



Order Filed on June 29, 2026
by Clerk
U.S. Bankruptcy Court
District of New Jersey

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-2(c)
WILENTZ, GOLDMAN & SPITZER, P.A.
90 Woodbridge Center Drive
Suite 900, Box 10
Woodbridge, NJ 07095
732-636-8000
DAVID H. STEIN, ESQ.
Proposed Attorneys for Debtor

In re:

ESGTHERM LLC,

Debtor.

Case No.: 26-17330 (MEH)

Chapter 11
(Subchapter V)

**INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II)
GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED
RELIEF**

The relief set forth on the following pages numbered two (2) through twelve (12) is hereby **ORDERED**.

DATED: June 29, 2026

A handwritten signature in black ink, appearing to read "Mark E. Hall".

**Honorable Mark E. Hall
United States Bankruptcy Judge**

Page 2

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

This matter is before the Bankruptcy Court upon the emergency motion (the “Motion”) of ESGTHERM LLC (the “Debtor”) for the entry of an interim order (the “Order”), pursuant to sections 105(a), 361, 362 and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101, et. seq. (the “Bankruptcy Code”), (i) authorizing Debtor’s use of cash collateral pursuant to section 363 of the Bankruptcy Code; (ii) granting adequate protection for such use of cash collateral pursuant to sections 361 and 363 of the Bankruptcy Code; and (iii) granting related relief pursuant to Rules 4001(b)(2) and (c)(2) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The Bankruptcy Court considered the Motion on an interim basis and the limited objections, if any, filed thereto or as stated on the record, at a hearing held on June 29, 2026, and after having heard from parties in interest at that hearing, and after due deliberation and good and sufficient cause appearing for the entry of the within order, **THE MOTION IS GRANTED AS SET FORTH BELOW, AND THE COURT HEREBY FINDS THAT:**

A. Notice and Hearing. Notice of the Motion pursuant to D.N.J. LBR 9013-1 and Fed. R. Bankr. P. 9006(b) for the hearing on Debtor’s use of Cash Collateral (as defined herein) has been served on (i) Corporation Service Company, as Representative; (ii) CT Corporation System; (iii) First Corporate Solutions, as Representative; (iv) Funding Metrics, LLC; (v) John Balaskonis and Valos Jelis; and (vi) QFS Capital, LLC, the only parties-in-interest to the Debtor’s knowledge claiming an interest in cash collateral, and such other parties-in-interest as required by applicable rules, in accordance with 11 U.S.C. § 102(1) and Fed. R. Bankr. P. 4001(b), which notice is appropriate in the particular circumstances and is sufficient for all purposes under the Bankruptcy Code and the applicable Bankruptcy Rules with respect to the relief requested.

Page 3

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

B. Chapter 11 Case Filed. The Debtor filed its petition under Chapter 11 of the Bankruptcy Code on June 25, 2026 (the “Petition Date”) and is presently operating as a debtor-in-possession in accordance with 11 U.S.C. § 1184.

C. Jurisdiction and Venue. The Bankruptcy Court has jurisdiction over this bankruptcy case (the “Case”), the Debtor, property of Debtor’s estate, and this proceeding pursuant to 28 U.S.C. § 1334. Determination of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue over this Case and this Motion is proper under 28 U.S.C. § 1409(a).

D. Appointment of Subchapter V Trustee. On June 26, 2026, Joseph L. Schwartz (the “Subchapter V Trustee”) was appointed subchapter V trustee in the Debtor’s bankruptcy case by the Office of the United States Trustee.

