

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

IN RE: :
: :
PEACH STATE AMBULANCE, INC. : CASE NO. 16-12121-whd
: :
: CHAPTER 11
Debtor :
: :
_____ :

EMERGENCY MOTION OF DEBTOR FOR (1) TURNOVER OF PROPERTY OF THE ESTATE, (2) ORDER AUTHORIZING USE OF CASH COLLATERAL TO AVOID IMMEDIATE AND IRREPARABLE HARM, AND FOR (3) FINAL ORDER AUTHORIZING CASH COLLATERAL USE

COMES NOW Peach State Ambulance, Inc., debtor and debtor in possession in the above-styled chapter 11 case (the “Debtor”), by and through the undersigned counsel, and hereby files this Motion (the “Motion”) for the entry and approval of an order, pursuant to Sections 105, 363, and 542 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the “Bankruptcy Code”) and Rules 2002 and 4001 of the Federal Rules of Bankruptcy Procedure, (i) compelling turnover of property of the estate, and (ii) authorizing the Debtor’s use of cash collateral in which Wheeled Coach Industries, Inc., as successor to De Lage Landen Financial Services, Inc., has an interest on an emergency basis to operate its business in accordance with the proposed budget (the “Budget”) attached hereto as Exhibit “A” and the proposed Interim Order (as defined below) attached as Exhibit “B.” In support hereof, Debtor shows as follows:

CONCISE STATEMENT OF RELIEF SOUGHT

Relief Sought: Authority to use cash collateral on an interim basis and, pending a Final Hearing (defined below), final authority to use Cash Collateral (defined below)

Entity with Interest In Cash Collateral: Wheeled Coach Industries, Inc., as successor to De Lage Landen Financial Services, Inc. (“Lender”)

Purposes for the Use of Cash Collateral: Payment of operational expenses and administrative expenses in accordance with the Budget attached as Exhibit “A”

Duration: Through the date the Court holds a hearing on final approval (The “Final Hearing”) (See, Paragraph 15 of the Motion; Paragraph 3 of the Proposed Order)

Adequate Protection: Debtor will pay Lender the Financed Amount for each sold ambulance unit from the proceeds of the sale as set forth on attached Exhibit “C (Paragraphs 22 of the Motion; Paragraph 6 of the Proposed Order).

Events of Default: The occurrence or existence of any one or more of the following events or conditions will constitute an "Event of Default": (i) the conversion or dismissal of the case; (ii) the appointment of a trustee or an examiner with expanded powers in the case; and (iii) Debtor's failure to maintain casualty insurance insuring the Collateral.

Introduction

1. On October 24, 2016 (the “Petition Date”), Debtor filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the “Bankruptcy Code”). In accordance with Sections 1107 and 1108 of the Bankruptcy Code, Debtor continues to operate its business as debtor in possession.

2. No creditors’ committee has been appointed in this case. In addition, no trustee or examiner has been appointed.

3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

4. The statutory predicate for the relief requested herein is § 105(a) of the Bankruptcy Code.

Background

5. Debtor is currently engaged in the business of selling, rebuilding, remounting, and repairing ambulances with its principal place of business at 130 Peach State Court, Tyrone, GA 30290 (the “Location”).

6. Debtor is a party to a “Distributor’s Contract” with Wheeled Coach Industries, Inc. (“Wheeled Coach”), pursuant to which Wheeled Coach appointed Debtor as a Distributor of Wheeled Coach products, including ambulances and service parts, within a certain geographical area.

7. Pursuant to the Distributor’s Contract, Wheeled Coach sold ambulances and service parts to Debtor for resale by Debtor, and Debtor marketed and promoted Wheeled Coach products in its geographical area.

8. Debtor’s purchase of Wheeled Coach ambulances was financed by De Lage Landen Financial Services, Inc. (“DLL”) pursuant to an “Agreement for Inventory Financing” dated as of October 23, 2012 (the “Agreement”). Pursuant to the Agreement, Debtor granted DLL a security interest in all equipment and inventory financed by DLL and all proceeds, accounts, contract rights, chattel paper, documents, general intangibles, and instruments from the sale or lease of such equipment and inventory financed by DLL (the “Collateral”).

9. In the normal course of business, Debtor would book orders for the sale of Wheeled Coach products. Wheeled Coach would build out the chassis, cabinets, and metal structure of the ambulance based on the customer's specifications. DLL would finance Debtor's acquisition on the ambulance, bring it to the Location, paint it and otherwise prepare it to meet the specifications and expectations of the customer.

10. Debtor defaulted under the Agreement by, among other possible defaults, failing to pay DLL amounts due. Subsequent to the default, Wheeled Coach acquired the rights and interest of DLL under the Agreement.

