

**COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.**
A Professional Corporation
Court Plaza North
25 Main Street
P.O. Box 800
Hackensack, New Jersey 07602-0800
Michael D. Sirota, Esq.
Warren A. Usatine, Esq.
(201) 489-3000
(201) 489-1536 Facsimile
Proposed Attorneys for Zayat Stables, LLC,
Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
CASE NO. 10-

Chapter 11

In re:

ZAYAT STABLES, LLC,

Debtor-in-Possession.

**NOTICE OF MOTION FOR AN ORDER
(A) AUTHORIZING THE DEBTOR'S
INTERIM AND FINAL USE OF CASH
COLLATERAL PURSUANT TO 11
U.S.C. §§ 361 AND 363 AND GRANTING
ADEQUATE PROTECTION AND (B)
SCHEDULING FINAL HEARING
PURSUANT TO 11 U.S.C. § 363(c)(2)
AND FED. R. BANKR. P. 4001**

HEARING DATE AND TIME:

February __, 2010, at __: __ .m.

ORAL ARGUMENT REQUESTED

TO: All Parties-in-Interest

PLEASE TAKE NOTICE that pursuant to an Order Regarding Application for Expedited Consideration of First Day Matters served herewith, on the __ day of February, 2010, at ____ .m., or as soon thereafter as proposed counsel may be heard, the undersigned, proposed counsel for Zayat Stables, LLC, the within debtor and debtor-in-possession (the "Debtor"), shall move before the assigned United States Bankruptcy Judge, at the United States Bankruptcy

Court, 50 Walnut Street, Third Floor, Newark, NJ 07102, for entry of an Order: (A) authorizing the Debtor's interim and, ultimately, final use of the cash collateral of Fifth Third Bank ("Fifth Third") and Keeneland Association, Inc. ("Keeneland," and together with Fifth Third, the "Secured Parties"), and (B) scheduling a final hearing on the Debtor's request to use the Secured Parties' cash collateral pursuant to 11 U.S.C. § 363(c)(2) and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Motion").

PLEASE TAKE FURTHER NOTICE that in support of the Motion, the undersigned shall rely on the Affidavit of Ahmed Zayat in support of the Debtor's "First Day Motions," and the accompanying Application, which sets forth the relevant factual and legal bases upon which the relief requested should be granted. A proposed Order granting the relief requested in the Motion is also being submitted.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Motion shall be presented in accordance with the Order Regarding Application for Expedited Consideration of First Day Matters.

PLEASE TAKE FURTHER NOTICE that unless objections are timely presented, the Motion shall be deemed uncontested in accordance with D.N.J. LBR 9013-1(a) and the relief requested may be granted without a hearing.

PLEASE TAKE FURTHER NOTICE that the undersigned requests oral argument on the return date of the Motion.

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
Proposed Attorneys for Zayat Stables, LLC,
Debtor-in-Possession

By: /s/ Michael D. Sirota
Michael D. Sirota
Warren A. Usatine

DATED: February 3, 2010

**COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.**
A Professional Corporation
Court Plaza North
25 Main Street
P.O. Box 800
Hackensack, New Jersey 07602-0800
Michael D. Sirota, Esq.
Warren A. Usatine, Esq.
(201) 489-3000
(201) 489-1536 Facsimile
Proposed Attorneys for Zayat Stables, LLC,
Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
CASE NO. 10-

Chapter 11

In re:

ZAYAT STABLES, LLC,

Debtor-in-Possession.

**VERIFIED APPLICATION IN SUPPORT
OF MOTION FOR AN ORDER (A)
AUTHORIZING THE DEBTOR'S
INTERIM AND FINAL USE OF CASH
COLLATERAL PURSUANT TO 11
U.S.C. §§ 361 AND 363 AND GRANTING
ADEQUATE PROTECTION AND (B)
SCHEDULING FINAL HEARING
PURSUANT TO 11 U.S.C. § 363(c)(2)
AND FED. R. BANKR. P. 4001**

HEARING DATE AND TIME:

February __, 2010, at __:__ __.m.

ORAL ARGUMENT REQUESTED

TO: Honorable Judge of the
United States Bankruptcy Court

The Verified Application of Zayat Stables, LLC, the within debtor and debtor-in-
possession (the "Debtor"), by and through its proposed counsel, Cole, Schotz, Meisel, Forman &
Leonard, P.A., respectfully represents:

I. INTRODUCTION AND JURISDICTION

1. This Verified Application is submitted in support of the Debtor's motion for an Order: (A) authorizing the Debtor's interim and, ultimately, final use of the cash collateral of Fifth Third Bank ("Fifth Third") and Keeneland Association, Inc. ("Keeneland," and together with Fifth Third, the "Secured Parties"), and (B) scheduling a final hearing on the Debtor's request to use the Secured Parties' cash collateral pursuant to 11 U.S.C. § 363(c)(2) and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Motion").

2. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334. This is a "core proceeding" pursuant to 28 U.S.C. § 157(b)(2)(A), (M) and (O). Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

3. Without the use of the Secured Parties' cash collateral, the Debtor will be unable to pay its ordinary and necessary operating expenses including, but not limited to, payroll and related obligations, rent, utilities, amounts owed to vendors and other suppliers of goods and services, and insurance. As a result, the Debtor's operations would cease, which would result in immediate and irreparable harm to the Debtor's estate.

