IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF ARKANSAS
CENTRAL DIVISION

IN RE: NLC PRODUCTS INC. **Case No. 4:25-bk-11264**
Debtor-in-Possession **Chapter 11**

INTERIM ORDER FOR USE OF CASH COLLATERAL

Upon the Emergency Motion for Use of Cash Collateral (the "Motion") filed by NLC Products Inc. ("Debtor"), subject to the terms and conditions set forth herein, the Court finds and orders as follows:

A. On April 14, 2025, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Arkansas, Delta Division. The Debtor is operating its business and managing its property as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner and no official committee has yet been appointed.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 Case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. An immediate and critical need exists for the Debtor to use certain funds defined in the Motion as "Excess Cash Funds", to continue the operation of its business and prepare a Chapter 11 Plan of Reorganization. Without such funds, the Debtor will not be able to pay its direct operating expenses and obtain goods and services needed to carry on its business during this sensitive period in a manner that will avoid irreparable harm to the Debtor's estate. At this time, the Debtor's ability to use the Excess Cash Funds is necessary to, among other operational issues, purchase inventory and engage in an advertising campaign for the Christmas 2026 season, at which

time the Debtor makes much of its revenue for the year. The use of such funds is also vital to the confidence of the Debtor's vendors and suppliers of the goods and services, to the customers and to the preservation and maintenance of the going concern value of the Debtor's estate.

D. Pursuant to the loan documents between Arvest Bank (the "Secured Lender") and the Debtor (the "Loan Documents") and 11 U.S.C. §§363(a) and 552(b), as applicable, Secured Lendor may have an enforceable lien on and security interests in, inter alia, the Debtor's pre- and post- petition cash collateral (as defined in 11 U.S.C. §363(a)), including, without limitation, all cash, deposit accounts, accounts receivable, other accounts, instruments, other cash equivalents, and proceeds, products, rents, produce, and profits from the inventory, equipment, machinery, accounts receivable, real estate and improvements, and other collateral securing the Debtor's obligations to Secured Lender. The Debtor's unsecured creditors may also claim an interest in the Excess Cash Funds, as such funds might otherwise be immediately available for distribution to them as part of a Chapter 11 Plan or a Chapter 7 liquidation proceeding.

E. The Debtor has requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). The permission granted herein to allow the Debtor to obtain the use of Excess Cash Funds is necessary to avoid immediate and irreparable harm to the Debtor. This Court concludes that entry of this Order is in the Debtor's best interest and its estate and creditors as its implementation will, among other things, allow for the continued operation and rehabilitation of the Debtor's existing business.

THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that the Debtor be, and hereby is, authorized to use Cash Collateral subject to the protections and consideration described in this Order in the amounts and for the expenses set forth on the Budget, attached to the Motion. The Debtor shall not incur expenses for any line item for an amount that exceeds the amount for

such line item in the budget and the actual expenditure for such line item by more than 15%. The Debtor is authorized to collect and receive all cash funds, including the Excess Cash Funds.; it is further

ORDERED that Secured Lender and other creditors are adequately protected in the form equity cushion and a forthcoming Plan of Reorganization, which Debtor expects to file on or before August 31, 2026, it is further

ORDERED that from and after the Petition Date, the proceeds of the Pre-petition Collateral and the Post-petition Collateral shall not, directly or indirectly, be used to pay expenses of the Debtor or otherwise disbursed except for those expenses and/or disbursements that are expressly permitted herein and those expenses and/or disbursements that are shown on the Debtor's Budget, as defined in and attached to Motion with a variance of no more than 15% per line item; it is further

ORDERED that the provisions of this Order shall be binding upon and inure to the benefit of the Secured Lender, the unsecured creditors, and the Debtor. The Debtor shall, on or before three (3) business days after entry of the Order, serve by U. S. mail, first class postage prepaid, copies of the Motion and this Order on (a) the Office of the U. S. Trustee; (b) all seamed creditors; (c) taxing authorities listed on Schedule E/F; (d) 20 largest unsecured creditors listed on the Creditors Matrix on file with the Court; (e) all parties requesting notice in this case.

Phyllis M. Jones
United States Bankruptcy Judge
Dated: 08/07/2026

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