11. As a result of the default, Wheeled Coach repossessed four (4) ambulances, model numbers 254844, 254843, 254842, and 255058 (the "Repossessed Ambulances"). On information and belief, one of the Repossessed Ambulances has been sold, and the other three remain in the possession of Lender.

12. Debtor has booked fifteen (15) orders for the sale to Debtor's customers¹ of Wheeled Coach ambulances financed by DLL (the "Booked Ambulances").

13. As a result of acquiring the rights of DLL under the Agreement, Wheeled Coach has refused to release the Booked Ambulances to Debtor so Debtor can paint and otherwise customize the Booked Ambulances to meet the customers' specifications. Wheeled Coach has unsuccessfully tried to paint and customize the Booked Ambulances in an attempt to sell the ambulances directly to Debtor's customers, but lacks the ability, skill, institutional history, and knowledge to satisfy the customers' expectations. Accordingly, there has been undue delay in consummating the sales of the Booked Ambulances to Debtor's customers.

¹ Lumpkin County Fire/EMS, Dawson County, Burke County, City of Bristol, Pelzer Rescue Squad, Priority EMS, Angel EMS, Darlington, and Piedmont Newton General Hospital.

14. Additionally, many of the customers are government agencies and entities from which Debtor obtained approval of a bid through a public bid process, and such agencies and entities cannot change their bids or approve anything other than what was approved through the bid process.

Relief Requested

15. By this Motion, Debtor seeks (i) an order compelling the turnover of the Booked Ambulances to Debtor so Debtor may fulfill the customers' orders and deliver the Booked Ambulances to the customers; and (ii) interim authorization to use Cash Collateral in accordance with the Budget pending a final hearing (hereinafter, the period for which interim authority is sought is referred to as the "Interim Period"). Debtor proposes to use cash collateral for general and administrative expenses as set forth in the Budget. The expenses incurred by Debtor and for which Cash Collateral will be used will all be incurred in the normal and ordinary course of Debtors' business. A proposed "Interim Order Authorizing Limited Use of Cash Collateral by Debtor in Possession and Providing Adequate Protection" (the "Proposed Order") is attached hereto as Exhibit "B."

Turnover of Property

16. Section 542(a) of the Bankruptcy Code provides:

Except as provided in subsection (c) or (d) of this section, an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title [11 USCS § 363], or that the debtor may exempt under section 522 of this title [11 USCS § 522], shall deliver to the [debtor in possession], and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate.

17. The Booked Ambulances are undeniably property of the estate and are subject to turnover. *United States v Whiting Pools, Inc.* 462 US 198, 103 S Ct 2309, 76 L Ed 2d 515 (1983) ("In effect, § 542(a) grants to the estate a possessory interest in certain property of the debtor

that was not held by the debtor at the commencement of reorganization proceedings. The Bankruptcy Code provides secured creditors various rights, including the right to adequate protection, and these rights replace the protection afforded by possession.”)

18. Debtor desires to send its drivers to Florida to recover the Booked Ambulances and consummate the sales to Debtor’s customers. Accordingly, the Court should enter an order compelling Lender to release or otherwise turnover the Booked Vehicles.

Cash Collateral and Adequate Protection

19. Bankruptcy Code Section 363(c)(2) provides that a debtor in possession may not use cash collateral unless an entity that has an interest in such cash collateral consents or the Court approves the use, conditioned on provision of adequate protection. Section 363(o) provides that at a hearing on the use of cash collateral, the entity asserting an interest in the cash collateral has the burden of proof on the issue of the validity, priority, or extent of such interest, and the debtor in possession has the burden of proof on the issue of adequate protection. Rule 4001(b)(2) provides that the Court may not hold a final hearing on a motion to use cash collateral earlier than 14 days after service of the motion, but may authorize the use of cash collateral prior to a final hearing as necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

20. Debtor requests authority to use Cash Collateral for the purpose of avoiding immediate and irreparable harm to the estate. The authority to continue using Cash Collateral should continue until the Court rules on Debtor’s request following the Final Hearing.

21. The Debtor recognizes that Lender is entitled to adequate protection of its secured interest in its Collateral and the Cash Collateral within the meaning of 11 U.S.C. §§ 361 and 363. Debtor acknowledges that, in consideration of the Debtor’s use of the Collateral and Cash

Collateral, Lender is entitled to adequate protection of its security interest in and lien on the Collateral and Cash Collateral.

22. Debtor will provide adequate protection by paying Lender the Financed Amount for each sold unit from the proceeds of the sale as set forth on attached Exhibit “C,” which will allow Debtor to use the gross profits to fund operations and reorganization. Lender will retain its lien and security interest in the Booked Ambulances until sold, and will have its secured claim in and to the Booked Ambulances satisfied upon payment of the Financed Amount as set forth on Exhibit “C” attached hereto.

