

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF ARKANSAS
CENTRAL DIVISION**

IN RE: BRADFORD MEDIA GROUP, LLC
Debtor

CASE No.: 4:26-bk-12199
Chapter 11

SOUTHERN BANCORP BANK

MOVANT

V.

BRADFORD MEDIA GROUP, LLC

RESPONDENT

**ORDER ON MOTION DEBTOR'S MOTION FOR USE OF CASH
COLLATERAL AND SOUTHERN BANCORP BANK'S OBJECTION AND
MOTION FOR RELIEF FROM STAY**

Upon consideration of the Debtor's Emergency Motion For Authority To Use Cash Collateral And For Final Authority To Use Cash Collateral (Doc#:22) and the Objection of Southern Bancorp Bank ("Southern") to Debtor's Motion For Use of Cash Collateral and Southern's Motion for Relief From Stay and To Prohibit The Use Of Cash Collateral (Doc#:23), agreement of the parties, other evidence and proof and the court being fully advised, finds and orders as follows:

1. Appropriate and sufficient notice and opportunity for hearing have been given for the Motion in accordance with the provisions of §§ 361, 362 and 363 of the Bankruptcy Code (the "Code"). The Court has jurisdiction over the subject matter and parties to this matter pursuant to 28 U.S.C. § 1334 and 28 U.S.C. § 157. This is a core proceeding pursuant to 28 U.S.C. § 157. The Court has the authority and power to enter a final order in this matter.

2. This is the Debtor's second chapter 11 bankruptcy filing. In the Debtor's first chapter 11 filing (the "First Case")(Case No. 4:25-bk-11999) the Court entered an Order (Doc#:23) finding that Southern is a secured creditor of the Debtor and holds three allowed secured claims.

3. Southern holds a valid secured claim against the Debtor based on the Debtor's April 14, 2022, Promissory Note (the "Note-135") executed and delivered to Southern in the principal amount of \$1,240,100.00, plus interest at the rate of 4.250% per annum, with a maturity date of April 14, 2032. As of the date of this bankruptcy proceeding the balance owed on the Note-135 was \$1,137,498.88.

4. As security for payment of the debt evidenced by the Note-135, Debtor executed and delivered to Southern a Commercial Security Agreement (the "Security Agreement"), which granted Southern a security interest in the following:

ALL INVENTORY, ACCOUNTS RECEIVABLE, FURNITURE, FIXTURES, EQUIPMENT AND GENERAL INTANGIBLES (LICENSE, PATENTS, SOFTWARE, ETC.), AND RADIO LICENSE FOR KHTE-96.5 WHETHER ANY OF THE FOREGOING IS OWNED NOW OR ACQUIRED LATER; ALL ACCESSIONS, ADDITIONS, REPLACEMENTS, AND SUBSTITUTIONS RELATING TO ANY OF THE FOREGOING; ALL RECORDS OF ANY KIND RELATING TO ANY OF THE FOREGOING; ALL PROCEEDS RELATING TO ANY OF THE FOREGOING (INCLUDING INSURANCE, GENERAL INTANGIBLES AND OTHER ACCOUNTS PROCEEDS).

THE LOAN SECURED BY THIS LIEN WAS MADE UNDER A UNITED STATES SMALL BUSINESS ADMINISTRATION (SBA) NATIONWIDE PROGRAM WHICH USES TAX DOLLARS TO ASSIST SMALL BUSINESS OWNERS. IF THE UNITED STATES IS SEEKING TO ENFORCE THIS DOCUMENT, THEN UNDER SBA REGULATIONS:

A) WHEN SBA IS THE HOLDER OF THE NOTE, THIS DOCUMENT AND ALL DOCUMENTS EVIDENCING OR SECURING THIS LOAN WILL BE CONSTRUED IN ACCORDANCE WITH FEDERAL LAW.

B) LENDER OR SBA MAY USE LOCAL OR STATE PROCEDURES FOR PURPOSES SUCH AS FILING PAPERS, RECORDING DOCUMENTS, GIVING NOTICE, FORECLOSING LIENS, AND OTHER PURPOSES. BY USING THESE PROCEDURES, SBA DOES NOT WAIVE ANY FEDERAL IMMUNITY FROM LOCAL OR STATE CONTROL, PENALTY, TAX OR LIABILITY. NO BORROWER OR GUARANTOR MAY CLAIM OR ASSERT AGAINST SBA ANY LOCAL OR STATE LAW TO DENY ANY OBLIGATION OF BORROWER, OR DEFEAT ANY CLAIM OF SBA WITH RESPECT TO THIS LOAN.

