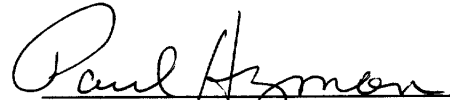




**ORDERED in the Southern District of Florida on December 2, 2016.**

  
Paul G. Hyman, Jr., Judge  
United States Bankruptcy Court

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION**  
[www.flsd.uscourts.gov](http://www.flsd.uscourts.gov)

In re:

Case No. 16-10191-PGH  
Chapter 11

PREMIER WELLNESS CENTERS LLC.  
EIN #26-2015790  
Debtor. \_\_\_\_\_/

**INTERIM ORDER GRANTING DEBTOR'S EMERGENCY THIRD  
MOTION AUTHORIZING USE OF CERTAIN CASH COLLATERAL**

**THIS CAUSE**, having come before the Court for an interim hearing on December 1, 2016 at 9:30 a.m. upon the motion of the Debtor, Premier Wellness Centers LLC. ("Debtor"), entitled "Third Motion to Approve Use of Cash Collateral" [ECF#139] (the "Motion"). The Court having considered the Motion and any responsive pleadings, having reviewed the file and heard respectively from counsel for the Debtor, the United States Trustee, and JPMorgan Chase Bank ("Chase" or "BANK"), and the Court being otherwise fully advised in the premises, it is:

**ORDERED AND ADJUDGED:**

1. The Motion is granted through February 27, 2017 as set forth herein (the "Cash

Collateral Period”).

2. Use of Cash Collateral. Subject to the provisions of this Order, the Debtor is authorized to use cash collateral as defined in Section 363(a) of the Bankruptcy Code to pay in the ordinary course of its business for the purposes contained in the budget attached hereto as Exhibit “A” (the “Budget”) during the Cash Collateral Period, or until any further orders of this Court concerning Cash Collateral, whichever is sooner.

3. JP Morgan Chase (“Chase”) asserts that it has a valid, properly perfected, first-priority blanket lien on all of Debtor’s personal property, including but not limited to inventory, equipment, machinery, accounts, and accounts receivable.

4. Foundation Group LLC (“Foundation”) asserts that it has a valid, properly perfected, second-priority blanket lien on all of Debtor’s personal property, including but not limited to inventory, equipment, machinery, accounts, and accounts receivable.

5. The Debtor may pay all of its post-petition expenses in the ordinary course in compliance with the Budget. However, no payments shall exceed the line items on the Budget by an amount exceeding ten percent (10%) of each such line item.

6. Additional Expenses: In the event that an additional expense arises which is not within any of the approved line items in the Budget, or exceeds any line item in the Budget by greater than ten percent (10%), or the Debtor anticipates that any line item will need to be exceeded by more than the Allowed Variance, the Debtor shall request approval from Chase, and Chase shall have three (3) business days after the provision of the request within which to consent, object or request additional time; provided, however, in the event that Chase refuses the request or if the requested expenditure presents an immediate threat to the business or property of the Debtor requiring action or remediation before the expiration of three (3) business days, the Debtor may

file a motion with the Court seeking amendment of the Budget and approval of the additional expense. If Chase disputes any of the expenses sought by the Debtor to be paid or needs additional time to review such request, Chase shall advise the Debtor within three (3) business days of the date and time of submission of the particular requisition request. If Chase does not respond within three (3) business days, it shall be presumed that Chase consents, until such time as Chase notifies the Debtor of an objection, if any, in writing, at which time the Debtor will file a motion seeking approval of the expense.

7. Replacement Liens as Adequate Protection to Secured Creditors Chase and Foundation:

Under the provisions of Section 552(a) of the Bankruptcy Code, the Debtor grants in favor of Chase and Foundation, as security for all indebtedness that is owed by the Debtor to Chase and Foundation under its loan documentation and allowed pursuant to the Bankruptcy Code, a perfected post-petition security interest and lien (the “Replacement Liens”) in, to and against Debtor’s cash collateral and all of the Debtor’s assets, to the same priority, validity and extent that Chase and Foundation held a properly perfected pre-petition security interest in such assets as its pre-petition lien, which are or have been acquired, generated or received by the Debtor subsequent to the Petition Date (the “*Post-Petition Collateral*”).

The security interests granted in this Order are deemed perfected without the necessity for filing or execution of documents which might otherwise be required under non-bankruptcy law for the perfection of said security interests.

