UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re: HERNAN REYES MD SC Debtor(s)	BK No.: 25-19154 Chapter: 11 Honorable Jacqueline P Cox

INTERIM ORDER ALLOWING THE DEBTOR TO USE CASH COLLATERAL OF KAPITUS SERVICING, INC.

This matter coming before the Court on Debtor's Motion Authorizing Use of Cash Collateral and Granting Adequate Protection (the “Motion”) belonging to Kapitus Servicing Inc., as servicing agent for Kapitus LLC (“Kapitus”); Kapitus has a perfected first priority security interest in all of the debtor's cash collateral pursuant to the UCC financing statement document number 20231023 filed on October 23, 2023, the Loan Agreement dated October 17, 2023, and the Security Agreement executed by Debtor prior to the filing of this bankruptcy; due and proper notice having been provided; the court having jurisdiction over this core proceeding; the Court being fully advised in the premises; and after due deliberation and sufficient cause appearing therefor:

NOW THEREFORE, in consideration of the foregoing, it is, by the United States Bankruptcy Court for Northern District of Illinois, hereby:

ORDERED, that the Motion is GRANTED on an interim basis, subject to and conditioned upon the terms of this ORDER. This ORDER shall immediately become effective upon its entry.

FURTHER ORDERED, that the Debtor's Motion to Allow the Use of Cash Collateral effective as of March 31, 2026 by reason of this Interim Order to the extent needed to pay payroll and payroll expenses for the duration of this Interim Order which is until April 14, 2026 (the “Expiration Date”) and only those expenses that are absolutely necessary to maintain an operational business of Debtor as agreed to and allowed by Kapitus in accordance with the terms and conditions of this Order and the Debtor's budget excluding the miscellaneous line item (the “Budget” attached hereto is granted pursuant to the terms and conditions set forth in this Interim Order, subject to available funds, provided, however, that Kapitus is granted adequate protection as hereinafter set forth and except on the terms of this Order, the Debtor shall be enjoined and prohibited from at any time using the Pre-Petition Collateral, including the Cash Collateral.

FURTHER ORDERED, the Debtor is authorized to use cash in its possession, which represents cash collateral of Kapitus, and may pay payroll and payroll expenses for the duration of this Interim Order, not to exceed $8,120.74, plus applicable employer paid taxes, subject to available funds.

FURTHER ORDERED Debtor shall make adequate protection payments to Kapitus in the amount of $5,500.00 monthly, with the first such payment due on February 1, 2026, and continuing thereafter on the first day of each calendar month until confirmation of Debtor's chapter 11 plan, at which time the plan and plan payments shall supersede this agreement. These adequate protection payments shall be applied to the Debtor's obligations to Kapitus in accordance with the Loan Agreement. All payments by Debtor to Kapitus shall be remitted via ACH payment. The Debtor shall provide Kapitus with a voided check and Kapitus is hereby authorized to ACH debit from the account set forth on the voided check in accordance with the payment schedule set forth herein and with respect to any future adequate protection payments to which Kapitus and Debtor may agree and approved by this Court. No other claimants shall receive any adequate protection payments unless otherwise ordered by the Court. Debtor shall have a 7-day cure period to pay any adequate protection payments not received by the first day of the calendar month. No notice is required by Kapitus. The Debtor authorizes Kapitus to ACH debit from the account set forth on the voided check to be provided by the Debtor at least five (5) business days in advance of the due date of the first payment due to Kapitus under the Order. If the Debtor changes the bank account from which such ACH debits are being remitted, it shall provide Kapitus, within 5 business days of such change, the new bank account information and a written authorization to deduct payments via ACH from such account in accordance with the terms of the Order. Debtor shall be charged and liable for $75.00 for each rejected ACH debit incurred by Kapitus, and such fees shall be due and payable by Debtor as they accrue.

FURTHER ORDERED, all of Kapitus' rights as Secured Creditor are otherwise unimpaired by this Order and all rights of Kapitus as Secured Creditor are reserved and preserved.