ANY CLAUSE IN THIS DOCUMENT REQUIRING ARBITRATION IS NOT ENFORCEABLE WHEN SBA IS THE HOLDER OF THE NOTE SECURED BY THIS INSTRUMENT.

(the "Collateral"). The Security Agreement contains a cross-collateralization provision, which states that the Security Agreement "secures all obligations, debts and liabilities, plus interest thereon, of [Debtor] to [Southern], or any one or more of them, as well as all claims by [Southern] against [Debtor] or any one or more of them, whether now existing or hereafter arising..." Therefore, the Collateral

described in the Security Agreement also validly secures the Debtor's other obligations to Southern, including loan no. ----475 in the amount of \$61,207.13 and loan no. ----589 in the amount of \$102,536.33.

5. Southern's interest in the Collateral was validly perfected by the filing of a UCC-1 recorded on May 2, 2022.

6. The Court therefore finds and holds that Southern holds a validly perfected Security Interest in the Collateral as described in the Security Agreement, including a lien on the Debtor's accounts receivable, which secures Note-135, Loan No.----475 and Loan No.----589.

7. The Collateral, including account receivables upon which Southern holds a lien constitutes "Cash Collateral" as that term is defined in 11 U.S.C. § 363(a).

8. Cash Collateral is defined in 11 U.S.C. § 363(a) to mean "cash ... accounts, or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest and includes the proceeds ... 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) ..."

9. Pursuant to 11 U.S.C. § 363(c)(2), Debtor is prohibited from using the Cash Collateral of Southern unless Southern consents to the use of the Cash Collateral or the court, after notice and a hearing, authorizes such use in accordance with the provisions of the Code.

10. As evidence by Southern's approval of the form of this Order, Southern has consented and the Court hereby authorizes the Debtor to use the Cash Collateral of Southern on the terms and conditions stated in this Order and the Debtor has agreed to provide adequate protection to Southern as required by 11 U.S.C. § 363(e), as detailed in this Order.

11. Southern holds a first, valid, prior, and perfected security interests in and liens on the Collateral, and all proceeds thereof, including cash collateral derived therefrom, including "cash collateral" within the meaning of 11 U.S.C. § 363(a) (collectively, the "Cash Collateral"), to secure repayment of the loan balances described here.

12. Debtor admits, acknowledges and stipulates that the loan balance on Note-135, Loan No.----475 and Loan No.----589 is accurate, due and payable, exclusive of pre-petition and post-petition attorneys' fees, costs, and expenses and other charges and fees chargeable to the Debtor under the Loan Documents, all of which pre-petition debt is valid and enforceable, and not subject to offset, credit, or counterclaim, as of the date of the bankruptcy petition.

13. To secure the prompt payment and performance of the Debtor's obligations herein, including the loan balances on Note-135, Loan No.----475 and Loan No.----589 and for the use of the Collateral, as adequate protection pursuant to 11 U.S.C. §§ 361 and 363(e) in connection with any diminution in the value of the Collateral, including diminution from the use of the Cash Collateral (including all such amounts used since the Petition Date, Southern shall have and is hereby

granted, effective on and after the date of the Bankruptcy Petition, valid and automatically perfected, continuing adequate protection replacement security interests in and liens upon the following (collectively, the “Additional Collateral”):

(a) all personal property assets of the Debtor of a type within the scope of the liens granted to Southern in the Loan Documents supporting the loan balances on Note-135, Loan No.----475 and Loan No.----589 and arising or acquired from and after the Petition Date, including (without limitation): (i) all proceeds, accessions and attachments to the collateral existing as of the Petition Date; and (ii) all personal property of the Debtor arising or acquired from and after the Petition Date and constituting inventory, accounts receivable, general intangibles, instruments, chattel paper, deposit or investment accounts, cash, investment property, equipment or contract rights.

14. This Cash Collateral Order shall be sufficient and conclusive evidence of the priority, perfection and validity of all of the adequate protection replacement security interests in and liens upon the property of the estate of the Debtor granted to Southern, as set forth herein, and the adequate protection replacement liens and security interests granted and created herein shall, by virtue of this Order, constitute valid and perfected security interests without the necessity of creating, filing, recording, or serving any financing statements or other documents that might otherwise be required under federal or state law in any jurisdiction or the taking of any other action to validate or perfect the security interests and liens granted to Southern in this Order and the Loan Documents. If Southern shall, in its

discretion, elect for any reason to file any such financing statements or other documents with respect to such security interests and liens, Southern is authorized to file such financing statements without further approval of the Court or Debtor.

