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9 Proposed Attorneys for Chapter 11 Debtors
10 and Debtors in Possession

FILED & ENTERED

JUL 10 2026

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY Cetulio DEPUTY CLERK

11 **CHANGES MADE BY COURT**
12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **SAN FERNANDO VALLEY DIVISION**

15 In re:
16 AVANTGARDE SENIOR LIVING,
17 Debtor and Debtor in Possession.

18 In re:
19 ADELMAN TARZANA INVESTMENTS,
20 LLC
21 Debtor and Debtor in Possession.

22 -
23 ☒ Affects both Debtors
24 ☐ Affects AvantGarde Senior Living only
25 ☐ Affects Adelman Tarzana Investments,
26 LLC only

) Lead Case No.: 1:26-bk-11397-MB
)
) Jointly administered with:
) 1:26-bk-11398-MB
) (*Adelman Tarzana Investments, LLC*)
)

) Chapter 11 Cases
)

) **INTERIM ORDER: (I) AUTHORIZING**
) **THE DEBTORS TO USE CASH**
) **COLLATERAL; (II) GRANTING**
) **ADEQUATE PROTECTION;**
) **(III) SCHEDULING A FINAL HEARING;**
) **AND (IV) GRANTING RELATED**
) **RELIEF**

) Date: July 2, 2026
) Time: 2:00 p.m.
) Place: Courtroom 303
) 21041 Burbank Blvd.
) Woodland Hills, CA 91367
)

) *Continued Hearing*

) *Date: July 23, 2026*

) *Time: 1:30 p.m.*

) *Ctrlm: 303*
)

) *Parties in interest may only appear remotely*
) *using ZoomGov video and audio:*

) *URL: <https://cacb.zoomgov.com/j/1655657056>*

Meeting ID: 165 565 7056
Password: 182145
Telephone Numbers: 1 (669) 254 5252 or
1 (646) 828 7666 or
1 (669) 216 1590 or
1 (551) 285 1373
1 (833) 568 8864

*No pre-registration or prior approval is
required.*

An interim hearing (“Interim Hearing”)¹ was held on July 2, 2026, at 2 p.m., before the Honorable Martin R. Barash, located at 21040 Burbank Blvd., Woodland Hills, CA, for the Court to consider the motion (“Motion”) [*Doc. No. 6*] brought, pursuant to Local Bankruptcy Rule 2081-1, and 11 U.S.C. §§ 105(a), 361 and 363, by AvantGarde Senior Living (“AGL”) and Adelman Tarzana Investments, LLC (“ATI,” and with AGL, collectively, the Debtors”), the chapter 11 debtors and debtors in possession in the above-captioned, chapter 11 bankruptcy cases, on an emergency basis, for the entry of an interim order (“Interim Order”) and for the entry of a final order (“Final Order” and with the Interim Order, the “Financing Orders”) following a final hearing on the Motion, which provide for, among other things:

(a) authorization for the Debtors’ use of cash collateral, as such term is defined in 11 U.S.C. § 363(a), in accordance with the 13-week cash flow forecasts (“Budgets”), which set forth all projected cash receipts and cash disbursements following the Petition Date, subject to the “Permitted Variance” (as defined below), true and correct copies of which are attached as **Exhibit 2** (AGL Budget) and **Exhibit 3** (ATI Budget) to the Omnibus Declaration *of Jason Michael Adelman [Doc. No. 9]*, and all future budgets as agreed to with secured creditor PGIM Real Estate Agency Financing, LLC (“PGIM”) or approved by this Court, and in accordance with the terms and conditions set forth in the Financing Orders, as applicable;

¹ All capitalized terms used herein which are not otherwise defined shall have the meanings given in the Motion.