4. To preserve the Debtor's business and assets for the benefit of all creditors, the Court should authorize the Debtor to use the Secured Parties' cash collateral in accordance with the budget attached as **Exhibit A** (the "Budget") and enter the accompanying proposed Interim Cash Collateral Order.¹ Thereafter, and following a hearing to be scheduled by the Court, the Court should grant final approval for the Debtor's use of cash collateral.

¹ The Debtor notes that the Budget contemplates the use of cash collateral as well as debtor-in-possession financing. The financing arrangement the Debtor has negotiated is outlined in the Debtor's Motion for a final Order: (1) approving post-petition financing, (2) providing unsecured administrative expense status pursuant to 11 U.S.C. §§ 364(b), 503(b)(1) and 507(a)(2), and (3) granting other related relief, filed contemporaneously herewith.

5. As will be demonstrated below, the use of cash collateral (and additional post-petition financing) in accordance with the Budget will result in no diminution in the value of the Secured Parties' collateral. In fact, as is demonstrated below, the Debtor's continued operation of its business, including its professional training and racing of its thoroughbreds, will enhance the value of the Secured Parties' collateral. Moreover, the Secured Parties are adequately protected by replacement liens on the Debtor's post-petition assets and a superpriority administrative expense claim in accordance with Section 507(b) of the Bankruptcy Code to the extent the adequate protection provided herein later proves inadequate. Accordingly, this Court should authorize the Debtor's use of the Secured Parties' cash collateral consistent with the Budget.

II. BACKGROUND

6. On February 3, 2010 (the "Filing Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11, the United States Code (the "Bankruptcy Code"). Since the Filing Date, the Debtor has remained in possession of its assets and continued management of its business as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

7. The Debtor is a leading thoroughbred racehorse owner with approximately 203 horses. The initial focus of the Debtor's operation since its inception in 2005 has been developing racing and breeding prospects, with long-range plans to acquire companies involved in equine health research and product development as well as the possibility of racetrack ownership. A detailed description of the Debtor's business and the facts precipitating the filing of the Debtor's Chapter 11 proceeding is set forth in the Affidavit of Ahmed Zayat in support of the Debtor's various "First Day Motions" (the "Zayat Affidavit"). Ahmed Zayat has invested in excess of \$40 million in the Debtor and is committed to transforming the Debtor into the gold

standard of thoroughbred racing and ownership. The facts set forth in the Zayat Affidavit are incorporated herein by reference.

A. The Debtor's Pre-Petition Relationship With the Secured Parties

(i) Fifth Third

8. The Debtor is a party to a pre-Filing Date senior secured financing facility (the "Prepetition Credit Facility") with Fifth Third dated as of August 1, 2007, as amended from time to time, consisting of seven notes (the "Notes") evidencing seven separate loans as follows:

- (a) August 1, 2007 Revolving Note – Zayat Stables executed and delivered to Fifth Third a revolving note, effective date August 1, 2007, in the face amount of \$10,000,000, with a maturity date of July 31, 2009 (the "August 1, 2007 Note"). The August 1, 2007 Note required Zayat Stables to make quarterly interest payments at prime minus 1.00%.
- (b) February 25, 2008 Revolving Note – Zayat Stables executed and delivered to Fifth Third a revolving note, effective date February 25, 2008, in the face amount of \$2,700,000, with a maturity date of March 1, 2010 (the "February 25, 2008 Note"). The February 25, 2008 Note required Zayat Stables to make quarterly interest payments at Prime minus 1.00%.
- (c) April 1, 2008 Term Note – Zayat Stables executed and delivered to Fifth Third a term note, effective date April 1, 2008, in the original principal amount of \$6,000,000, with a maturity date of March 1, 2012 (the "First April 1, 2008 Note"). The First April 1, 2008 Note required Zayat Stables to make quarterly interest payments at Prime minus 1.00%, plus annual principal payments in the amount of \$2,000,000 on the first day of March each year, beginning on March 1, 2010.
- (d) April 1, 2008 Term Note – Zayat Stables executed and delivered to Fifth Third a term note, effective date April 1, 2008, in the original principal amount of \$10,000,000, with a maturity date of December 20, 2011 (the "Second April 1, 2008 Note"). The Second April 1, 2008 Note required Zayat Stables to make quarterly interest payments at Prime minus 1.00%, plus a principal payment in the amount of

\$1,500,000 on December 20, 2009, and a principal payment in the amount of \$2,000,000 on December 20, 2010.

- (e) April 1, 2008 Term Note – Zayat Stables executed and delivered to Fifth Third a term note, effective date April 1, 2008, in the original principal amount of \$3,945,970, with a maturity date of December 15, 2011 (the “Third April 1, 2008 Note”). The Third April 1, 2008 Note required Zayat Stables to make quarterly interest payments at Prime minus 1.00%, plus a principal payment in the amount of \$1,000,000 on December 20, 2009, and a principal payment in the amount of \$1,500,000 on March 1, 2010.
- (f) September 23, 2008 Term Note – Zayat Stables executed and delivered to Fifth Third a term note, effective date September 23, 2008, in the original principal amount of \$3,000,000, and with a maturity date of March 1, 2009 (the “September 23, 2008 Note”). The September 23, 2008 Note required Zayat Stables to make quarterly interest payments at Prime.
- (g) January 14, 2009 Draw Note – Zayat Stables executed and delivered to Fifth Third a draw note, effective date January 14, 2009, in the maximum principal amount of \$3,000,000, and with a maturity date of January 1, 2010 (the “January 14, 2009 Note”). The January 14, 2009 Note required Zayat Stables to make quarterly interest payments at the Libor Rate plus 2.75%.

