

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RICHARD MEYER GALLERY, INC. d/b/a
BEADS OF PARADISE,¹

Debtor.

Chapter 11 (Subchapter V)

Case No. 26-10842 (JPM)

FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL

Upon the Motion (“**Motion**”) of Richard Meyer Gallery, Inc., d/b/a Beads of Paradise (“**Debtor**”), debtor and debtor in possession, pursuant to Sections 105(a), 361, 362, 363(a), 363(c)(2)(3), 363(e), and 1107(a) of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (“**Bankruptcy Code**”), Rules 2002, 4001(b), and 9014 of the Federal Rules of Bankruptcy Procedures (“**Bankruptcy Rules**”), and Rule 4001-2 of the Local Rules (“**Local Rules**”) of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of New York (“**Bankruptcy Court**”) seeking entry of interim (“**Interim Order**”) and final orders (“**Final Order**” and, together with the Interim Order, “**Cash Collateral Orders**”), *inter alia*, (i) authorizing the Debtor to utilize Cash Collateral, and (ii) scheduling a final hearing pursuant to Bankruptcy Rules 4001(b) [Dkt.No. 5]; and a Notice of Hearing scheduled for April 16, 2026 having been filed and served on April 14, 2026 with respect to the interim relief sought in the Motion [Dkt.No. 8]; and an emergency hearing having been held and concluded before the Court on April 16, 2026, to consider entry of this order authorizing Debtor’s interim use of Cash Collateral (“**Interim Hearing**”); and the interim relief having been awarded at the Interim Hearing; and a Notice of Hearing scheduled for June 11, 2026 at 3:00 p.m. (“**Final Hearing**”) having been filed and served on May 22, 2026 with respect to the final relief sought in the

¹ The last four digits of Debtor’s federal tax identification number are 4502.

Motion [Dkt. No. 22]; and the Certificate of No Objection (the “CNO”) filed on June 10, 2026; and after due deliberation and good cause appearing therefore,

NOW THEREFORE upon the Motion, and the pleadings in this Chapter 11 Case, and the record of the proceedings held before this Court with respect to the Motion, this Court finds as follows:

A. The Debtor has given notice of the Interim Hearing and the Final Hearing to the following parties: (i) Office of the United States Trustee for the Southern District of New York; (ii) Subchapter V Trustee; (iii) Secured Creditors as listed on the Rule 1007 Declaration; (iv) the unsecured creditors holding the twenty (20) largest claims; and (v) any other party whose interests are directly affected by the Motion (collectively, “**Notice Parties**”) by Notice of Hearings dated April 14, 2026 and May 22, 2026 and by electronic mail where possible and telephonically where possible, and such notice represents sufficient and adequate notice of the Motion, the Interim Hearing, and the Final Hearing pursuant to Bankruptcy Rules 4001(b) and 9014 and no further notice of, or hearing on the final relief sought in the Motion is necessary or required.

B. Consideration of the Motion constitutes a “core proceeding” as defined in 28 U.S.C. §§ 157(b)(2)(A), (K), (M) and (O).

C. This Court has jurisdiction over this proceeding and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334.

D. No committee, examiner, or trustee, other than the Subchapter V Trustee, has yet been appointed in this Chapter 11 Case.

E. Good, adequate and sufficient cause has been demonstrated to justify the granting of the interim relief requested herein.

IT IS HEREBY ORDERED AS FOLLOWS:

F. The Debtor is hereby authorized to use Cash Collateral in accordance with and to

the extent set forth in this Final Order as shown in the Budget annexed to the Motion (“**Final Budget**”) on a final basis; *provided, however*, that nothing in this Final Order shall be deemed a waiver of the Debtor’s right to seek additional use of Cash Collateral or the Secured Lender’s rights to oppose such request.

G. Pursuant to Sections 361, 362, and 363 of the Bankruptcy Code, as adequate protection for any post-petition diminution in the value of the Secured Lender’s interests in Cash Collateral, including, without limitation, such diminution as may be caused by the Debtor’s use of Cash Collateral, the Debtor (i) is hereby authorized and does hereby grant the Secured Lender a valid, binding, enforceable and automatically perfected lien, and/or security interest (“**Replacement Lien**”) in all of the Debtor’s presently owned or hereafter acquired property and assets and (ii) shall make adequate protection payments to the Secured Lender in the amount of \$5,366.00 per month (“**Adequate Protection**”).

H. Notwithstanding the foregoing, the Replacement Lien shall be subject to liens and other interests in property of the Debtor’s estate existing as of the Petition Date that are both (i) valid, enforceable and not subject to avoidance by any trustee under the Bankruptcy Code; and (ii) senior under applicable non-bankruptcy law to, or encumber assets not encumbered by, the Secured Lender’s liens in Cash Collateral as of the Petition Date.

