018  |               |   |
| Total amount of allowed priority claim as of February 20, 2020 = \$1,000.00  |               |   |
| Payment interval = Monthly   |               |   |
| Payment amount = \$24.12   |               |   |
| Beginning date = First (1 <sup>st</sup> ) day of the first (1 <sup>st</sup> ) full month after the Effective Date      |               |   |
| Ending date = First (1 <sup>st</sup> ) day of the forty-fourth (44 <sup>th</sup> ) full month after the Effective Date |               |   |
| Interest rate = 3.25%  |               |   |
| Total yearly payments = \$289.44   |               |   |
| Total payout amount = \$1,161.28   |               |   |
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|  |               |   |

| <u>DESCRIPTION</u>   | <u>AMOUNT OWED</u>                                      | <u>TREATMENT</u>  |
|--|---|---|
| <p>Name = Los Angeles County Treasurer<br/>And Tax Collector ("LACTTC")</p> <p>Type of tax = Income Tax (deficiency)</p> <p>Tax years = 2020-2021</p> <p>Total amount of allowed priority claim<br/>as of February 20, 2020 = \$3,615.32</p> <p>Payment interval = Monthly</p> <p>Payment amount = \$87.20</p> <p>Beginning date = First (1<sup>st</sup>) day of the<br/>first (1<sup>st</sup>) full month after the<br/>Effective Date</p> <p>Ending date = First (1<sup>st</sup>) day of the<br/>forty-fourth (44<sup>th</sup>) full month after<br/>the Effective Date</p> <p>Interest rate = 3.25%</p> <p>Total yearly payments = \$1,046.20</p> <p>Total payout amount = \$3,836.80</p> | <p>\$3,615.32</p> <p>[See, POC<br/>#11]<sup>2</sup></p> | <p>The allowed priority<br/>claim of the LACTTC<br/>estimated at \$3,615.32<br/>as of the Petition Date,<br/>will be paid in full,<br/>which payment will<br/>include accrued interest<br/>at the rate that is in<br/>effect as of the<br/>Effective Date and<br/>penalties incurred since<br/>the Petition Date, in<br/>one lump sum or in equal<br/>monthly payments of<br/>\$87.20 each over a 44-<br/>month period, commencing<br/>on the first (1<sup>st</sup>) day of<br/>the first (1<sup>st</sup>) full<br/>month after the<br/>Effective Date, and may<br/>be paid in full at any<br/>earlier time after the<br/>Effective Date. The<br/>source of the payment<br/>will be the net monthly<br/>income from operation of<br/>Deco's business and/or<br/>the new capital<br/>contribution.</p> |

<sup>2</sup> On February 25, 2020, the LACTTC caused to be filed a "Proof Of Claim" [Claim #1], asserting an unsecured priority claim in the amount of \$3,615.32 for tax year 2020-2021. It is anticipated that the LACTTC's priority claim will be adjusted/amended once the referenced tax return, which is not yet due, has been filed/processed by the LACTTC. Accordingly, the treatment of the LACTTC's priority claim set forth above may be subject to change.

1 C. Classified Claims and Interests

2 1. Classes of Secured Claims

3 Secured claims are claims secured by liens on property of the  
4 estate. The following chart lists all classes containing Debtor's  
5 secured prepetition claims and their treatment under this Plan:

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| CLASS # | DESCRIPTION   | INSIDERS (Y/N) | IMPAIRED (Y/N)  | TREATMENT   |
|---------|---|----------------|---|---|
| 1.      | Secured claim of:<br><br>Name = Paragon<br><br>Total amount of allowed secured claim as of December 31, 2020 = N/A<br><br>Prepetition default amount = N/A<br><br>Collateral = 1 <sup>st</sup> priority lien against and security interest in all Purchased Accounts (as defined in the Factoring Agreement), together with a senior lien against and security interest in Deco's property and assets (subject to the 1 <sup>st</sup> priority lien against and security interest in Deco's inventory and a senior lien against and security interest in Deco's property and assets in favor of Crossroads under the Intercreditor Agreement among Paragon, Crossroads and Deco)<br><br>Payment interval = varies depending upon collection from Deco's customers of factored invoices<br><br>Payment amount = 1.79% of the factored invoices for the first 30 days and then .59% each day thereafter until the factored invoice has been paid<br><br>Beginning date = 12.3.20<br><br>Ending date = 11.3.21, unless extended<br><br>Interest rate = per Factoring Agreement | N              | Impaired<br><br>(Claims in this class are entitled to vote on the Plan) | All existing and hereafter arising rights and interests granted to Paragon, and all monetary and non-monetary obligations owed and hereafter owing to Paragon by Deco and Reorganized Debtor, under and in respect to the Factoring And Security Agreement and Post-Petition Rider To Factoring And Security Agreement ("Post Petition Paragon Agreements"), and the DIP Financing Order shall be and are hereby ratified and acknowledged, and approved without any modification.<br><br>All of the rights and interests granted to Paragon, and all monetary and non-monetary obligations owed and hereafter owing to Paragon by Deco and the Reorganized Debtor under and in respect to the Post Petition Paragon Agreements and the DIP Financing Order shall at all times be fully preserved, and shall remain in full force and effect post confirmation and fully binding on Deco and Reorganized Debtor and all parties-in-interest of Deco and the Reorganized Debtor. |