9. The Prepetition Credit Facility is governed by that certain credit and security agreement dated as of August 1, 2007, as amended on January 14, 2009 (collectively, the “Prepetition Security Agreement”), and made as collateral security for: (a) the Notes; and (b) all other obligations, which include all loans, advances, indebtedness and each and every other obligation or liability of the Debtor and Pioneer of the Nile, Ltd.² owed to Fifth Third (as further defined in the Prepetition Security Agreement).

² Pioneer of the Nile, Ltd. (“Pioneer”) is an affiliate of the Debtor that has no assets. Pioneer is a co-guarantor (see below) of the Prepetition Credit Facility.

10. The Prepetition Credit Facility is secured by:
- (a) all thoroughbred bloodstock and/or stallion shares and/or fractional interest(s) therein, their offspring and young, both born and unborn, and/or fractional interest(s) therein, stallion seasons and shares, and any other interest(s) in any of the above owned by the Debtor and/or Pioneer, however classified, whether now owned or after-acquired, including all substitutions thereof (the “Equine Collateral”);
 - (b) all policies of insurance maintained on the Equine Collateral and all rights to proceeds thereof and refunds thereunder, whether now owned or after-acquired;
 - (c) all accounts, deposit accounts, accounts receivable, notes receivable, chattel paper, general intangibles and rights to payment arising out of or in any way relating to the sale, transfer, or other conveyance of all or any interest in any of the Equine Collateral, whether now owned or after-acquired;
 - (d) all racing income, breeder’s awards income from sales of stallion seasons and shares and any other income derived from or in any way related to the Equine Collateral, whether now owned or after-acquired;
 - (e) all certificates of title, certificates of registration and other evidences of ownership, relating to, or in any way connected with, the Equine Collateral, including without limitation, all Jockey Club Certificates of Registration and all stallion share certificates and stallion syndication agreements, whether now owned or after-acquired;
 - (f) the savings account, having the account number 7380700760, held by the Debtor with Fifth Third (the “Fifth Third Control Account”) (the Equine Collateral and the Fifth Third Control Account is hereinafter referred to as the “Collateral”); and
 - (g) all proceeds and products of the Equine Collateral and the Fifth Third Control Account (the “Proceeds,” and together with the Equine Collateral and the Fifth Third Control Account, hereinafter referred to as the “Collateral”).

11. In addition, on or about January 14, 2009, Ahmed Zayat and Pioneer each executed a guaranty (the “Zayat Guaranty” and the “Pioneer Guaranty,” respectively), whereby

they each unconditionally agreed to guarantee the payment of all monies due, or which may thereafter become due, to Fifth Third under the Prepetition Credit Facility. The Zayat Guaranty and Pioneer Guaranty each have a liability limit of \$38,700,000.00.

12. Additionally, the Debtor is a party to that certain Deposit Account Control Agreement (the “Control Account Agreement”) with Fifth Third, as depository bank. Pursuant to the Control Account Agreement, the Debtor maintains a balance of approximately \$600,000.00 in the Fifth Third Control Account as collateral to secure the Notes.

(ii) **Keeneland**

13. As of the Filing Date, the Debtor also was indebted to Keeneland Association, Inc. (“Keeneland”), a combination thoroughbred race horse and bloodstock sales company (the “Keeneland Loan”). The Keeneland Loan was in the aggregate amount of \$3,131,500.00 and relates to the Debtor’s purchase of twenty-four (24) horses (the “Keeneland Horses,” a schedule of which is attached as **Exhibit B**) in September 2009.

14. The Keeneland Loan is memorialized by that certain note (the “Keeneland Note”) and security agreement (the “Keeneland Security Agreement”) dated as of October 12, 2009. In accordance with the Keeneland Security Agreement, the Keeneland Note is secured by the Keeneland Horses as well as the “proceeds” and “products” from same, as such term is defined in the Uniform Commercial Code of the State of Kentucky, and as further defined in the Keeneland Security Agreement.

15. The Keeneland Loan was reduced to \$2,381,500.00 by virtue of a payment in the amount of \$750,000.00 from Sherif El Zayat, the brother of the Debtor’s principal, to Keeneland on February 2, 2010. As consideration for that payment, Keeneland has agreed to the Debtor’s use of its cash collateral and to provide other cooperation to the Debtor relating to the Keeneland Horses.

16. It appears that the Secured Parties may have, subject to making a *prima facie* showing, properly perfected liens on certain of the assets of the Debtor at the commencement of this case. Nonetheless, nothing herein shall constitute a finding that the Secured Parties have a valid lien on the cash collateral or any of the other assets of the Debtor, and the Debtor reserves all its rights concerning the validity, extent, and priority of any of the alleged liens of the Secured Parties. In the event the Secured Parties' alleged lien or liens on cash collateral are determined to be invalid, then the adequate protection provided hereunder to the Secured Parties shall be null and void.

III. RELIEF REQUESTED AND BASIS THEREFOR

The Debtor Should Be Authorized to Use the Secured Parties' Cash Collateral

17. A Chapter 11 debtor-in-possession has the statutory right to use cash collateral to operate its business. The standards governing a debtor's use of cash collateral are set forth in Section 363(c)(2) of the Bankruptcy Code, which provides:

The trustee [or debtor-in-possession] may not use, sell, or lease cash collateral under paragraph 1 of this subsection, unless -

(A) each entity that has an interest in such cash collateral consents;
or

(B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.

