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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:

SCANROCK OIL & GAS, INC.

Debtor.

CASE NO. 25-90001-mxm

Chapter 11

UNITED STATES' OBJECTION TO CONFIRMATION OF PLAN

The United States, on behalf of the Small Business Administration (SBA), objects to confirmation of the debtor Scanrock Oil & Gas, LLC'S Amended Joint Consolidated Plan of Reorganization (the "Amended Joint Plan"), pursuant to Federal Rule of Bankruptcy Procedure 3020. In support of its objection, the United States would show the Court as follows:

SBA PROOF OF CLAIM, PLAN TREATMENT, AND OBJECTION

The SBA timely filed its proof of claim (Stretto Claim No. 129), against debtor Ryan C. Hoerauf, Inc. (Case No. 25-90006), which is a secured claim in the amount of \$1,286,684.40, arising from an EIDL loan dated March 26, 2022, in the amount of \$2 million. The SBA loan is secured by a perfected lien on all of debtor Ryan C. Hoerauf, Inc.'s business personal property, including the debtor's accounts, inventory, equipment, and other tangible and intangible personal property. *See* SBA Claim 129, Security Agreement, UCC-1 Financing. The SBA Note is

unconditionally guaranteed by Ryan Hoerauf.

Under the debtors' Amended Joint Plan, the SBA's secured claim is classified in Class 10, and its treatment is as follows: On the Effective Date, the SBA Loan Documents shall be reinstated, with the amount of any existing defaults added to the principal balance due and with payments to be made pursuant to the non-default terms of the SBA Loan Documents, beginning on the first day of the first full month following January 1, 2026, and continuing on the first day of each month until paid in full. The SBA will hold an Allowed SBA Secured Claim in the total amount outstanding under the original SBA Loan Documents, with repayment terms reinstated at the non-default rate thereunder. Amended Joint Plan, at Article 4.10.3. In addition, the SBA shall retain all liens and security interest securing the SBA Secured Claim to the same extent, validity, and priority as such liens existed on the Petition Date. Amended Joint Plan, at Article 4.10.2.

The SBA objects to confirmation of the Plan because it proposes to recommence payments on the SBA's secured claim starting in February 2026, *i.e.*, the first day of the first full month following January 1, 2026, even though the Effective Date may be much sooner, possibly as early as September 3, 2025. The debtors should be required to cure their arrearage to the SBA after the Effective Date over a few months period if under the Amended Joint Plan, they are allowed to recommence their payments to the SBA in February 2026. The SBA asserts the Amended Joint Plan does not provide the SBA the value of its claim as of the Effective Date as required by Section 1129(a).

CONCLUSION

For the reasons stated, the Plan does not comply with the requirements of the Bankruptcy Code. The United States respectfully requests that this Court deny confirmation of the Plan, and

grant to the United States such relief to which it may be entitled.

Dated: August 11, 2025.

Respectfully submitted,

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Certificate of Service

I hereby certify that on August 11, 2025, I electronically submitted the foregoing document with the clerk of court for the U.S. Bankruptcy Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served all parties electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2), including counsel for the debtor.

/s/ David G. Adams
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