E. Debtor’s Stipulation with Respect to the Protected Creditors. The Debtor believes that John Balaskonis and Valos Jelis (the “Protected Creditors”), whose liens are protected by the Debtor’s collateral have liens which are secured, by the value of the Debtor’s assets and collateral. Any party in interest, including but not limited to the U.S. Trustee, or any official committees appointed in these case, which parties shall have sixty (60) days or such longer period as may be obtained for cause shown prior to the expiration of such period from the date of the final cash collateral order, to investigate the facts and bring any appropriate proceedings as representatives of the estate to contest the scope, validity, perfection and or amount of the claim.

i. Protected Creditors’ Cash Collateral. Except as otherwise provided herein, any and all of Debtor’s cash and other amounts on deposit or maintained in any account or

Page 4

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

accounts by the Debtor generated by the Debtor or other disposition of the Prepetition Collateral (as defined herein) existing as of the Petition Date, and the proceeds of any of the foregoing, is the “cash collateral” (within the meaning of section 363(a) of the Bankruptcy Code, the “Cash Collateral”) of the Protected Creditors.

ii. Prepetition Loan Documents. The Debtor and the Protected Creditors have entered into certain secured financing arrangements (the “Prepetition Loan Agreement”). The Prepetition Loan Agreement, and the other loan documents (altogether, the “Prepetition Documents”) evidence and govern the Prepetition Debt (as defined below), the Prepetition Liens (as defined herein), and the prepetition financing relationship between Debtor and the Protected Creditors are binding, valid, and enforceable by the Protected Creditors against the Debtor subject to the rights set forth below.

iii. Prepetition Debt. As of the Petition Date, the outstanding aggregate amount of the obligations owing by the Debtor to the Protected Creditors is \$408,000.00 (the “Prepetition Debt”).

iv. Prepetition Liens and Collateral. Except as otherwise set forth herein, as of the Petition Date, the Prepetition Debt was secured by continuing, valid, perfected, and enforceable and security interests and liens (the “Prepetition Liens”) granted by the Debtor to the Protected Creditors upon the “Collateral” (as defined in the Prepetition Loan Agreement, including all proceeds thereof, hereafter, collectively, the “Prepetition Collateral”).

v. Adequate Protection for the Protected Creditors. As a result of Debtor’s authorization to use Cash Collateral as set forth herein, the Protected Creditors are entitled to

Page 5

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

receive adequate protection pursuant to sections 361, 362, and 363 of the Bankruptcy Code for and solely to the extent of any actual diminution in the value, from and after the Petition Date, of its interests in the Collateral (including Cash Collateral) resulting from the automatic stay and/or from Debtor's use, sale or lease of the Collateral (including Cash Collateral), or otherwise during the Case. As adequate protection, the Protected Creditors will receive the adequate protection described in this Order.

F. Cash Collateral. "Cash Collateral" is defined by 11 U.S.C. § 363(a) and includes cash, negotiable instruments, deposit accounts and or other cash equivalents, as more particularly defined in said subsection of the Bankruptcy Code, as well as post-petition accounts and "proceeds", as that term is described in UCC Section 9-102(a)(64).

G. Necessity and Best Interest. The Debtor does not have sufficient unencumbered cash with which to continue to operate in Chapter 11. Debtor requires immediate authority to use Cash Collateral as defined herein in order to continue its business operations without interruption. Debtor's use of Cash Collateral to the extent and on the terms and conditions set forth herein is necessary to avoid immediate and irreparable harm to its estate pending a final hearing on use of Cash Collateral (the "Final Hearing"). The Cash Collateral authorized to be used hereunder through the Termination Date pending a further interim or Final Hearing or entry of a further interim or final order may not exceed the amount required to pay the Debtor's ordinary expenses in accordance with and subject to the terms of this Order, including the Budget (as defined herein).

Page 6

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

H. Permitted Usage of Cash Collateral. The Debtor is authorized only to use Cash Collateral in accordance with the terms and provisions of this Order in order to pay its ordinary, expenses, as and when due and payable in accordance with, and to the extent set forth in the Budget attached hereto as Exhibit "A" (the "Budget"), in accordance with and subject to the terms of this Order.

