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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

In re:	Case No. 26-30538
Pacific Capital Funding Group Inc.,	Chapter 11
Debtor.	
In re:	Jointly Administered with:
Pacific Capital Funding Group Inc.	Case No. 26-30538 (WJL)
Pacific Private Money Group LLC	Case No. 26-30535 (WJL)
Private Money Management Group LLC	Case No. 26-30544 (WJL)
Pacific Mortgage Capital, LLC	Case No. 26-30539 (WJL)
Pacific Note Fund Management Group LLC	Case No. 26-30540 (WJL)
Pacific Private Money, Inc.	Case No. 26-30533 (WJL)
Pacific Private Money Partners LLC	Case No. 26-30536 (WJL)
Arrival Home Loans LLC	Case No. 26-30543 (WJL)
Pacific Private Money Fund 1 LLC	Case No. 26-30534 (WJL)
Pacific Southwest Note Fund LLC	Case No. 26-30541 (WJL)
Pacific Freedom Fund LLC	Case No. 26-30532 (WJL)
Pacific Opportunity Fund LLC	Case No. 26-30537 (WJL)
Arrival Fund I, LLC	Case No. 26-30542 (WJL)
Affects:	
☐ Pacific Capital Funding Group Inc.	
☐ Pacific Private Money Group LLC	
☐ Private Money Management Group LLC	
☐ Pacific Mortgage Capital, LLC	
☐ Pacific Note Fund Management Group LLC	

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☐ Pacific Private Money, Inc. ☐ Pacific Private Money Partners LLC ☐ Arrival Home Loans LLC ☐ Pacific Private Money Fund 1 LLC ☐ Pacific Southwest Note Fund LLC ☐ Pacific Freedom Fund LLC ☐ Pacific Opportunity Fund LLC ☐ Arrival Fund I, LLC ☒ All Debtors	***EX PARTE* MOTION OF DEBTORS REQUESTING ORDER SHORTENING TIME FOR HEARING ON MOTION OF DEBTORS FOR ORDER (I) AUTHORIZING POST-PETITION INTERDEBTOR LENDING PURSUANT TO SECTION 364 OF THE BANKRUPTCY CODE; (II) GRANTING ADMINISTRATIVE EXPENSE CLAIMS; AND (III) GRANTING RELATED RELIEF** Date: TBD Time: TBD Location: Courtroom 220 Judge: Hon. William J. Lafferty

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Pacific Capital Funding Group, Inc., Pacific Private Money, Inc., Private Money Management Group LLC, Pacific Southwest Note Fund LLC, Pacific Private Money Partners LLC, Pacific Private Money Group LLC, Pacific Private Money Fund LLC, Pacific Opportunity Fund LLC, Pacific Note Fund Management Group LLC, Pacific Freedom Fund LLC, Pacific Mortgage Capital LLC, Arrival Home Loans, LLC, and Arrival Fund I, LLC, the debtors and debtors-in-possession (collectively the "**Debtors**"), hereby move this Court ("**Motion**") pursuant to section 105(a) of title 11 of the United States Code ("**Bankruptcy Code**") and Rule 4001(c)(2)(A) of the Federal Rules of Bankruptcy Procedure ("**Bankruptcy Rules**") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "**Proposed Order**"), shortening time for hearing on Debtors' *Motion Of Debtors For Order (I) Authorizing Post-Petition Interdebtor Lending Pursuant To Section 364 Of The Bankruptcy Code; (II) Granting Administrative Expense Claims; And (III) Granting Related Relief* ("**Motion**") on August 26, 2026, at 9;30 a.m., or at such other time as is convenient for the Court.

The facts and circumstances supporting this Motion are set forth in the Declaration of William R. Brinkman in Support of Chapter 11 Petitions and First Day Motions (Dkt. No. 9) and the *Declaration of William R. Brinkman in support of the Motion* filed concurrently with the Motion (collectively the "**Brinkman Declarations**"), incorporated by reference herein. Capitalized terms used but not defined herein have the meanings given to them in the Brinkman Declarations.