Final Authority for Use of Cash Collateral

23. The Debtor further requests that the Court schedule a Final Hearing on Cash Collateral use and, following such hearing, enter a final order authorizing Cash Collateral use. At such hearing, the Court will consider any additional adequate protection requested by Lender or agreed upon by the Debtor.

Basis for Relief for Use of Cash Collateral

The Court Should Approve the Motion Because Lender has been Provided Adequate Protection

24. Debtor has agreed to provide adequate protection as contemplated by Section 363(c)(2) of the Bankruptcy Code and hereby seek the Court’s approval thereof. The Bankruptcy Code does not explicitly define “adequate protection,” but does provide a non-exclusive list of the means by which a debtor may provide adequate protection, including “other relief” resulting in the “indubitable equivalent” of the secured creditor’s interest in such property. 11 U.S.C. § 361. What constitutes adequate protection must be evaluated on a case-by-case basis. *In re Swedeland Dev. Group Inc.*, 16 F.3d 552, 564 (3rd Cir. 1994) (citing *In re O’Connor*, 808 F.2d 1393, 1396-97 (10th Cir. 1987)); *In re Martin*, 761 F.2d 472, 476 (8th Cir. 1985).

25. Adequate protection is meant to ensure that Lender receives the value for which it originally bargained. *Swedeland*, 16 F.3d at 564 (citing *O'Connor*, 808 F.2d at 1396) (“the whole purpose of adequate protection for a creditor is to ensure that the creditor receives the value for which he bargained pre bankruptcy”). Courts have noted that “the essence of adequate protection is the assurance of the maintenance and continued recoverability of the lien value during the interim between the filing . . . and the confirmation.” *In re Arriens*, 25 B.R. 79, 81 (Bankr. D.Or. 1982). The focus of the requirement is to protect a secured creditor from diminution in value during the use period. *See In re Kain*, 86 B.R. 506, 513 (Bankr. W.D. Mich.1988); *In re Becker Indus. Corp.*, 58 B.R. 725, 736 (Bankr. S.D.N.Y. 1986); *In re Ledgmere Land Corp.*, 116 B.R. 338, 343 (Bankr. D. Mass. 1990).

26. Debtor’s requested use of Cash Collateral to pay Lender from the proceeds of the sale of the Booked Ambulances the Financed Amount as set forth on attached Exhibit “C” is sufficient to satisfy the legal standard of “adequate protection” and is expressly authorized in the Eleventh Circuit. *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017 (11th Cir. 1984)

The Use of Cash Collateral Will Preserve the Debtors’ Assets and Value

27. If Debtor is not allowed to use Cash Collateral, its business will likely shut down, causing disruption and potential harm to its residents.

28. It is well established that a bankruptcy court, where possible, should resolve issues in favor of preserving the business of the debtor as a going concern:

A debtor, attempting to reorganize a business under Chapter 11, clearly has a compelling need to use “cash collateral” in its effort to rebuild. Without the availability of cash to meet daily operating expenses such as rent, payroll, utilities, etc., the congressional policy favoring rehabilitation over economic failure would be frustrated.

In re George Ruggiere Chrysler-Plymouth, Inc., 727 F.2d 1017, 1019 (11th Cir. 1984).

29. As discussed above, Debtor will use Cash Collateral during the Interim Period in the ordinary course of its business. If the Debtor cannot continue to use Cash Collateral during the Interim Period, it likely will be forced to cease operations and convert its case to Chapter 7. This cessation would irreparably damage the value of Debtor's business and value. In contrast, granting authority will allow Debtor to maintain operations and preserve its value.

WHEREFORE, Debtor respectfully requests that the Court enter an order (A) compelling turnover of the Booked Ambulances, (B) authorizing Debtor to use the Collateral and Cash Collateral pursuant to the terms set forth above and in accordance with the Budget during the Interim Period, and provide the adequate protection described herein, and (C) setting a Final Hearing hereon at least fourteen (14) days after the entry of an interim order on this Motion, and (D) granting such other and further relief as the Court deems just and proper.

Dated: October 24, 2016

LAMBERTH, CIFELLI,
ELLIS & NASON, P.A.
Attorneys for Debtor

By: /s/ G. Frank Nason, IV
G. Frank Nason, IV
Georgia Bar No. 535160

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Atlanta, Georgia 30338
(404) 262-7373
(404) 262-9911 (facsimile)

EXHIBIT "A"

(Budget)

