



Order Filed on July 20, 2026
by Clerk
U.S. Bankruptcy Court
District of New Jersey

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

**McMANIMON, SCOTLAND
& BAUMANN, LLC**

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Subchapter V Chapter 11 Debtor and
Debtor-in-Possession*

In re:

P R C TRANSPORT LLC,

Debtor.

Case No. 26-17386 (EJO)

Chapter 11 (Subchapter V)

**INTERIM ORDER AUTHORIZING
DEBTOR'S USE OF CASH COLLATERAL**

The relief set forth on the following pages, numbered two (2) through seven (7), is hereby
ORDERED.

DATED: July 20, 2026

A handwritten signature in black ink, reading "Eamonn J. O'Hagan".

Honorable Eamonn J. O'Hagan
United States Bankruptcy Judge

This matter is before the Court on the motion of PRC Transport, LLC, Subchapter V Chapter 11 debtor and debtor-in-possession (the “Debtor”), for interim and final orders authorizing the Debtor to use cash collateral pursuant to title 11 of the United States Code (the “Bankruptcy Code”) sections 105, 361, 363(b) and 507(b), Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 4001-4 of the District of New Jersey’s Local Bankruptcy Rules (the “Local Bankruptcy Rules”) (the “Motion”). Notice of the Motion together with notice of the preliminary hearing thereon has been given and served by the Debtor to (i) the Office of the United States Trustee, (ii) Keystone Equipment Financial Corporation (“Keystone”), TD Bank, N.A. (“TD Bank”), and the U.S. Small Business Administration (“SBA”) and all other secured creditors, if any, (iii) the Debtor’s twenty (20) largest unsecured creditors, and (iv) parties having filed a notice of appearance. The Court considered the Motion, and after due deliberation and good and sufficient cause appearing for the entry of the within order, it is hereby found:

A. **Notice and Hearing.** Notice of the Motion and of the preliminary hearing on the Debtor’s use of cash collateral has been served consistent with the notice and hearing provisions pursuant to 11 U.S.C. § 102(1) and Fed. R. Bankr. P. 4001(b), which notice is appropriate and sufficient for all purposes under the Bankruptcy Code and the applicable Federal and Local Rules of Bankruptcy Procedure with respect to the relief requested.

B. **Chapter 11 Filed.** The Debtor filed its petition under Chapter 11 of the Bankruptcy Code on June 26, 2026 (the “Petition Date”) and is presently operating as a debtor-in-possession in accordance with sections 1107 and 1108 of the Bankruptcy Code.

C. **Cash Collateral.** “Cash Collateral,” as defined by 11 U.S.C. § 363(a), includes, among other things, post-petition proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts subject to a security interest as provided in 11 U.S.C. § 552(b) and as

the term “proceeds” is described in subject to a security interest as provided in 11 U.S.C. § 552(b) and as the term “proceeds” is described in UCC Section 9-102(a)(64). Section 363(b)(1), provides, in part, that the debtor as trustee, “may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . “ The Debtor intends to use two vehicles secured by PMSI liens in favor of Keystone by providing adequate protection to Keystone under Section 361 of the Bankruptcy Code. The SBA holds a first priority all-asset lien against Debtor, while TD Bank’s all-asset lien is in second position..

D. **Necessity and Best Interest.** The Debtor represents that it does not have sufficient unencumbered cash or other assets with which to continue to operate in chapter 11. The Debtor requires immediate authority to use Cash Collateral (as defined herein and in the accompanying Motion) in order to continue operating without interruption toward the objective of formulating an effective plan of reorganization. The Debtor’s use of Cash Collateral on the terms and conditions set forth herein is necessary to avoid immediate and irreparable harm to its estate pending a final hearing. The amount of Cash Collateral authorized to be used pending a final hearing or entry of a final order is not to exceed the amounts reflected in the Debtor’s budget (as the same may be updated in accordance with the terms of this Interim Order, the “Budget”), attached to this Interim Order as Exhibit A. The terms of the Debtor’s use of the Cash Collateral pursuant to this Interim Order are fair and reasonable, reflect the Debtor’s exercise of prudent business judgment, and constitute reasonably equivalent value and fair consideration.

E. **Purposes.** The Debtor is authorized to use Cash Collateral to meet the Debtor’s ordinary cash needs (and for such other purposes as may be approved in writing by SBA and TD Bank (collectively “Secured Lenders”) or by court order for the payment of the Debtor’s actual, necessary and ordinary business expenses, including but not limited to payroll, payroll taxes,

employee expenses, and insurance costs, the completion of work-in-process, the purchase of replacement inventory, the payment of approved professional fees and the continued operation of its business as reflected in the Budget.