15. Debtor is obligated to make monthly payments to Southern on the loan documents supporting the Note-135, Loan No.----475 and Loan No.----589, but has failed to make payments in accordance with the terms of the loan documents.

16. Southern's consent to the Debtor's use of the Cash Collateral pursuant to the terms hereof (including all such amounts used since the Petition Date,) shall not constitute a waiver by Southern, of any rights Southern may have as an inadequately protected creditor, to relief under 11 U.S.C. §§ 503 or 507.

17. The automatic stay arising under Section 362 of the Code is hereby modified to the extent necessary to permit Southern and the Debtor to implement all of the provisions of this Order.

18. As further adequate protection of Southern's interests, upon the entry of this Order, the Debtor shall pay to Southern, as adequate protection payments hereunder, beginning on July 20, 2026 and thereafter on the first day (20th) day of each subsequent month pending confirmation of the Debtor's chapter 11 plan, (time being of the essence), \$7,500.00 per month, to be applied (i) \$5,500.00 to the Note-135 , (ii) \$1,000.00 to the Loan No.----475 and (iii) \$1,000.00 to the Loan No.----589.

19. The occurrence of any of the following: (a) the Debtor's violation of any of the terms of this Order including the failure to timely pay any of the adequate protection payments set forth in the preceding paragraph (time being of the

essence); (b) the termination of this Collateral Order; (c) conversion of the Chapter 11 Case to a case under Chapter 7 of the Code; (d) the appointment of a Trustee pursuant to Section 1104(a)(1) or (a)(2) of the Code; (e) dismissal of the Chapter 11 Case, , or (f) the termination or failure to maintain any of the property, casualty, liability, workers compensation or such other insurance coverages required by the Southern loan documents or by the Acting United States Trustee, shall constitute an Event of Default. (any of the foregoing being referred to in this Order, individually, as an "Event of Default" and, collectively, as "Events of Default")

20. If an Event of Default occurs, (unless such Event of Default is specifically waived in writing by Southern, which waiver shall not be inferred from any other action, inaction, or acquiescence by Southern) and said Event of Default is not cured within ten (10) business days of written notice of the Event of Default, served by email to the Debtor's counsel, (i) the Debtor shall not use any of the Cash Collateral without further order of the Court, which shall not issue until after notice and a hearing; and, furthermore, and (ii) Southern shall be entitled to the entry of an *ex parte* order granting it relief from the automatic stay relating to its Collateral upon the filing of a motion setting forth the Event of Default and the basis for the Debtor's default. The stay provisions of Bankruptcy Rule 4001(a)(3) shall not be applicable to any such *ex parte* order entered pursuant to this paragraph. Further, in the event relief from the automatic stay is granted to Southern, the Debtor (and the Debtor's employees, agents, officers, and representatives) shall cooperate in all respects with preserving the Collateral and the Additional Collateral and all

documents and records reasonably necessary to facilitate the sale or liquidation of the same, pending further order of this Court. The Debtor stipulates that any subsequent adequate protection given by this Court shall afford Southern no less adequate protection than that contained in this Order; provided, however, nothing precludes the Debtor from asserting to the Court that it should be entitled to use Cash Collateral based on such facts and circumstances as may exist at the time and provided that it can establish to the Court that the interests of Southern are adequately protected at such time. Notwithstanding the foregoing, the protections afforded to Southern in this Order shall survive the term of the cash collateral use provided herein.

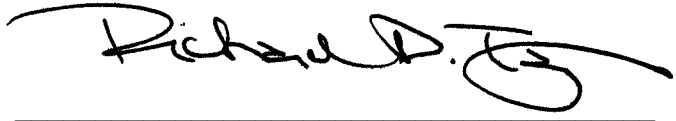
21. The Debtor shall continue to maintain, insure, and otherwise preserve and protect the Collateral and the Additional Collateral as provided in the Loan Documents.

22. The Debtor shall be responsible for discharging currently all of its post-petition obligations to all taxing authorities, or currently escrowing sufficient amounts for same.

23. The provisions of this Order shall inure to the benefit of the Debtor and Southern, and shall be binding upon the Debtor, the Debtor's estate, Southern, and their respective successors and assigns.

24. The stay provisions of Bankruptcy Rule 4001(a)(3) shall not be applicable to this Order.

IT IS SO ORDERED.



UNITED STATES BANKRUPTCY JUDGE

Date: June 24, 2026

APPROVED:

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