I. The automatic stay provisions of Section 362 are hereby modified to permit the Debtor to (a) implement and perform the terms of this Final Order, and (b) create, and Secured Lender to perfect, the Replacement Liens. The Secured Lender shall not be required to file UCC financing statements or any other instruments with any other filing authority to perfect the Replacement Liens granted by this Final Order or to take any other actions to perfect such liens, which shall be deemed automatically perfected by the docketing of this Final Order by the Clerk of the Court. If, however, any of the Secured Lender elects for any reason to file, record, or serve any

such financing statements or other documents with respect to such liens, then the Debtor shall execute the necessary documents upon request, and the filing, recording, or service thereof (as the case may be) shall be deemed to have been made at the time of the commencement of this Chapter 11 Case on the Petition Date.

J. Each of the following shall constitute an “Event of Default” for the purposes of this Final Order:

- the Debtor’s Chapter 11 Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code;
- A Chapter 11 trustee or examiner with expanded powers is appointed in the Debtor’s Chapter 11 Case;
- the Debtor ceases operation of its present business or takes any material action for the purpose of effecting the foregoing without the prior written consent of the Secured Lender, except to the extent contemplated by the Budget or otherwise approved by the Court;
- the Debtor expends any material amounts of funds or monies for any purpose other than those set forth in the Budget or as otherwise approved by the Court;
- the Debtor fails to comply with any of the terms of this Final Order;
- the Debtor expends Cash Collateral in an amount in excess of ten percent (10%) in total disbursements above the line item amounts over the period of the attached Budget, without the advance written consent of the Secured Lender; or
- Except as may be authorized by this Court’s Order or with prior written consent of the Secured Lender, Debtor transfers Collateral or Cash Collateral to any non-debtor.

K. Any non-compliance with or default under any term of this Final Order shall not be deemed an Event of Default, unless the Secured Lender delivers written notice of such non-compliance or default to the Debtor’s proposed counsel, Weinberg Zareh Malkin Price LLP, via email, at awoods@wzmplaw.com **and** the non-compliance or default is not thereafter cured by Debtor within five (5) business days after counsel’s receipt of such written notice. Upon occurrence of any Event of Default, the Secured Lender(s) may move before this Court, on five

(5) days' notice to the Debtor, to terminate use of Cash Collateral.

L. From and after the date of this Final Order, the Cash Collateral shall not, directly or indirectly, be used to pay administrative expenses of the Debtor and its estate except for those operating expenses (including the statutory fees of the United States Trustee pursuant to 11 U.S.C. §1930) set forth in the Final Budget or with written consent of the Secured Lender.

M. Notwithstanding any provision of this Final Order to the contrary, claims or causes of action arising under sections 544, 547, 548, 549, 550 and 553 of the Bankruptcy Code and the proceeds thereof ("**Avoidance Actions**") shall not constitute collateral of the Secured Lender.

N. The terms and conditions of this Final Order shall (i) be effective and immediately enforceable upon its entry by the Clerk of the Court notwithstanding any potential application of Bankruptcy Rules 6004(g), 7062, 9014 or otherwise; and (ii) not be stayed absent (a) an application by a party in interest for such stay in conformance with Bankruptcy Rule 8005 and applicable Local Rules, and (b) a hearing upon notice to the Notice Parties.

O. The provisions of this Final Order and any actions taken pursuant hereto shall survive entry of any orders which may be entered confirming any plan of reorganization or which may be entered converting this Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code or the appointment of a Chapter 11 trustee, subject to the provisions of the Bankruptcy Code.

P. The terms and provisions of this Final Order, as well as the Replacement Lien and all other claims and liens granted by this Order, shall: (a) continue in this Chapter 11 Case or any superseding cases under the Bankruptcy Code; (b) be valid and binding upon, and inure to the benefit of, the Secured Lender, the Debtor, and their respective successors and assigns, and all parties in interest, including, without any limitation, any official committee appointed in this

Chapter 11 Case, Chapter 11 trustee, Chapter 7 trustee, responsible officer, examiner, estate administrator, or representative, or similar person appointed for the Debtor under any chapter of the Bankruptcy Code; and (c) continue, notwithstanding any dismissal of Debtor's Chapter 11 Case (and any such order of dismissal shall so provide), and such claims and liens shall maintain their priority as provided by this Final Order until the Secured Lender's obligations are satisfied in full.

IT IS SO ORDERED.

Date: July 13, 2026
New York, New York

/s/ John P. Mastando III
HONORABLE JOHN P. MASTANDO III
UNITED STATES BANKRUPTCY JUDGE