FURTHER ORDERED, as additional adequate protection for the use of the Debtor's Pre-Petition Collateral and to the extent such use results in a diminution of the value of the Pre-Petition Collateral, Kapitus is granted nunc pro tunc, pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, valid, perfected, replacement liens upon, and security interests in and to, all post-petition assets of the Debtor, of any kind or nature whatsoever, real or personal, whether now existing or hereafter acquired, and the proceeds of the foregoing, to the same extent and with the same priority as Kapitus' interests in the Pre-Petition Collateral the (“Adequate Protection Liens”);

FURTHER ORDERED, that the liens and security interests granted to Kapitus hereby, including the Adequate Protection Liens, shall become and are duly perfected without the necessity for the execution, filing or recording of financing statements, security agreements, deposit control agreements, and other documents which might otherwise be required pursuant to applicable non-bankruptcy law for the creation or perfection of such liens and security interests. Notwithstanding the foregoing, Kapitus may, in its sole discretion, file such financing statements, security agreements, mortgages, deeds of trust, notices of lien, or similar instruments or otherwise confirm perfection of such liens, security interests, and mortgages consistent with this Order without seeking modification of the automatic stay under section 362 of the Bankruptcy Code, and all such documents shall be deemed to have been filed or recorded at the time of and on the Petition Date;

FURTHER ORDERED, that notwithstanding any other provision hereof, the grants of adequate protection pursuant hereto are without prejudice to the rights of any party, including the Debtor and Kapitus, to seek modification thereof so as to provide different, additional or other adequate protection and to seek relief from the automatic stay, and without prejudice to the right of the Debtor to contest any such requested relief or modification.

FURTHER ORDERED, as further adequate protection, Kapitus shall have an allowed administrative expense priority claim under Sections 503(b) and 507(b) in the unpaid amount of the Debtor's obligations owing to Kapitus up to the amounts expended by reason of the Debtor's use of the cash collateral that has been or will be utilized from the onset of the petition date throughout the duration that the Debtor is authorized to use cash collateral, until such payments are made in full or such time as the automatic stay is terminated in favor of Kapitus. Such administrative expense claim shall be paid in full, or Debtor shall obtain Kapitus' written consent as to payment, prior to confirmation of a plan of reorganization. The adequate protection payments shall be paid first to post-petition interest, costs and attorney's fees, followed by pre-petition interest, costs and attorney's fees before application to the principal balance.

FURTHER ORDERED, that notwithstanding any limitations included in this Order, this Order is without prejudice to: (a) any subsequent request by a creditor of the Debtor for modified adequate protection or restriction on Cash Collateral; (b) a creditor's right to object to impermissible use of Cash Collateral; and (c) any other right or remedy which may be available to a creditor of the Debtor;

FURTHER ORDERED, that the Debtor is to maintain all insurance policies required to conduct its business, including without limitation, general liability insurance, workers' compensation insurance, and disability insurance, in amounts as are appropriate for the business in which the Debtor is engaged, naming Kapitus as loss payee, certificate holder and as additional insured on all such policies. The Debtor shall provide Kapitus with proof of all such coverage, as well as prompt notification of any change in such coverage which may hereafter occur;

FURTHER ORDERED, that the Debtor shall maintain, safeguard, and protect and shall not sell, transfer, lease, encumber or otherwise dispose of, or allow the disposal of, any portion of the collateral outside of the ordinary course of its business without further Order of the Court;

FURTHER ORDERED, that the Court has and will retain jurisdiction to enforce this Order according to its terms;

FURTHER ORDERED, that an interim hearing on the Motion will be held on April 14, 2026 at 1:30 p.m., Central Standard Time, in the United States Bankruptcy Court for the Northern District of Illinois, Courtroom 680.

Enter: Jacqueline P. Cox

Honorable Jacqueline Cox
United States Bankruptcy Judge

Dated: March 31, 2026

Prepared by:

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