Continuation of Treatment of Class 1 Secured Claim of Paragon

Deco and Reorganized Debtor, expressly assume, on the Effective Date, all of the terms, duties and obligations under the Post Petition Paragon Agreements and Reorganized Debtor's and Paragon's continued operation thereunder which shall be binding on and govern the factoring relationship between Paragon and Reorganized Debtor on the Effective Date, except that Paragon shall have no duty to comply with any terms contained in the DIP Financing Order that no longer apply on the Effective Date, including, but not limited to, the procedures contained in paragraphs 19 and 23 of the DIP Financing Order.

Nothing contained in the Plan or the Confirmation Order shall adversely effect, modify, enjoin, impair, interfere with, or negatively impact: (a) any of Paragon's rights and/or Deco's and Reorganized Debtor's monetary and non-monetary obligations owing to Paragon, under and with respect to the Post Petition Paragon Agreements and the DIP Financing Order, including, without limitation, Paragon's first priority ownership interest in all Purchased Accounts (as defined by the Post Petition Agreements) and Paragon's duly perfected security interest and interests recognized or granted to Paragon in any prepetition collateral and/or post-petition collateral (as identified in the Post Petition Paragon Agreements and the DIP Financing Order), including, but not limited to, any non-Purchased Accounts, Inventory and all payment obligations and proceeds thereof, which are fully preserved and which collateral shall continue to secure post Effective Date, any now existing and hereafter arising advances, over advances, fees and/or financial accommodations made to, and due from Deco and Reorganized Debtor, and/or (b) any rights that Paragon has or may hereafter have in respect to any supporting obligations (as such term is defined in the Uniform Commercial Code), including any guarantor of the Paragon Obligations under the Post Petition Agreements.

In the event Deco and/or Reorganized Debtor defaults under the Post Petition Agreements and/or the Plan, Paragon shall be entitled to exercise and enforce all rights and remedies, under the and in respect to the Post Petition Paragon Agreements, the Plan and applicable state law, free of any automatic stay under 11 U.S.C. § 362 or any injunction under 11 U.S.C. § 524(a), or otherwise.

In the event of a breach of the Plan, and/or the Post Petition Agreements, the Court will retain non-exclusive, concurrent jurisdiction together with any state or federal court having subject matter and in personam jurisdiction over the subject matter and the parties as provided in the Post Petition Paragon Agreements, to enforce to the terms of the Plan, and/or the Post Petition Paragon Agreements between Paragon and Deco, including Reorganized Debtor, and Deco and Reorganized Debtor each waive any right to contest the jurisdiction of any such state or federal court. In the event of any conflict or inconsistency between this section and Section III.A.4 below (Retention of Jurisdiction), this section shall control.

After the Effective Date, Deco and Paragon may modify the terms of the Post Petition Paragon Agreements without having to obtain authorization from the Court or a modification of the Plan.

After the Effective Date, neither Deco nor Reorganized Debtor, without the prior written consent of Paragon, may request a modification to the Plan that may adversely effect, modify, enjoin, impair, interfere with or negatively impact Paragon's treatment under the Plan, including, without limitation, any of the rights and interests of Paragon and the duties of Deco and Reorganized Debtor. Notwithstanding anything contained in the Plan, after the Effective Date this section shall govern the rights as between Paragon, Deco and Reorganized Debtor.

| CLASS<br># | DESCRIPTION   | INSIDERS<br>(Y/N) | IMPAIRED<br>(Y/N)  | TREATMENT   |
|------------|---|-------------------|--|---|
| 2.         | <p>Secured claim of:</p> <p>Name = Crossroads</p> <p>Total amount of allowed secured claim as of December 31, 2020 = \$ 813,392</p> <p>Prepetition default amount = N/A</p> <p>Collateral = 1<sup>st</sup> priority lien against and security interest in Deco's inventory, together with a senior lien against and security interest in Deco's property and assets (subject to the ownership interest and 1<sup>st</sup> priority lien against and security interest in the Purchased Accounts and the senior lien and security interest of Paragon in Deco's assets under the terms of the Intercreditor Agreement)</p> <p>Payment interval = monthly</p> <p>Payment amount = \$15,000 minimum</p> <p>Beginning date = 12.16.20</p> <p>Ending date = 11.16.22, unless extended</p> <p>Interest rate = 15% per month/18% per annum</p> | N                 | <p>Impaired</p> <p>(Claims in this class are entitled to vote on the Plan)</p> | <p>All existing and hereafter arising rights and interests granted to Crossroads, and all monetary and non-monetary obligations owed and hereafter owing to Crossroads by Deco and Reorganized Debtor, under and in respect to the Loan And Security Agreement and the DIP Financing Order shall be and are hereby ratified and acknowledged, and approved without any modification.</p> <p>All of the rights and interests granted to Paragon, and all monetary and non-monetary obligations owed and hereafter owing to Crossroads by Deco and the Reorganized Debtor under and in respect to the Loan And Security Agreement and the DIP Financing Order shall at all times be fully preserved, and shall remain in full force and effect post confirmation and fully binding on Deco and Reorganized Debtor and all parties-in-interest of Deco and the Reorganized Debtor.</p> |

