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JUL 30 2026

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

CHANGES MADE BY COURT

☐ *Individual appearing without attorney*
X *Attorney for*: Debtor

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA- LOS ANGELES DIVISION

In re:

CUMULUS RESTAURANTS, LLC

Debtor(s).

CASE NO.: 2:26-BK-17131-NB

CHAPTER: 11

ORDER RE: NOTICE OF MOTION AND MOTION IN CHAPTER 11 CASE FOR ORDER AUTHORIZING USE OF CASH COLLATERAL [11 U.S.C. § 363]

DATE: July 28, 2026
TIME: 1:00pm
COURTROOM: 1545
ADDRESS: 255 E. Temple Street
Los Angeles, CA 90012

Affected Lien Holders: ONDECK; FUNDING CIRCLE; THE FUNDWORKS, LLC; and FORWARD FINANCE

//

The court has considered **NOTICE OF MOTION AND MOTION IN INDIVIDUAL CHAPTER 11 CASE FOR ORDER AUTHORIZING USE OF CASH COLLATERAL [11 U.S.C. § 363]**, docket number (*specify*) 6.

1. The Motion was: ☐ Opposed ☒ Unopposed ☐ Settled by stipulation

2. Appearances are stated in the court record.

3. The Motion affects the following collateral (Collateral):

   a. The Collateral

   ☐ Real Property
   Street address:
   Unit/suite no.:
   City, state, zip code:

   Legal description or document recording number (*include county of recording*):

   ☐ Equipment (*manufacturer, type, and characteristics*):
   Serial number(s):
   Location:

   ☐ Vehicle (*year, manufacturer, type and model*):
   Vehicle identification number:
   Location of vehicle:

   ☐ Rents or accounts receivable (*type, identifying information, and location*):

   ☐ Cash on hand generated from the Collateral (*type, identifying information, and location*):

   ☒ Other personal property (*type, identifying information, and location*):
   See Attached Tentative Ruling of Court, which is incorporated by reference in this Order.

   b. Value of Collateral: See Attached Tentative Ruling of Court, which is incorporated by reference in this Order.

4. Based upon the findings and conclusions made at the hearing, IT IS ORDERED THAT:

5. The Motion is granted under: ☐ 11 U.S.C. § 363(c)(2)(A) ☒ 11 U.S.C. § 363(c)(2)(B)

AND IT IS FURTHER ORDERED THAT:

a. ☒ THIS IS AN INTERIM ORDER, a continued hearing on the further use of Cash Collateral shall be held in the same court on date: August 18, 2026; time: 1:00pm.

b. ☒ Any further opposition to the further use of Cash Collateral is to be filed with the court and served upon the Debtor, the United States trustee, the creditor's committee (if any), its counsel, and (if no creditors committee), the 20 largest unsecured creditors by date: August 10, 2026. If no opposition is filed, any opposition may be deemed waived.

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c. ☒ ~~See attached for any other provisions~~. This written order memorializes this Court's tentative ruling posted prior to the hearing and attached hereto, which become this Court's actual ruling at the conclusion of the hearing.

6. ☐ The Motion is Denied

The Motion is

☐ Granted in part:

☐ Denied in part:

###

Date: July 30, 2026

Neil W. Bason
United States Bankruptcy Judge

EXHIBIT A

United States Bankruptcy Court
Central District of California
Los Angeles
Neil Bason, Presiding
Courtroom 1545 Calendar

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#33.00 Status Conference re: Chapter 11 Subchapter V Case

Docket 0

Tentative Ruling:

Appearances required.

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted tentative rulings.

(1) Current issues

(a) Cash Collateral Motion (dkt. 6), Order Setting Hearing on Shortened Notice (dkt. 8), Notice (dkt. 10 & 16)

Subject to any opposition at the hearing, and provided that Debtor satisfactorily addresses the issues set forth in the tentative ruling for Calendar No. 34 (7/28/26 at 1:00 p.m.), the tentative ruling is to authorize the interim use of cash collateral as set forth in Calendar No. 34 (7/28/26 at 1:00 p.m.) and schedule a final hearing to take place concurrent with the Principal Status Conference (see part "(2)(d)," below), with **a deadline of 7/30/26** for Debtor to file a proof of service of notice of the final hearing, **a deadline of 8/3/26** for any supplement by Debtor, **a deadline of 8/10/26** for any opposition, and **a deadline of 8/13/26** for Debtor's reply.

(2) Dates/procedures. This case was filed on 7/19/26.