The Court having determined there is a reasonable likelihood that the Debtor will prevail upon the merits at the final hearing of the Motion as required by Section 363(c)(3) of the Bankruptcy Code; and for good cause shown, it is

ORDERED as follows:

1. The Motion is **GRANTED** on an interim basis as set forth herein.
2. **Use of Cash Collateral; Budget.** Except as otherwise provided herein, the Debtor may only use Cash Collateral in the manner set forth in the Budget and for no other purposes. Any amendment to the Budget shall require the consent of the Secured Lender in its reasonable discretion, unless otherwise ordered by the Court. Non-material amendments to the Budget need not be approved by nor filed with the Court. For purposes of this Interim Order, the Debtor shall not be deemed to be in default for any deviation from the Budget provided such deviation is plus/minus fifteen percent (15%) of the budgeted disbursements, either on a cumulative basis or with regard to any specified budgeted line item.
3. **Adequate Protection.** As adequate protection for use of cash collateral as set forth in the budget, and solely to the extent of any diminution of the Secured Lenders' interest in in prepetition collateral, but expressly subject to the Carve-Out (as defined herein), the Secured Lenders are GRANTED:
 - a. **Replacement Liens.** Pursuant to Sections 361 and 363(c)(1) and (2) of the Bankruptcy Code, replacement valid, binding, enforceable non-avoidable, and automatically perfected post-petition security interests in and liens (the "**Adequate Protection Liens**") on all property, whether now owned or hereafter acquired or existing and wherever located, of the Debtor and the Debtor's estate, of any kind or nature whatsoever, real or personal, tangible or intangible, and now existing or hereafter acquired

or created, and all products, proceeds and supporting obligations of the foregoing, to the extent and with the same priority in the Debtor's post-petition collateral, and proceeds thereof that Secured Lenders held in the Debtor's pre-petition collateral (collectively, the "Adequate Protection Collateral"). The Adequate Protection Liens shall be subordinate only to the carve-out for the Subchapter V Trustee's fee but excluding avoidance actions (the "Carve-Out") and to valid, perfected, unavoidable and enforceable liens, if any, existing as of the Petition Date that are senior in priority to the prepetition liens of the Secured Lenders pursuant to applicable law. Other than as specifically set forth above, the Adequate Protection Liens shall be senior to all other security interests in, liens on, or claims against any of the Adequate Protection Collateral. Said determination shall be binding upon the Debtor-in-Possession but shall not bind the United States Trustee or any statutory committee appointed, who shall have 60 days after appointment to contest the scope, validity, perfection and or the amount of the Secured claim. If the Debtor's use of cash collateral diminishes the value of TD Bank's and SBA's collateral, the Secured Lenders shall be granted replacement liens in post-petition acquired property of the Debtor, to the same extent, priority, and validity of the Secured Lenders' prepetition liens; all parties reserve rights and remedies.

b. Statutory Rights Under Section 507(b). The Secured Lenders shall have a superpriority administrative expense claim, pursuant to Section 507(b) of the Bankruptcy Code, senior to any and all claims against the Debtor under Section 507(a) of the Bankruptcy Code, whether in this proceeding or in any superseding proceeding.

c. Adequate Protection Payments. The Debtor shall provide Keystone with monthly adequate protection payments in the amount of \$625.00. No adequate protection payments are required to be paid to the Secured Lenders.

d. Deemed Perfected. The replacement lien and security interest granted herein are automatically deemed perfected upon entry of this Interim Order without the necessity of the Secured Lenders taking possession, filing financing statements, mortgages, or other documents. Although not required, upon request by Secured Lenders, the Debtor shall execute and deliver to Secured Lender any and all UCC Financing Statements, UCC Continuation Statements, Certificates of Title or other instruments or documents considered to be necessary in order to perfect the security interests and liens in Debtor's post-petition collateral and proceeds granted by this Interim Order, and Secured Lenders are authorized to receive, file, and record the foregoing at Secured Lender's own expense, which actions shall not be deemed a violation of the automatic stay.

e. Periodic Accountings. Within fourteen (14) days of the entry of this Interim Order, but not less than one (1) business day from the scheduled final hearing on the use of Cash Collateral, the Debtor shall provide an accounting to Secured Lenders setting forth the cash receipts and disbursements made by the Debtor under this Interim Order. In addition, the Debtor shall provide Secured Lenders all other reports required by the pre-petition loan documents and any other reports reasonably required by Secured Lenders as well as copies of the Debtor's monthly United States Trustee operating reports.