Continuation of Treatment of Class 2 Secured Claim of Crossroads

Deco and Reorganized Debtor, expressly assume, on the Effective Date, all of the terms, duties and obligations under the Loan And Security Agreement and Reorganized Debtor's and Crossroads' continued operation thereunder which shall be binding on and govern the financial relationship between Crossroads and Reorganized Debtor on the Effective Date, except that Crossroads shall have no duty to comply with any terms contained in the DIP Financing Order that no longer apply on the Effective Date, including, but not limited to, the procedures contained in paragraphs 19 and 23 of the DIP Financing Order.

Nothing contained in the Plan or the Confirmation Order shall adversely effect, modify, enjoin, impair, interfere with, or negatively impact: (a) any of Crossroads' rights and/or Deco's and Reorganized Debtor's monetary and non-monetary obligations owing to Crossroads, under and with respect to the Loan And Security Agreement and the DIP Financing Order, including, without limitation, Crossroads' first priority security interest in Deco's inventory and Crossroads' duly perfected security interest and interests recognized or granted to Crossroads in any prepetition collateral and/or post-petition collateral (as identified in the Loan And Security Agreement and the DIP Financing Order), which collateral shall continue to secure post Effective Date, any now existing and hereafter arising advances, over advances, fees and/or financial accommodations made to, and due from Deco and Reorganized Debtor, and/or (b) any rights that Crossroads has or may hereafter have in respect to any supporting obligations (as such term is defined in the Uniform Commercial Code), including any guarantor of the Crossroads Obligations under the Loan And Security Agreement.

In the event Deco and/or Reorganized Debtor defaults under the Loan And Security Agreement and/or the Plan, Crossroads shall be entitled to exercise and enforce all rights and remedies, under the and in respect to the Loan And Security Agreement, the Plan and applicable state law, free of any automatic stay under 11 U.S.C. § 362 or any injunction under 11 U.S.C. § 524(a), or otherwise.

In the event of a breach of the Plan, and/or the Loan And Security Agreement, the Court will retain non-exclusive, concurrent jurisdiction together with any state or federal court having subject matter and in personam jurisdiction over the subject matter and the parties as provided in the Loan And Security Agreement, to enforce to the terms of the Plan, and/or the Loan And Security Agreement between Crossroads and Deco, including Reorganized Debtor, and Deco and Reorganized Debtor each waive any right to contest the jurisdiction of any such state or federal court. In the event of any conflict or inconsistency between this section and Section III.A.4 below (Retention of Jurisdiction), this section shall control.

After the Effective Date, Deco and Crossroads may modify the terms of the Loan And Security Agreement without having to obtain authorization from the Court or a modification of the Plan.

| <u>CLASS</u><br><u>#</u> | <u>DESCRIPTION</u>   | <u>INSIDERS</u><br><u>(Y/N)</u> | <u>IMPAIRED</u><br><u>(Y/N)</u>  | <u>TREATMENT</u>  |
|--------------------------|--|---------------------------------|--|---|
| 3.                       | Secured claim of:<br><br>Name = ABS Capitol<br><br>Total amount of<br>allowed secured claim<br>as of December 30,<br>2020 = \$2,902,000<br><br>Prepetition default<br>amount = N/A<br><br>Collateral = lien<br>against and security<br>interest in all of<br>Deco's property and<br>assets, junior in<br>priority to Paragon and<br>Crossroads<br><br>Payment interval =<br>Monthly<br><br>Payment amount =<br>\$22,974.00<br><br>Beginning date =<br>12.25.20<br><br>Ending date =<br>11.25.30<br><br>Interest rate = 9.5%<br><br>Total yearly payments<br>= \$275,688.00 | N                               | Unimpaired<br><br>(Claims in<br>this class<br>are not<br>entitled<br>to vote on<br>the Plan) | Deco will continue<br>performing in accordance<br>with the DIP Financing<br>Order, Secured Promissory<br>Note and Commercial<br>Security Agreement. All<br>terms and conditions of<br>the DIP Financing Order,<br>Secured Promissory Note<br>and Commercial Security<br>Agreement shall remain in<br>full force and effect. |

**2. Classes of Priority Unsecured Claims**

Certain priority claims that are referred to in Code Sections 507(a)(1), (4), (5), (6) and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims.

Debtor does not have any creditors whose claims are entitled to priority under Code Sections 507(a)(1), (a)(4), (a)(5), (a)(6) or (a)(7).