MEMORANDUM OF POINTS AND AUTHORITIES

JURISDICTION AND VENUE

This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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BACKGROUND

On June 16, 2026 ("**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code commencing the above-captioned chapter 11 cases. The Debtors have also filed a motion requesting joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

The Debtors owned and operated a series of subsidiaries which, in turn, managed investment funds ("**Funds**"). They engaged in the business of originating and servicing "hard money" mortgage loans. The Debtors raised capital from private investors and lent those funds to developers and other parties with those loans secured by liens against real estate. In the aggregate, the Debtors' Funds had approximately 400 individual investors holding approximately 450 accounts, with total invested capital of approximately $140 million.

The Debtors' liquidity challenges were driven by major borrower defaults and the contraction of the secondary mortgage loan market, which caused redemption requests to exceed available cash by 2023. This led the Debtors to cease distributions and redemptions in late 2025. The specific cost-reduction measures undertaken in 2025 included staff reductions, salary reductions, and elimination of discretionary expenses such as subscriptions, software, and memberships.

Furthermore, all remaining employees were terminated in early February 2026, and operations were wound down. The Debtors engaged Chief Restructuring Officer Bill Brinkman in December 2025, and in January 2026, retained Jeffer Mangels & Mitchell LLP as restructuring counsel, after which the decision was made to pursue a managed wind-down through Chapter 11.

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The Interdebtor Loans will provide the Debtors with the liquidity necessary to administer these Chapter 11 cases, and pursue an orderly wind-down and realization of their remaining assets. Furthermore, the complexity of these cases warrants the additional runway provided by the Interdebtor The Debtors' asset portfolio is burdened by substantial intercompany balances, many of which were recorded as journal entries without corresponding promissory notes or cash transfers. *Id.* These will require careful forensic analysis before recoveries can be pursued. The Debtors are also subject to active investigations by the California Department of Financial Protection and Innovation, the U.S. Securities and Exchange Commission, and the U.S. Department of Justice, as well as multiple civil actions filed by investors and counterparties, all of which require ongoing administration and coordination. In the Debtors' business judgment, the DIP Loans are essential to preserving and maximizing the value of the estates' assets, funding the administration of these cases across thirteen debtor entities, and ensuring fair and orderly treatment of all stakeholders.

SHORTENING TIME FOR HEARING ON THE MOTION IS WARRANTED

Pursuant to Bankruptcy Local Rule 9014-1(c)(2), absent the relief requested herein, a hearing on the Motion would require at least twenty-one (21) days' notice. Bankruptcy Local Rule 9006-1(a) provides that, except as set forth therein, "approval of the Court is required to enlarge or to shorten time to perform any act or file any paper pursuant to the Federal Rules of Civil Procedure, the Bankruptcy Rules, or these Bankruptcy Local Rules." B.L.R. 9006-1(a).

Furthermore, Bankruptcy Rule 4001(c) provides that a final hearing on a motion to obtain financing may not be commenced earlier than 14 days after the service of such motion. Upon request, however, the Court is authorized to conduct preliminary expedited hearings on a motion to access a postpetition credit facility to the extent necessary to avoid immediate and irreparable harm to a debtor’s estate pending a final hearing.

The Debtors request relief in order to facilitate the administration of these chapter 11 cases in an efficient manner and to meet certain immediate obligations under the Bankruptcy Code. As mentioned above, the Interdebtor Loans will provide the Debtors with the liquidity necessary to administer these Chapter 11 cases, and pursue an orderly wind-down and realization of their

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remaining assets. Postponement of the Motion will not only prejudice the Debtors, but also immediately and irreparably harm the Debtors, as the Debtors require the Intredebtor Loans to effectively and efficiently administer these Chapter 11 cases. The Debtors respectfully request that, if the Court's schedule can accommodate it, the hearing on this Motion be set for August 26 at 9:30 a.m. when other matters in these cases are scheduled to be heard.

The relief requested in the Motion is designed to facilitate the administration of these chapter 11 cases in an efficient manner, and all of such relief is necessary to preserve and maximize the value of the Debtors' estates for the benefit of all parties in interest. Absent authorization from the Court to shorten time for the hearing on the Motion, the Debtors and their creditors and investors will be immediately and irreparably harmed.