(a) Bar date: 9/28/26 per General Order 20-01 (70 days after petition date in Subchapter V cases) (DO NOT SERVE any notice: one will be sent shortly)

(b) Procedures Order: dkt. 4 (timely served, dkt. 11)

(c) Plan/Disclosure Statement: file by 90 days after the petition date (per 11 U.S.C. 1189(b)) (DO NOT SERVE - except on the U.S. Trustee). *See* Procedures Order.

(d) Continued status conference: 8/18/26 at 1:00 p.m., as previously

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ordered (this will be the Principal Status Conference). Status Report due by 8/4/26 (*see* Procedures Order (dkt. 4)).

Party Information

Debtor(s):

Cumulus Restaurants, LLC — Represented By Jason E Turner

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#34.00 Hrg re: Debtor's Emergency Motion for Authorization to Use Cash Collateral for Operating Expenses

Docket 6

Tentative Ruling:

Subject to (x) any opposition at or before the hearing and (y) Debtor satisfactorily addressing the issues set forth below, authorize the interim use of cash collateral, subject to the conditions set forth below, with a final hearing and associated deadlines as set forth in the tentative ruling for the status conference (Calendar No. 33, 7/28/26 at 1:00 p.m.). Appearances required.

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted tentative rulings.

Key documents reviewed (in addition to motion papers): N/A (no opposition on file as of the preparation of this tentative ruling)

(A) Issues Debtor Should Be Prepared to Address

Subject to any opposition at the hearing, and provided that Debtor satisfactorily addresses the issues set forth below, the tentative ruling is to authorize the interim use of cash collateral in accordance with this Court's standard conditions (see part "(B)," below).

(1) Notice

The notice of hearing (dkt. 10, p. 2 & dkt. 16, p. 2) incorrectly states that the deadline for any opposition was 14 days before the hearing (*i.e.*, before the notice was even sent). Nevertheless, the tentative is that notice was good enough because the proof of service (dkt. 10, p. 3) states that the OST (dkt. 8) was served with the notice, and the OST informs creditors that any opposition can be presented orally at the hearing. Another issue is that,

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although the trustee was properly served electronically via NEF, and secured creditors were properly served via overnight mail (and also received notice via email), but the landlord was not listed as being served via overnight mail as required by the OST. Nevertheless, the tentative ruling is to excuse that omission because interim relief will preserve the status quo and the landlord can always object at the final hearing.

(2) Missing Form

The Local Bankruptcy Rules require every motion for use of cash collateral to be accompanied by Local Form F 4001-2.STMT.FINANCE. *See* LBR 4001-2(a). This required form has not been filed.

(3) Payroll

There is no payroll motion. Has Debtor pre-paid all employees/independent contractors for any work done prepetition that would normally be paid in the first postpetition payroll?

(4) Thirteen Week Budget for Each Restaurant

Debtor's proposed budget (dkt. 6, Ex. A, last page) is monthly and combines both the Norwalk and Alhambra stores; but it should at least start with a weekly budget for 13 weeks and the two stores should be separately listed so that all parties in interest can see the profit and loss for each store separately. First, this is necessary to evaluate cash flow (*e.g.,* a monthly budget could mask a debtor's inability to make payroll in week 2 even if that debtor is cash flow positive by week 4). Second, a weekly budget is necessary so that this Court can authorize only those expenditures that are "necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Rule 4001(b)(2)(A) (Fed. R. Bankr. P.).

(5) Grounds for Financial Projections

The Cash Collateral Motion and supporting declaration say nothing about how the projected budget compares with historical performance, and the other grounds for Debtor's projections. For example, Debtor projects steady increases in gross sales: what is the basis for that?

(6) Income Tax

The proposed budget does not include any line item for income

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tax. Why not?

(7) Professional and "Contracted Services"

Is this line item for an accountant, bookkeeper, or other professional? What are their connections with Debtor and Debtor's insiders?

(8) New Lines of Business

The proposed budget appears to be predicated on activating new lines of business because it has line items to "*Activate* UberEats" and "*Activate* Catering Platforms" (emphasis added) (the proposed budget also has a line item for "Doordash" that might or might not be a new line of business). But the motion and supporting declaration say nothing about whether these are existing or new lines of business; the basis for the projected revenues and expenses of these (apparently) new lines of business, nor is there any motion under 11 U.S.C. 363(b) for authorization to use bankruptcy estate assets out of the ordinary course of business (if that is in fact what is being proposed).

(9) Merchant Cash Advance ("MCA") Creditors

Debtor's principal has guaranteed three of the four debts to MCA creditors. Does Debtor's principal have a conflict of interest in any negotiations, on behalf of the bankruptcy estate, to reduce the interest rate and/or other charges, decrease the principal dollar amounts owed, or otherwise address the MCA debts?