**3. Classes of General Unsecured Claims**

General unsecured claims are unsecured claims not entitled to priority under Code Section 507(a). The following chart identifies this Plan's treatment of the class containing general unsecured claims of Deco's active sales representative agencies, whose claims aggregate approximately \$379,036.76):

| <u>CLASS#</u> | <u>DESCRIPTION</u>                   | <u>IMPAIRED<br/>(Y/N)</u>   | <u>TREATMENT</u>  |
|---------------|--------------------------------------|---|---|
| 4.            | Active sales representative agencies | Impaired<br><br>(Claims in this class are entitled to vote on the Plan) | The general unsecured claims of the active sales representative agencies, Class 5 Claimants, will receive a dividend of 100% of their claims paid in eighteen (18) equal monthly installments of approximately \$21,057.60 each, commencing on the first (1 <sup>st</sup> ) day of the 1 <sup>st</sup> full month after the Effective Date. |

The following chart identifies this Plan's treatment of the class containing general unsecured claims of Deco's foreign outsource manufacturer, SB Associates, whose claim is \$97,495.60:

| CLASS# | DESCRIPTION  | IMPAIRED<br>(Y/N)   | TREATMENT  |
|--------|--|---|--|
| 5.     | Foreign outsource manufacturer<br>- SB Associates<br><br>\$97,495.60 | Impaired<br><br>(Claims in this class are entitled to vote on the Plan) | The general unsecured claims of SB Associates, Class 6 Claimant, will receive a dividend of 100% of its claim, paid in eighteen (18) equal monthly installments of approximately \$5,416.39 each, commencing on the first (1 <sup>st</sup> ) day of the 1 <sup>st</sup> full month after the Effective Date. |

The following chart identifies this Plan's treatment of the class containing general unsecured claim of Deco's customer warranty claimants, whose claims aggregate approximately \$86,437.57:

| CLASS# | DESCRIPTION   | IMPAIRED<br>(Y/N)   | TREATMENT   |
|--------|---|---|---|
| 6.     | Customer warranty claims<br>(excluding Priority Lighting, Inc. contingent customer warranty claim)<br><br>\$86,437.57 | Impaired<br><br>(Claims in this class are entitled to vote on the Plan) | The general unsecured claims of the customer warranty claimants, Class 7 Claimants, will receive a dividend of 100% of their claims paid in eighteen (18) equal monthly installments of approximately \$4,802.09 each, commencing on the first (1 <sup>st</sup> ) day of the 1 <sup>st</sup> full month after the Effective Date. |

The following chart identifies this Plan's treatment of the class containing all of Debtor's other general unsecured claims, whose claims aggregate approximately \$9,466,321.58:

| <u>CLASS#</u> | <u>DESCRIPTION</u>  | <u>IMPAIRED<br/>(Y/N)</u>   | <u>TREATMENT</u>   |
|---------------|---|---|--|
| 7.            | General unsecured claims<br><br>• Total amount of allowed claims = \$9,466,321.58 (est.), including shareholders' loans | Impaired<br><br>(Claims in this class are entitled to vote on the Plan) | General unsecured creditors, Class 6 Claimants, will receive a dividend of 5% of their claims paid in sixty (60) equal monthly installments of \$7,888.60 each, commencing on the first (1 <sup>st</sup> ) day of the 6 <sup>th</sup> full month after the Effective Date, and will receive 100% of the net recovery realized by the Deco estate from the Pouladian Litigation, after all fees and costs, with such dividend combined with the monthly installments not to exceed the allowed amount of each claimant's claim. |

#### 4. Class(es) of Interest Holders

Interest holders are the parties who hold ownership interest (i.e., equity interest) in the debtor. If the debtor is a corporation, entities holding preferred or common stock in the debtor are interest holders. If the debtor is a partnership, the interest holders include both general and limited partners. If the debtor is an individual, the debtor is the interest holder.

The following chart identifies the Plan's treatment of the class of interest holders:

| <u>CLASS#</u> | <u>DESCRIPTION</u> | <u>IMPAIRED<br/>(Y/N)</u>   | <u>TREATMENT</u>   |
|---------------|--------------------|---|--|
| 8.            | Interest holders   | Impaired<br><br>(Claims in this class are not entitled to vote on the Plan) | The shares of Babak Sinai, Saman Sinai, Siamak Sinai and Benjamin Pouladian will be cancelled, and stock in Reorganized Debtor will be issued in the name of DQL, Inc. |

**D. Means of Effectuating the Plan**

**1. Funding for the Plan**

The Plan will be funded by the following: (a) cash on hand (\$218,148.00 as of December 31, 2020); (b) \$3.0 - \$4.5 million in new working capital financing; © a new value equity contribution of \$950,000 from a newly formed company that will own 100% of Reorganized Debtor, and whose shareholders will include Babak Sinai and Siamak Sinai; (d) working capital availability under the Paragon and Crossroads agreements; and (e) net monthly income from operation of Deco's business averaging \$293,299 during the term of the Plan.

