

Page 1 of 6



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: July 08, 2026.

AUBREY L. THOMAS
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

In re:	§	Chapter 11
	§	
The Chafin Agency, LLC	§	
	§	Case No. 26- 51806
Debtor	§	SubChapter V

**INTERIM ORDER ON MOTION FOR INTERIM AND FINAL ORDERS
AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND GRANTING
ADEQUATE PROTECTION TO PRE-PETITION LENDERS**

The Chafin Agency, LLC ("CHAFIN AGENCY " or "Debtor"), in this Chapter 11 case has filed its *Motion for Interim and Final Orders Authorizing Debtor to Use Cash Collateral and Granting Adequate Protection to Pre-Petition Lenders* (the "Motion"). With no objection being made to the Motion and after careful consideration of all matters before it, the Court is of the opinion that the estate would incur irreparable injury if Debtor's Motion is not granted.

FACTS

On July 1, 2026, (the "Petition Date"), the Debtor filed a voluntary petition for relief under SubChapter V of Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as

amended, the “Code”) as a “Small Business” bankruptcy debtor. The Debtor continues to manage and operate its financial affairs as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

Section 363(a) of the Bankruptcy Code defines “cash collateral” to mean cash, negotiable instruments, documents of title, securities, deposit 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, products, offspring, rents, or profits of property and the fees, charges, accounts or other payments, whether existing before or after the commencement of the case under the Bankruptcy Code (“Cash Collateral”).

Pending a final hearing on the Motion, Debtor seeks interim authorization to use Cash Collateral (as defined herein) to pay ordinary and necessary operating expenses pertaining to Debtor’s operations (the “Expenses”) for the period (the “Interim Period”) from the Petition Date through and up to a final hearing on the Motion strictly in accordance with the terms of this Interim Order. Furthermore, Debtor seeks authority to make adequate protection payments to the lender with a blanket lien, MVB Bank (“MVB”).

Debtor proposes to grant MVB and all secured lenders with filed UCC financing statements (collectively the “Secured Creditors”) replacement liens on post-petition cash collateral to the extent their interests are secured by Debtor’s assets, a recognized method for providing adequate protection as specified under sections 361 and 363. The approximate amount owed to each secured lender and their estimated priority is in the following chart:

Creditor	Likely Lien Priority	Amount
MVB Bank	1	\$950,000
SSBT	2	\$310,814
Plains Capital	3	\$89,503
MCA Lenders *	4	\$295,000

TOTALS **\$1,645,317**

*Debtor has several MCA lenders but only two filed UCC financing statements, which were filed anonymously.

Additionally, Debtor proposes to pay MVB adequate protection payments of \$5167 per month beginning 10 days from the date the Court enters a final order.

Debtor has agreed to segregate and account to these creditors for all Cash Collateral which:

(i) it now possesses; (ii) it has permitted to be transferred into the possession of others, if any, since the Petition Date; (iii) is being held by any party in privity with the Debtor; or (iv) the Debtor might hereafter obtain. Debtor shall use the Cash Collateral only in strict accordance with the terms and conditions as set forth in this order.

Debtor has requested immediate entry of this Order pursuant to the Bankruptcy Rule 4001(b)(2). Debtor asserts that the permission granted herein to allow Debtor to obtain the use of Cash Collateral is necessary to avoid immediate and irreparable harm to Debtor. This Court concludes that entry of this Order is in Debtor's best interest and its estate and creditors.

Based upon the above findings, the Court, having reviewed the Motion, grants the Motion as follows:

It is hereby Ordered,

1. Debtor shall maintain debtor in possession (“DIP”) accounts, which shall receive and contain any and all other sources of cash constituting the Cash Collateral, which is generated by and is attributable to the collateral (the “DIP Account”). All cash generated from the collateral during the pendency of the Debtor’s bankruptcy case, including any cash held in any of the Debtor’s pre-petition accounts, shall be placed and held in the DIP Account. Debtor shall account to the Secured Creditors for all of the Cash Collateral that Debtor possesses, has deposited in the DIP Accounts, or that it has permitted to be transferred, if any, into the possession of others or to accounts other than the DIP Accounts that are being held by those in privity with the Debtor, or which the Debtor might hereafter obtain.

2. Unless otherwise ordered by this Court, Debtor is hereby authorized to use Cash Collateral strictly in accordance with the terms of this Order and shall be limited to paying expenses listed on Exhibit “A” to Debtor’s motion with a 10% total variance, except in regard to insider salaries for which no variance without prior approval will be allowed.

3. Debtor is authorized to use Cash Collateral to pay other expenses related to Debtor’s operations, which are not on Exhibit “A,” only upon first obtaining written consent from MVB, which may be by email to the creditor’s counsel or representative.