(B) Judge Bason's standard conditions for use of cash collateral and/or postpetition financing (by creditors holding prepetition claims)

(1) Written order

(a) Form. Use local form F2081-2.1.ORDER.CASH.COLLATERAL or the equivalent. Attach a copy of this tentative ruling as an exhibit, thereby adopting it as the written ruling of this Court, subject to any changes ordered at the hearing. Do not repeat the terms set forth in the motion or any stipulation. Incorporate those terms by reference (including the docket number of the document), subject to any modification by this Court.

(b) Timing. Lodge the proposed order within 7 days after the hearing. *See* LBR 9021-1(b)(1)(B).

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(2) Minimum adequate protection

In addition to the postpetition security interests that are automatically provided pursuant to 11 U.S.C. 552 (*e.g.*, in traceable proceeds and profits), and subject to any more comprehensive protection that may be approved, Debtor shall provide at least the following protection to any creditor with a security interest in the subject property (pursuant to 11 U.S.C. 361-364, as applicable):

(a) Insurance. For all collateral of a type that typically is insured (*e.g.*, real property and improvements), Debtor is directed to maintain insurance in a dollar amount at least equal to Debtor's good faith estimate of the value of such creditor's interest in the collateral, and such insurance shall name such creditor as an additional insured. Debtor is directed to remain current on payments for such insurance.

(b) Taxes. Debtor is directed to remain current on payments on account of postpetition real estate taxes (to the extent that real estate is part of the collateral).

(c) Disclosures/access. Debtor is directed to provide, upon such creditor's reasonable request, periodic accountings of the foregoing insurance and tax obligations and payments, as well as postpetition proceeds, products, offspring, or profits from the collateral, including gross revenues and expenses and a calculation of net revenues. Debtor is directed to provide appropriate documentation of those accountings, and access for purposes of inspection or appraisal.

(3) Grant of, and limitation on, postpetition liens

The tentative ruling is to grant postpetition liens to any creditors holding secured claims by granting replacement liens, but such liens shall be limited to the same validity, priority, and amount as prepetition liens. As used herein, the "validity, priority, and amount" or any similar phrase that may be used by the parties or this Court is deemed to include the following:

(a) Extent. Such liens shall be limited to the *type* of collateral in which the creditor held a security interest as of the petition date. For example, if prepetition liens extended to inventory and accounts receivable but not equipment then postpetition liens are likewise limited (unless otherwise expressly provided by order of this Court). In addition, postpetition liens shall not extend to any avoidance actions or the proceeds thereof, any claim or recoveries under 11 U.S.C. 506(c), any "carveout" under 11 U.S.C. 552, or

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any claim or recoveries under 11 U.S.C. 724(a).

(b) Priority. Such liens shall be limited to the same *priority* as the security interest held by the creditor as of the petition date.

(c) Dollar amount. Such liens shall be limited to the dollar amount needed to protect the creditor against diminution in the *value* of the secured claims as of the petition date.

(d) Enforceability. Such liens shall be limited to the extent that the creditor's security interests were duly *perfected* and *valid* as of the petition date, and to the extent that they are *unavoidable.*

(e) Automatic postpetition perfection. Any *automatic* perfection of such liens shall be subject to any applicable limitations regarding the Court's authority, jurisdiction, or due process.

(4) Automatic disapproval of insufficiently disclosed provisions

Any provision of the type listed in FRBP 4001(c)(1)(B) or in local form F4001-2 (*e.g.,* cross-collateralization) or any waiver of the "equities of the case" exception in 11 U.S.C. 552(b)(2) shall be deemed automatically disapproved and excepted from any order granting the motion, notwithstanding any other provision of such order, unless either: (a) such provision is specifically and prominently disclosed in the motion papers in a checklist (such as local form F4001-2), or alternatively (b) such provision is specifically identified in any proposed order granting the motion, using terminology of the type used in FRBP 4001(c)(1)(B) or local form F4001-2 (*e.g.,* any "cross-collateralization" that is not specifically identified as such is deemed to be disapproved).

(5) Disputes

In the event of any disputes regarding the rulings in this order, the parties are directed to meet and confer and, if they cannot resolve their disputes consensually, contact Judge Bason's chambers to arrange a mutually convenient time for either a telephonic or in-person hearing to address such disputes.

Proposed order(s): Unless otherwise ordered, Debtor is directed to lodge proposed order(s) on the matters addressed here via LOU within 7 days after the hearing date (per LBR 9021-1(b)(1)(B)) and attach a copy of this tentative ruling, thereby incorporating it as this Court's actual ruling.

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Party Information

Debtor(s):

Cumulus Restaurants, LLC	Represented By Jason E Turner

Trustee(s):

Arturo Cisneros (TR)	Pro Se