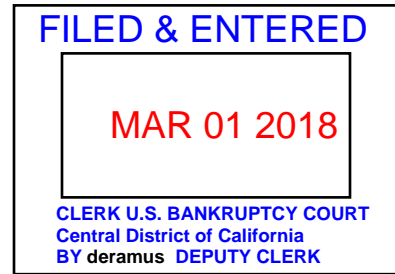


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8
9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SANTA ANA DIVISION**

12 In re
13 HOAG URGENT CARE-TUSTIN, INC., et al.,
14 Debtors and Debtors in
15 Possession.

Lead Case No. 8:17-bk-13077-TA

Chapter 11

(Jointly Administered with Case Nos. 8:17-
bk-13078-TA, 8:17-bk-13079-TA, 8:17-bk-
13080-TA, 8:17-bk-13089-TA, 8:17-bk-
13090-TA)

16 Affects:

- 17 All Debtors
- 18 Cypress Urgent Care, Inc., a California
corporation, ONLY
- 19 Hoag Urgent Care- Anaheim Hills, Inc.,
20 a California corporation, ONLY
- 21 Hoag Urgent Care- Huntington Harbour,
22 Inc., a California corporation, ONLY
- 23 Hoag Urgent Care- Orange, Inc., a
California corporation, ONLY
- 24 Hoag Urgent Care- Tustin, Inc., a
California corporation, ONLY
- 25 Laguna-Dana Urgent Care, Inc., a
26 California corporation, ONLY

**ORDER GRANTING CONTINUED
USE OF CASH COLLATERAL BY
THE CYPRESS AND LAGUNA-DANA
DEBTORS AND DIRECTING THE
CYPRESS AND LAGUNA-DANA
DEBTORS TO TENDER ADEQUATE
PROTECTION PAYMENTS**

Hearing:

Date: February 14, 2018
Time: 10:00 a.m.
Place: United States Bankruptcy Court
Courtroom 5B
411 West Fourth Street
Santa Ana, California 92701

1 On February 14, 2018 at 10:00 a.m. in the above-captioned court, the continued hearing
2 on the *Emergency Motion for Order (1) Authorizing the Interim Use of Cash Collateral Pursuant*
3 *to 11 U.S.C. § 363, (2) Finding Prepetition Secured Creditors Adequately Protected Pursuant to*
4 *11 U.S.C. §§ 361 and 363, and (3) Granting Related Relief* [Docket No. 12] (the “Cash Collateral
5 Motion”) of Hoag Urgent Care – Tustin, Inc., and its affiliated debtors in the above-captioned,
6 jointly administered, chapter 11 bankruptcy cases (collectively, the “Debtors”)¹ came on for
7 hearing. Fahim Farivar of Baker Hostetler LLP appeared on behalf of the Debtors. Anthony J.
8 Napolitano of Buchalter, a Professional Corporation appeared on behalf of Opus Bank. Randye
9 B. Soref of Polsinelli LLP appeared on behalf of interested parties, Hoag Memorial Hospital
10 Presbyterian and Newport Healthcare, LLC.

11 Having reviewed the Cash Collateral Motion and all briefs, supporting declarations and
12 other supplemental papers filed in connection therewith, and having heard and considered the
13 arguments of counsel made at the hearing, , and finding good cause appearing therefor,

14 **IT IS HEREBY ORDERED:**

15 1. The Cash Collateral Motion is granted as it relates solely to debtors Cypress
16 Urgent Care, Inc. and Laguna Dana Urgent Care, Inc. (collectively, the “Cypress-Laguna
17 Debtors”) subject to the terms of this order.

18 2. The Cypress-Laguna Debtors are authorized, directly or through Radiant Physician
19 Group (“RPG”), to use and expend on behalf of the Cypress-Laguna Debtors and their estates the
20 “cash collateral,” as that term is defined in section 363(a) of the Bankruptcy Code (the “Cash
21 Collateral”)², pursuant to the Budget (as defined) in the Cash Collateral Motion and as further
22 supplemented by the Budget attached as Exhibit A to the *Debtors’ Response to Opus Bank’s*
23 *Motion to Dismiss the Debtors’ Bankruptcy Cases Under 11 U.S.C. §§ 305 and 1112, or, in the*

24 _____
25 ¹ The Debtors include Hoag Urgent Care – Tustin, Inc. (Case No. 8:17-bk-13077-TA), Hoag Urgent Care –
26 Huntington Harbour, Inc. (Case No. 8:17-bk-13078-TA); Hoag Urgent Care – Orange, Inc. (Case No. 8:17-bk-
13079-TA); Hoag Urgent Care – Anaheim Hills, Inc. (Case No. 8:17-bk-13079-TA); Cypress Urgent Care, Inc. (Case
27 No. 8:17-bk-13089-TA); and Laguna Dana Urgent Care, Inc. (Case No. 8:17-bk-13090-TA).

28 ² Nothing stated herein is intended to or shall waive any legal or equitable rights, remedies, privileges, and/or
objections available, including but not limited to nature, extent, validity, and/or enforceability of any and all parties
who assert an interest in the Cash Collateral, all of which are expressly reserved.

1 *Alternative, Grant Adequate Protection Under 11 U.S.C. § 363* [Docket No. 203] (collectively, the
2 “Operative Budget”), solely and with respect to the period through and including April 11, 2018
3 (the “Interim Period”).