11 U.S.C. § 363(c)(2).

18. The "provisions of this section" referenced in Section 363(c)(2) include Section 363(e), which provides:

Notwithstanding any other provision of this section, at any time, on request of an entity that has an interest in property used, sold, or leased, or proposed to be used, sold, or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale or lease as is necessary to provide adequate protection of such interest.

11 U.S.C. § 363(e).

19. Keeneland has consented to the use of cash collateral and, thus, Section 363(c)(2)(A) is satisfied.³ The proposed interim order submitted herewith provides Keeneland with a replacement lien on the proceeds and products of the Keeneland Horses as well as a superpriority administrative expense claim in accordance with Section 507(b) of the Bankruptcy Code to the extent the adequate protection provided herein later proves inadequate.

20. As set forth below, to the extent possessing a valid lien, Fifth Third's interests also are adequately protected through: (a) a replacement lien on the Debtor's post-petition assets (including any newly acquired horses), and (b) a superpriority administrative expense claim in accordance with Section 507(b) of the Bankruptcy Code to the extent the adequate protection provided herein later proves inadequate.

21. The Debtor's primary assets consist of its inventory of horses. As of December 2009, the fair market value of the Debtor's inventory of horses, as appraised at the behest of Fifth Third, totaled in excess of \$37 million.⁴

22. The Debtor's use of Fifth Third's cash collateral will not result in a diminution of its collateral value during the course of this proceeding. Accordingly, Fifth Third is not entitled

³ On February 2, 2010, the Keeneland Loan was reduced to \$2,381,500.00 by virtue of a \$750,000.00 payment from Sherif El Zayat, the brother of the Debtor's principal. In consideration for that payment, Keeneland has, among other things, consented to the use of cash collateral.

⁴ Nothing herein shall be deemed an acknowledgment or admission as to the appraisal prepared by Fifth Third.

to any further adequate protection. The Debtor also will maintain insurance on its horse inventory consistent with its prior practice.⁵

23. The Debtor was formed in 2005. Owning, racing and breeding thoroughbred horses is extremely capital intensive and often takes several years for a company to experience returns on its investment as the pedigree and racing record of the inventory of horses matures. Based on the substantial capital investments made at the inception of this venture and “stock” of horses, the Debtor submits that the value of the Secured Parties’ collateral will not be diminished and, in fact, will be enhanced during the course of this proceeding.

24. In 2010, the Debtor will introduce thirty-eight (38) new two-year old horses to the racing circuit, which will produce a new revenue stream from purse winnings. In addition, the value of a thoroughbred is derived from its breeding value, which is influenced by several factors including (a) pedigree, (b) racing record, (c) appearance and (d) market conditions. The breeding value of a horse increases dramatically each time a horse wins or places in a listed or graded stakes race. The racing phase of a thoroughbred’s lifecycle is akin to growth stocks in that the appreciation in value with each win significantly outpaces the dividends or purse winnings. Once a successful thoroughbred enters the breeding phase of its lifecycle, it produces a significant amount of cash flow from stud fees.

25. In addition, the Debtor has approximately forty (40) broodmares that it intends to breed with Pioneerof the Nile and Zensational, two former successful racehorses owned by the

⁵ The Fifth Third loan documents arguably require the Debtor to hold mortality insurance on the equine assets in a cumulative amount not less than 100% of the then outstanding debt to Fifth Third. The Debtor maintains mortality insurance on its horses in the aggregate amount of approximately \$7,750,000. The Debtor also maintains infertility insurance in the amount of \$8,750,000.

Debtor. Given that Pioneerof the Nile and Zensational command high stud fees of \$20,000.00 and \$25,000.00, respectively, the value of the broodmares will correspondingly increase and achieve a greater sales price at the November 2010 broodmare auction.

26. Additionally, Pioneerof the Nile and Zensational, as well as ten (10) other retired stallions, will begin to stud for the first time during the 2010 breeding season between February 1, 2010 and May 15, 2010. Pioneerof the Nile and Zensational have stud fees of \$25,000.00 and \$20,000.00, respectively, and can stud four times per day. The Debtor will begin to realize the cash flow from Pioneerof the Nile's and Zensational's stud fees approximately 12 to 18 months after the breeding season concludes when the foal is born.

27. In addition to using cash collateral to support the racing and breeding activities described above, the Debtor will utilize a modest amount of Fifth Third's cash collateral to prepare approximately 40 horses for the two major thoroughbred auctions in September and November 2010. Those preparations include, among other things, x-rays of all horses, transporting horses from all over the country to the sale location (which requires logistical planning and payments to shippers and cessation of training programs for such horses) and special exercise and training programs designed to enhance the horses' best and most attractive features for the auctions. By investing in that preparation, the Debtor can strategically determine which of its horses are able to generate significant sales, from which the Debtor can recoup the expenses of training, maintaining and racing the horses throughout the year.

28. Accordingly, use of Fifth Third's cash collateral will allow for (a) the increase in breeding value of the horses, as the horses win or place in listed or graded stakes races, (b) the increase in value of the broodmares following the breeding with Pioneerof the Nile and Zensational; (c) the generation of stud fees to be realized from high end stallions such as

Pioneer of the Nile and Zensational; and (d) the strategic participation in the two major thoroughbred auctions in September and November, as opposed to a piecemeal fire sale of the horse inventory.