Peach State Ambulance, Inc. ~ Cash Budget
10/24/2016 - 11/30/2016

Income				
Budgeted				Actual
Medstar	HDC00095	\$	65,000.00	
P/O Olathe Ford	HDC00095	\$	(28,000.00) complete	\$ -
Dorchester Co	GEB18687	\$	109,915.00	
P/O Olathe Ford	GEB18687	\$	(51,691.90)	
Dillon County #3	HEB18616	\$	87,995.00	
P/O Olathe Ford	HEB18616	\$	(39,800.00)	\$ -
Hale County	Cust Furnished HEB23799	\$	62,995.00	\$ -
AMR	Cust Furnished GDC55854	\$	57,657.00 complete	\$ -
Alert Ambulance #1	Cust Furnished GDC34865	\$	42,320.00	\$ -
Alert Ambulance #2	Cust Furnished GDC34898	\$	42,320.00	\$ -
Burke County	Stock #3c6145	\$	134,500.00	\$ -
P/O Wheeled Coach	Stock #3c6145	\$	(109,272.00) new/complete	\$ -
Burke County	Stock #3c6146	\$	134,500.00	\$ -
P/O Wheeled Coach	Stock #3c6146	\$	(109,272.00) new/complete	\$ -
P/O Crooked Creek	Stretchers for Burke Co	\$	(16,600.00)	\$ -
Angel EMS	HKA02700	\$	73,675.00	\$ -
P/O Olathe Ford	HKA02700	\$	(36,811.00)	\$ -
United Life Care	F1179003	\$	80,715.00	\$ -
P/O Mollie Chevrolet	F1179003	\$	(38,900.00)	\$ -
DW McMillan	HEB18614	\$	107,013.00	\$ -
P/O Olathe Ford	HEB18614	\$	(39,800.00)	\$ -
Direct Parts Sales		\$	50,000.00	
Piedmont Newton Gen	1c6026	\$	127,531.00	
P/O Wheeled Coach	1c6026	\$	(107,531.00)	
Peizer Rescue Squad	365147	\$	86,577.00	
P/O Wheeled Coach	365147	\$	(73,257.00)	
Priority EMS #2	365109	\$	83,250.00	
P/O Wheeled Coach	365109	\$	(75,194.00)	
Priority EMS #3	365111	\$	79,950.00	
P/O Wheeled Coach	365111	\$	(71,894.00)	
Priority EMS #4	365112	\$	79,950.00	
P/O Wheeled Coach	365112	\$	(71,894.00)	
		\$	635,946.10	\$ -

Expenses			
		Budgeted	Actual
		\$	635,946.10
Parts	26,000 / Remount / 8	\$	(208,000.00)
Parts for Resale	45% of Parts Sales	\$	(22,500.00)
Payroll 10-28-2016		\$	(38,000.00)
Payroll 11-4-2016		\$	(38,000.00)
Payroll 11-11-2016		\$	(38,000.00)
Payroll 11-18-2016		\$	(38,000.00)
Payroll 11-25-2016		\$	(38,000.00)
Employer tax match .062		\$	(11,160.00)
Employee Benefit	Health Insurance	\$	(22,548.03)
Employee Benefit	Life & Disability	\$	(2,321.00)
Employee Benefit	Colonial Supplemental	\$	(1,800.00)
Employee Benefit	Dental	\$	(2,197.00)
Key Man Insurance		\$	(2,294.00)
Rent		\$	(14,975.00)
Repair & Maintenance		\$	(4,000.00)
Property & Liability Insurance		\$	(11,096.10)
Utilities	Gas	\$	(1,200.00)
Utilities	Electric	\$	(7,600.00)
Utilities	Water	\$	(150.00)
Telephone		\$	(635.00)
Cell Phone		\$	(675.00)
Postage		\$	(48.00)
UPS & Fedex		\$	(2,890.00)
Auto & Truck Expense		\$	(700.00)
Sales Expense		\$	(6,175.00)
Fuel		\$	(1,460.00)
Bank Charges		\$	(1,090.00)
Equipment Lease Exp		\$	(575.00)
Equipment Repair Exp		\$	(260.00)
Dues & Subs		\$	(200.00)
Office Supplies		\$	(1,400.00)
Express Services		\$	(6,581.31)
Brock Butts - Employee		\$	(12,850.00)
Quench USA & Avalon	Water	\$	(200.00)
		\$	98,365.66

EXHIBIT "B"
(Proposed Order)

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

IN RE:	:	
	:	
PEACH STATE AMBULANCE, INC.	:	CASE NO. 16-12121-whd
	:	
	:	CHAPTER 11
Debtor	:	
_____	:	

**INTERIM ORDER (1) COMPELLING TURNOVER OF PROPERTY OF THE ESTATE,
(2) AUTHORIZING LIMITED USE OF CASH COLLATERAL BY DEBTOR IN
POSSESSION AND PROVIDING ADEQUATE PROTECTION, AND
(3) PROVIDING NOTICE OF FINAL HEARING**

This matter came on for a hearing before the Court on October ____, 2016 (the "Preliminary Hearing"), on the "Emergency Motion of Debtor for (1) Turnover of Property of the Estate, (2) Order Authorizing Use of Cash Collateral to Avoid Immediate and Irreparable Harm, and (3) Final Order Authorizing Cash Collateral Use" filed by Peach State Ambulance, Inc., debtor and debtor in possession ("Debtor"), pursuant to Sections 363 and 542 of the Bankruptcy Code and Bankruptcy Rule 4001(b) (the "Motion") to (i) compel turnover of property of the estate, and (ii) use certain cash that is alleged to be subject to security interests and liens in favor of Wheeled Coach Industries, Inc., as successor to De Lage Landen Financial Services, Inc. ("Lender").

