UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

IN RE:	
ASHWOOD FOOD SERVICE, INCORPORATED	**CHAPTER 11**
	CASE NO. 26-11320
DEBTOR	

ORDER AUTHORIZING INTERIM USE OF CASH COLLATERAL AND FOR ADEQUATE PROTECTION THEREFOR

Upon consideration of the Emergency Motion for Use of Cash Collateral [ECF No. 8] (the "Motion") of Ashwood Food Service, Incorporated (the "Debtor"), wherein the Debtor requests an order of this Court authorizing, on an interim and final basis, the Debtor to use funds that may constitute the cash collateral of Newtek Business Finance, LLC, the United States Small Business Administration, Credibly of Arizona, LLC, and certain creditors identified in the Motion as having entered into "merchant cash advance" ("MCA") agreements with the Debtor (Kalamata Capital Group, LLC, Legend Advance Funding, LLC, FundFi Merchant Funding, LLC, collectively, the "MCA Creditors," and together with all of the potential secured creditors identified in the Motion and any other entities that assert a lien on cash collateral, the "Secured Creditors"), and for approval of certain adequate protection for such use on the terms proposed in the Motion; the Debtor having represented in the Motion that its ongoing operations would be severely disrupted unless the relief sought by the Motion were granted forthwith, and this Court, accordingly, having held an emergency hearing on June 5, 2026; the Debtor having attested that copies of the Motion and notice of hearing were served on June 3, 2026 and June 4, 2026, respectively, as reflected in the certificates of service filed with the Court on: (a) the Office of the United States Trustee; (b) the Subchapter V Trustee; (c) the Debtor's 20 largest unsecured creditors as reflected in the list filed by the Debtor pursuant to Fed. R. Bankr. P. 1007(d); (d) the Internal Revenue Service; (e) the Massachusetts Department of Revenue; and (f) the Debtor's Secured Creditors (collectively the "Notice Parties"); this Court having found such service and notice of the Motion and the hearing thereon to be sufficient notice, pursuant to Sections 361 and 363 of the Bankruptcy Code, Fed. R. Bankr. P. 4001 and MLBR 400 l- 2(b), under the particular circumstances; it appearing to this Court that the Debtors are able to provide the Secured Creditors with adequate protection of the type described in Section 361(2) of the Bankruptcy Code and is therefore entitled, under Section 363(c) of the Bankruptcy Code, to utilize in the ordinary course of its business the collateral in which the Secured Creditors claim a security interest; and it appearing to this Court that the relief sought in the Motion is in the best interests of the Debtor and its creditors; it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is granted on the terms set forth herein.

2. On an interim basis, the Debtor is authorized to collect and use cash in which the Secured Creditors claim a security interest, including any proceeds of prepetition accounts receivables and cash on hand, for the purposes and on the terms proposed in the Motion and up to the amounts set forth in the budget attached as Exhibit A to the Motion (the "Budget"), within an overall margin of ten (10%) percent (on an aggregate and not a line item basis), except that the Debtor may deviate by more than 10% for costs of goods if purchase in the ordinary course of business consistent with past practices, in the operation of its business as debtor-in-possession; provided, however, that pursuant to Fed. R. Bankr. P. 400l(b)(2) and pending allowance of a final order allowing the relief requested in the Motion, the Debtor shall use and expend <u>only</u> that

amount of asserted cash collateral as is necessary to avoid immediate and irreparable harm to the Debtor's estate pending a final hearing of this Court on the Motion.

3. As adequate protection to the Secured Creditors for the Debtor's use of assets in which the Secured Creditors claim a security interest, ach of the Secured Creditors shall have continuing replacement liens and security interests on post-petition property of the estate to the extent that each had valid, perfected and unavoidable prepetition liens and having the same attachment and priority that each would have had in the absence of the bankruptcy filing to secure any diminution in the value of such entity's interest in collateral as of the petition date because of the Debtor's use, without the necessity of additional UCC filings or documentation other than this Order.

4. Subject to paragraph 5, in the event that the Court later determines that any of the Debtor's prepetition accounts receivable were purchased by a creditor and were not property of the estate or cash collateral, the amount of proceeds of any "sold" receivables used by the Debtor during the interim period shall be deemed a secured loan and any such creditor shall have a post-petition security interest in the Debtor's post-petition accounts receivable to secure those amounts pro-rated as may be determined by further order of the Court.

5. The Debtor asserts that all prepetition and postpetition accounts receivable generated by the Debtor are property of the estate, which, if subject to valid liens, would constitute cash collateral available for use by the Debtor on approval by the Court. If any MCA Creditor or any other party in interest asserts that any prepetition or postpetition accounts receivable generated by the Debtor is not property of the estate and are not cash collateral, they must file an objection to the Motion and an adversary proceeding under Fed. R. Bankr. P. 7001(b) on or before the Objection Deadline, as defined below. **If the MCA Creditors fail to do**

so, their right to assert such a claim will be waived, and all prepetition and postpetition accounts receivable generated by the Debtor shall constitute property of the estate.

6. A hearing to consider further approval of the use of collateral and adequate protection therefor is hereby scheduled for **July 7, 2026 at 10:45 a.m.** (the "Further Hearing") before the Honorable Janet E. Bostwick. The Further Hearing will be conducted in Courtroom 3, John W. McCormack Post Office and Court House, 12th Floor, 5 Post Office Square, Boston, Massachusetts 02109. The Further Hearing is scheduled as a Hybrid Hearing. Parties and counsel may participate in person in the Courtroom or by video conference using Zoomgov.com technology. Parties who wish to appear by video must request the link from the Courtroom Deputy Lisa Belanger, at lisa_belanger@mab.uscourts.gov no **later than 10:00 a.m. the business day before the hearing**. **Requests submitted after the deadline may not be accommodated and the Party should plan to attend in person in the Courtroom**. Appearance by video is limited to counsel and parties in interest. Public access will be in person only. A Hybrid Hearing is an official court proceeding and remote attendees are required to act and dress in the same manner as in person hearings. Parties attending remotely must be in a quiet setting and must not be walking, driving, or performing other activities while participating in the hearing. Failure to comply may result in termination of access, sanctions, or other action by the Court.

7. Any objections must be filed by **July 1, 2026 at 4:30 p.m.** (the "Objection Deadline"). The Debtor shall provide notice of the Further Hearing and Objection Deadline, by serving a copy of this Order, by first class mail upon each of the Notice Parties by the next business day following this Court's entry of this Order.

8. On or before **June 22, 2026 at 4:30 p.m.**, the Debtor shall file, as a exhibits to a "notice of supplements" to the Motion, and serve: (a) a reconciliation of its actual receipts and disbursements as compared to the Budget; (b) an updated budget prepared in a 13 week-format; and (c) a revised form of order regarding the continued use of cash collateral, as a well as a redline comparison of the proposed form of order to this Interim Order.

9. If no objections are filed to the continued use of cash collateral and the Debtor timely files the Supplements, the Court may authorize the continued use of cash collateral with the necessity of the Further Hearing.

Dated: June 5, 2026

Christopher J. Panos
United States Bankruptcy Judge