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12 **UNITED STATES BANKRUPTCY COURT**
 13 **FOR THE EASTERN DISTRICT OF CALIFORNIA**

14 In re:
 15 CHICO HEALTH IMAGING, LLC,
 16 Debtor.

Case No.: 2017-20247
 DC No. GTG-5
 Chapter 11
 Date: January 23, 2017
 Time: 9:30 a.m.
 Dept: B
 501 I Street, 6th Floor
 Sacramento, CA 95814

20 **ORDER AUTHORIZING MAINTENANCE OF PREPETITION CASH MANAGEMENT**
 21 **SYSTEM AND MAINTENANCE OF PREPETITION BANK ACCOUNTS**

22 Chico Health Imaging, LLC filed its *Emergency Motion for Order Authorizing*
 23 *Maintenance Of Prepetition Cash Management System And Maintenance Of Prepetition Bank*
 24 *Accounts and Memorandum of Points and Authorities in Support Thereof* (the "Motion").¹ The
 25 Application came on for hearing before the above-captioned Court on January 23, 2017, at 9:30
 26 a.m. (the "Hearing") and all appearances were noted on the record.

27
 28 ¹ All capitalized, undefined terms shall have the meaning ascribed to them in the Motion.

1 Debtor requested through its Motion the entry of an order authorizing the maintenance of
2 their prepetition Cash Management System, including Debtor's prepetition Bank Accounts. It
3 appearing that the relief requested is necessary to preserve Debtor's ongoing operations, it is in
4 the best interests of Debtor's estate, and all parties-in-interest; and notice of the Motion having
5 been provided to parties-in-interest noted in the record; and it appearing that no further notice
6 need be given in the light of the circumstances and the emergency nature of the relief requested;
7 and after due deliberation and sufficient cause appearing therefore;

8 **IT IS HEREBY ORDERED** as follows:

- 9 1. The Motion is granted in its entirety;
- 10 2. Debtor is authorized and empowered to: 1) maintain its Cash Management
11 System and continue to use all of its Bank Accounts in existence as of the Petition Date and as
12 listed and described the in Application; 2) treat the Bank Accounts for all purposes as debtor-in-
13 possession Accounts; 3) use, in their present form, existing checks and other documents related
14 to the Bank Accounts; 4) pay post-petition ordinary course bank fees in connection with the
15 Bank Accounts; 5) perform its obligations under the documents and agreements governing the
16 Bank Accounts;
- 17 3. The Bank Accounts shall be designated debtor-in-possession accounts by the
18 Banks;
- 19 4. Debtor shall maintain records of all transfers and transactions within the Cash
20 Management System so that all transfers and transactions shall be adequately and promptly
21 documented in, and ascertainable and traceable from, Debtor's books and records;
- 22 5. The banks at which Debtor maintains Bank Accounts (the "Banks") are
23 authorized to: 1) continue to administer, service, and maintain the Bank Accounts as such
24 Accounts were administered, serviced, and maintained prior to the Petition Date, without
25 interruption and in the usual and ordinary course; and 2) to pay any and all checks, drafts, wires,
26 automated clearinghouse transfers, electronic fund transfers, or other items presented, issued, or
27 drawn on the Bank Accounts (collectively, the "Debits") on account of a claim arising on or after
28 the Petition Date so long as there are sufficient collected funds in the relevant Bank Accounts

1 and in accordance with the agreements governing said Bank Accounts, including, without
2 limitation, any prepetition cash management agreements or treasury services agreements;

3 6. No Debits issued on the Bank Accounts prior to, but presented after, the
4 commencement of Debtor's Chapter 11 Case shall be honored or paid, provided that Debtor
5 issue a stop payment order in accordance with the terms of the documents and agreements
6 governing such Bank Accounts, except as otherwise permitted by an order of the Court;

7 7. Debtor shall promptly furnish to the Banks a list of any Debits drawn or issued in
8 payment of prepetition claims, the payment of which has been authorized by any order of the
9 Court, and shall issue stop payment orders for any prepetition Debits which Debtor desires to be
10 dishonored. The Banks are authorized and directed to rely on the representations of Debtor as to
11 which Debits are authorized to be honored and dishonored, whether or not such Debits are dated
12 prior to, on, or subsequent to the Petition Date, and whether or not the Banks believe the
13 payment is authorized by an order of the Court. To the extent that Debtor directs that any Debit
14 be dishonored, Debtor may issue replacement Debits consistent with the orders of this Court;

15 8. The Banks are authorized to debit Debtor's Bank Accounts in the ordinary course
16 of business for all Debits presented for payment or exchanged for cashier's checks prior to the
17 commencement of Debtor's Chapter 11 Case;

18 9. Nothing contained herein shall prevent Debtor from closing the Bank Accounts as
19 it deems necessary and appropriate;

20 10. Debtor shall reimburse the Banks for any claim arising prior to or after the
21 Petition Date in connection with Debits deposited with the Banks which have been dishonored or
22 returned for insufficient funds in the applicable accounts;

23 11. Each Bank that maintained one or more Bank Account shall implement
24 reasonable handling procedures to effectuate the terms of this order. Any of the Debtor's Banks
25 may rely on the representations of the Debtor with respect to whether any check or other
26 payment order drawn or issued by the Debtor prior to the Commencement Date should be
27 honored pursuant to this or any other order of this Court, and such Bank shall not have any
28 liability to any party for relying on such representations by the Debtor as provided for herein;

1 12. The relief, rights, and responsibilities provided for in this order shall be deemed to
2 apply to any and all Bank Accounts maintained in Debtors' name;

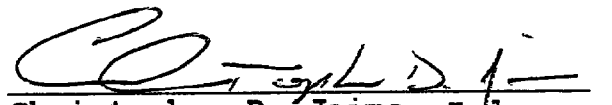
3 13. To the extent any other order is entered directing a Bank to honor Debits made,
4 drawn, or issued in payment of prepetition claims, the obligation to honor such items shall be
5 subject to this order;

6 14. Debtor and the Banks are hereby authorized and directed to continue to perform
7 pursuant to the terms of any prepetition documents and agreements governing the Bank
8 Accounts, except and to the extent otherwise directed by the terms of this order. The Banks are
9 authorized to continue offsetting any funds deposited in the Bank Accounts by Debtor to the
10 extent necessary to cover any fees, charges, and assessments, including attorneys' fees, set forth
11 or provided for in the agreements governing the Bank Accounts or as otherwise permitted in the
12 ordinary course of business pursuant to the agreements governing the Bank Accounts. The
13 parties to such agreements shall continue to enjoy the rights and remedies afforded them under
14 such agreements, except to the extent modified by the terms of this order or by operation of the
15 Bankruptcy Code;

16 15. The Application is excepted from the operation of Bankruptcy Rule 6003(b); and

17 16. Notwithstanding any applicability of Bankruptcy Rule 6004(h), any other Rules,
18 or otherwise, the terms and conditions of this order shall be immediately effective and
19 enforceable upon their entry.

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21 **Dated:** January 26, 2017

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24 **Christopher D. Jaime, Judge**
25 **United States Bankruptcy Court**

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