1 (b) the grant of adequate protection to the “Secured Creditors” (as defined below)
2 on account of the Debtors’ use of cash collateral as defined in 11 U.S.C. § 363(a), in the form
3 of (x) valid, enforceable, non-avoidable and fully perfected replacement liens on, and security
4 interests in, the assets of the Debtors other than avoidance action claims under Chapter 5 of the
5 Bankruptcy Code and any recoveries thereon (“Avoidance Actions”) with the same extent,
6 validity and priority as their respective pre-petition liens on pre-petition collateral and all post-
7 petition proceeds obtained by the Debtors from such pre-petition collateral, and (y) super-
8 priority administrative expense priority claims solely against the Debtors’ estates against which
9 the Secured Creditors may be determined to have allowed secured claims, with priority over
10 any and all administrative expenses and claims asserted against such estates pursuant to Section
11 507(b) of the Bankruptcy Code to the extent of any post-petition diminution in value in the
12 Secured Creditors’ respective interests in the Debtors’ pre-petition collateral (the “Adequate
13 Protection Liens”);

14 (c) instructing and ordering all banks holding or in possession of the Debtors’ funds
15 to immediately release such funds to the Debtors to enable the Debtors to transfer and deposit
16 such funds into their respective debtor in possession bank accounts²;

17 (d) pursuant to Rule 4001 of the Federal Rules of Bankruptcy Procedure
18 (“Bankruptcy Rules”), the scheduling of an interim hearing (the “Interim Hearing”) on the
19 Motion for this Court to consider entry of the Interim Order;

20 (e) the scheduling of a final hearing (the “Final Hearing”) on the Motion no later
21 than the twenty-first (21st) day following the entry of the Interim Order to consider entry of a
22 Final Order granting the relief requested in the Motion on a final basis; and

23 (f) waiver of any applicable stay (including under Bankruptcy Rule 6004) and
24 provision for immediate effectiveness of the Interim Order.

25 Due and appropriate notice of the Motion and the Interim Hearing under the
26 circumstances and the relief requested therein having been given and an Interim Hearing on the
27

28 ² The Court has separately approved on an interim basis the Debtors’ separate emergency motion seeking relief with respect to their pre-petition cash management system.

1 Motion having been held; and upon the entire record made at the Interim Hearing; and this
2 Court having found good and sufficient cause appearing therefor;

3 **IT IS HEREBY FOUND:**

4 A. The Debtors have requested immediate entry of this Interim Order pursuant to
5 Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent granting the interim relief set forth in this
6 Order, the Debtors' estates will be immediately and irreparably harmed. Good cause has been
7 shown for the entry of this Order.

8 B. On June 29, 2026 ("Petition Date"), the Debtors each filed a voluntary petition in
9 this Court for relief under chapter 11 of the Bankruptcy Code. Following the Petition Date, the
10 Debtors have continued to operate their businesses and manage their affairs as debtors in
11 possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

12 C. This Court has jurisdiction over the Debtors' cases and the Motion under 28
13 U.S.C. §§ 157(b) and 1334, this matter is a core proceeding under 28 U.S.C. § 157(b)(2), venue
14 is proper under 28 U.S.C. §§ 1408 and 1409, and the Court has authority to enter this Interim
15 Order consistent with Article III of the United States Constitution.

16 D. Immediate, urgent and ongoing needs exist for the Debtors to obtain use of cash
17 collateral in the manner and sequence set forth in the Motion to operate the Facility (as defined
18 below), businesses and reorganize under chapter 11 of the Bankruptcy Code.

19 E. PGIM contends that it extended certain pre-petition financing to the Debtors
20 evidenced, in part, by the following:

21 a. That certain Healthcare Facility Note (Multistate) (the "Note") in the
22 original principal amount of \$31,293,900.00, executed by Debtor ATI in
23 favor of PGIM;

24 b. That certain Healthcare Deed of Trust, Assignment of Leases, Rents, and
25 Revenue and Security Agreement, dated April 1, 2022 ("Deed of Trust")
26 executed by Debtor ATI in favor of PGIM encumbering, *inter alia*, the
27 senior living facility commonly known as AvanteGarde Senior Living of
28 Tarzana, located at 5645 Lindley Ave, Tarzana, CA 91356 (the

