IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
ENTERED
MAY 0 4 2001
Michael N. Milby, Clerk of Court

IN RE:	§	
	§	
BUSY BODY, INC.,	§	Case No. 01-35016-H4-11
	§	(Chapter 11)
Debtor.	§	

ORDER

1. The Debtor is hereby authorized to use cash collateral (hereinafter referred to as "Cash Collateral" within the meaning of § 363(a) of the Bankruptcy Code), on an emergency basis, during the period commencing on May 3, 2001, through and including May 18, 2001 (the "Cash Collateral Period"), in the aggregate amount of up to $2,793,501 (the "Cash Collateral Limit"). The Cash Collateral may be used solely for the payment of those line item expenses specified in the budget annexed hereto as Exhibit "A" (the "Budget") and in accordance with the terms and conditions set forth herein. During the Cash Collateral Period, (i) the deviation between actual and projected line item expenditures as set forth in the Budget shall not deviate in the aggregate by more than ten (10%) percent from the amount reflected in the "Total" column reflected on Exhibit "A" and (ii) the aggregate amount of Cash Collateral used during the Cash Collateral Period shall not exceed the Cash Collateral Limit.

2. All proceeds from the sale of the Debtor's inventory shall be deposited into the "Store Bank Accounts" to be remitted to the "Blocked Accounts" (as each term is defined in the Loan and Security Agreement, dated December 29, 1998, as amended (the "Loan Agreement"), by and between Debtor and Congress Financial Corporation (Southwest) ("Lender"), a copy of which was entered into evidence at the hearing on the Motion). These Accounts shall contain only proceeds of lenders' collateral. Upon Debtor's request, Lender shall promptly remit to Debtor, by wire transfer to an account designated by Debtor, any requested amounts of the Cash Collateral received by Lender from collections remitted to Lender from the Blocked Accounts, which Cash Collateral shall be either (i) held by the Debtor or (ii) used by Debtor in accordance with the Budget. Unless otherwise consented to by Lender and ordered by this Court, Debtor will not use the Cash Collateral to make any payments other than payments set forth on the Budget.

3. As adequate protection for the use by Debtor of Cash Collateral, holders of liens on and security interests in the Cash Collateral are hereby granted a replacement lien on Debtor's unencumbered cash and on Debtor's post-petition assets and properties of the same type, nature, description, extent, priority and effect as such lienholder's pre-petition lien on Debtor's pre-petition assets and properties to the extent of any diminution in the collateral of such lienholder's collateral; provided, that, such pre-petition lien is a valid and perfected lien.

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4. Nothing herein shall prevent any lienholder from seeking any additional remedies that it may have under the Bankruptcy Code, including but not limited to any rights under 11 U.S.C. § 507(b).

5. The Court will conduct a final hearing on the Debtor's request to use cash collateral on May 18, 2001 at 9:00 A.M.

6. The Debtor is not authorized to make any expenditures from any Cash Collateral or any unencumbered cash except as set forth on the attached budget or by further Order of the Court.

Signed this 4th day of May, 2001.

UNITED STATES BANKRUPTCY JUDGE

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BUSY BODY, INC.

Cash Flow Projection

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	3 Days Fri 4-May	7 Days Fri 11-May	7 Days Fri 18-May	TOTAL
Sales	$ 361,331	$ 1,038,354	$ 1,022,370	$ 2,422,055
Finance fees	9,033	25,959	25,559	60,551
Net sales	352,298	1,012,396	996,810	2,361,504
Collections	445,643	1,057,834	1,091,808	2,595,285
Disbursements				
Merchandise	400,000	600,522	620,567	1,621,089
Sales tax	0	51,000	35,000	86,000
Freight	10,000	21,036	20,061	51,098
Payroll	0	598,973	33,900	632,873
Rent & Utilities	0	21,000	25,500	46,500
Logistics	4,000	22,785	22,785	49,570
Advert	0	20,000	20,000	40,000
Finance Fees	0	26,295	25,077	51,372
Telecommunications	0	25,000	25,000	50,000
Insurance	0	50,000	0	50,000
Store expenses	5,000	42,500	37,500	85,000
Other	0	20,000	10,000	30,000
Total disbursements	419,000	1,499,111	875,390	2,793,501
Cash flow	$ 26,643	$ (441,277)	$ 216,418	$ (198,216)
CASH BALANCE				
Beg balance	$ 2,330,422	$ 2,357,065	$ 1,915,787	$ 2,330,422
Cash flow	26,643	(441,277)	216,418	(198,216)
Ending balance	$ 2,357,065	$ 1,915,787	$ 2,132,206	$ 2,132,206

EXHIBIT

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