4 3. During the Interim Period, the Cypress-Laguna Debtors are authorized, directly or
5 through RPG, to make monthly expenditures in an amount not to exceed 115% of the actual and
6 necessary expenditures set forth in the Operative Budget without the consent or approval of Opus
7 or further Court order.

8 4. During the Interim Period, the Cypress-Laguna Debtors are authorized, directly or
9 through RPG, to make monthly expenditures in an amount in excess of 115% of the actual and
10 necessary expenditures set forth in the Operative Budget with the prior written approval of Opus,
11 which approval shall not be unreasonably withheld, or Court order.

12 5. During the Interim Period, any and all financial institutions holding funds of the
13 bankruptcy estates are hereby instructed to allow the Cypress-Laguna Debtors to utilize such
14 funds.

15 6. Without adjudging or otherwise determining the validity, extent, or enforceability
16 thereof, and notwithstanding the authorization hereby granted with respect to the same, as
17 adequate protection of the Cypress-Laguna Debtors’ use of the Cash Collateral of Opus Bank and
18 to the extent that Opus Bank’s Cash Collateral is actually used, Opus Bank is hereby granted,
19 pursuant to Sections 361 and 363(e) of the Bankruptcy Code, a replacement lien (a “Replacement
20 Lien”) in the Cypress-Laguna Collateral (as defined in Opus Bank’s *Notice of Non-Consent to*
21 *Use of Cash Collateral by the Debtor and Preliminary Opposition to Debtor’s Forthcoming*
22 *Motion for Use of Cash Collateral* [Docket No.16] (the “Cash Collateral Opposition”))
23 (collectively, the “Collateral”) and all prepetition and postpetition assets, including the Cypress-
24 Laguna Debtors’ accounts, inventory and equipment, in which and to the extent the Cypress-
25 Laguna Debtors hold an interest, whether tangible or intangible, whether by contract or operation
26 of law, excluding avoidance causes of action, and including all rents, issues, profits and proceed
27

1 thereof of the Collateral, with such Replacement Lien having the same extent and priority as any
2 duly perfected and unavoidable liens in Cash Collateral held by Opus Bank as of Petition Date.

3 7. The hearing on the Cash Collateral Motion is continued to April 11, 2018 at 11:00
4 a.m., in Courtroom 5B of the above-captioned Court.

5 8. As partial adequate protection of Opus Bank's interest in the Collateral and in the
6 Cash Collateral, the Cypress-Laguna Debtors shall continue to tender to Opus Bank a monthly
7 adequate protection payment in the amount of \$9,250.00 payable to Opus Bank by no later than
8 the 25th of each month that such payment is due. Each payment to Opus Bank shall be tendered
9 by either wire transfer or certified cashier's check.

10 9. Opus Bank shall apply any amounts received to reduce the indebtedness secured
11 by the Collateral as permitted under the applicable loan documents. All parties reserve all rights
12 respecting the application and allocation of the adequate protection payments made pursuant to
13 this order.

14 10. The Cypress-Laguna Debtors are hereby required to provide periodic reporting in
15 the format consistent with the prior cash collateral reports provided by the Cypress-Laguna
16 Debtors (the "Cash Collateral Reports"), examples of which are attached as Exhibit 1 to the
17 *Declaration of Anthony J. Napolitano in support of Supplemental (I) Opposition to Debtors'*
18 *Continued Use of Cash Collateral; and (II) Statement in Support of its Motion to Dismiss*
19 *Debtors' Bankruptcy Cases* [Docket No. 207], and Exhibits 1 and 2 to the *Declaration of Jake*
20 *DiIorio Regarding Opus Bank's Supplemental (I) Opposition to Debtors' Continued Use of Cash*
21 *Collateral; and (II) Statement in Support of its Motion to Dismiss Debtors' Bankruptcy Cases*
22 [Docket No. 210].

23 11. The Cypress-Laguna Debtors shall provide Opus Bank and David P. Stapleton, in
24 his capacity as the receiver (the "Receiver"), with copies of Cash Collateral Reports for the period
25 commencing with the 1st of the month through and including the 15th of the month by no later
26 than the 22nd of that month. The Cypress-Laguna Debtors shall provide Opus Bank and the
27 Receiver with copies of Cash Collateral Reports for the period commencing with the 1st of the

1 month through and including the last day of the month by no later than the 7th day of the
2 following month. All Cash Collateral Reports shall illustrate operating results on a consolidated
3 basis as well as a “per center” basis, and all Cash Collateral Reports shall include the operating
4 results for that period and on a cumulative basis since the Petition Date.

5 12. The Cypress-Laguna Debtors’ obligations to prepare Monthly Operating Reports
6 shall remain consistent with their obligations under the Bankruptcy Code, the Bankruptcy Rules
7 and the U.S. Trustee’s Guidelines.

8 13. To the extent applicable, the fourteen-day stay period under Bankruptcy Rule
9 6004(h) is hereby waived.

10 14. The hearing on the Cash Collateral Motion is hereby continued to April 11, 2018
11 at 10:00 a.m.

12 15. The status conference in the above-captioned, jointly-administered bankruptcy
13 cases is hereby continued to April 11, 2018 at 10:00 a.m.

14 16. Any brief in support of the Cash Collateral Motion or the Dismissal Motion must
15 be filed and served on or before March 28, 2018. Any opposition to such brief must be filed and
16 served on or before April 4, 2018.

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23 Date: March 1, 2018



Theodor C. Albert
United States Bankruptcy Judge