Having considered the matters set forth in the Motion and all representations of counsel at the Interim Hearing, the Court makes the following findings of fact and conclusions of law applicable to the use of cash collateral by Debtor and the adequate protection to Lender (to the extent any findings of fact constitutes conclusion of law, they are adopted as such, and *vice versa*):

DEBTOR ALLEGES THE FOLLOWING:

A. On October 24, 2016 (the “Petition Date”), Debtor filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the “Bankruptcy Code”). In accordance with Sections 1107 and 1108 of the Bankruptcy Code, Debtor continues to operate its business as debtor in possession.

B. Debtor alleges it is currently engaged in the business of selling, rebuilding, remounting, and repairing ambulances with its principal place of business at 130 Peach State Court, Tyrone, GA 30290 (the “Location”).

C. Debtor alleges it is a party to a “Distributor’s Contract” with Wheeled Coach Industries, Inc. (“Wheeled Coach”), pursuant to which Wheeled Coach appointed Debtor as a Distributor of Wheeled Coach products, including ambulances and service parts, within a certain geographical area.

D. Debtor alleges that pursuant to the Distributor’s Contract, Wheeled Coach sold ambulances and service parts to Debtor for resale by Debtor, and Debtor marketed and promoted Wheeled Coach products in its geographical area.

E. Debtor alleges Debtor’s purchase of Wheeled Coach ambulances was financed by De Lage Landen Financial Services, Inc. (“DLL”) pursuant to an “Agreement for Inventory Financing” dated as of October 23, 2012 (the “Agreement”). Pursuant to the Agreement, Debtor granted DLL a security interest in all equipment and inventory financed by DLL and all proceeds, accounts, contract rights, chattel paper, documents, general intangibles, and instruments from the sale or lease of such equipment and inventory financed by DLL (the “Collateral”).

F. Debtor alleges that in the normal course of business, Debtor would book orders for the sale of Wheeled Coach products. Wheeled Coach would build out the chassis, cabinets, and metal structure of the ambulance based on the customer’s specifications. DLL would finance Debtor’s acquisition on the ambulance, bring it the Location, paint it and otherwise prepare it to meet the specifications and expectations of the customer.

G. Debtor alleges it defaulted under the Agreement by, among other possible defaults, failing to pay DLL amounts due. Subsequent to the default, Wheeled Coach acquired the rights and interest of DLL under the Agreement.

H. Debtor alleges that as a result of the default, Wheeled Coach repossessed four (4) ambulances, model numbers 254844, 254843, 254842, and 255058 (the "Repossessed Ambulances"). On information and belief, one of the Repossessed Ambulances has been sold, and the other three remain in the possession of Lender.

I. Debtor alleges it has booked fifteen (15) orders for the sale to Debtor's customers¹ of Wheeled Coach ambulances financed by DLL (the "Booked Ambulances").

J. Debtor alleges that as a result of acquiring the rights of DLL under the Agreement, Wheeled Coach has refused to release the Booked Ambulances to Debtor so Debtor can paint and otherwise customize the Booked Ambulances to meet the customers' specifications. Debtor alleges that Wheeled Coach has unsuccessfully tried to paint and customize the Booked Ambulances in an attempt to sell the ambulances directly to Debtor's customers, but lacks the ability, skill, institutional history, and knowledge to satisfy the customers' expectations. Accordingly, there has been undue delay in consummating the sales of the Booked Ambulances to Debtor's customers.

K. Debtor alleges that many of the customers are government agencies and entities from which Debtor obtained approval of a bid through a public bid process, and such agencies and entities cannot change their bids or approve anything other than what was approved through the bid process.

L. Debtor alleges that an immediate and ongoing need exists for Debtor to use cash collateral to continue the operations of the business as a debtor in possession under Chapter 11 of the Bankruptcy Code, to preserve the value of Debtor's assets as a "going concern," and to avoid disruption to operations. Debtor proposes to use cash collateral during the Cash Collateral Period (as defined below) in the amounts and for the purposes specified in the budget prepared by Debtor and annexed hereto as Exhibit A (the "Budget").