29. As stated above, although the Debtor does not believe its use of Fifth Third's cash collateral will result in a decrease in the value of Fifth Third's collateral, the Debtor nevertheless proposes to grant Fifth Third a replacement lien in post-petition assets (including any newly acquired horses) as adequate protection against diminution of its collateral during the bankruptcy proceeding under Section 361(2) of the Bankruptcy Code.

30. The Debtor proposes to grant Fifth Third a replacement lien on its post-petition assets in the same priority as Fifth Third's pre-petition liens, subject, of course, to a determination as to the validity and extent of the liens. Courts have permitted debtors to use cash collateral based on their agreement to provide the secured creditor with a replacement lien on post-petition assets. See, e.g., In re Prichard Plaza Associates Limited Partnership, 84 B.R. 289, 302 (Bankr. D. Mass. 1988) ("If the proceeds stream is likely to remain stable through the collection of new accounts receivable or the sale of new inventory, adequate protection is often ensured by a replacement lien on post-petition accounts and inventory and their proceeds and by some provision for monitoring the use of proceeds."); In re Airport Inn Associates, Ltd., 132 B.R. 951, 960 (Bankr. D. Col. 1990) ("The court could order a lien in post-petition accounts receivable as adequate protection if that relief was requested...."); and In re International Design & Display Group, Inc., 154 B.R. 362, 364 (Bankr. S.D. Fla. 1993) (court authorized debtor to use cash collateral and, as adequate protection, granted secured creditor replacement lien on all post-petition accounts receivable, inventory and contracts to the extent the creditor's collateral was depleted).

31. In addition, the Debtor proposes to allow Fifth Third a superpriority administrative expense claim pursuant to Section 507(b) of the Bankruptcy Code to the extent its use of Fifth Third's cash collateral results in a diminution in value of the collateral.

32. The Debtor respectfully submits that granting Fifth Third replacement liens on new inventory of horses, receivables and other personal property generated or acquired by the Debtor post-petition, coupled with an allowed superpriority administrative expense claim to protect against diminution, if any, more than adequately protects Fifth Third's interests for the Debtor's use of their cash collateral.

33. Therefore, the Debtor should be authorized to use the Secured Parties' cash collateral in accordance with the Budget initially on an interim basis and, thereafter, on a final basis.

IV. CONCLUSION

34. Unless the Debtor is authorized to use the Secured Parties' cash collateral, the Debtor will not have sufficient revenue within which to operate its business, including, but not limited to, meeting its payroll and other operating expenses. In sum, if the Debtor is not authorized to utilize the Secured Parties' cash collateral in accordance with the Budget, it is extremely unlikely that the Debtor will be able to emerge from Chapter 11 successfully.

35. Based on the foregoing, the Debtor respectfully submits that entry of an Order authorizing the use of cash collateral is necessary and appropriate.

WHEREFORE, the Debtor respectfully requests that the Court grant the Motion and such other and further relief as the Court deems just and proper under the circumstances.

Respectfully submitted,

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
Proposed Attorneys for Zayat Stables, LLC,
Debtor-in-Possession

By: /s/ Michael D. Sirota

Michael D. Sirota
Warren A. Usatine

DATED: February 3, 2010

VERIFICATION

AHMED ZAYAT, of full age, certifies as follows:

1. I am the sole member and officer of the Debtor and have served as same since the Debtor's inception in August 2005. As such, I have full knowledge of the facts set forth herein, and am duly authorized to make this application on the Debtor's behalf.

2. I have read the Verified Application and certify that the statements contained therein are true based upon my personal knowledge, information and belief.

3. I am aware that if any of the factual statements contained in the Verified Application are willfully false, I am subject to punishment.

/s/ Ahmed Zayat
AHMED ZAYAT

DATED: February 3, 2010

EXHIBIT A

Zayat Stables, LLC
13 Week Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
	Week Ending 2/6/2010	2/13/2010	2/20/2010	2/27/2010	3/6/2010	3/13/2010	3/20/2010	3/27/2010	4/3/2010	4/10/2010	4/17/2010	4/24/2010	5/1/2010	
Cash Receipts:														
Racing Income, net	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 58,172	\$ 792,123
Claims	-	-	-	50,000	-	-	-	-	-	-	-	-	-	50,000
Private Sales - racing prospects	-	-	-	-	-	-	-	-	-	-	-	-	-	150,000
Sale of Broodmares/Foals/2 year olds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stallion Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yearling sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stud Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	58,172	58,172	58,172	108,172	58,172	58,172	58,172	58,172	108,172	67,145	67,145	67,145	117,145	942,123
Cash Disbursements:														
Board, training, vet & transportation	153,846	153,846	153,846	153,846	153,846	153,846	153,846	153,846	153,846	153,846	153,846	153,846	153,846	2,000,000
Cost of Racing	-	-	-	43,385	-	-	-	-	43,385	-	-	-	-	54,231
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	141,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General and Administrative	5,000	5,000	5,000	38,875	5,000	5,000	5,000	5,000	38,875	5,000	5,000	5,000	5,000	166,625
Payroll, Subcontractors and Benefits	-	-	-	91,673	-	-	-	-	91,673	-	-	-	-	84,723
Travel	-	-	-	47,729	-	-	-	-	47,729	-	-	-	-	268,070
Purchases/ stud fees	-	-	-	-	-	-	-	-	-	-	-	-	-	28,096
Total Operating Disbursements	158,846	158,846	158,846	375,508	158,846	158,846	158,846	158,846	283,835	158,846	158,846	158,846	359,771	2,699,249
Cash Flow from Operations	(100,675)	(100,675)	(100,675)	(267,337)	(100,675)	(100,675)	(100,675)	(100,675)	(175,663)	(91,701)	(91,701)	(91,701)	(242,627)	(1,757,126)
Loan Repayment - Keeneland	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment - Fifth Third	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	300,000	-	-	-	-	250,000
Total Non-Operating Disbursements	-	-	-	-	-	-	-	-	300,000	-	-	-	-	550,000
Net Cash Flow	(100,675)	(100,675)	(100,675)	(267,337)	(100,675)	(100,675)	(100,675)	(100,675)	(475,663)	(91,701)	(91,701)	(91,701)	(492,627)	(2,307,126)
Cash Beginning (a)	1,445,161	1,344,486	1,243,812	1,143,137	875,800	775,126	674,451	600,000	600,000	600,000	600,000	600,000	600,000	1,445,161
DIP Loan	-	-	-	-	-	-	26,224	192,348	475,663	91,701	91,701	91,701	492,627	1,461,965
Cash Ending	\$ 1,344,486	\$ 1,243,812	\$ 1,143,137	\$ 875,800	\$ 775,126	\$ 674,451	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000

