



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed March 19, 2026

United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:	§	
	§	
SLEEP QUARTERS PLUS, INC.,	§	CASE NO. 25-34803-swe-11
	§	Chapter 11
Debtor.	§	

**FINAL ORDER FOR USE OF CASH COLLATERAL PURSUANT TO
SECTION 363 OF THE BANKRUPTCY CODE AND PROVIDING ADEQUATE
PROTECTION AND GRANTING LIENS AND SECURITY INTERESTS**

Upon consideration of the *Expedited Motion for Use of Cash Collateral* (the “Motion”) pursuant to Sections 105, 361, 363 and 364 of Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) and Federal Rule of Bankruptcy Procedure 4001, filed by Sleep Quarters Plus, Inc (“Debtor”), subject to the terms and conditions set forth herein, including post-petition security interests, liens and claims for the benefit of Citizens National Bank of Texas (the “Secured

Lender”), which are co-extensive with its pre-petition liens (to the extent of such liens, if any) and (ii) security interests, liens and claims in order to provide adequate protection to the Secured Lender as more fully set forth herein, and upon the proceedings held before this Court and good and sufficient cause appearing therefore,

THE COURT HEREBY FINDS:

A. On December 2, 2025 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor sells home furnishings and mattresses from its stores located at 500 N. Hwy. 77, Waxahachie, Texas 75165 and 2400 W. Ennis Avenue, Ennis, Texas 75119. The Debtor is now operating its business and managing its property as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. Scott Seidel has been appointed as the SubChapter V Trustee. No request has been made for the appointment of an examiner and no official committee has 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 obtain funds to continue the operation of its business (the “Cash Collateral”). 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. Currently, the Debtor’s ability to use Cash Collateral is vital to the confidence of the Debtor’s employees, 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. Secured Lender may claim that substantially all the Debtor's assets are subject to the prepetition liens of the Secured Lender including liens on cash and accounts.

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 Cash Collateral financing 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 enter into all agreements pursuant to the terms of this Order necessary to allow the Debtor 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 monthly budget attached hereto plus 15% per line item and 15% overall. The Debtor, without the prior written approval of the Secured Lender, shall not incur expenses for any line item for an amount that exceeds the lesser of the amount for such line item in the budget plus 15% per line item and 15% overall and the actual expenditure for such line item. The Debtor is authorized to collect and receive all cash funds. The Debtor shall account each month to the Secured Lender for all funds received. For purposes of this Order, "proceeds" of any of the Secured Lender's collateral shall mean proceeds (as defined in the Uniform Commercial Code) of such collateral security for all cash collateral permitted to be used hereunder by the Debtor. The Secured Lender is hereby granted valid, binding, enforceable, and perfected liens (the "Post-petition Liens") co-extensive with the Secured Lender's pre-petition liens (to the extent of such liens, if any) in all currently owned or hereafter acquired personal property and assets of the Debtor, of any kind or nature, tangible or intangible, wherever located,

now owned or hereafter acquired or arising and all proceeds and products, including, without limitation, all accounts receivable, general intangibles, inventory, and deposit accounts coextensive with their pre-petition liens. Nothing herein shall grant a lien on, interest in or claim on Chapter 5 causes of action. Nothing herein shall prime the liens of taxing authorities. Nothing herein or in the Motion shall be deemed an admission by the Debtor that the Secured Lender has valid liens. The Debtor is permitted to pay U.S. Trustee fees incurred during this case; it is further

ORDERED that as adequate protection for the diminution in value of the interests of the Secured Lender, the Secured Lender is hereby granted replacement liens and security interests, in accordance with Bankruptcy Code Sections 361, 363, 364(c)(2), 364(e), and 552, co-extensive with its pre-petition liens (to the extent of such liens, if any); it is further

ORDERED that the replacement liens granted to the Secured Lender in this Order are automatically perfected without the need for filing of a UCC-1 financing statement with the Secretary of State's Office or any other such act of perfection; it is further

ORDERED that all cash accounts of Debtor and all accounts receivable collections by Debtor post-petition shall be deposited in a separate cash collateral account, being Debtor's debtor-in-possession accounts; 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 as shown on the Debtor's Budget attached hereto as Exhibit "1" plus 15% per line item and 15% overall. During the pendency of this order, the Debtor will maintain insurance on the Secured Lender's collateral and pay taxes when due. The automatic stay under Section 362(a) of the Bankruptcy Code shall be, and it hereby is, modified to the extent

necessary to permit the Secured Lender to retrieve, collect and apply payments and proceeds in respect of the Pre-petition Collateral and Post-petition Collateral in accordance with the terms and provisions of this Order. The Debtor shall execute and deliver to the Secured Lender all such agreements, financing statements, instruments and other documents as the Secured Lender may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto; it is further

ORDERED that the provisions of this Order shall be binding upon and inure to the benefit of the Secured Lender and the Debtor. However, nothing herein shall prevent the Secured Lender or the Debtor from seeking any form of relief under the Bankruptcy Code.

END OF ORDER

Submitted by:

Joyce W. Lindauer
State Bar No. 21555700
Joyce W. Lindauer Attorney, PLLC
117 S. Dallas St.
Ennis, TX 75119
Telephone: (972) 503-4033
Facsimile: (972) 503-4034
ATTORNEYS FOR DEBTOR

Exhibit 1

SLEEP QUARTERS MONTHLY EXPENSES	
Total Sales	\$60,000.00
Sales Tax	\$4,572.00
Sub-Total	\$55,428.00
Cost of Merchandise	\$33,436.00
Monthly Budget for Expenses	\$21,992.00
Rent	
Truck Ins	\$639.00
Electricity	\$1,700.00
IStel	\$1,000.00
Verizon	\$232.00
Hartford Ins.	\$217.00
Bldg. Ins.	\$2,000.00
Water	\$80.00
Gasoline	\$500.00
Advertising	\$1,000.00
Salaries	\$9,300.00
Supplies	\$100.00
SubChapter V Trustee	\$1,000.00
Total Expenses:	\$17,768.00
Total Left After Expenses	\$4,224.00