



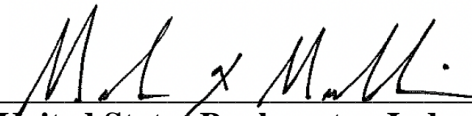
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 13, 2026

  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION

In re:	§	
	§	
ER OF TEXAS, LLC, ET AL., <sup>1</sup>	§	Case No. 24-40606-11
	§	Chapter 11
Debtors.	§	(Jointly Administered)
	§	

**INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL  
PURSUANT TO 11 U.S.C. § 363, (II) GRANTING ADEQUATE  
PROTECTION TO PREPETITION SECURED PARTIES, (III)  
SCHEDULING A FINAL HEARING, AND (IV) GRANTING RELATED  
RELIEF**

Upon the motion (the "Motion") of ER of Texas, LLC and its affiliated debtors and debtors in possession in the above-captioned Chapter 11 cases (collectively, the "Debtors") for entry of an interim order (this "Interim Order") (i) authorizing the Debtors to use Cash Collateral

<sup>1</sup> The debtors and debtors in possession are ER of Texas, LLC (EIN: 85-1751319); ER of Texas Colleyville, LLC (EIN: 87-1585575); ER of Texas Frisco, LLC (EIN: 85-1820777); ER of Texas Highland Village, LLC (EIN: 85-1794491); ER of Texas Hillcrest LLC (EIN: 87-1552062); ER of Texas Hurst, LLC (EIN: 87-1558323); ER of Texas Little Elm, LLC (EIN: 85-1778208); ER of Texas Texoma, LLC (EIN: 87-1558137); ER of Texas Uptown, LLC (EIN: 87-1651640); MedOPs Staffinwg, LLC (EIN: 83-4637945); and PERT, PLLC (EIN: 85-3330746). The mailing address of the debtors is 2800 Little Elm Parkway, Little Elm, Texas 75068.

in accordance with the Budget, (ii) granting adequate protection to the Prepetition Secured Parties, (iii) scheduling a Final Hearing on the relief requested in the Motion, and (iv) granting related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion and the preliminary hearing thereon has been given in accordance with the Bankruptcy Rules; and the preliminary hearing having been held; and upon the record of the preliminary hearing and all of the proceedings had before the Court; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

- A. Petition Date. On February 10, 2026 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
- B. Debtors in Possession. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
- C. Prepetition Secured Parties. Encore Bank, N.A. ("Encore" or the "Senior Secured Lender"), Newtek Business Services Holdco 6, Inc. ("Newtek"), and certain merchant cash advance providers and other financiers (collectively, the "MCA Lenders," and together with Encore and Newtek, the "Prepetition Secured Parties") have asserted security interests in certain assets of the Debtors.

D. Senior Secured Lender Priority. Based on the record before the Court, Encore asserts valid, perfected, first-priority security interests in and liens upon substantially all of the Debtors' assets, including accounts, accounts receivable, deposit accounts, inventory, equipment, general intangibles, and proceeds thereof (collectively, the "Encore Collateral"), pursuant to that certain Amended and Restated Loan Agreement, dated as of October 21, 2024, and related loan documents (collectively, the "Encore Loan Documents").

E. Junior Secured Parties. Newtek has contractually subordinated its security interest to Encore's security interests pursuant to the Newtek Commercial Security Agreement, dated as of March 25, 2025. The MCA Lenders' security interests, to the extent valid and perfected, are junior to Encore's and Newtek's security interests based on filing dates and applicable law.

F. Cash Collateral. The Debtors' cash, including cash proceeds of accounts receivable arising from services rendered prior to the Petition Date, constitutes "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

G. Section 552. Pursuant to section 552(a) of the Bankruptcy Code, accounts receivable arising from services rendered after the Petition Date are not subject to prepetition liens. Pursuant to section 552(b)(1) of the Bankruptcy Code, prepetition liens extend to proceeds of prepetition collateral acquired postpetition, to the extent provided by applicable security agreements and nonbankruptcy law, subject to the Court's power to order otherwise based on the equities of the case.

H. Need for Cash Collateral. The Debtors have an immediate need to use the Cash Collateral to continue the operation of their businesses, preserve the going-concern value of their assets, and maximize value for all stakeholders.

