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The following constitutes the order of the Court.
Signed: June 5, 2020

6 *Proposed Attorneys for Debtors and Debtors*
7 *in Possession*

Roger L. Efremsky
U.S. Bankruptcy Judge

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **OAKLAND DIVISION**

12
13 In re
14 GALILEO LEARNING, LLC,
15 Debtor.¹

Case Nos. 20-40857 (RLE)
20-40858 (RLE)
Chapter 11
(Jointly Administered)

16
17 In re
18 GALILEO LEARNING FRANCHISING
19 LLC,
20 Debtor.

**FINAL ORDER (A) AUTHORIZING
POST-PETITION USE OF CASH
COLLATERAL, (B) GRANTING
ADEQUATE PROTECTION, (C)
SCHEDULING A FINAL HEARING
PURSUANT TO BANKRUPTCY RULE
4001(B), AND (D) GRANTING RELATED
RELIEF**

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25 _____
26 ¹ These cases are being jointly administered, and all documents for either case should be
27 filed in lead case number 20-40857 (RLE). The last four digits of each Debtor's federal
28 tax identification number, are as follows: Galileo Learning, LLC (9453) and Galileo
Learning Franchising LLC (5638). The mailing address for the Debtors is 1021 3rd Street,
Oakland, CA 94607.

1 The above captioned Debtor having filed the (“**Motion**”) for entry of an interim
2 order (the “**Interim Order**”) and final order (the “**Final Order**”) pursuant to section 105,
3 361, 362, and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as
4 amended, the “**Bankruptcy Code**”); and the Court having jurisdiction over this matter
5 pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order Referring Bankruptcy Cases and*
6 *Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal. Feb. 22, 2016), and
7 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the
8 Northern District of California (the “**Bankruptcy Local Rules**”); and this matter being a
9 core proceeding pursuant to 28 U.S.C. § 157; and venue of these Chapter 11 Cases and
10 the Motion are proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due
11 and proper notice of the Motion was sufficient under the circumstances, and it appearing
12 that other or further notice need not be provided; and the Court having considered the
13 Motion, the *Declaration of Glen E. Tripp in Support of Debtor’s “First Day Motions”* and
14 the evidence submitted at the interim hearing held before the Court on May 8, 2020 (the
15 “**Interim Hearing**”) to consider entry of the Interim Order; and the Interim Order having
16 been entered on May 11, 2020 [Dkt. No. 26]; and notice of the final hearing (“**Final**
17 **Hearing**”) on the Motion having been given to all appropriate parties on a timely basis in
18 accordance with the terms and conditions of the Interim Order; and a hearing on the Final
19 Order having been conducted on June 4, 2020; and the Court having considered the
20 arguments of counsel and evidence presented at said Final Hearing; and, after due
21 deliberation and consideration, the Court having determined that entry of the Final Order
22 is otherwise fair and reasonable and in the best interests of the Debtor, its creditors and
23 its estate; and good and sufficient cause appearing therefor,

24 **IT IS THEREFORE ORDERED** that:

- 25 1. The Motion is hereby **GRANTED**, on a final basis, to the extent set forth in
26 this Final Order. Any objections to the Motion with respect to entry of this Final Order to
27 the extent not withdrawn, waived or otherwise resolved, and all reservation of rights
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1 included therein, are hereby denied and overruled.

2 2. As adequate protection for the interest of the SBA, for, and solely to the
3 extent of, any diminution in the value of the SBA's interest in the Collateral resulting from
4 (i) the Debtor's use of Cash Collateral, (ii) the use, sale, or lease of the Collateral (other
5 than Cash Collateral) pursuant to section 363(c) of the Bankruptcy Code, and (iii) the
6 imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code, the
7 SBA is hereby granted a continuing replacement security interest in, and lien (collectively,
8 the "Replacement Liens"), which Replacement Liens shall have the same priority, validity,
9 force, extent, status of perfection (if any), and effect as the liens that they replace,
10 effective as of the Petition Date without the necessity of the SBA taking any further
11 action, upon the right, title and interest in the following property of the Debtor:

- 12 a. All pre-petition Collateral of the SBA, including all proceeds, profits,
13 rents, and products thereof; and
14 b. Property acquired by the Debtor after the Petition Date, which is of
15 the same nature, kind, and character as the prepetition Collateral,
16 and all proceeds, profits, rents, and products thereof.

17 3. Nothing in this Final Order shall impair or restrict any right on the part of the
18 Debtor, or any other party in interest, to challenge or seek to avoid the purported lien of
19 the SBA on the grounds that said lien has not been duly or properly perfected, or on any
20 other grounds.

21 4. As further adequate protection for the interest of the SBA, for, and solely to
22 the extent of, any diminution in the value of the SBA's interest in the Collateral resulting
23 from (i) the Debtor's use of Cash Collateral, (ii) the use, sale, or lease of the Collateral
24 (other than Cash Collateral) pursuant to section 363(c) of the Bankruptcy Code, and (iii)
25 the imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code,
26 the Debtor is hereby ordered to place the sum of \$509,000 into a segregated bank
27 account (the "**SBA Loan Account**") and to maintain a minimum balance of \$509,000 in
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1 the SBA Loan Account until further order of the Court.

2 5. Notwithstanding Bankruptcy Rules 4001(a)(1) and 6004(h), to the extent
3 applicable, this Final Order is not stayed and shall be effective upon the date of its entry
4 on the docket.

5 6. The automatic stay of section 362 of the Bankruptcy Code is hereby
6 modified to permit the performance of each and every right and obligation set forth in this
7 Final Order.

8 7. The Debtor is hereby authorized to take such actions and to execute such
9 documents as may be necessary to implement the relief granted by this Final Order.

10 8. The Court has and will retain jurisdiction to enforce this Final Order
11 according to its terms.

12 *** END OF ORDER***

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