

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re

TAYLOR FARMS, INC.

Case No. 92-10971 K

Debtor

MEMORANDUM AND ORDER

When this matter came before the Court on April 14, 1992, it consisted of Manufacturers and Traders Trust Company's (hereinafter referred to as M & T) Motion to Cease the Use of Cash Collateral, and the debtor's reciprocal motion.

As demonstrated by the transcript (at pp. 5-7), M & T was concerned about a number of things including its assertions of a continuing interest in postpetition milk, as well as in cash proceeds of prepetition milk. It questioned the existence of an equity cushion in the land, equipment and livestock and "whether that, in and of itself, creates adequate protection for the use of cash collateral, or for the use of our other collateral." [Emphasis mine.] Thus it sought not only a "rollover lien," but also payment of ongoing interest of approximately \$3,000 per month.

The interim relief ordered was for the protection of M & T while the debtor continued use of cash collateral pending an evidentiary hearing. I granted it the rollover lien but declined to order payments. The reference to postpetition milk was not a "grant" which excluded M & T from an interest in all other property. I limited its interest in postpetition milk to a lien on twenty (20%) percent thereof, but did not limit its rollover

interest in other property.

WHEREFORE, the current motion of M & T is granted and the third ordering paragraph of the Order of April 27, 1992 is amended nunc pro tunc to read as follows:

Ordered, that, until further order of this Court, M & T Bank shall have a roll-over lien on post-petition assets of the debtor other than cash, and on 20% of the proceeds from the sale of debtor's milk produced post-petition.

The remainder of said order continues in full force and effect.

Dated: Buffalo, New York
August 27, 1992

/S/ MICHAEL J. KAPLAN

U.S.B.J.