The Post-Petition Collateral excludes all transfers avoided by or on behalf of the Debtor, its estate or any subsequently appointed trustee, pursuant to sections 544 through 550, inclusive, of the Bankruptcy Code and the proceeds of any recovery.

8. No Novation: This Order shall not cause a novation of any of Chase or Foundation's secured documentation.

9. Adequate Protection Payments: As additional adequate protection, by February 25, 2016, and each month thereafter until confirmation of the Debtor's Plan, dismissal or conversion to chapter 7, the Debtor shall pay adequate protection payments to Chase in the amount of \$2,500. Payment shall be mailed to JP Morgan Chase NA, Business Banking Portfolio Management Center, c/o Chris Hammonds, AZ1-1024, 201 North Central Ave., Phoenix, AZ 85038, or by agreement between the Debtor and Chase. This payment shall constitute adequate protection for the cash collateral period covered by this Order. Such adequate protection payment is not subject to disgorgement upon the dismissal of this bankruptcy case or upon such other, future orders as may be entered by this Court. Chase and the Debtor reserve any and all rights as to any other motions which may be filed with this Court. Chase reserves the right to seek additional adequate protection at any time by further motion to the Court.

10. Non-Waiver of Rights and Remedies: This Order is not intended to and shall not prejudice, alter, affect or waive any rights and/or remedies of the Debtor, Chase, or Foundation (with respect to liens, claims, value determinations, and all other matters) under the Bankruptcy Code or applicable non-bankruptcy law (but not limited to, all matters pertaining to cash and other collateral) and does not bind any subsequently appointed trustee or committee.

11. Duration: The provisions of this Order shall remain in effect for the Cash Collateral Period established by this Order.

12. Additional Terms:

- a. The Debtor shall continue to insure the Property and have BANK named as loss payee on the policy of insurance. The Debtor shall provide evidence of

insurance to counsel for BANK within 5 days of the date of this Order.

b. BANK shall have the right to inspect the Property and all contents therein during regular office hours on 24-hour notice to the Debtor.

c. In addition to the disclosures set forth in the Debtor's monthly operating reports, the Debtor shall provide to BANK (unless already provided therein) every two weeks, beginning with the period of January 15 – January 31st, due by February 10, 2016, reports providing:

- i. an account receivable aging report
- ii. a profit and loss of the Debtor
- iii. such additional financial information as reasonably requested by BANK, which requests for financial information shall be made through counsel.

In the event of a dispute over the reasonableness of the request, Chase shall have the burden of seeking judicial approval of the request.

d. The Debtor shall provide BANK with copies of bank statements from the current DIP account, and the last bank statement(s) from all account(s) used by Debtor prior to establishment of the DIP account.

e. The Debtor shall make its books and records reasonably available to BANK upon reasonable advance request for inspection and copying.

f. The Debtor shall provide BANK and BANK's Counsel with a copy of the monthly operating report filed with the U.S. Trustee's office.

g. Subject to any party in interest objecting within 75 days from the entry of this order and the creditors' committee, if formed, at least 60 days from the date of its formation to investigate such matters, the Debtor agrees that the amount of the

BANK's collateral exceeds the balance due, and to pay as part of the BANK'S claim the reasonable attorney's fee and any court costs incurred by BANK, to the extent allowed under the Court pursuant to the terms of the Bankruptcy Code or other applicable law.

h. Should Debtor fail to comply with any of the conditions for the use of cash collateral, set forth above within the time frames stated, the Debtor shall be in default. In the event such default is not cured within 72 hours of both telephonic and email notice of default given to counsel for the Debtor of such default, BANK shall have the right to submit a Motion to the Court for entry of an order terminating the Debtor's use of cash collateral without further hearing, and such order shall be granted unless within 48 hours Debtor files an objection to the Motion, and then the Court shall set a hearing to determine the merits of the Motion.

i. The terms of this Order notwithstanding, nothing in this Order waives Chase's right to move the Court for relief from the automatic stay.

13. This may be treated as a final order if cash collateral use is not required beyond February 27, 2017. In the event continued use of cash collateral is required, Debtor's counsel shall set and serve a notice of hearing for a final hearing.