**2. Post-Confirmation Management**

a. There will be no change in management. Babak Sinai, Saman Sinai and Craig Allen (collectively, and with such other individuals as may from time to time be designated, "Management") will continue to manage Reorganized Debtor's financial affairs after confirmation and consummation of the Plan; provided, however, that, (I) the prosecution, compromise or settlement of the Pouladian Claim or the Pouladian Action,<sup>3</sup> (ii) the review and objection to any claims in Class 7, and (iii) distributions to holders of claims in Class 7, will be subject to the rights of the Post Confirmation Oversight Board.

b. "Post Confirmation Oversight Board" means an entity established to oversee, review and guide the activities and performance of Management in connection with its duties under the Plan to maximize distributions to holders of claims in Class 7. Deco

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<sup>3</sup> The Pouladian Claim is described in the "Second Amended Disclosure Statement Describing 'Debtor's Amended Chapter 11 Plan'" [Docket #344] at pages 9/90 through 13/90. The Pouladian Action was removed to the Court on May 20, 2020, and is currently pending before the Court.

1 has selected Arrow Electronics, Inc. ("Arrow"), holder of the largest  
2 allowed claim in Class 7, to serve as the sole member of the Post-  
3 Confirmation Oversight Board upon confirmation of the Plan, and Arrow  
4 has agreed to accept such appointment.

5 c. Rights of the Post-Confirmation Oversight Board. The  
6 Post Confirmation Oversight Board shall have the authority to  
7 oversee, review, and guide Management's prosecution of the Pouladian  
8 Action, Management's evaluation and potential objection to claims in  
9 Class 8, and distributions to holders of claims in Class 7. The Post  
10 Confirmation Oversight Board is not a fiduciary for any creditor or  
11 other entity. No member of the Post Confirmation Oversight Board  
12 shall have any liability to any entity for any action taken or not  
13 taken in connection with its service on the Post Confirmation  
14 Oversight Board other than for its own gross negligence or willful  
15 misconduct. The Post Confirmation Oversight Board shall be entitled  
16 to rely conclusively on the advice of any outside professionals in  
17 connection with the exercise of its rights as a member of the Post  
18 Confirmation Oversight Board.

19 d. Duties of Management. Management shall cooperate with  
20 the Post Confirmation Oversight Board by, *inter alia*, (i) providing  
21 periodic updates regarding the prosecution of the Pouladian Action,  
22 (ii) conferring and consulting with the Post Confirmation Oversight  
23 Board prior to any potentially dispositive action in the Pouladian  
24 Action, (iii) conferring and consulting with the Post Confirmation  
25 Oversight Board regarding potential objections to claims in Class 7,  
26 and (iv) conferring and consulting with the Post Confirmation  
27 Oversight Board regarding distributions to holders of claims in Class  
28 7. Management shall not be required to disclose any information to

1 the Post Confirmation Oversight Board that is subject to the  
2 attorney-client privilege.

3 e. Settlement of Claims. Reorganized Debtor may  
4 compromise or settle the Pouladian Action, or any objection to a  
5 claim in Class 7 with an asserted amount greater than \$100,000, only  
6 upon the written consent of the Post-Confirmation Oversight Board;  
7 provided, however, that Reorganized Debtor may seek approval from the  
8 Bankruptcy Court of any settlement that the Post Confirmation  
9 Oversight Board has declined to approve.

10 f. Replacement of Member. Any member may resign from the  
11 Post Confirmation Oversight Board at any time and for any reason,  
12 whereupon Reorganized Debtor may elect, but is not required, to seek  
13 the appointment by the Bankruptcy Court of one or more new members of  
14 the Post Confirmation Oversight Board. If at any time the Post-  
15 Confirmation Oversight Board does not have any members, and  
16 Reorganized Debtor elects not to seek the appointment of at least one  
17 new member, then the rights of the Post-Confirmation Oversight Board  
18 shall revert to Management.

19 g. Fees and Expenses. The member(s) of the Post  
20 Confirmation Oversight Board will not receive any compensation, but  
21 may request reimbursement of reasonable legal fees and other expenses  
22 not to exceed \$12,500 (in the aggregate) per calendar quarter. The  
23 reimbursement of such fees and expenses will be payable only out of  
24 the proceeds of the Pouladian Action, if any, before distribution to  
25 Deco's general unsecured creditors. Reorganized Debtor shall have no  
26 responsibility to pay such fees and expenses from any other source.

27 **3. Disbursing Agent**

28 Craig Allen shall act as the disbursing agent for the purpose of

1 making all distributions under the Plan. The disbursing agent shall  
2 serve without bond and shall receive no fee for distribution services  
3 rendered and expenses incurred pursuant to the Plan.

4  
5 **III.**

6 **TREATMENT OF MISCELLANEOUS ITEMS**

7 **A. Executory Contracts and Unexpired Leases**

8 **1. Assumptions**

9 On the Effective Date, each of the unexpired leases and  
10 executory contracts listed in Schedule G of Deco's bankruptcy  
11 schedules shall be assumed as obligation of the reorganized Debtor as  
12 well as the patent license with Signify Holding B.V. fka Phillips  
13 Lighting Holding B.V ("Signify"). The order confirming the Plan  
14 shall constitute the order approving the assumption of each unexpired  
15 lease/executory contract listed in bankruptcy Schedule G. If you are  
16 a party to lease or contract to be assumed and you object to the  
17 assumption of your lease or contract, you must file and serve your  
18 objection to the Plan within the deadline for objecting to the  
19 confirmation of the Plan.