1 “Property”) operating as a residential care facility for the elderly
2 (“RCFE”) commonly known as AvanteGarde Senior Living of Tarzana
3 (the “Facility”);

4 c. That certain UCC Financing Statement (“UCC-1”) encumbering all assets
5 of the Borrower, including the “Healthcare Facility”, which “means that
6 portion of the Project operated on the Land as a nursing home,
7 intermediate care facility, board and care home, assisted living facility
8 and/or any other healthcare facility authorized to receive insured
9 mortgage financing pursuant to Section 232 of the National Housing Act,
10 as amended, including any commercial space included in the facility.”;

11 d. That certain Borrower Regulatory Agreement (“Borrower Regulatory
12 Agreement”) executed by Debtor ATI, which governs ATI’s operations,
13 financial reporting and compliance with HUD requirements; and

14 e. That certain Healthcare Regulatory Agreement – Operator (“Operator
15 Regulatory Agreement”) executed by Debtor AGL.

16 The Note, the Deed of Trust, the UCC-1, the Borrower Regulatory Agreement, the
17 Operator Regulatory Agreement, and related agreements, are collectively referred to as the
18 “Loan Documents”.

19 F. PGIM contends that the Debtors are obligated under the Loan Documents, which
20 obligations are secured by the Debtors’ assets, including but not limited to the Property and
21 Facility (collectively, the “Collateral”), including cash proceeds therefrom (the “Cash
22 Collateral”).

23 G. The contentions set forth in paragraphs E and F are contentions of PGIM. They
24 are not consented to by the Debtors at this time and do not constitute findings by the Court.
25 Those issues will be addressed at a final hearing on the Motion.

26 H. Sufficient and adequate notice of the Motion and entry of this Interim Order has
27 been given under Bankruptcy Code section 364 and Bankruptcy Rules 2002 and 4001, such that
28 no other or further notice of the Motion or entry of this Interim Order is needed.

1 I. Entry of this Interim Order is in the best interests of the Debtors' estates and their
2 various stakeholders because it will, *inter alia*, allow the Debtors to continue to operate and
3 reorganize under chapter 11 of the Bankruptcy Code chapter 11.

4 Based upon the foregoing findings and conclusions, and upon the record made before
5 this Court at the Hearing, and good and sufficient cause appearing therefor, **IT IS HEREBY**
6 **ORDERED, DETERMINED AND DECREED that:**

7 A. Motion Granted On Interim Basis.

8 1. The Motion is granted on the terms and conditions set forth in this Interim Order,
9 with all findings made by the Court as set forth herein and/or on the record at the Interim
10 Hearing incorporated herein by reference. Any objections to the Motion that have not previously
11 been withdrawn or resolved are hereby overruled. This Interim Order shall be valid and binding
12 on all parties-in-interest and fully effective *as of 3:00 p.m. prevailing Pacific Time on July 2,*
13 *2026, regardless of the date of entry of this Order* ~~immediately upon entry.~~

14 2. The interim period ends on the earliest date (the "Termination Date") when one
15 or more of the following conditions has occurred or has been met.

- 16 a. July 23, 2026 at 1:30 p.m.
- 17 b. The Court enters an order converting this Case to a case under Chapter 7
18 of the Bankruptcy Code, or either of the Debtors has filed a motion or has
19 not timely opposed a motion seeking such relief.
- 20 c. The Court enters an order appointing or electing a trustee, examiner, or
21 any other similar person with expanded powers beyond investigatory
22 alone.
- 23 d. The Court enters an order dismissing this case, or the Debtors have filed a
24 motion or have not timely opposed a motion seeking such relief.
- 25 e. The Court enters any order that stays, modifies, or reverses this Interim
26 Order.
- 27 f. The Court enters an order granting relief from the automatic stay so as to
28 allow a third party to proceed against any collateral or Cash Collateral.

1 g. The Debtors fail to comply with the terms of this Interim Order (a
2 “Termination Event”) following receipt of written notice from PGIM of
3 such failure and the Debtors failing to cure within five business days
4 following receipt of such written notice from PGIM.