M. Debtor's counsel has certified that a copy of the Motion, together with notice of the Interim Hearing, has been served by electronic mail, telecopy transmission, hand delivery, overnight courier or first class United States mail upon the United States Trustee, Lender, the creditors listed on the list filed with the Court pursuant to Bankruptcy Rule 1007(d), and all creditors known to claim any liens upon any of the Cash Collateral. Debtor alleges that notice of the Motion, as it relates to this Order, is sufficient for all purposes under the Bankruptcy Code

¹ Lumpkin County Fire/EMS, Dawson County, Burke County, City of Bristol, Pelzer Rescue Squad, Priority EMS, Angel EMS, Darlington, and Piedmont Newton General Hospital.

and the Bankruptcy Rules, including, without limitation, Sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b).

N. Good cause has been shown for the entry of this Order, turnover of the Booked Ambulances, and authorization for Debtor to use cash collateral pending the final hearing on the Cash Collateral Motion pursuant to Bankruptcy Rule 4001(b) (the "Final Hearing"). Debtor's need for the use of cash collateral is immediate and critical, and entry of this Order will minimize disruption of Debtor's business and serve to preserve the assets of Debtor's estate and is in the best interest of Debtor, its creditors and estate.

O. The use of cash collateral and adequate protection arrangements authorized hereunder have been negotiated in good faith and at arm's length, and the terms of such cash collateral use and adequate protection arrangements are fair and reasonable under the circumstances, reflect Debtor's exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration.

P. Lender is entitled to adequate protection of its interests in the Collateral.

Q. This Court has jurisdiction to enter this Order pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Cash Collateral Motion constitutes a core proceeding, as defined in 28 U.S.C. § 157(b)(2).

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Disposition of Motion. The Motion is hereby GRANTED as hereinafter set forth.
2. Turnover of Property. Lender shall allow access to and removal of the Booked Ambulances from its facility. Debtor is hereby authorized to transport the Booked Ambulances to its Location for the purpose of consummating the sales of the Booked Ambulances to Debtor's customers.
3. Limited Cash Collateral Use Authorized. During the Cash Collateral Period (as defined below), Debtor shall be authorized to use Cash Collateral (as defined below) only for Permitted Purposes (as defined below). As used herein:
 - (a) the term "Cash Collateral Period" shall mean the period commencing October ____, 2016, and ending on the sooner to occur of (a) __:__.m. (prevailing Eastern time) on October ____, 2016, or (b) the occurrence of an Event of Default (as defined in paragraph 8 below);
 - (b) the term "Cash Collateral" shall mean and include postpetition revenues to the extent such revenues and collections constitute the proceeds or products of the Collateral granted to Lender under the Agreement; and

- (c) the term "Permitted Purposes" shall mean use by Debtor of Cash Collateral to pay expenses shown on the Budget and limited to amounts and line items shown on the Budget.
4. Cash Collateral Subject to Lender's Liens. Until expended by Debtor, all Cash Collateral shall remain subject to the liens and claims of Lender under the Agreement and this Order.
5. Termination of Authority to Use Cash Collateral. After the expiration of the Cash Collateral Period, Debtor shall forthwith cease to use any Cash Collateral except to the extent otherwise allowed by order of the Court after notice and a hearing.
6. Adequate Protection to Lender. As partial adequate protection of its interests, pursuant to Bankruptcy Code §§ 361 and 363(e), Debtor will provide adequate protection by paying Lender the Financed Amount for each sold unit from the proceeds of the sale as set forth on attached Exhibit "B." Lender will retain its lien and security interest in the Booked Ambulances until sold, and will have its secured claim in and to the Booked Ambulances satisfied upon payment of the Financed Amount as set forth on Exhibit "B" attached hereto.
7. Reservation of Rights. Nothing contained in this Order shall be deemed to constitute a finding with respect to the adequacy of the protection of the interests of Lender in its Collateral or a waiver by Lender of its right to seek other or additional relief from the Court, including, without limitation, the right to seek additional protection, to move for relief from the automatic stay, to seek a dismissal or conversion of this Chapter 11 case or to seek the appointment of a trustee or examiner.
8. Events of Default. The occurrence or existence of any one or more of the following events or conditions shall constitute an "Event of Default": (i) the conversion or dismissal of the case; (ii) the appointment of a trustee or an examiner with expanded powers in the case; and (iii) Debtor's failure to maintain casualty insurance insuring the Collateral.
9. Remedies Upon Event of Default. Upon the occurrence of an Event of Default, Lender or its counsel may file under this Court's CM/ECF filing system an affidavit of default specifying such Event of Default. If Debtor disputes that an Event of Default has in fact occurred, Debtor may file a contravening affidavit within 5 calendar days of the date of filing of the affidavit of default. If no such contravening affidavit is timely filed, Debtor shall forthwith cease any further use of Cash Collateral and the Court may enter an order prohibiting further use of Cash Collateral. If Debtor timely files a contravening affidavit, the Court shall set an expedited hearing. Notwithstanding the occurrence of an Event of Default or anything herein to the contrary, all of the rights, remedies, benefits, and protections provided to Lender under this Order shall survive.
10. Survival of Provisions of This Order. The provisions of this Order and any action taken pursuant to the terms hereof shall survive the entry of any order that may be entered dismissing the case or converting the cases to a case under Chapter 7 of the Bankruptcy Code,

and all of the terms and conditions of this Order as well as the liens and security interests granted pursuant hereto shall continue in this or in any superseding case under the Bankruptcy Code, and such liens and security interests shall retain their priorities provided by this Order until satisfied and discharged.