20 The Signify patent license claim in the amount of \$342,128.80  
21 will be bifurcated into an allowed assumption claim in the amount of  
22 \$267,128.80 ("Patent License Cure Amount") and a general unsecured  
23 claim in the amount of \$75,000.00. Twenty-five percent (25%) of the  
24 Patent License Cure Amount, or \$66,782.20, will be paid within 90  
25 days of the Effective Date; and the balance of the Patent License  
26 Cure Amount, or \$200,346.00 will be paid in 15 monthly installments  
27 of \$13,356.44 each, with the first installment to be due one month  
28 after the initial payment is made.

1           **2. Rejections**

2           On the Effective Date, the following executory contracts and  
3 unexpired leases will be rejected: business intelligence software  
4 lease with Domo, Inc.

5           The order confirming the Plan shall constitute the order  
6 approving the rejection of the lease or contract. If you are a party  
7 to a contract or lease to be rejected and you object to the rejection  
8 of your contract or lease, you must file your objection to the Plan  
9 within the deadline for objecting to the confirmation of the Plan.

10          THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON CLAIM ARISING  
11 FROM THE REJECTION OF A LEASE OR CONTRACT HAS YET TO BE SCHEDULED BY  
12 THE COURT. Any claim based on the rejection of a contract will be  
13 barred if the proof of claim is not timely filed, unless the Court  
14 later orders otherwise.

15           **2. Changes in Rates Subject to Regulatory Commission Approval**

16          Debtor is not subject to governmental regulatory commission  
17 approval of its rates. Therefore, compliance with Bankruptcy Code  
18 section 1129(a)(6) is not required.

19           **3. Preservation of Retained Actions.**

20          Any rights of action arising from pre petition circumstances or  
21 events, including prosecution of the claims against Benjamin  
22 Pouladian, is expressly preserved notwithstanding confirmation of the  
23 Plan.

24           **4. Retention of Jurisdiction.**

25          The Court will retain jurisdiction to the extent provided by  
26 law.

27          ///

IV.

**EFFECT OF CONFIRMATION OF PLAN**

**A. Discharge**

This Plan provides that upon substantial consummation, Debtor shall be discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent specified in 11 U.S.C. §1141. However, the discharge will not discharge any liability imposed by the Plan.

**B. Revesting of Property in the Debtor**

Except as provided otherwise provided in the Plan, the confirmation of the Plan revests all of the property of the estate in Debtor.

**C. Modification of Plan**

Proponent may modify the Plan at any time before confirmation. However, the Court may require a new disclosure statement and/or revoting on the Plan.

Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

**D. Post-Confirmation Status Report**

Within 120 days of the entry of the order confirming the Plan, Proponent shall file a status report explaining what progress has been made toward consummation of the confirmed Plan. The status report shall be served in accordance with the requirements of the Local Bankruptcy Rules and/or Court order. Further status reports shall be filed every 120 days and served on the same entities.

///

1 **E. Quarterly Fees**

2 Quarterly fees accruing under 28 U.S.C. §1930(a)(6) to date of  
3 confirmation shall be paid to the OUST on or before the Effective  
4 Date. Quarterly fees accruing under 28 U.S.C. §1930(a)(6) after  
5 confirmation shall be paid to the United States Trustee in accordance  
6 with 28 U.S.C. § 1930(a)(6) until entry of a final decree, or entry  
7 of an order of dismissal or conversion to chapter 7.

8 **F. Post-Confirmation Conversion/Dismissal**

9 A creditor or party in interest may bring a motion to convert or  
10 dismiss the case under § 1112(b), after the Plan is confirmed, if  
11 there is a default in performing the Plan. If the Court orders, the  
12 case converted to chapter 7 after the Plan is confirmed, then all  
13 property that had been property of the Chapter 11 estate, and that  
14 has not been disbursed pursuant to the Plan, will revert in the  
15 Chapter 7 estate. The automatic stay will be reimposed upon the  
16 revested property, but only to the extent that relief from stay was  
17 not previously authorized by the Court during this case.

18 The order confirming the Plan may also be revoked under very  
19 limited circumstances. The Court may revoke the order if the  
20 order of confirmation was procured by fraud and if the party in  
21 interest brings an adversary proceeding to revoke confirmation  
22 within 180 days after the entry of the order of confirmation.

23 **G. Final Decree**

24 Once the estate has been fully administered as referred to in  
25 Bankruptcy Rule 3022, the Plan Proponent, or other party as the Court  
26 shall designate in the Plan Confirmation Order, shall file a motion  
27 with the Court to obtain a final decree to close the case.