5 B. Use of Cash Collateral/Adequate Protection.

6 1. Subject to the Budgets, including the Permitted Variance, the Debtors, on behalf
7 of their estates, are hereby authorized to use cash collateral in accordance with the terms of this
8 Interim Order through and including July 24, 2026, in the manner set forth in the Motion. The
9 Debtors is authorized to pay all of their projected expenses set forth in the Budgets, and to
10 deviate from the Budgets, without the need for any further Court order, by a variance not to
11 exceed ten percent (10%) of aggregate budgeted disbursements, tested on a four-week rolling
12 basis and measured against both line-item and total disbursements (“Permitted Variance”). The
13 Debtors shall not pay any expense not identified in the Budgets absent further order of this
14 Court or PGIM’s prior written consent, and no proceeds of cash collateral shall be used to pay
15 any prepetition obligation absent further order of this Court or PGIM’s prior written consent.

16 2. As additional adequate protection, the Debtors shall (a) continue to maintain
17 insurance on its assets as the same existed as of the Petition Date, including naming PGIM as
18 loss payee and additional insured, and provide evidence of such coverage to PGIM upon
19 request; (b) maintain the Facility and the Collateral in good operating condition and in
20 compliance with all applicable licensing and regulatory requirements; and (c) permit PGIM and
21 its representatives, upon reasonable notice, to inspect the Collateral and the Debtors’ books and
22 records during normal business hours. Failure to comply with this section shall constitute a
23 Termination Event.

24 3. As adequate protection for the Debtors’ use of cash collateral, PGIM and the
25 holder of any other valid and perfected lien against the Debtors’ assets (collectively, the
26 “Secured Creditors” and each, individually, a “Secured Creditor”), shall be granted the
27 Adequate Protection Liens, as defined and described above.
28

1 4. The Adequate Protection Liens shall be effective as of *3:00 p.m. prevailing*
2 *Pacific Time on July 2, 2026, regardless of the date of entry of this Order* ~~the date of the entry~~
3 ~~of this Interim Order~~ without any further action by the Debtors or the Secured Creditors and
4 without the necessity of the execution, filing, or recordation of any financing statements,
5 security agreements, lien applications or other documents. Each Secured Creditor may, in its
6 sole discretion, file or record any such instruments, and all such filings or recordations shall be
7 deemed to have been made as of the Petition Date.

8 5. To the extent of any diminution in value of a Secured Creditor's interest in the
9 prepetition collateral due to Cash Collateral use which is not otherwise protected by the
10 Adequate Protection Liens granted here, such Secured Creditor shall retain its rights under
11 section 507(b) of the Bankruptcy Code.

12 6. ATI is authorized to make adequate protection payments to PGIM in accordance
13 with the ATI Budget during the term of this Interim Order. PGIM's acceptance of any adequate
14 protection payment shall be without prejudice to its right to assert claims for additional adequate
15 protection, including under Section 507(b) of the Bankruptcy Code. PGIM has absolute
16 discretion to apply Monthly Payments to any portion of outstanding amounts owed under the
17 Loan, and may apply amounts to the oldest past due amounts first in accordance with the Loan
18 Documents. The Monthly Payments contemplated in this Order may not include default interest,
19 late charges and fees, costs and other charges of all kinds—which PGIM contends shall continue
20 to accrue and for which all rights are reserved – and are not and shall not be deemed a waiver by
21 PGIM.

22 7. All banks holding or in possession of the Debtors' funds are hereby instructed
23 and ordered to immediately release such funds to the Debtors to enable the Debtors to transfer
24 and deposit such funds into their respective debtor in possession bank accounts.