I. Adequate Protection. The Prepetition Secured Parties are entitled to adequate protection of their interests in the Cash Collateral and the Prepetition Collateral pursuant to sections 361, 362, and 363 of the Bankruptcy Code.

J. Good Faith. The Debtors have requested the use of Cash Collateral in good faith and at arm's length.

K. Sufficient Notice. Notice of the Motion and the preliminary hearing thereon was sufficient under the circumstances and in compliance with Bankruptcy Rules 2002, 4001(b), and 9014.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

**Authorization to Use Cash Collateral**

1. The Debtors are authorized to use the Cash Collateral in accordance with the budget attached hereto as Exhibit 1 (the "Budget"), with a variance of up to ten percent (10%) on a line-item basis and up to ten percent (10%) on an aggregate weekly basis, during the period from the Petition Date through the earlier of (a) entry of the Final Order, (b) the termination of this Interim Order in accordance with its terms, or (c) the occurrence of a Termination Event (as defined below) (the "Interim Period"). Absent further order of the Court or agreement of the parties, no funds from the Lockbox Account (as defined in the Motion) will be used by the Debtors during the Interim Period.

**Adequate Protection**

2. As adequate protection for any diminution in the value of the Prepetition Secured Parties' respective interests in the Cash Collateral and their prepetition collateral (the "Prepetition Collateral") resulting from the Debtors' use of the Cash Collateral, the imposition of the

automatic stay under section 362 of the Bankruptcy Code, or otherwise during these Chapter 11 Cases, the Prepetition Secured Parties are hereby granted the following adequate protection:

### **Adequate Protection Liens**

3. Effective as of the Petition Date, the Prepetition Secured Parties are hereby granted valid, binding, continuing, enforceable, and perfected replacement liens (the "Adequate Protection Liens") on all of the Debtors' assets and property, whether now existing or hereafter acquired or created, including, without limitation, all accounts, accounts receivable (including accounts receivable arising from services rendered after the Petition Date), inventory, equipment, deposit accounts, general intangibles, and all proceeds thereof (the "Adequate Protection Collateral"); provided, however, that the Adequate Protection Liens shall not attach to causes of action arising under chapter 5 of the Bankruptcy Code or the proceeds thereof.

4. The Adequate Protection Liens shall be junior only to (i) the Carve-Out (as defined below), (ii) any valid, perfected, and enforceable liens existing as of the Petition Date that are senior to the liens of the applicable Prepetition Secured Party under applicable nonbankruptcy law, and (iii) any liens permitted under this Interim Order.

5. The Adequate Protection Liens granted to each Prepetition Secured Party shall maintain the same relative priority as existed among the Prepetition Secured Parties as of the Petition Date.

### **Superpriority Administrative Expense Claims**

6. To the extent of any diminution in the value of the Prepetition Secured Parties' respective interests in the Cash Collateral and the Prepetition Collateral during these Chapter 11 Cases, each Prepetition Secured Party is hereby granted an allowed superpriority administrative

expense claim (collectively, the "Adequate Protection Claims") against the Debtors' estates, pursuant to section 507(b) of the Bankruptcy Code, with priority over all other administrative expense claims against the Debtors' estates under section 503(b) or 507(b) of the Bankruptcy Code.

7. The Adequate Protection Claims shall maintain the same relative priority as existed among the Prepetition Secured Parties as of the Petition Date.

### **Professional Fees**

8. Subject to and in accordance with the Budget, the Debtors are authorized and directed to pay the reasonable and documented fees, costs, and expenses of counsel to the Senior Secured Lender incurred in connection with these Chapter 11 Cases; provided, however, that, consistent with Section 14(c) of the Procedures for Complex Cases in the Northern District of Texas, as a condition to payment the Senior Secured Lender shall cause its counsel to provide summary invoices to the Debtors, the Office of the United States Trustee for the Northern District of Texas, and any official committee appointed under section 1102 of the Bankruptcy Code, with not less than ten (10) days for the recipients to object to payment of such invoices. Each summary invoice shall include a summary of the work performed during the relevant compensation period; the name, hourly rate (if applicable), and number of hours worked by each professional and paraprofessional who worked on the matter during the relevant compensation period; and the total fee amount being requested. Absent a timely objection, the Debtors are authorized to pay such amounts in accordance with the Budget. To the extent an objection is timely served, the Debtors shall defer payment of the disputed portion of the applicable invoice pending further order of the Court or consensual resolution, and shall promptly pay any undisputed portion. Nothing in this paragraph shall require disclosure of attorney-client

privileged information or attorney work product, and nothing herein shall prejudice the right of any party in interest to seek further review of such fees or expenses.