1 Dated: June 25, 2021

2  
3 Deco Enterprises, Inc.  
4 Name and Identity of the Plan Proponent

5   
6 Signature of the Representative of the Plan Proponent

7 Craig Allen, Chief Financial Officer  
8 Name of the Representative of the Plan Proponent

9   
10 Signature of Attorney for Plan Proponent

11 Raymond H. Aver, Esquire  
12 Name of Attorney for Plan Proponent

13 Law Offices Of Raymond H. Aver, APC  
14 Name of Law Firm for Plan Proponent

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

### PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10801 National Boulevard, Suite 100, Los Angeles, California 90064.

The foregoing document described "**DEBTOR'S AMENDED CHAPTER 11 PLAN, AS MODIFIED**" will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On June 25, 2021, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

☒ Service information continued on attached page.

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On \_\_\_\_\_, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

\_\_\_\_\_ Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on June 25, 2021, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

Honorable Sheri Bluebond  
Bin outside of Suite 1534

Judge's copy temporarily suspended by General Order 20-02

\_\_\_\_\_ Service information continued on attached page declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

|               |              |                  |
|---------------|--------------|------------------|
| June 25, 2021 | Ani Minasyan | /s/ ani minasyan |
| Date          | Name         | Signature        |

**SERVICE LIST**

**VIA NEF**

- Raymond H. Aver ray@averlaw.com, averlawfirm@gmail.com; ani@averlaw.com; katya@averlaw.com
- Cheryl S Chang Chang@Blankrome.com, Hno@BlankRome.com
- Eryk R Escobar eryk.r.escobar@usdoj.gov
- Oscar Estrada oestrada@ttc.lacounty.gov
- Christine R Etheridge christine.etheridge@ikonfin.com
- Matthew B Holbrook mholbrook@sheppardmullin.com, amartin@sheppardmullin.com
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- Austin P Nagel melissa@apnagellaw.com
- Howard Steinberg steinbergh@gtlaw.com, pearsallt@gtlaw.com; laik@gtlaw.com
- Jason E Turner jturner@jturnerlawgroup.com, erika@jturnerlawgroup.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- Eric R Von Helms evonhelms@kmksc.com
- David Wood dwood@marshackhays.com,  
dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
- Claire K Wu ckwu@sulmeyerlaw.com,  
mviramontes@sulmeyerlaw.com; ckwu@ecf.courtdrive.com; ckwu@ecf.inforuptcy.com
- John R Yates jyates@yateslitigation.com, jyates@yateslitigation.com

## **EXHIBIT C**

**GREENBERG TRAURIG, LLP**  
Howard J. Steinberg (SBN CA 89291)  
1840 Century Park East, Suite 1900  
Los Angeles, California 90067-2121  
Telephone: 310.586.7700  
Facsimile: 310.586.7800  
Email: steinbergh@gtlaw.com

Attorneys for  
CROSSROADS FUNDING II, LLC

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

In re:  
  
DECO ENTERPRISES, INC.,  
  
Debtor.

CASE NO. 2:20-bk-11846-BB

Chapter 11

CROSSROADS FUNDING II, LLC'S JOINDER  
TO MOTION UNDER 11 U.S.C. § 1112(b)(1)  
TO CONVERT, DISMISS, OR APPOINT A  
CHAPTER 11 TRUSTEE

DATE: March 8, 2023  
TIME: 10:00 a.m.  
PLACE: Courtroom 1575  
United States Bankruptcy Court  
255 East Temple Street  
Los Angeles, California 90012

1 Secured creditor Crossroads Funding II, LLC ("Crossroads") joins in the Motion to Convert,  
2 Dismiss, or Appoint a Chapter 11 Trustee filed by the United States Trustee. The Debtor is a party to that  
3 certain Loan and Security Agreement, dated as of November 20, 2020, (the "Credit Agreement"), by and  
4 between Deco Enterprises, Inc., as borrower, and Crossroads, as lender. The Debtor has failed to make  
5 interest payments in October, November, and December 2022, and in January 2023, and failed to make  
6 monthly principal payments, each in the amount of \$25,000, during the months of September through  
7 December of 2022, totaling \$100,000. As a result, pursuant to Section 13.1.2 of the Credit Agreement,  
8 the entire balance of the loan, in the amount of \$560,341.13 as of January 31, 2023, is now due and  
9 payable. Crossroads requests that the case be converted to chapter 7 rather than dismissed and does not  
10 believe the appointment of a chapter 11 trustee will best serve the interest of creditors.

11 DATED: February 28, 2023

GREENBERG TRAURIG, LLP

12 By /s/ Howard J. Steinberg

13 Howard J. Steinberg

14 Attorneys for Crossroads Funding II, LLC  
15  
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28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

