UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF KENTUCKY
LOUISVILLE DIVISION

In re: SCHUMACHER AND DALTON ENTERPRISES INC. Debtor	Case No. 26-31523-jal Chapter 11

ORDER AUTHORIZING USE OF CASH COLLATERAL ON AN INTERM BASIS

This matter came before the Court for a preliminary hearing upon the *Emergency Motion for Authority to Use Cash Collateral on an Interim Basis* (the "Cash Collateral Motion") filed by Schumacher and Dalton Enterprises Inc. ("Debtor"). Notice of the hearing on the Cash Collateral Motion having been given, and the Court being otherwise sufficiently advised;

IT IS HEREBY FOUND that:

a. The Court has jurisdiction over this matter and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

b. Notice of the Cash Collateral Motion and the hearing thereon was provided by Debtor to (i) the United States Trustee, (ii) the entities identified in the List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders filed with Debtor's petition pursuant to Fed. R. Bankr. P. 1007(d); (iii) all persons known to claim or assert an interest in the property affected hereby; and (iv) all other parties in interest that have filed notices of appearance in this chapter 11 bankruptcy case pursuant to Fed. R. Bankr. P. 2002.

c. Debtor's representations concerning the secured indebtedness set forth in the Cash Collateral Motion provide information sufficient to determine that the creditors identified therein (the "Cash Collateral Creditors") assert an interest in Debtor's Cash Collateral. Notwithstanding the foregoing, the extent, validity, and priority of the Cash Collateral Creditors' respective interests in the Cash Collateral remain subject to further investigation and proof.

d. Debtor's ability to use Cash Collateral pursuant to the terms of this Interim Order to meet its post-petition obligations is vital to the continued operation of the business and preservation of the going concern value of the estate. It is in the best interests of Debtor, its estate, and its creditors to have continued access to Cash Collateral pursuant to the terms set forth herein. Without use of Cash Collateral, Debtor could not continue operating and its assets would deteriorate in value. The relief authorized herein is necessary to avoid immediate and irreparable harm (within the meaning of Fed. R. Bankr. P. 4001(b)(2)) to Debtor.

Now, therefore, **IT IS HEREBY ORDERED AND ADJUDGED** that:

1. The findings contained in paragraphs A through D of this Interim Order are incorporated by this reference.

2. Debtor is hereby authorized to use Cash Collateral in the ordinary course of business through July 14, 2026 (the "Interim Period").

3. Debtor may use Cash Collateral, in its discretion, to pay ordinary trade payables arising after the Petition Date, insurance premiums, taxes, utilities, allowed administrative expenses of this chapter 11 case, compensation, and adequate protection payments authorized by this Interim Order or separate order(s), as necessary to preserve and maintain the assets and operations of Debtor.

4. As adequate protection to the Cash Collateral Creditors for (a) the imposition of the automatic stay, and (b) Debtor's use of Cash Collateral, the Cash Collateral Creditors are hereby granted, on an interim basis and in equal priority and scope and to the same extent as existed under applicable law prior to the Petition Date, a replacement lien upon all of the post-petition property of Debtor that is similar to or traceable to each of the Cash Collateral Creditors' respective pre-petition interest in Debtor's property, including, without limitation, all post-petition property of the types constituting their respective collateral and the proceeds and products thereof, to secure the amount of the Cash Collateral actually used by Debtor

during the Interim Period. Such post-petition security interests, liens, and other rights granted to Cash Collateral Creditors shall be deemed effective, valid, perfected, and enforceable as of the Petition Date without the necessity of taking any other act or recording any security agreements, financing statements, or other instruments.

5. Debtor may use Cash Collateral to pay the following Carve Out Amounts: (a) all fees, if any, required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of Title 28 of the United States Code and (b) up to $15,000 in unpaid compensation and reimbursement awarded under Bankruptcy Code § 330(a) for services rendered during this chapter 11 case.

6. Notwithstanding anything to the contrary in this Interim Order, the replacement liens granted to the Cash Collateral Creditors shall not prime any pre-existing liens or security interests held by any other party.

7. Debtor shall maintain adequate insurance on its assets.

8. Except as otherwise provided herein, if any or all the provisions of this Interim Order are hereafter modified, vacated, or stayed by a subsequent order of this or any other Court, such stay, modification, or vacation shall not affect the validity of the Cash Collateral Creditors' secured claims incurred by the then-prior use of Cash Collateral pursuant to this Interim Order.

9. A final hearing will be held on July 14, 2026 at 10:00 am Eastern time in Courtroom #1, 601 W. Broadway, Louisville, Kentucky.

SO ORDERED.

Joan A. Lloyd
United States Bankruptcy Judge
Dated: June 9, 2026

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