

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION

In re: Radiology Support Devices, Inc.,  
Debtor.

Case No.: 2:17-bk-12054-ER  
Chapter: 11

**ORDER (1) AUTHORIZING USE OF  
CASH COLLATERAL THROUGH AND  
INCLUDING JANUARY 31, 2018 AND (2)  
SETTING A FURTHER INTERIM  
HEARING ON THE USE OF CASH  
COLLATERAL**

**FURTHER INTERIM HEARING ON THE  
USE OF CASH COLLATERAL:**

Date: January 24, 2018  
Time: 10:00 a.m.  
Location: Courtroom 1568  
Roybal Federal Building  
255 East Temple Street  
Los Angeles, CA 90012

On September 20, 2017, at 10:00 a.m., the Court conducted a hearing on the Debtor's motion seeking continued authorization to use cash collateral (the "Motion") [Doc. No. 122]. For the reasons set forth in the tentative ruling, which the Court adopts as its final ruling and which is incorporated herein by reference [Doc. No. 134], the Court HEREBY ORDERS as follows:

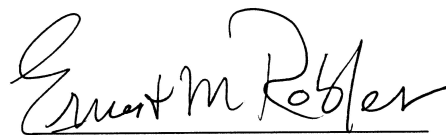
- 1) The Debtor is authorized to use cash collateral through and including January 31, 2018, in accordance with the budget (the "Budget") attached as Exhibit 1 to the Motion.
- 2) The Debtor is authorized to continue payments to Mr. Alderson in the amount of \$2,885.00 per week.

- 3) On a monthly basis, the Debtor may exceed the expenditure for any Budget line-item by up to 15%, provided that any such excess line-item expenditure is completely offset by a corresponding reduction in expenditures on account of other line-items, such that the total monthly expenditures remain at or below the Budget's projections. The payments to Mr. Alderson are not subject to the 15% budget variance; in no event shall Mr. Alderson be paid in excess of \$2,885.00 per week.
- 4) The Debtor must make monthly adequate protection payments of \$1,820.45 to Wells Fargo Bank, N.A. ("Wells Fargo"), with such payments being due on the first day of each month.
- 5) Creditors Citibank, N.A., Wells Fargo, Clay Lorinsky, and the Internal Revenue Service (collectively, the "Secured Creditors") are granted replacement liens to the extent of any post-petition diminution in value of the Secured Creditors' pre-petition collateral as a result of the Debtor's use of cash collateral during the case. Such replacement liens shall have the same validity, extent, and priority as the pre-petition interests held by each respective Secured Creditor as of the petition date.
- 6) The Debtor is authorized to continue payment of administrative professional fees, pursuant to the Court's Orders "Granting Application for Payment of Interim Fees And/Or Expenses" [Doc. Nos. 120–121]; provided, however, that the Debtor is not authorized to pay the requested \$10,000 initial retainer to the special litigation counsel that Debtor contemplates employing in connection with the Debtor's objection to the proof of claim filed by Michael Kohrman, unless and until the Debtor obtains an order (a) approving the employment of special litigation counsel and (b) approving the payment of special litigation counsel's initial retainer.
- 7) A further interim hearing on the use of cash collateral will take place on January 24, 2018, at 10:00 a.m. The following notice and briefing deadlines will apply to the continued hearing:
  - a) By no later than September 27, 2017, the Debtor shall provide notice of the continued hearing to (i) all secured creditors with an interest in the cash collateral, (ii) the twenty largest unsecured creditors, and (iii) the United States Trustee.
  - b) The Debtor shall file a proof of service indicating that notice was provided in accordance with the requirements of ¶7(a) by no later than October 4, 2017.
  - c) By no later than January 10, 2018, the Debtor shall submit further evidence in support of the continued use of cash collateral. That evidence must include information on the Debtor's sales, expenses, collections on accounts receivable, order backlog amount, and profit margin, and must also discuss the extent to which the Debtor's performance varied from the Budget projections. Any response to the Debtors' additional evidence is due by January 17, 2018.

IT IS SO ORDERED.

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Date: September 22, 2017

A handwritten signature in black ink, reading "Ernest M. Robles". The signature is written in a cursive style with a horizontal line underneath the name.

Ernest M. Robles  
United States Bankruptcy Judge