(a) The cash collateral includes an approximately \$600,000 account balance held at Fifth Third Bank (the "Control Account"). The Debtor anticipates seeking authority at the final cash collateral hearing to use the cash in the Control Account. Out of an abundance of caution and pending Court adjudication, this budget contemplates the balance in the Control Account at \$600,000. The Debtor reserves all rights as to the Control Account.

EXHIBIT B

EXHIBIT 1
To
SCHEDULE A

1. 2008 Dark Bay or Brown Colt by FIRST SAMURAI out of AVA KNOWSTHECODE
2. 2008 Chestnut Colt by HENNESSY out of BOSTON LADY
3. 2008 Gray or Roan Colt by TAPIT out of PEARLY BEACH
4. 2008 Bay Colt by BERNSTEIN out of SPIES IN MY MIDST
5. 2008 Bay Colt by MINESHAFT out of THE ADMINISTRATOR
6. 2008 Dark Bay or Brown Filly by INDIAN CHARLIE out of FAST AN SEXY
7. 2008 Bay Colt by BROKEN VOW out of GO AGAIN VALID
8. 2008 Bay Colt by HARLAN'S HOLIDAY out of HAMBIA
9. 2008 Bay Filly by TAPIT out of POSITIONING
10. 2008 Chestnut Colt by SPEIGHTSTOWN out of RENTRO VALLEY STAR
11. 2008 Dark Bay or Brown Colt by JUMP START out of SPARKLIN LIL
12. 2008 Dark Bay or Brown Filly by MR. GREELEY out of MARWOOD
13. 2008 Dark Bay or Brown Colt by LION HEART out of PUYPE'S DREAM
14. 2008 Gray or Roan Colt by MONARCHOS out of FOR ALL WE KNOW
15. 2008 Bay Colt by STORMY ATLANTIC out of MIA DONNA
16. 2008 Dark Bay or Brown Colt by SILVER DEPUTY out of POLISH FLOWER
17. 2008 Bay Colt by ELUSIVE QUALITY out of SHEER LUCK
18. 2008 Chestnut Colt by LEMON DROP KID out of ELIZA'S TIME (IRE)
19. 2008 Gray or Roan Colt by INCLUDE out of MAPENGA
20. 2008 Bay Colt by VICTORY GALLOP out of NIGHT EDITION
21. 2008 Gray or Roan Colt by ROCKPORT HARBOR out of DONTGETINMYWAY
22. 2008 Bay Colt by DISTORTED HUMOR out of DYNA'S DESTINY
23. 2008 Bay Filly by FOREST DANGER out of KEEPYOURWITSABOUTU
24. 2008 Dark Bay or Brown Colt by DEVIL HIS DUE out of HARBOR GIRL

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.

A Professional Corporation

Court Plaza North

25 Main Street

P.O. Box 800

Hackensack, NJ 07602-0800

Michael D. Sirota, Esq.

Warren A. Usatine, Esq.

(201) 489-3000

(201) 489-1536 Facsimile

Proposed Attorneys for Zayat Stables, LLC,

Debtor-in-Possession

In re:

ZAYAT STABLES, LLC,

Debtor-in-Possession.

Case No. 10-

Chapter 11

**INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM AND FINAL USE
OF CASH COLLATERAL PURSUANT TO 11 U.S.C. §§ 361 AND 363 AND GRANTING
ADEQUATE PROTECTION AND (B) SCHEDULING FINAL HEARING PURSUANT
TO 11 U.S.C. § 363(c)(2) AND FED. R. BANKR. P. 4001**

The relief set forth on the following pages, numbered two (2) through ten (10), is hereby
ORDERED.