4. As adequate protection for the cash collateral permitted to be used by Debtor, the Secured Creditors are hereby granted, effective as of the Petition Date, valid, binding, enforceable, and automatically perfected liens (the “Replacement Liens”) that shall be **co-extensive** with its pre-petition liens, of which its liens are a secured, valid, binding and enforceable lien on the Debtor’s property and limited to the diminution of the value of secured creditor’s respective collateral, without the need for any further filing, instrument, recording, or otherwise, to the same

extent, validity, and priority as existed on the Petition Date, in all currently owned or hereafter acquired property and assets of Debtor, including on all accounts (including deposit accounts and accounts receivable), inventory, fixtures, equipment, general intangibles, chattel paper, rents, documents and instruments. Said liens and security interests shall continue to attach to all Property and Collateral, including but not limited to Debtor's post-petition receivables. Notwithstanding the foregoing, the liens granted herein shall be subject to any ad valorem tax liens.

5. Debtor shall execute and deliver to the Secured Creditors, if applicable, all such agreements, financing statements, instruments and other documents as the secured creditor may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto.

6. On two (2) business days' notice, the Debtor shall permit representatives, agents, and/or employees of the Secured Creditors to visit, inspect, have reasonable access to and consult with, as the case may be: (a) the Debtor's books and records, including any held by a third party; (b) the personnel and/or agents of the Debtor who are familiar with the Debtor's books and records or the information set forth therein; and (d) such other information as the Secured Creditors and Secured Equipment Creditors may reasonably request. The Debtor and its representatives, agents, and/or employees shall cooperate and consult with, and provide to such representatives, agents, and/or employees of the Secured Creditors all such information as it may reasonably request.

7. Debtor is authorized to use Cash Collateral for the period of July 1, 2026, through the date of the final hearing on the Motion (the "Interim Period") only in the amounts, and only for the purposes set forth herein.

8. This order does not establish the validity or priority of any lien or security interest or the value of any Debtor property. This order does not prevent any party from seeking

additional adequate protection from the Court in the future.

9. The Interim Period, and operation of this Order, may be extended by written agreement of the Debtor and MVB, in which case all provisions, dictates, and protections of this Order will apply to any such extended term, which term shall be considered within the meaning of the Interim Period as defined and applied in this Order.

10. ORDERED that the Court shall maintain jurisdiction to interpret and enforce this Order to the maximum extent possible notwithstanding any potential dismissal of the Bankruptcy Case.

11. A final hearing on Debtor's Motion is hereby set for August 3, at 10 o'clock am, in Courtroom 3, United States Courthouse, 615 East Houston Street, 5th floor, San Antonio, Texas, 78205.

###

ORDER SUBMITTED BY:

Ronald J. Smeberg
THE SMEBERG LAW FIRM, PLLC
4 Imperial Oaks
San Antonio, TX 78248
210-695-6684 (Tel)
210-598-7357 (Fax)
ron@smeberg.com
PROPOSED ATTORNEY FOR THE DEBTOR

The Chafin Agency, LLC

Weekly Budget

EXHIBIT A

SUMMARY	Jul-26					Aug-26				Sep-26			
	1-Jul	6-Jul	13-Jul	20-Jul	27-Jul	3-Aug	10-Aug	17-Aug	24-Aug	31-Aug	4-Sep	14-Sep	21-Sep
Total Income	0	0	36100	0	0	0	0	38300	0	0	0	40500	0
Total Expenses	0	9606	2681	14018	7742	4271	12120	1525	20235	4271	12120	1525	20235
Income <Less> Expenses:	0	-9606	33419	-14018	-7742	-4271	-12120	36775	-20235	-4271	-12120	38975	-20235
Cash On Hand	11772	2166	35585	21567	13825	9554	-2566	34209	13974	9703	-2417	36558	16323

INCOME DETAILS	Jul-26					Aug-26				Sep-26			
	FILE WEEK	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 6	WEEK 6	WEEK 9	WEEK 10	WEEK 11	WEEK 12
Allstate Commissions	0		35000					37000				39000	
Expanded Markets	0		1100					1300				1500	
Total Income	0	0	36100	0	0	0	0	38300	0	0	0	40500	0

EXPENSE DETAILS	Jul-26					Aug-26				Sep-26			
	FILE WEEK	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 6	WEEK 6	WEEK 9	WEEK 10	WEEK 11	WEEK 12
ADMINISTRATIVE													
Salaries/wages - employees		5619		7000			5619		7000		5619		7000
Salaries/wages - insiders				2993			2993		2993		2993		2993
Payroll Taxes		2262		2500			2262		2500		2262		2500
Cost of Sales													
Advertising		1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Consultant		300				300				300			
Professional Services													
Legal													
SubV Trustee					1500				1500				1500
Business Insurance													
OPERATING EXPENSES													
Automobile		75	75	75	75	75	75	75	75	75	75	75	75
Business License and Fees													
Dues and Subscriptions		200	79	350		200	79	350		200	79	350	
Office Supplies		150				150				150			
Travel & Meals													
Life Insurance			1435										
Postage and Delivery				100				100				100	
Internet Service			92				92				92		
Rent/Lease	2546					2546				2546			
MVB AP Payments					5167				5167				5167
Total Expenses	2546	9606	2681	14018	7742	4271	12120	1525	20235	4271	12120	1525	20235