The relief requested of the Motion is summarized below:

MOTION OF DEBTORS FOR ORDER (I) AUTHORIZING POST-PETITION INTERDEBTOR LENDING PURSUANT TO SECTION 364 OF THE BANKRUPTCY CODE; (II) GRANTING ADMINISTRATIVE EXPENSE CLAIMS; AND (III) GRANTING RELATED RELIEF

The Debtors seek an order, under sections 105, 362, 363, 364, 503, and 507 of the Bankruptcy Code, authorizing the Debtors to engage in interdebtor lending in an aggregate principal amount of up to $4,000,000, of which $200,000 will be available immediately.

As stated, the relief requested in the Motion is essential to avoid the disruption of operations and to promote the administration of the Debtors' estates for the benefit of all parties in interest. Accordingly, the Debtors submit that sufficient cause exists for the Court to grant relief requested in this Motion.

NOTICE

Notice of this Motion is being provided to: (i) the U.S. Trustee; (ii) the Securities and Exchange Commission; (iii) the California Department of Financial Protection and Innovation; (iv) the Official Creditors Committee; and (v) all parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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NO PRIOR REQUEST

No prior request for the relief sought in this Motion has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as is just and proper.

DATED: August 19, 2026

JEFFER MANGELS & MITCHELL LLP

By: */s/ Bennett G. Young*
BENNETT G. YOUNG
CHRISTOPHER K. WHANG
MELODY MOHAMMADI
Proposed Attorneys for Debtors and Debtors-in-Possession

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EXHIBIT A

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

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☐ Pacific Private Money, Inc.

☐ Pacific Private Money Partners LLC

☐ Arrival Home Loans LLC

☐ Pacific Private Money Fund 1 LLC

☐ Pacific Southwest Note Fund LLC

☐ Pacific Freedom Fund LLC

☐ Pacific Opportunity Fund LLC

☐ Arrival Fund I, LLC

☒ All Debtors

[PROPOSED] ORDER GRANTING *EX PARTE* MOTION OF DEBTORS REQUESTING ORDER SHORTENING TIME FOR HEARING ON MOTION OF DEBTORS FOR ORDER (I) AUTHORIZING POST-PETITION INTERDEBTOR LENDING PURSUANT TO SECTION 364 OF THE BANKRUPTCY CODE; (II) GRANTING ADMINISTRATIVE EXPENSE CLAIMS; AND (III) GRANTING RELATED RELIEF

Date: TBD
Time: TBD
Location: Courtroom 220
Judge: Hon. William J. Lafferty

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On consideration of the *Ex Parte Motion of Debtors Requesting Order Shortening Time for Hearing on Motion Of Debtors For Order (I) Authorizing Post-Petition Interdebtor Lending Pursuant To Section 364 Of The Bankruptcy Code; (II) Granting Administrative Expense Claims; And (III) Granting Related Relief*, filed by the above-captioned debtors and debtors in possession (the "**Debtors**"); the Court having reviewed the Motion, the Declaration of William R. Brinkman in Support of Chapter 11 Petitions and First Day Motions (Dkt. No. 9), and the *Declaration of William R. Brinkman in support of the Motion* filed concurrently with the Motion (collectively the "**Brinkman Declarations**"); and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion and Hearing was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion (dkt. no. __) is granted.

2. A hearing on the Debtors' *Motion Of Debtors For Order (I) Authorizing Post-Petition Interdebtor Lending Pursuant To Section 364 Of The Bankruptcy Code; (II) Granting Administrative Expense Claims; And (III) Granting Related Relief* ("**Motion**") shall be held on August 26, 2026, at 9:30 a.m. (the "**Hearing**").

3. The Debtors shall promptly serve the Motion, and the notice of the Hearing (the "**Notice**") on (i) the U.S. Trustee; (ii) the Securities and Exchange Commission; (iii) the California Department of Financial Protection and Innovation; (iv) the Official Committee of Unsecured Creditors; and (v) all parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules.

4. The Debtors shall serve the Motion and the Notice by overnight mail or delivery,

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and by electronic mail or electronic service through the Court's CM/ECF system, where available.

5. Any opposition or response to the relief requested in the Motion must be in writing and shall be filed with the Bankruptcy Court, and served on the counsel for the Debtors by e-mail at the above-referenced address no later than noon on the day before the hearing**.**

6. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

7. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

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COURT SERVICE LIST

All ECF Participants

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