11. Notice of Final Hearing. Promptly after the entry of this Order, within the time specified by local rules, the Debtor shall serve a copy of this Order to the U.S. Trustee, Lender, the twenty (20) largest unsecured creditors, any creditors who have heretofore filed a request with the Court for notices, and each secured and unsecured creditor and shall file a certificate of service regarding same with the clerk of the Court. The Final Hearing shall be held at : .m. **on November , 2016, in the 2nd Floor Courtroom, 18 Greenville Street, Newnan, Georgia.** If at or after the Final Hearing the Court modifies any of the provisions of this Order, then such modifications shall not affect the rights and remedies granted to Lender pursuant to this Order, all of which rights and remedies shall remain in full force and effect with respect to Cash Collateral used by Debtor prior to the effective date of such modifications.

**** END OF DOCUMENT****

Prepared and presented by:

LAMBERTH, CIFELLI,
ELLIS & NASON, P.A.
Counsel for Debtor

By: /s/ G. Frank Nason, IV
G. Frank Nason, IV
Georgia Bar No. 535160
1117 Perimeter Center West
Suite W212
Atlanta, GA 30338
(404) 262-7373

Identification of parties to be served:

G. Frank Nason, IV, Lamberth, Cifelli, Ellis & Nason, P.A., 1117 Perimeter Center West, Suite W212, Atlanta, GA 30338

R. Jeneane Treace, Office of U.S. Trustee, 362 Richard Russell Bldg., 75 Ted Turner Drive SW, Atlanta, GA 30303

Exhibit A

(Budget)

Peach State Ambulance, Inc. ~ Cash Budget
10/24/2016 - 11/30/2016

Income			
Budgeted			Actual
Medstar	HDC00095	\$ 65,000.00	
P/O Olathe Ford	HDC00095	\$ (28,000.00) complete	\$ -
Dorchester Co	GEB18687	\$ 109,915.00	
P/O Olathe Ford	GEB18687	\$ (51,691.90)	
Dillon County #3	HEB18616	\$ 87,995.00	
P/O Olathe Ford	HEB18616	\$ (39,800.00)	\$ -
Hale County	Cust Furnished HEB23799	\$ 62,995.00	\$ -
AMR	Cust Furnished GDC55854	\$ 57,657.00 complete	\$ -
Alert Ambulance #1	Cust Furnished GDC34865	\$ 42,320.00	\$ -
Alert Ambulance #2	Cust Furnished GDC34898	\$ 42,320.00	\$ -
Burke County	Stock #3c6145	\$ 134,500.00	\$ -
P/O Wheeled Coach	Stock #3c6145	\$ (109,272.00) new/complete	\$ -
Burke County	Stock #3c6146	\$ 134,500.00	\$ -
P/O Wheeled Coach	Stock #3c6146	\$ (109,272.00) new/complete	\$ -
P/O Crooked Creek	Stretchers for Burke Co	\$ (16,600.00)	\$ -
Angel EMS	HKA02700	\$ 73,675.00	\$ -
P/O Olathe Ford	HKA02700	\$ (36,811.00)	\$ -
United Life Care	F1179003	\$ 80,715.00	\$ -
P/O Mollie Chevrolet	F1179003	\$ (38,900.00)	\$ -
DW McMillan	HEB18614	\$ 107,013.00	\$ -
P/O Olathe Ford	HEB18614	\$ (39,800.00)	\$ -
Direct Parts Sales		\$ 50,000.00	
Piedmont Newton Gen	1c6026	\$ 127,531.00	
P/O Wheeled Coach	1c6026	\$ (107,531.00)	
Peizer Rescue Squad	365147	\$ 86,577.00	
P/O Wheeled Coach	365147	\$ (73,257.00)	
Priority EMS #2	365109	\$ 83,250.00	
P/O Wheeled Coach	365109	\$ (75,194.00)	
Priority EMS #3	365111	\$ 79,950.00	
P/O Wheeled Coach	365111	\$ (71,894.00)	
Priority EMS #4	365112	\$ 79,950.00	
P/O Wheeled Coach	365112	\$ (71,894.00)	
		\$ 635,946.10	\$ -