For good cause shown,

IT IS **ORDERED AND ADJUDGED** as follows:

1. Motion Granted. The Motion is granted on an interim basis in accordance with the terms of this Order. Any objections to the Motion with respect to the entry of this Order that have not been withdrawn, waived or settled, and all reservations of rights included therein or raised on the record at the interim hearing are hereby continued until the Final Hearing.

2. Use of Cash Collateral. The Debtor is authorized to use Cash Collateral pursuant to, and in accordance with, the Budget. In addition to any amounts listed in the Budget, the Debtor shall escrow the sum of \$2,500.00 for the month of July 2026, by no later than the fifth day of the month, toward the payment of the Subchapter V Trustee's fees and expenses, which shall be paid by the Debtor to the Subchapter V Trustee's law firm to be segregated and held by the Subchapter V Trustee in his law firm's trust account and shall solely be used to pay allowed fees and expenses of the Subchapter V Trustee as and when allowed and for no other purpose. The parties shall review the amount of the payment to the Subchapter V Trustee for any month subsequent to July 2026.

Page 7

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

3. Termination of Right to Use Cash Collateral.

a. Termination Date. Debtor's authorization to use Cash Collateral shall terminate: (i) on the occurrence of an Event of Default under any of Paragraphs 11(b) or 11(c) of this Order; or (ii) five (5) business days after the Protected Creditors has provided written notice to the Debtor of the occurrence of an Event of Default (the earliest such date, the "Termination Date"), whereupon the Debtor may request an emergent hearing from the Bankruptcy Court.

b. Rights upon Termination. On the Termination Date, the Protected Creditors and the Debtor shall be entitled to apply to this Bankruptcy Court for all appropriate relief, upon such notice as may be appropriate under the circumstances; provided, however, that the obligation of the Debtor and the rights of the Protected Creditors with respect to all transactions which have occurred prior to the Termination Date under or otherwise in accordance with this Order shall remain unimpaired and unaffected.

4. Adequate Protection. As adequate protection for use of Cash Collateral:

a. Replacement Lien. The Protected Creditors are granted replacement liens under 11 U.S.C. § 361(2) on all assets of the Debtor arising after the Petition Date (excluding Chapter 5 avoidance actions) in an amount equal to the aggregate diminution in value (if any) of the Prepetition Collateral resulting from the sale, lease, or use by Debtor of its Prepetition Collateral, or the imposition of the automatic stay pursuant to Section 362 of the Bankruptcy Code (the "Replacement Lien"). The Replacement Lien granted in this Order (i) shall be deemed automatically valid and perfected without any further notice or act by any party and (ii) shall remain in full force and effect notwithstanding any subsequent conversion or dismissal of either

Page 8

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

case. For the avoidance of doubt, the replacement lien shall be junior in priority only to any fees payable to the Clerk of this Bankruptcy Court, statutory fees pursuant to 28 U.S.C. § 1930(a)(6), any Permitted Priority Liens.

b. Statutory Rights Under Section 507(b). To the extent the adequate protection provided for hereby proves insufficient to protect the secured creditors' interest in and to Cash Collateral as set forth in the Motion, the Protected Creditors shall have a super priority administrative expense claim, pursuant to 11 U.S.C. § 507(b), senior to any and all claims against Debtor under 11 U.S.C. § 507(a), whether in this proceeding or in any superseding proceeding, subject to payments due under 28 U.S.C. § 1930(a)(6).

c. Inspections. Upon request of the Protected Creditors to inspect the Collateral, not less than five (5) business days in advance to the Debtor, the Debtor shall grant access, during normal business hours, to inspect the Collateral, to enable the Protected Creditors or its agents to inspect and evaluate.

5. Interlocutory Order and No Modification of Creditor's Adequate Protection. This is an interlocutory order. Nothing contained herein shall be deemed or construed to: (a) limit the Protected Creditors to the relief granted herein; (b) bar the Protected Creditors from seeking other and further relief (including without limitation relief from the terms of this Order) for cause shown on appropriate notice to the Debtor and other parties-in-interest entitled to notice of same; or (c) require the Protected Creditors to make any further loans or advances to the Debtor. This Order may be modified for cause shown by the Debtor, the Protected Creditors, or any other party-in-interest on due notice. No such modification, however, shall deprive the Protected

Page 9

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

Creditors of any of its claims against the Debtor or any of its rights, claims, or interests in, under, or to any of the Debtor's property (whether pre-petition or post-petition), except as set forth herein.

