

ENTERED

June 22, 2026

Nathan Ochsner, Clerk

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

In re:

ARC Primary Care LLC d/b/a Happy Valley
Home Care,¹

Debtor.

Case No. 26-70143 (EVR)

Chapter 11

**SECOND INTERIM ORDER GRANTING THE DEBTOR'S
USE OF CASH COLLATERAL AND SCHEDULING A FINAL HEARING**
(Related to Docket No. 52)

After considering ARC Primary Care LLC d/b/a Happy Valley Home Care's (the "**Debtor**") *Emergency Motion for Orders (I) Extending Cash Collateral Usage on a Second Interim Basis (II) Granting Adequate Protection, (III) Modifying the Automatic Stay as Needed, and (IV) Scheduling a Final Hearing* (the "**Motion**")²; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having considered the Motion, any objections thereto, and the record of this case; and the Court having determined that the relief requested is in the best interests of the Debtor and its estate; and after due deliberation and sufficient cause appearing, it is hereby **ORDERED**, that:

1. The Motion is **GRANTED** on an second interim basis as set forth herein. The Debtor is hereby **GRANTED** use of Cash Collateral, **through and including July 22, 2026**, as premised on the Interim Budget previously approved by the Court (and attached herein as **Exhibit A**). The Debtor shall conform to the Interim Budget as attached herein.

¹ The last four digits of the Debtor's federal tax identification numbers are 9215.

² Capitalized terms used but not otherwise defined herein are intended to have the same meaning as defined in the Motion.

2. Pursuant to sections 361, 363(c), and 363(e) of the Bankruptcy Code, the Debtor is authorized to use Cash Collateral on a second interim basis in accordance with the Interim Budget. The Debtor may exceed any individual line item in the Interim Budget by up to ten percent (10%) on a cumulative basis, provided that any such variance is reasonable, incurred in the ordinary course of business, and does not cause total expenditures for the applicable period to exceed the Interim Budget by more than ten percent (10%). Except as expressly provided in this paragraph, no expenditures beyond the ten percent (10%) variance are authorized.

3. To the extent any creditor holds an allowed secured claim secured by a perfected security interest in Cash Collateral as of the Petition Date, such creditor shall be granted replacement liens on post-petition accounts receivable, contract rights, and deposit accounts, to the same extent, validity, and priority as such creditor's pre-petition liens.

4. Nothing in this Order shall prejudice or impair: (a) any creditor's right to seek additional or modified adequate protection; (b) any creditor's right to object to an alleged improper use of Cash Collateral; or (c) any other rights or remedies available to creditors under applicable law.

5. Nothing in this Order shall constitute: (a) a finding that any creditor is adequately protected or inadequately protected; (b) consent to, or acceptance of, any plan of reorganization; (c) a waiver or limitation of any rights, remedies, claims, defenses, or objections of any creditor; or (d) a modification or waiver of any rights available to creditors under applicable non-bankruptcy law. All such rights are expressly reserved.

6. As adequate protection for the interests of secured creditors, the Debtor shall provide: (a) the replacement liens granted herein; (b) compliance with the approved Interim

Budget; and (c) the continued operation, maintenance, and preservation of property of the estate in the ordinary course of business.

7. The Debtor shall deposit all post-petition income and revenues generated from business operations into segregated debtor-in-possession accounts, subject to the terms of this Order.

8. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the limited extent necessary to implement the relief granted in this Order, including the granting and perfection of replacement liens. No other relief from the automatic stay is authorized.

9. All pre-petition liens and replacement liens granted herein are subject and subordinate to a carve-out for the payment of: (a) fees payable to the Clerk of the Bankruptcy Court; (b) fees payable to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930(a); (c) reasonable fees and expenses of a trustee, if any, under section 726(b) of the Bankruptcy Code, not to exceed \$15,000.00; and (d) fees and expenses of the Subchapter V Trustee approved by the Court. The Carve-Out shall not be construed as a claim against any secured creditor or as a lien or encumbrance on the Debtor's real property or tangible personal property.

10. Except as otherwise provided herein, the protections granted to secured creditors under this Interim Order, and any actions taken pursuant thereto, shall survive the dismissal or conversion of this case, subject to entry of a subsequent interim or final Cash Collateral order.

11. The Debtor's banks are authorized, without further order of the Court, to debit the Debtor's accounts in the ordinary course of business for: (a) checks issued pre-petition that are honored post-petition; (b) returned or dishonored items deposited pre-petition and related fees; and (c) undisputed pre-petition service charges related to the Debtor's cash management system.

12. The Debtor's banks may rely on the Debtor's representations regarding the treatment of checks or payment orders and shall incur no liability for doing so. Existing deposit agreements between the Debtor and its banks shall remain in full force and effect post-petition. The Debtor and the banks may modify cash management procedures in the ordinary course of business, including opening or closing accounts, without further court order.