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**Order Submitted by:**

MALINDA L. HAYES ESQ.  
Markarian Frank & Hayes  
2925 PGA Blvd., #204  
Palm Beach Gardens, FL 33410  
(561) 626-4700  
(561) 627-9479 - fax

Attorney Malinda L. Hayes is directed to serve a conformed copy of this Order on all appropriate parties and file a certificate of service in connection therewith.

<b>Exhibit "A"</b>					
<b>Premier Wellness Centers, LLC</b>					
		operating budget			
			<b>December-16</b>	<b>January-17</b>	<b>February-17</b>
		<b>Income</b>			
		<b>Patient Fee Income</b>	\$98,000	\$98,000	\$98,000
		<b>Patient fees refund</b>	-\$1,500	-\$1,500	-\$1,500
		<b>Total Income</b>	<b>\$96,500</b>	<b>\$96,500</b>	<b>\$96,500</b>
		<b>Cost of Goods Sold</b>			
		<b>Physical Therapist Wages</b>	\$20,677	\$20,677	\$20,677
		<b>Massage Therapist Wages</b>	\$3,000	\$3,000	\$3,000
		<b>Patient supplies</b>	\$1,747	\$1,747	\$1,747
		<b>Orthotics for patients</b>	\$1,229	\$1,229	\$1,229
		<b>Supplements for patients</b>	\$167	\$167	\$167
		<b>Total COGS</b>	\$26,820	\$26,820	\$26,820
		<b>Total Gross Profit</b>	<b>\$69,680</b>	<b>\$69,680</b>	<b>\$69,680</b>
		<b>Expenses:</b>			
		<b>Officer (Chiropractor) Wages</b>	\$5,500	\$5,500	\$5,500
		<b>Non-Officer (Staff) Wages*</b>	\$22,555	\$22,555	\$22,555
		<b>Rent</b>	\$20,672	\$19,062	\$17,650
		<b>Copier Lease</b>	\$253	\$253	\$253
		<b>Storage Unit Lease</b>	\$446	\$446	\$446
		<b>Marketing &amp; advertising</b>	\$1,450	\$2,000	\$2,000
		<b>Travel &amp; Conference</b>	\$500	\$500	\$500
		<b>Professional Fees (Set Aside: Subject to Fee Application)</b>	\$2,000	\$2,000	\$2,000
		<b>Office Supplies &amp; Expense</b>	\$910	\$910	\$910
		<b>Software Maintenance Fees</b>	\$1,851	\$1,851	\$1,851
		<b>Dues &amp; Subscriptions</b>	\$417	\$417	\$417
		<b>Repairs &amp; Maintenance</b>	\$450	\$450	\$450
		<b>Education &amp; Seminars</b>	\$182	\$182	\$182
		<b>Licenses &amp; Permits</b>	\$71	\$71	\$71
		<b>Printing</b>	\$35	\$35	\$35
		<b>Postage &amp; shipping</b>	\$122	\$122	\$122
		<b>Telephone &amp; Internet</b>	\$1,249	\$1,249	\$1,249
		<b>Utilities</b>	\$1,204	\$1,204	\$1,204
		<b>Security</b>	\$51	\$51	\$51
		<b>Payroll Taxes</b>	\$3,979	\$3,979	\$3,979
		<b>Meals &amp; Marketing Entertainment</b>	\$160	\$160	\$160
		<b>Other insurances (set aside)</b>	\$535	\$535	\$535
		<b>Workmans Comp Ins.</b>	\$399	\$399	\$399

<b>Premier Wellness Centers, LLC</b>					
		operating budget			
			<b>December-16</b>	<b>January-17</b>	<b>February-17</b>
		<b>Bank Charges &amp; Merchant Fees</b>	\$1,218	\$1,218	\$1,218
		<b>Charitable Contributions</b>	\$38	\$38	\$38
		<b>Taxes - Other</b>	\$357	\$357	\$357
		<b>US Trustee Fees (set aside)</b>	\$541	\$541	\$541
		<b>Adequate Protection - Chase</b>	\$2,500	\$2,500	\$2,500
		<b>Total Expenses</b>	<b>\$69,645</b>	<b>\$68,585</b>	<b>\$67,173</b>
		<b>Net Ordinary Income</b>	<b>\$35</b>	<b>\$1,095</b>	<b>\$2,507</b>
*Non Officer Staff: Reception/Front Desk, 1 Chiropractic Assistant, 2 Billing Assistants & Office Coordinator)					