(Page 2)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

THIS MATTER having been opened to the Court by Zayat Stables, LLC, the within debtor and debtor-in-possession (the "Debtor"), by and through its proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., for authority to use the cash collateral of the Secured Parties (as defined in the Verified Application submitted in support of the Debtor's motion)¹ on an interim, and thereafter, final basis pursuant to Federal Rule of Bankruptcy Procedure 4001(b) and 11 U.S.C. §363(c)(2) (the "Motion"); and it appearing that notice of the Motion, together with notice of the preliminary hearing thereon, has been given and served by the Debtor on: (1) the Office of the United States Trustee, (2) the Secured Parties and other secured creditors, and (3) the twenty (20) largest unsecured creditors of the Debtor, as reflected in the lists submitted pursuant to Fed. R. Bankr. P. 1007(d); and the Court having considered the Debtor's Verified Application in Support of Interim Use of Cash Collateral (the "Application"); and Keeneland consents to the Debtor's use of cash collateral; and after due deliberation and with good and sufficient cause appearing for the entry of the within order, it is hereby found:

A. **Notice and Hearing.** Notice of the Motion and the preliminary hearing on the Debtor's use of cash collateral has been served in accordance with Section 102(1) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 4001(b), which notice is

¹ Capitalized terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Verified Application.

(Page 3)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

appropriate in the particular circumstances and sufficient for all purposes under the Bankruptcy Code and the applicable Federal and Local Rules of Bankruptcy Procedure with respect to the relief requested.

B. **Chapter 11 Filed.** The Debtor filed its petition under Chapter 11 of the Bankruptcy Code on February 2, 2010 (the "Filing Date"), and is presently operating as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

C. **Pre-Petition Secured Debt.** Fifth Third asserts a secured claim in the approximate amount of \$34,456,475.00 as of the Filing Date, secured by liens on substantially all the assets of the Debtor. Keeneland asserts a secured claim in the approximate amount of \$2,381,500.00 as of the Filing Date, secured by liens on the Keeneland Horses as well as the "proceeds" and "products" from said horses, as such term is defined in the Uniform Commercial Code of the State of Kentucky, and as further defined in the Keeneland Security Agreement.

D. **Pre-Petition Collateral.** It appears that Fifth Third may have, subject to making a *prima facie* showing, properly perfected liens on certain of the assets of the Debtor at the commencement of this case, including the Debtor's inventory of horses and proceeds thereof, accounts receivable, and other collateral which is or may result in cash collateral. It appears that Keeneland may have, subject to making a *prima facie* showing, properly perfected liens on the

(Page 4)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

Keeneland Horses and “proceeds” therefrom as of the commencement of this case, which is or may result in cash collateral.

E. **Cash Collateral.** “Cash Collateral” as defined by 11 U.S.C. §363(a) includes post-petition proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties subject to a security interest as provided in Section 552(b) and as the term “proceeds” is described in subject to a security interest as provided in 11 U.S.C. §522(b) and as the term “proceeds” is described in UCC Section 9-306.

F. **Necessity and Best Interest.** The Debtor does not have sufficient unencumbered cash or other assets within which to continue to operate its business in Chapter 11. The Debtor requires immediate authority to use cash collateral as defined herein to continue its business operations without interruption toward the objective of formulating and confirming a plan of reorganization. Its use of cash collateral to the extent and on the terms and conditions set forth herein is necessary to avoid immediate and irreparable harm to the estate pending a final hearing. The amount of Secured Parties' cash collateral authorized to be used pending a final hearing or entry of a final Order is not to exceed the amounts reflected in the Debtor's 13-week summary cash flow budget, attached to the Application as Exhibit A, for the time period from the Filing Date through and including May 1, 2010 (the “Budget”).

(Page 5)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

G. **Purposes.** The Debtor must be authorized to use the cash collateral of the Secured Parties to meet its ordinary cash needs (and for such other purposes as may be approved in writing by the Secured Parties) for the payment of actual expenses of the Debtor necessary to: (a) maintain and preserve its assets, and (b) continue operation of its business, including, but not limited to, payroll and payroll taxes, payments to trainers and boarders of the Debtor's horses and insurance expenses as reflected in the Budget through the date of the final hearing.

AND the Court having determined there is a reasonable likelihood that the Debtor will prevail upon the merits at the final hearing of the motion as required by 11 U.S.C. §363(c)(3); and for good cause shown,

IT IS ORDERED as follows:

1. **Use of-Cash Collateral.** The Debtor is authorized to use the cash collateral of the Secured Parties in accordance with the Budget up to the aggregate amount of _____ through and including _____, 2010, for the following purposes:

- (a) maintenance and preservation of its assets; and
- (b) the continued operation of its business, including but not limited to payroll and payroll taxes, payments to trainers and boarders of the Debtor's horses and insurance expenses.

2. **Adequate Protection.**

(Page 6)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

Keeneland.

(a) Keeneland has consented to the Debtor's use of cash collateral in accordance with 11 U.S.C. § 363(c)(2)(A) and in consideration for the following adequate protection, which is hereby GRANTED:

- (i) a replacement perfected security interest under 11 U.S.C. § 361(2): (a) only to the extent the cash collateral of Keeneland is used by the Debtor and such use results in a diminution of its interest in the cash collateral; (b) only to the extent such pre-petition liens are valid; and (c) with the same priority in the post-petition collateral and proceeds thereof of the Debtor that Keeneland held in the pre-petition collateral;
- (ii) the replacement lien and security interest granted to Keeneland is automatically deemed perfected upon entry of this Order without the necessity of Keeneland taking possession of its collateral or filing financing statements, mortgages or other documents; and
- (iii) to the extent that the adequate protection provided for herein fails to protect Keeneland against any post-petition diminution in value of the collateral, Keeneland hereby is granted a super-priority administrative expense claim as provided for in Section 507(b) of the Bankruptcy Code.

(Page 7)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

Fifth Third.