25 C. Reporting Requirements.

26 1. The Debtors shall provide PGIM with financial and other reporting in
27 compliance with this Interim Order and the requirement of the Bankruptcy Code and Rules,
28 which shall provide weekly and monthly reporting on cash flow including an income and

1 expense statement, occupancy reports and a budget to actual variance report for the
2 approved interim Budget with such reporting due by the Thursday of the following week and
3 the 15th day of the following month. Without limiting the rights of access and information
4 afforded to PGIM in the loan documents with the Debtors, the Debtors shall, from time to
5 time upon not less than 24 hours written notice provided to the Debtors and their counsel (i)
6 afford PGIM's agents and advisors reasonable access to the Debtors' premises and their
7 records provided PGIM's agent and advisors do not interfere with the Debtors' business
8 operations, (ii) cooperate, consult with, and provide to such persons all such information
9 reasonably requested in writing by PGIM to the Debtors, their bankruptcy counsel and their
10 financial advisor, (iii) make the Debtors' financial advisor available to PGIM, and its agents,
11 advisors and professionals to assist with such review and to answer questions about the
12 Debtors' business; and (iv) cooperate and allow access upon not less than 24 hours notice
13 provided to the Debtors and their counsel for any agent or representative of PGIM to
14 conduct appraisals, inspections and collateral exams provided PGIM's agents and advisors
15 do not interfere with the Debtor's business operations.

16 D. Restrictions on Use of Cash Collateral

17 1. Except as expressly set forth below, absent the prior consent of the
18 Court, no portion of the cash collateral, the Collateral, or any proceeds thereof
19 shall be used to (a) investigate, assert, join, commence, support, or prosecute any
20 claim, counterclaim, cause of action, adversary proceeding, or other litigation
21 against PGIM, including any challenge to the validity, priority, perfection,
22 extent, or enforceability of PGIM's prepetition obligations or the liens securing
23 them; (b) seek to prime or grant any lien senior to or pari passu with PGIM'
24 liens or the Adequate Protection Liens without PGIM's prior written consent; or
25 (c) pay any prepetition claim except as authorized by further order of this Court.
26 Notwithstanding the foregoing, any official committee appointed in these cases
27 may use up to \$20,000.00 of Cash Collateral solely to investigate (but not to
28 prosecute) PGIM's prepetition obligations and liens during the period prior to

1 the Final Hearing, and the Debtors' counsel shall have the right to incur fees to
2 confirm the validity of PGIM's contentions as set forth in paragraphs e and f
3 above.

4 2. As additional adequate protection, the Debtors (a) shall not make any
5 payment, repayments, distributions, or other forms of consideration to, or for the
6 benefit of, any affiliated entity or person (other than rent paid by ATI to AGL
7 and ordinary course compensation to non-insider employees as set forth in the
8 Budgets) except in accordance with insider compensation forms for which the
9 period of time to object has passed without objection or as allowed by the Court;
10 (b) shall not pay management fees to any "insider" as defined in Bankruptcy
11 Code Section 101(31) without PGIM's prior written consent or as allowed by the
12 Court; (c) shall not compromise any of their accounts receivable at less than face
13 value without prior written consent of PGIM or order of this Court after notice
14 and a hearing (recognizing that third-party reimbursement at less than billed
15 shall not be deemed to constitute a compromise of an account receivable); (d)
16 shall not sell any tangible property of the estate other than in the ordinary course
17 of business without the prior written consent of PGIM or order of this Court
18 after notice and a hearing; and (e) at PGIM's request, shall execute and deliver
19 such documents, pleadings, instruments, agreements, financing statements, and
20 other things reasonably necessary to implement the substance and intent of this
21 Interim Order.

22 3. No payments for professional fees may be made during the Interim
23 Period unless authorized by this Court.

24 E. Remedies.

25 1. Upon the occurrence of a Termination Event, PGIM may, after providing
26 five (5) business days' written notice (the "Remedies Notice Period") to the
27 Debtors in accordance with Paragraph A.2(g) above, the Office of the United
28 States Trustee, and any official committees, terminate the Debtors' use of cash

collateral. During the Remedies Notice Period, the Debtors may use cash collateral solely to fund payroll and those expenses necessary to avoid imminent harm to the residents of the Facility and to pay for any budgeted expenses that were incurred prior to receipt of such written notice by PGIM. In the event of such notice, the Debtors reserve all rights to seek the Court's consent to continue to use cash collateral, and PGIM reserves all rights to oppose any such request.