Expenses		Budgeted	Actual
		\$ 635,946.10	
Parts	26,000 / Remount / 8	\$ (208,000.00)	\$ -
Parts for Resale	45% of Parts Sales	\$ (22,500.00)	\$ -
Payroll 10-28-2016		\$ (38,000.00)	\$ -
Payroll 11-4-2016		\$ (38,000.00)	\$ -
Payroll 11-11-2016		\$ (38,000.00)	\$ -
Payroll 11-18-2016		\$ (38,000.00)	\$ -
Payroll 11-25-2016		\$ (38,000.00)	\$ -
Employer tax match .062		\$ (11,160.00)	\$ -
Employee Benefit	Health Insurance	\$ (22,548.03)	\$ -
Employee Benefit	Life & Disability	\$ (2,321.00)	\$ -
Employee Benefit	Colonial Supplemental	\$ (1,800.00)	\$ -
Employee Benefit	Dental	\$ (2,197.00)	\$ -
Key Man Insurance		\$ (2,294.00)	\$ -
Rent		\$ (14,975.00)	\$ -
Repair & Maintenance		\$ (4,000.00)	\$ -
Property & Liability Insurance		\$ (11,096.10)	\$ -
Utilities	Gas	\$ (1,200.00)	\$ -
Utilities	Electric	\$ (7,600.00)	\$ -
Utilities	Water	\$ (150.00)	\$ -
Telephone		\$ (635.00)	\$ -
Cell Phone		\$ (675.00)	\$ -
Postage		\$ (48.00)	\$ -
UPS & Fedex		\$ (2,890.00)	\$ -
Auto & Truck Expense		\$ (700.00)	\$ -
Sales Expense		\$ (6,175.00)	\$ -
Fuel		\$ (1,460.00)	\$ -
Bank Charges		\$ (1,090.00)	\$ -
Equipment Lease Exp		\$ (575.00)	\$ -
Equipment Repair Exp		\$ (260.00)	\$ -
Dues & Subs		\$ (200.00)	\$ -
Office Supplies		\$ (1,400.00)	\$ -
Express Services		\$ (6,581.31)	\$ -
Brock Butts - Employee		\$ (12,850.00)	\$ -
Quench USA & Avalon	Water	\$ (200.00)	\$ -
		\$ 98,365.66	\$ -

Exhibit "B"
(Financed Amount)

Financed amount for Wheeled Coach

	Customer Name	Stock	Description	Cost from factory
1	BURKE COUNTY (GA) EMS	3C6145		\$ 109,272.00
2	BURKE COUNTY (GA) EMS	3C6146		\$ 109,272.00
3	PELZER RESCUE SQUAD	365147	HI TOP TRANSIT	\$ 73,257.00
4	PIEDMONT NEWTON GENERAL HOSP.	1C6026	CHEV McCOY TYPE I	\$ 107,531.00
5	PELZER RESCUE SQUAD 2	TBD	HI TOP TRANSIT	\$ 73,257.00
6	DAWSON CO	311207		\$ 173,356.33
7	DAWSON CO	361214		\$ 173,356.33
8	CITY OF BRISTOL	TBD	WC 1153-F TYPE I	\$ 126,825.00
9	PRIORITY EMS 2	365109	HI TOP TRANSIT	\$ 75,194.00
10	PRIORITY EMS 3	365111	HI TOP TRANSIT	\$ 71,894.00
11	PRIORITY EMS 4	365112	HI TOP TRANSIT	\$ 71,894.00
12	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
13	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
14	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
15	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
				\$ 1,511,096.66

EXHIBIT “C”
(Financed Amounts)

Financed amount for Wheeled Coach

	Customer Name	Stock	Description	Cost from factory
1	BURKE COUNTY (GA) EMS	3C6145		\$ 109,272.00
2	BURKE COUNTY (GA) EMS	3C6146		\$ 109,272.00
3	PELZER RESCUE SQUAD	365147	HI TOP TRANSIT	\$ 73,257.00
4	PIEDMONT NEWTON GENERAL HOSP.	1C6026	CHEV McCOY TYPE I	\$ 107,531.00
5	PELZER RESCUE SQUAD 2	TBD	HI TOP TRANSIT	\$ 73,257.00
6	DAWSON CO	311207		\$ 173,356.33
7	DAWSON CO	361214		\$ 173,356.33
8	CITY OF BRISTOL	TBD	WC 1153-F TYPE I	\$ 126,825.00
9	PRIORITY EMS 2	365109	HI TOP TRANSIT	\$ 75,194.00
10	PRIORITY EMS 3	365111	HI TOP TRANSIT	\$ 71,894.00
11	PRIORITY EMS 4	365112	HI TOP TRANSIT	\$ 71,894.00
12	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
13	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
14	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
15	DARLINGTON	TBD	2016 G4500 TYPE III WC	\$ 113,815.00
				\$ 1,511,096.66