(a) In accordance with 11 U.S.C. §§ 361 and 363(c)(2)(B), and as adequate protection for the use of Fifth Third's cash collateral, Fifth Third is hereby GRANTED:

- (i) a replacement perfected security interest under 11 U.S.C. § 361(2): (a) only to the extent the cash collateral of Fifth Third is used by the Debtor and such use results in a diminution of its interest in the cash collateral; (b) only to the extent such pre-petition liens are valid; and (c) with the same priority in the post-petition collateral and proceeds thereof of the Debtor that Fifth Third held in the pre-petition collateral;
- (ii) the replacement lien and security interest granted to Fifth Third is automatically deemed perfected upon entry of this Order without the necessity of Fifth Third taking possession of its collateral or filing financing statements, mortgages or other documents; and
- (iii) to the extent that the adequate protection provided for herein fails to protect Fifth Third against any post-petition diminution in value of the collateral, Fifth Third hereby is granted a super-priority administrative expense claim as provided for in Section 507(b) of the Bankruptcy Code.

(Page 8)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

3. **Reservation of Rights.** Nothing herein shall constitute a finding that the Secured Parties have a valid lien on the cash collateral or any of the other assets of the Debtor. The Debtor reserves all its rights concerning the validity, extent, and priority of any of the alleged liens of the Secured Parties. In the event the Secured Parties' alleged lien or liens on cash collateral are determined to be invalid, then the adequate protection provided hereunder to the Secured Parties shall be null and void.

4. **Reporting.** The Debtor shall provide by the 20th day of each month, periodic accountings to the Secured Parties setting forth the cash receipts and disbursements made by the Debtor during the preceding month under this Order. In addition, the Debtor shall provide the Secured Parties with copies of its monthly United States Trustee operating reports. Upon appointment of an official committee of unsecured creditors ("Committee"), if any, the Debtor shall submit a copy of the monthly operating reports to counsel to the Committee (if counsel has been appointed), and until counsel is retained, to the Chairman of said Committee.

5. **Creditor's Rights of Inspection and Audit.** Upon reasonable notice by the Secured Parties, the Debtor shall permit the Secured Parties and any of its agents reasonable access to the Debtor's records, place of business and to collateral during normal business hours to verify the existence, condition and location of collateral in which the Secured Parties hold a security interest and to audit the Debtor's cash receipts and disbursements.

(Page 9)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

6. **Interlocutory Order and No Modification of Creditor's Adequate Protection.**

This is an interlocutory order. Nothing contained herein shall be deemed or construed to: (a) limit the Secured Parties to the relief granted herein; (b) bar the Secured Parties from seeking other and further relief (including without limitation relief from the terms of this Order) for cause shown on appropriate notice from the Debtor and other parties-in-interest entitled to notice of same; or (c) require the Secured Parties to make any loans or advances to the Debtor. The Order may be modified for cause shown by the Debtor, the Secured Parties or any other party-in-interest on due notice. No such modification, however, shall deprive the Secured Parties of its interest in the property (pre-petition and post-petition) of the Debtor to the extent valid.

7. **Default Hearing.** In the event the Debtor defaults under or violates this Order, the Secured Parties may request a hearing within ten (10) days (or if immediate and irreparable injury, loss or damage may occur, an emergency hearing within forty-eight (48) hours). For purposes of this Order, however, the Debtor shall not be deemed to be in default for any deviation from the Budget provided such deviation is not more than ten (10%) percent of the budgeted disbursements, either on a cumulative basis or with regard to any specific budgeted line item.

(Page 10)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

FINAL HEARING

IT IS FURTHER ORDERED, AND NOTICE IS HEREBY GIVEN that any creditor or other interested party having any objection to the Debtor's use of the Secured Parties' cash collateral shall file with the Clerk of this Court and serve upon counsel for the Debtor, counsel to Fifth Third, counsel to Keeneland, and the Office of the United States Trustee on or before __:__ p.m. on the ____ day of _____, 2010, a written objection and shall appear to advocate said objection at a Final Hearing to be held at __:__ .m. on the ____ day of _____, 2010 in Courtroom ____ of the United States Bankruptcy Court, Martin Luther King, Jr. Federal Building, 50 Walnut Street, Newark, New Jersey. If no objections are filed and advocated at such hearing, then this Order shall continue in full force and effect and shall be deemed a Final Order without further notice or hearing in accordance with Fed. R. Bankr. P. 4001(d)(3).

NOTICE

IT IS FURTHER ORDERED that the Debtor serves a copy of this Order and Notice by first class mail, within ____ business days from the date hereof, on: (a) the Office of the United States Trustee; (b) the Secured Parties and all other known secured creditors and their respective counsel, if known; and (c) counsel to any Committee appointed under 11 U.S.C. § 1102 if one has been appointed and, if not, to each of the Debtor's twenty (20) largest unsecured

(Page 11)

Debtor: ZAYAT STABLES, LLC
Case No. 10-
Caption of Order: INTERIM ORDER (A) AUTHORIZING THE DEBTOR'S INTERIM
AND FINAL USE OF CASH COLLATERAL PURSUANT TO 11
U.S.C. § 361 AND 363 AND GRANTING ADEQUATE PROTECTION
AND (B) SCHEDULING FINAL HEARING PURSUANT TO 11 U.S.C.
§ 363(c)(2) AND FED. R. BANKR. P. 4001

creditors set forth on the lists filed pursuant to Fed. R. Bankr. P. 1007(d). The Debtor shall
thereafter file with the Clerk a Certificate of Service of said mailing.