6. No Waiver. The Protected Creditors will not be deemed to have suspended, waived, or otherwise modified any of its rights or remedies under this Order, the Prepetition Documents, the Bankruptcy Code, or applicable nonbankruptcy law unless any such suspension, waiver, or other modification is in writing, signed by a duly authorized officer of the Protected Creditors, and directed to the Debtor. Further, this Order shall not constitute a waiver by the secured creditors of any of its rights under the Prepetition Documents, the Bankruptcy Code or applicable nonbankruptcy law, including the Protected Creditors right to later assert: (1) that, any of its interests in the Collateral lack adequate protection within the meaning of Bankruptcy Code §§ 362(d) or 363(e) or any other provision thereof; (2) a claim under Bankruptcy Code § 507(b); or (3) a higher or lower value of the Collateral.

7. Force and Effect of Prepetition Documents. To the extent there exists any conflict among the Motion, the Prepetition Documents and the terms of this Order, this Order shall govern and control.

8. Modification of Stay. The automatic stay of Bankruptcy Code § 362 in each Case is hereby modified with respect to the Protected Creditors to the extent necessary to effectuate the provisions of this Order.

9. "Responsible Person". By taking any actions pursuant to this Order, the Protected Creditors shall not: (1) be deemed to be in control of the operations or liquidation of either

Page 10

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

Debtor; or (2) be deemed to be acting as a “responsible person” with respect to the operation, management or liquidation of the Debtor.

10. Reservation of Certain Third Party Rights and Bar of Challenges and Claims. The right to dispute or challenge the validity, perfection, extent, amount and priority of the Protected Creditors’ claims and liens or otherwise assert claims against the Protected Creditors (collectively, a “Challenge”) are, expressly preserved up through Confirmation of any Plan of Reorganization (the “Challenge Period”).

11. Events of Default. The occurrence of any of the following shall be an immediate event of default (collectively, the “Events of Default”) under this Order: (a) the Debtor fails to perform any of its obligations with respect to use of Cash Collateral in accordance with the terms of this Order, (b) the Case is converted to a case under Chapter 7 of the Bankruptcy Code; or (c) a trustee, other than the original Subchapter V trustee, is appointed, elected or granted enhanced powers in the Case with power to control the operations of the Debtor.

12. Order. Except as set forth herein, this Order shall be binding on all parties in interest in the Case and their respective successors and assigns, including any trustee, except that any trustee shall have the right to terminate this Order after notice and a hearing. Except as set forth otherwise herein, if this Order does not become a final nonappealable order, if a trustee terminates this Order, or if any of the provisions of the Order are hereafter modified, amended, vacated or stayed by subsequent order of this Bankruptcy Court or any other court, such termination or subsequent order shall not affect: (a) the stipulations, representations, and findings contained in this Order; or (b) the priority, validity, enforceability or effectiveness of any lien,

Page 11

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

security interests or any other benefit or claim authorized hereby with respect to any diminution in value of the Cash Collateral used prior to the effective date of such termination or subsequent order. All such liens, security interests, claims and other benefits shall be governed in all respects by the original provisions of this Order. Except as otherwise explicitly set forth in this Order, no third party is intended to be, or shall be deemed to be, a third party beneficiary of this Order. This order shall not prejudice the rights and remedies of the Protected Creditors and the Debtor.