4. **Termination Events.** The Debtor's authorization, and Secured Lenders' consent to use Cash Collateral, shall terminate upon any of the following (each a "Termination Event"):

- i. the failure of the Debtor to comply with any provision, covenant or agreement in this Interim Order (including, without limitation, any failure to comply with the Budget, subject to any permitted variance);
- ii. an order dismissing the Chapter 11 Case or converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code;
- iii. an order in the Chapter 11 Case modifying, staying, reversing or vacating this Interim Order, without the prior consent of Secured Lenders.

a. **Remedies Upon Termination Date.** Upon a Termination Event, which shall be subject to a ten (10) business day written notice of the default or Event of Default to Debtor's counsel by email, the Secured Lenders shall be, and are hereby, entitled to seek an Order upon application to the Court: (a) confirming the Debtor's authority to use Cash Collateral is terminated, and (b) vacating or modifying the automatic stay with respect to the Debtor as provided by section 362 of the Bankruptcy Code and any other restrictions on the enforcement of their liens and security interests, or any other rights under the Loan Documents granted to or for the benefit of the Secured Lenders, or pursuant to this Interim Order (including, but not limited to, the right of setoff with respect to all funds held by Secured Lenders).

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 Secured Lenders to the relief granted herein; (b) bar Secured Lenders from seeking other and further relief (including without limitation relief from the terms of this Interim Order) for cause shown on appropriate notice to the Debtor and other parties-in-interest entitled to notice of same; or (c) require Secured Lenders to make any further loans or advances to the Debtor. This Interim Order may be modified for cause shown by the Debtor, Secured Lender or any other party-in-interest on due notice. No such modification, however, shall deprive Secured Lender of its interests in the Debtor's property (pre-petition and post-petition).

6. **Relief from the Automatic Stay.** The automatic stay imposed by 11 U.S.C. § 362(a) of the Bankruptcy Code shall be, and hereby is, modified if necessary to implement and effectuate the terms and conditions of this Order.

FINAL HEARING ORDER

IT IS FURTHER ORDERED, AND NOTICE IS HEREBY GIVEN that any creditor or other interested party having any objection to this Interim Order shall file with the Clerk of this Court and serve upon counsel for the Debtor on or before the 10th day of September 2026 a written objection and shall appear to advocate said objection at a Final Hearing to be held at 10:00 a.m. Sept 17 (EST) on , 2026, in Courtroom #2 of the Clarkson S. Fisher U.S. Courthouse, 402 East State Street, Trenton, New Jersey 08608. If no objections are filed or not advocated at such hearing, then this Interim Order shall continue in full force and effect and shall be deemed a Final Order without further notice or hearing in accordance with Federal Rule of Bankruptcy Procedure 4001(d)(3).

NOTICE ORDER

IT IS FURTHER ORDERED that the Debtor serve a copy of this Interim Order and Notice by first class mail within one (1) business day from the date hereof, on (i) the Office of the United States Trustee; (ii) Keystone, SBA, and TD Bank; (iii) the Debtor's twenty (20) largest unsecured creditors; (iv) any other parties claiming an interest in the Cash Collateral (if any); (v) counsel to a statutory committee (if any); and (vi) any other party that requested notice. The Debtor shall immediately file with the Clerk a Certificate of Service of said mailing.

Exhibit A

Budget

PROPOSED 90-DAY BUDGET FOR OPERATIONS

Chapter 11 Bankruptcy Filing

INCOME

Description	Monthly	90-Day Total
Gross Revenue	\$75,000.00	\$225,000.00
TOTAL INCOME	\$75,000.00	\$225,000.00

EXPENSES

#	Description	Monthly	90-Day Total
1	Salaries / Payroll	\$20,000.00	\$60,000.00
2	Diesel Fuel	\$15,000.00	\$45,000.00
3	Truck Maintenance	\$6,000.00	\$18,000.00
4	Truck Insurance	\$8,600.00	\$25,800.00
5	Office Rent	\$1,500.00	\$4,500.00
6	Truck Loans	\$612.50	\$1,837.50
7	Tolls	\$6,000.00	\$18,000.00
8	Accounting / Bookkeeping	\$1,000.00	\$3,000.00
9	Professional Fees	\$5,000.00	\$15,000.00
	TOTAL EXPENSES	\$63,712.50	\$191,137.50

NET SUMMARY

	Monthly	90-Day Total
Total Income	\$75,000.00	\$225,000.00
Total Expenses	\$63,712.50	\$191,137.50
NET CASH FLOW	\$11,287.50	\$33,862.50

DISCLAIMER: All figures presented in this budget are approximate estimates based on current operational activity. Actual income and expenses may vary on a weekly and monthly basis due to the nature of the transportation business. These projections are provided solely for the purpose of the Chapter 11 bankruptcy filing and do not constitute a guarantee of future financial performance. All values in US Dollars (USD).