### **Financial Reporting**

9. The Debtors shall provide to the Prepetition Secured Parties (or their counsel):
  - a) on or before each Thursday during the Interim Period, a variance report comparing actual cash receipts and disbursements for the preceding week to the amounts set forth in the Budget;
  - b) copies of all monthly operating reports filed with this Court; and
  - c) such other financial information as may be reasonably requested by the Senior Secured Lender.

### **Section 552 Treatment**

10. The Adequate Protection Liens granted to the Prepetition Secured Parties on postpetition accounts receivable and their proceeds are granted as adequate protection for diminution in the value of the Prepetition Secured Parties' interests in their prepetition collateral, consistent with section 552(b)(1) of the Bankruptcy Code. Nothing in this Interim Order shall be deemed to expand any Prepetition Secured Party's prepetition liens beyond the scope permitted by section 552(b)(1) of the Bankruptcy Code or to waive or limit the Court's power to limit such liens based on the equities of the case. All rights of any party in interest with respect to the application of section 552 of the Bankruptcy Code are reserved.

### **Carve-Out**

11. The Adequate Protection Liens and the Adequate Protection Claims shall be subject to a carve-out (the "Carve-Out") for:
  - a) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930;
  - b) fees and expenses of a chapter 7 trustee, if any; and

c) allowed and unpaid professional fees and expenses of the Debtors' professionals and professionals of any official committee of unsecured creditors appointed in these cases.

### **Reservation of Rights**

12. Nothing in this Interim Order shall be deemed to constitute:

a) an admission by the Debtors or any other party in interest as to the validity, extent, priority, or perfection of any lien or security interest asserted by any Prepetition Secured Party;

b) a waiver by any party in interest of any claims or causes of action that may exist against any Prepetition Secured Party; or

c) a finding or admission that any of the claims of the Prepetition Secured Parties are or are not secured claims.

### **Termination Events**

13. Unless waived in writing by the Senior Secured Lender, the occurrence of any of the following events shall constitute a "Termination Event":

a) the Debtors fail to comply with any material term of this Interim Order;

b) the Debtors' actual disbursements exceed the amounts set forth in the Budget by more than the permitted variance;

c) any of the Chapter 11 Cases is converted to a case under chapter 7 of the Bankruptcy Code or dismissed;

d) a trustee or examiner with expanded powers is appointed in any of the Chapter 11 Cases;

e) any order is entered reversing, amending, supplementing, staying, vacating, or otherwise modifying this Interim Order without the prior written consent of the Senior Secured Lender; or

f) the Final Order has not been entered within thirty-five (35) days after the Petition Date.

14. Upon the occurrence of a Termination Event, the Senior Secured Lender shall provide written notice thereof to the Debtors and their counsel, and the Debtors' authority to use

Cash Collateral shall terminate five (5) business days after delivery of such notice unless the Termination Event is cured or waived or the Court orders otherwise.

### **Perfection of Adequate Protection Liens**

15. The Adequate Protection Liens granted pursuant to this Interim Order shall be deemed perfected without the necessity of the Prepetition Secured Parties taking any further action, including the filing of UCC financing statements or other documents; provided, however, that the Prepetition Secured Parties may, in their discretion, file such financing statements or other documents as they deem necessary or appropriate to perfect such liens.

### **Final Hearing**

1. The Final Hearing on this Motion shall be held on **March 11, 2026 at 9:30 a.m.** (Central Time). Any objections to this Motion must be filed and served so as to be actually received no later than five (5) business days prior to the Final Hearing.

### **Binding Effect**

2. This Interim Order shall be binding upon and inure to the benefit of the Debtors, the Prepetition Secured Parties, and their respective successors and assigns, including any chapter 7 trustee appointed in these Chapter 11 Cases or any successor cases.

### **No Waiver**

3. The failure of the Senior Secured Lender to seek relief or otherwise exercise its rights and remedies under this Interim Order, the Encore Loan Documents, or applicable law shall not constitute a waiver of any such rights and remedies.

**Immediate Effect**

4. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective immediately upon its entry.

**Retention of Jurisdiction**

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

### END OF ORDER ###

Submitted by:

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