13. Survival. The provisions of this Order, and any actions taken pursuant to or in reliance upon the terms hereof, shall survive entry of, and govern in the event of any conflict with, any order which may be entered in this Case: (a) confirming any Chapter 11 plan, (b) converting of the Case to a case under Chapter 7 of the Bankruptcy Code, (c) dismissing the Case, (d) withdrawing of the reference of the Case from this Bankruptcy Court, or (e) providing for abstention from handling or retaining of jurisdiction of the Case in this Bankruptcy Court. The terms and provisions of this Order, including the rights granted to the secured creditors under Bankruptcy Code §§ 361 and 363 shall continue in full force and effect until all of the Prepetition Debt is indefeasibly paid in full in cash and discharged.

NOTICE OF ORDER

14. Debtor shall serve a copy of this Order and Notice by first class mail within two (2) business days from the date hereof, on (i) the Office of the Office of the United States Trustee; (ii) Corporation Service Company, as Representative; (iii) CT Corporation System; (iv) First Corporate Solutions, as Representative; (v) Funding Metrics, LLC; (vi) John Balaskonis and Valos Jelis; and (vii) QFS Capital, LLC (viii) the Subchapter V trustee; and (ix) such other

Page 12

Debtor: Esgtherm, LLC

Case No.: 26-17330

Caption of Order: INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, AND (III) GRANTING RELATED RELIEF

parties-in-interest as required by applicable rules. Debtor shall promptly file with the Clerk a Certificate of Service of said mailing.

15. The deadline by which objections to the Motion and Final Order must be filed is on **July 13, 2026** and must be served upon counsel for the Debtor, the Office of the United States Trustee, Subchapter V Trustee and counsel for the secured creditors.

16. A Final Hearing, if required, on the Motion will be held on **July 20, 2026 at 1:30 p.m.** If no objection are filed to the Cash Collateral Motion, the Bankruptcy Court may enter the Final Order without further notice or hearing.

EXHIBIT "A"

ESG THERM LLC

Weekly Budget

	Week 1 (W/E 7/4)	Week 2 (W/E 7/11)	Week 3 (W/E 7/18)	Week 4 (W/E 7/25)
Total Gross Sales	\$41,600.00	\$41,600.00	\$41,600.00	\$41,600.00
Taxes	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00
Tips	\$3,400.00	\$3,400.00	\$3,400.00	\$3,400.00
Discounts/Refunds	\$600.00	\$600.00	\$600.00	\$600.00
Net Sales	\$35,300.00	\$35,300.00	\$35,300.00	\$35,300.00
Rent	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Secured Note	\$1,670.00	\$1,670.00	\$1,670.00	\$1,670.00
Tax/Sewers	\$750.00	\$750.00	\$750.00	\$750.00
Insurance	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Utilities¹	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00
Garbage	\$200.00	\$200.00	\$200.00	\$200.00
Phone/Internet	\$125.00	\$125.00	\$125.00	\$125.00
Dishwasher Rental	\$75.00	\$75.00	\$75.00	\$75.00
Payroll (Weekly)²	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00
Paper Supplies	\$550.00	\$550.00	\$550.00	\$550.00
Coffee/Pepsi	\$725.00	\$725.00	\$725.00	\$725.00
Bread	\$800.00	\$800.00	\$800.00	\$800.00
Bakery	\$400.00	\$400.00	\$400.00	\$400.00
Food	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00
Misc./Repairs	\$300.00	\$300.00	\$300.00	\$300.00
Cintas Fire Sys.	\$20.00	\$20.00	\$20.00	\$20.00
NuCo2 Carbon Sys.	\$35.00	\$35.00	\$35.00	\$35.00
Total Expenses³	\$30,415.00	\$30,415.00	\$30,415.00	\$30,415.00
Net Weekly Cash Flow	\$4,775.00	\$4,775.00	\$4,775.00	\$4,775.00

¹ Budget does not include any required utility deposits.

² The payroll amount covers twenty-two employees plus one manager; the amount does not include any arrears.

³ Unless otherwise noted, all expenses are pro-rated weekly for purposes of the budget presentation but will be paid monthly per payment terms and/or their historical billing dates.