Greenberg Traurig LLP, 1840 Century Park East, Suite 1900, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **CROSSROADS FUNDING II, LLC'S JOINDER TO MOTION UNDER 11 U.S.C. § 1112(b)(1) TO CONVERT, DISMISS, OR APPOINT A CHAPTER 11 TRUSTEE** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) \_\_\_\_, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Raymond H. Aver** ray@averlaw.com, averlawfirm@gmail.com; ani@averlaw.com; katya@averlaw.com; jesus@averlaw.com
- **Cheryl S Chang** Chang@Blankrome.com, Hno@BlankRome.com
- **Eryk R Escobar** eryk.r.escobar@usdoj.gov
- **Oscar Estrada** oestrada@ttc.lacounty.gov
- **Christine R Etheridge** christine.etheridge@ikonfin.com
- **Matthew B Holbrook** mholbrook@sheppardmullin.com, amartin@sheppardmullin.com
- **David S Kupetz** David.Kupetz@lockelord.com, mylene.ruiz@lockelord.com
- **Bruce G Landau** bruce@landauandlandau.com
- **Jonathan A Loeb** jloeb@blankrome.com, fpippo@blankrome.com, dalessi@blankrome.com
- **David W. Meadows** david@davidwmeadowslaw.com
- **Eric A Mitnick** MitnickLaw@gmail.com, mitnicklaw@gmail.com
- **Amy Mousavi** amousavi@mousavilee.com, admin@mousavilee.com
- **Amy Mousavi** amy@mousavilawpc.com, admin@mousavilee.com
- **Austin P Nagel** Kim.Bellanger-Smith@BonialPC.com, Notices.Bonial@ecf.courtdrive.com
- **Kimberly Phan** kphan@manningleavey.com
- **Howard Steinberg** steinbergh@gtlaw.com, pearsallt@gtlaw.com; howard-steinberg-6096@ecf.pacerpro.com
- **Jason E Turner** jturner@jturnerlawgroup.com, karina@jturnerlawgroup.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov
- **Eric R Von Helms** evonhelms@kmksc.com
- **Gary A Weis** garyweis@sbcglobal.net
- **David Wood** dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
- **Claire K Wu** claire.wu@pillsburylaw.com, irene.hooper@pillsburylaw.com; docket@pillsburylaw.com
- **John R Yates** jyates@yateslitigation.com, jyates@yateslitigation.com

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (date) March 1, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy

---

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

ADP Totalsource, Inc.  
10200 Sunset Drive  
Miami, FL 33173

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date), I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 1, 2023  
Date

Debbie R. Gutierrez  
Printed Name

Debbie R. Gutierrez  
Signature

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

### PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10801 National Boulevard, Suite 100, Los Angeles, California 90064.

The foregoing document described "**RESPONSE TO 'MOTION OF CREDITOR SIGNIFY HOLDING B.V. UNDER 11 U.S.C. § 1112(b)(1) TO CONVERT, DISMISS, OR APPOINT A CHAPTER 11 TRUSTEE'; DECLARATION(S) AND EXHIBIT(S) IN SUPPORT THEREOF**" will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 5, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

  X   Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On \_\_\_\_\_, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

\_\_\_\_ Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **April 5, 2023**, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

Honorable Sheri Bluebond

Bin outside of Suite 1534

Judge's copy temporarily suspended by General Order 20-02

\_\_\_\_ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

April 5, 2023

Raymond H. Aver

/s/ raymond h. aver

Date

Type Name

Signature

**SERVICE LIST**

**VIA NEF**

- Raymond H. Aver ray@averlaw.com, averlawfirm@gmail.com; ani@averlaw.com; katya@averlaw.com
- Scott E Blakeley seb@blakeleyllp.com, ecf@blakeleyllp.com
- Cheryl S Chang Chang@Blankrome.com, Hno@BlankRome.com
- Christine R Etheridge christine.etheridge@ikonfin.com
- Bruce G Landau bruce@landauandlandau.com
- Kenneth G Lau kenneth.g.lau@usdoj.gov
- Jonathan A Loeb jloeb@blankrome.com, fpippo@blankrome.com
- Eric A Mitnick MitnickLaw@aol.com, mitnicklaw@gmail.com
- Jason E Turner jturner@jturnerlawgroup.com, erika@jturnerlawgroup.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Eric R Von Helms evonhelms@krmksc.com
- David Wood dwood@marshackhays.com,  
dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

### PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10801 National Boulevard, Suite 100, Los Angeles, California 90064.

The foregoing document described "**RESPONSE TO 'MOTION OF CREDITOR SIGNIFY HOLDING B.V. UNDER 11 U.S.C. § 1112(b)(1) TO CONVERT, DISMISS, OR APPOINT A CHAPTER 11 TRUSTEE'; DECLARATION(S) AND EXHIBIT(S) IN SUPPORT THEREOF**" will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 11, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

X Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On \_\_\_\_\_, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

\_\_\_\_\_ Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **April 11, 2023**, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

Honorable Sheri Bluebond

Bin outside of Suite 1534

Judge's copy temporarily suspended by General Order 20-02

\_\_\_\_\_ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

April 11, 2023

Raymond H. Aver

/s/ raymond h. aver

Date

Type Name

Signature

**SERVICE LIST**

**VIA NEF**

- Raymond H. Aver ray@averlaw.com, averlawfirm@gmail.com; ani@averlaw.com; katya@averlaw.com
- Scott E Blakeley seb@blakeleyllp.com, ecf@blakeleyllp.com
- Cheryl S Chang Chang@Blankrome.com, Hno@BlankRome.com
- Christine R Etheridge christine.etheridge@ikonfin.com
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dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com