

**United States Bankruptcy Court
Central District of California
Santa Ana
Ronald A Clifford III, Presiding
Courtroom 5D Calendar**

Thursday, January 9, 2025

Hearing Room 5D

9:00 AM

9: -

Chapter

#0.00 Judge Clifford will take the bench in Courtroom 5D in the Santa Ana Division (at Ronald Reagan Federal Building and U.S. Courthouse, 411 West Fourth Street, Santa Ana, California 92701) for the hearings on calendar for today.

Unless ordered otherwise, appearances for the matters on calendar today may be made in-person in Courtroom 5D in the Santa Ana Division or in-person in Courtroom 201 in Santa Barbara (Northern Division). Appearances made in-person in Santa Barbara will be videoconferenced via ZoomGov into the Santa Ana Courtroom and Judge Clifford will appear via ZoomGov in the Santa Barbara Courtroom. Appearances may also be made by video through ZoomGov, or by telephone through ZoomGov. If appearing through ZoomGov, parties in interest may connect to the video and audio feeds, free of charge, using the connection information provided below. Individuals may participate by ZoomGov video and audio using a personal computer (equipped with camera, microphone and speaker), or a handheld mobile device. Individuals may opt to participate by audio only using a telephone (standard telephone charges may apply).

All parties making an appearance via ZoomGov video and audio connection **must** have their video on. Proper court attire is required of all parties appearing via ZoomGov video. Any virtual backgrounds are to be of a solid color, without pictures, videos, or scenes. No party may appear by ZoomGov from any place other than a quiet room in an office or home. Parties may not appear via ZoomGov from a vehicle of any kind, moving or not.

Regarding remote access to hearings, members of the public may NOT observe any hearing via ZoomGov web address or app. Members of the public may ONLY listen to non-evidentiary hearings, where no live testimony is being taken, via ZoomGov telephone conference line or in-person at the address listed above. If members of the public attempt to observe hearings remotely in any manner other than via ZoomGov telephone conference line, the Court will remove them from ZoomGov for the hearing(s). No members of the public will be permitted to observe, via telephone line or otherwise, trials, evidentiary hearings, hearings where live testimony will be taken, and hearings where sensitive information is being disseminated that may not be adequately safeguarded.

You may obtain the ZoomGov connection details by clicking the hyperlink below or copying and pasting the web address into your browser.

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Neither a Zoom nor a ZoomGov account is necessary to participate, and no preregistration is required. The audio portion of each hearing will be recorded electronically by the Court and that recording will constitute its official record. Recording, retransmitting, photographing, or imaging Court proceedings by any means is strictly prohibited.

Docket 0

Tentative Ruling:

- NONE LISTED -

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9:25-10005 VH Nutrition, LLC

Chapter 11

#1.00 Hearing RE: [13] Motion to Use Cash Collateral

Docket 13

Tentative Ruling:

January 9, 2025

Appearances required

On January 3, 2025 (the "Petition Date"), VH Nutrition, LLC (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code, electing to proceed under SubChapter V. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*.

On the Petition Date, the Debtor filed that *Motion for Use of Cash Collateral* (the "Cash Collateral Motion"), seeking the Court's approval of the Debtor's use of cash collateral pursuant to 11 U.S.C. § 363(c). *See* Docket No. 13. The Cash Collateral Motion provides that there exist at least six (6) entities that assert a lien against assets of the Debtor, with the Small Business Administration (the "SBA") sitting in first position, and being owed \$150,000. *See id.* at pp. 2-3. The Debtor asserts that the value of substantially all its assets is \$79,074.39, less than the amounts owed to the SBA. *See id.* at p. 5, *Declaration of Drew Littlejohns*, lines 18-21. Through March 2025, the Debtor projects that it will operate on a cash-positive basis. *See id.* at p. 17, *Exhibit B*. It is unclear what the impact on the SBA's collateral base is to be over the same period, as there is no disclosure of the projected growth or erosion of receivables and inventory. As adequate protection for the Debtor's use of cash collateral, however, the Debtor offers to pay the monthly contractual payment to the SBA on a go-forward basis, and provide all lienholders with replacement liens to the extent, amount and validity of those liens as they existed on the Petition Date.

The Court notes that the line item in the budget for quarterly fees to the Office of the U.S. Trustee's Office is inapplicable in a SubChapter V case.

Lastly, the Court will not authorize the use of cash collateral to pay payroll to insiders prior to compliance with the Office of the U.S. Trustee's guidelines for insider

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compensation requests.

Chapter 11

The Court is inclined to grant the Cash Collateral Motion, on an interim basis, subject to the Court's comments herein, and setting a continued hearing on the Cash Collateral Motion for February 12, 2025, at 1:00 p.m., with notice of the continued hearing being filed and served 21 days prior to the continued hearing.

On the Petition Date, the Debtor also filed that *Motion to Use Pre-Filing Account as A Pass-Through Account* (the "Account Motion"). See Docket No. 15. Through the Account Motion, the Debtor asserts that it is "contractually required to maintain [its prepetition] account to receive payments from Amazon and Walmart [its largest customers]." See *id.* at p. 1, lines 21-23. The Debtor requests that it be allowed to maintain its pre-petition account solely for the purpose of deposits from Amazon and Walmart, with the understanding that it will have an obligation to "promptly transfer any such payment received, maintaining only a de minimis balance and make all Chapter 11 payments through the debtor-in-possession account."

The Court will hear from the Office of the U.S. Trustee.

Party Information

Debtor(s):

VH Nutrition, LLC

Represented By
William C Beall

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9:25-10005 VH Nutrition, LLC

Chapter 11

#2.00 Hearing RE: [15] Motion to use pre-filing account as pass-through

Docket 15

Tentative Ruling:

January 9, 2025

See Docket Item 1.

Party Information

Debtor(s):

VH Nutrition, LLC

Represented By
William C Beall