13. All of the Debtor's bank accounts, including those held at Wells Fargo Bank, shall be immediately released and unfrozen to permit use of Cash Collateral in accordance with this Order.

14. The authority granted herein shall automatically terminate upon: (a) dismissal or conversion of the case; (b) appointment of a Chapter 11 trustee; (c) expiration of this Interim without extension; (d) the occurrence of the effective date of a confirmed Chapter 11 plan; or (e) a material breach of this Order, including failure to comply with the Interim Budget. Any party in interest asserting a default shall provide written notice to the Debtor and file a notice with the Court, and the Debtor shall be entitled to an expedited hearing on the issue.

15. Nothing in this Order constitutes an admission regarding the validity, priority, extent, or enforceability of any lien or claim, all of which are expressly reserved.

16. A final hearing on the Motion is scheduled for July 21, 2026, at 3:00 p.m. Central Time.

17. Objections must be filed by July 14, 2026, at 5:00 p.m. Central Time.

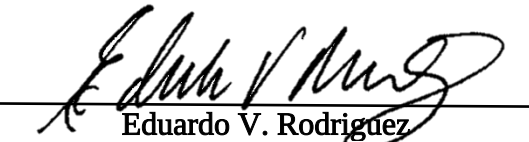
18. Parties may appear electronically or in person in accordance with the applicable General Orders and Local Rules. The Debtor shall serve this Order on all parties entitled to notice and file a certificate of service no later than June 23, 2026. The Debtor shall also file and

serve a notice of the final hearing, together with a certificate of service, no later than June 23, 2026.

19. The requirements of Bankruptcy Rule 6004(a) are deemed satisfied, and the fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived, and this Order shall be effective immediately upon entry

20. The Court retains jurisdiction to interpret and enforce this Order.

Signed: Monday, June 22, 2026


Eduardo V. Rodriguez
Chief United States Bankruptcy Judge

Submitted by:

THE LANE LAW FIRM, PLLC

By: /s/ Robert C. Lane

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*Proposed Counsel for the Debtor and
Debtor in Possession*

SECOND INTERIM BUDGET			
INCOME	DAYS 1-14	DAYS 15-30	30 DAY TOTALS
Opening Cash:	\$ 20,000.00	\$ 30,219.51	\$ 50,219.51
Projected Gross Revenue:	\$ 290,000.00	\$ 290,000.00	\$ 580,000.00
EMPLOYEE PAYROLL	\$ 208,556.78	\$ 208,556.78	\$ 417,113.56
HEALTH INSURANCE	\$ -	\$ 5,600.00	\$ 5,600.00
OFFICE RENT/LEASE	\$ -	\$ 3,650.00	\$ 3,650.00
UTILITIES	\$ 550.00	\$ 750.00	\$ 1,300.00
REPAIR AND MAINTENANCE	\$ 1,500.00	\$ -	\$ 1,500.00
VEHICLE PAYMENTS	\$ 3,089.00	\$ 5,403.00	\$ 8,492.00
POSTAGE & SHIPPING	\$ 225.00	\$ 225.00	\$ 450.00
TRAVEL AND MEALS	\$ 600.00	\$ 600.00	\$ 1,200.00
COPIER	\$ 208.00	\$ 358.00	\$ 566.00
INSURANCE	\$ 3,315.00	\$ 3,315.00	\$ 6,630.00
FUEL AND AUTO EXPENSES	\$ 2,000.00	\$ 2,000.00	\$ 4,000.00
DUES & SUBSCRIPTIONS	\$ -	\$ 399.00	\$ 399.00
BILLING SOFTWARE SUBSCRIPTION	\$ -	\$ 1,500.00	\$ 1,500.00
OFFICE SUPPLIES & R&M	\$ 250.00	\$ 250.00	\$ 500.00
COMPUTER SOFTWARE & IT	\$ 250.00	\$ 250.00	\$ 500.00
TELEPHONE AND INTERNET EXPENSE	\$ 1,100.00	\$ 500.00	\$ 1,600.00
ACCOUNTANT AND ACCOUNTING SOFTWARE	\$ 1,950.00	\$ -	\$ 1,950.00
ADVERTISING	\$ -	\$ 129.00	\$ 129.00
BANK SERVICE CHARGES	\$ 100.00	\$ 100.00	\$ 200.00
MEALS & ENTERTAINMENT	\$ 800.00	\$ 800.00	\$ 1,600.00
PAYROLL TAXES	\$ 50,286.71	\$ 50,286.71	\$ 100,573.42
ATTORNEYS' FEES (SUBJECT TO COURT APPROVAL)	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
TOTAL PROJECTED CASH DISBURSEMENTS	\$ 279,780.49	\$ 289,672.49	\$ 569,452.98
CASH ON HAND AFTER DISBURSEMENTS	\$ 30,219.51	\$ 30,547.02	

EXHIBIT A