F. Reservation of Rights; No Modification.

1. Nothing in this Interim Order shall limit any Secured Creditor's right to seek additional or different adequate protection, to object to any relief sought by any party, or to assert any other rights or remedies under the Bankruptcy Code, and the consent to the entry of this Interim Order by any Secured Creditor shall not constitute a waiver of any of its rights and remedies. The protections afforded to each Secured Creditor under this Interim Order shall not be modified, stayed, vacated, or amended without such Secured Creditor's prior written consent or any such further order of the Court. If any of the provisions of this Interim Order are hereafter modified, vacated, or stayed, such modification, vacatur, or stay shall not affect the validity, priority, or enforceability of any lien, claim, payment, or other protection granted to a Secured Creditor prior to each such Secured Creditor's receipt of written notice of such modification, vacatur, or stay.

G. Miscellaneous.

1. Each stipulation, admission and agreement contained in this Interim Order shall be binding upon the Debtors, and any successor thereto (including, without limitation, any chapter 7 trustee or any chapter 11 trustee appointed or elected for the Debtors) under all circumstances and for all purposes existing as of the date hereof.

2. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9024, any other Bankruptcy Rule or

1 Rule 62(a) of the Federal Rules of Civil Procedure, the Interim Order shall be immediately
2 effective and enforceable upon its entry and there shall be no stay of execution or effectiveness
3 of the Interim Order.

4 3. To the extent any provisions in this Interim Order conflict with any provisions of
5 the Motion, the provisions of this Interim Order shall control.

6 4. The Debtors' representations, warranties, acknowledgments, and waivers set
7 forth in this Interim Order shall survive the termination hereof and the dismissal of conversion
8 of these cases.

9 5. Notwithstanding the above or anything to the contrary in this Order, any Secured
10 Creditor and the Debtors may seek modification of the protections provided in this Order,
11 without prejudice to the rights of the other party hereto or any party in interest to contest any
12 such modification.

13 6. This Order shall not cause a novation of any of the Secured Creditor's secured
14 documentation or Loan Documents.

15 7. Solely by agreeing to the use of cash collateral by the Debtors, Secured Creditors
16 shall not be deemed to have assumed any liability to any third person, and shall not be deemed
17 to be in control of the operations of the Debtors or to be acting as a "responsible person" or
18 "owner or operator" with respect to the operation or management of the Debtor or of its assets.

19 H. Final Hearing.

20 1. The Final Hearing on the Motion to consider entry of a Final Order authorizing
21 the Debtors' use of cash collateral on a final basis shall be held on **July 23, 2026 at 1:30 p.m.**
22 **(Pacific Standard Time)** before this Court. No later than **July 13, 2026**, the Debtors shall
23 provide a notice to all creditors of the final hearing on the Motion and such notice shall have
24 attached to it as an exhibit the Debtors' proposed form of final cash collateral order and include
25 the Debtors' proposed cash collateral budget. *All appearances at the Final Hearing shall be*
26 *via ZoomGov video and audio. Connection information for the Final Hearing appears in the*
27 *caption of this Interim Order.*
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1 2. Any party-in-interest objecting to the relief sought at the Final Hearing shall
2 serve and file written objections, which objections shall be served upon (i) counsel to the
3 Debtors, Levene, Neale, Bender, Yoo & Golubchik L.L.P., 2818 La Cienega Ave., Los Angeles,
4 CA 90034, Attn: Ron Bender, Esq. and Monica Y. Kim, (ii) the Office of the U.S. Trustee for
5 the Central District of California, and (iii) parties required by Bankruptcy Rule 2002(a) and
6 shall be filed with the Clerk of the United States Bankruptcy Court, Central District of
7 California, in each case to allow actual receipt by the foregoing no later than **July 22, 2026 at**
8 **Noon prevailing Pacific Standard time.**

9 “IT IS SO ORDERED.”

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24 Date: July 10, 2026



Martin R Barash
United States Bankruptcy Judge

