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FILED & ENTERED

MAR 10 2017

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY gonzalez DEPUTY CLERK

7 [Proposed] Attorneys for Debtor
8 and Debtor-in-Possession, RADIOLOGY SUPPORT DEVICES, INC.,

9
10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

12 In re:
13 RADIOLOGY SUPPORT DEVICES, INC.,
14 Debtor and Debtor-In-Possession.

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

Chapter 11

15 **ORDER GRANTING DEBTOR'S**
16 **EMERGENCY MOTION FOR ORDER**
17 **AUTHORIZING USE OF CASH**
18 **COLLATERAL THROUGH MARCH 30,**
19 **2017**

20 Date: March 1, 2017

21 Time: 10:00 a.m.

22 Place: Courtroom 1568
23 255 E. Temple Street
24 Los Angeles, CA 90012

25 On March 1, 2017 at 10:00 a.m., a hearing was held before the Honorable Ernest M.
26 Robles, on *Debtor's Emergency Motion For Order Authorizing Interim Use of Cash Collateral*
27 *Through April 7, 2017* ("Motion") [Docket #4] filed by Radiology Support Devices, Inc. the
28 debtor and debtor-in-possession in the above captioned Chapter 11 case ("Debtor"). Elaine V.
Nguyen appeared on behalf of the Debtor. J. Alexandra Rhim appeared on behalf of creditor

1 Wells Fargo Bank N.A., Kenneth G. Lau appeared on behalf of the Office of the United States
2 Trustee. There were no other appearances as reflected on the record.

3 The Court having considered the Motion, all papers in support of the Motion, the
4 *Application For Order Setting Hearing on Shortened Notice, the Opposition by Wells Fargo*
5 *Bank, N.A. To Debtor's Emergency Motion For Order Authorizing Use of Cash Collateral*
6 *Through April 7, 2017*, and all other relevant pleadings and documents on file in this Chapter 11
7 case, and finding that the notice was sufficient, and for other good and adequate cause therefor,

8 **IT IS HEREBY ORDERED** that:

9 1. The Debtor is authorized to use cash collateral as outlined in the budget
10 ("Budget") attached hereto as **Exhibit 1** through and including March 30, 2017.

11 2. Creditors Citibank, N.A. ("Citibank"), Wells Fargo Bank ("WFB"), Clay
12 Lorinsky ("Lorinsky") and the Internal Revenue Service ("IRS", hereinafter collectively with
13 Citibank, WFB, and Lorinsky referred to as the "Secured Creditors"), are granted a replacement
14 lien to the extent of any post-petition diminution of value of the Secured Creditors' pre-petition
15 collateral as a result of the Debtor's use of cash collateral during this case; and such replacement
16 lien shall have the same validity, extent and priority equal to the prepetition interests held by
17 each respective Secured Creditor as of the petition date. WFB's request for a replacement lien to
18 extend to pre-litigation claims is denied without prejudice.
19

20 3. The Debtor's request for a 15% variance to the Budget without a hearing is denied
21 without prejudice. The Debtor is not authorized to use cash collateral to make payments to
22 insider Matthew Alderson except through compliance with the Notice of Insider Compensation
23 procedure.
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1 4. The Court shall continue the hearing on the Debtor's request for further use of
2 cash collateral to March 30, 2017 at 10:00 a.m. Papers in support of the continued use of cash
3 collateral must be filed by March 23, 2017. Objections, if any, to the Debtor's continued use of
4 cash collateral must be filed by March 28, 2017. Any reply may be made at the hearing. The
5 Debtor shall provide weekly financial reports to WFB and the United States Trustee.
6

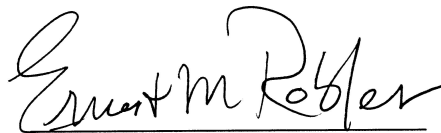
7
8 Approved as to form and content:
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11 _____
12 J.Alexandra Rhim
13 Counsel for Wells Fargo Bank, N.A.
14

15 _____
16 Kenneth G. Lau
17 Office of the United States Trustee
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Date: March 10, 2017



Ernest M. Robles
United States Bankruptcy Judge

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9 Approved as to form and content:

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12 _____
13 J. Alexandra Rhim
14 Counsel for Wells Fargo Bank, N.A.

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16 _____
17 Kenneth G. Lau
18 Office of the United States Trustee

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EXHIBIT 1

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RADIOLOGY SUPPORT DEVICES, INC.

CASH FLOW PROJECTIONS FOR THE 6.6 WEEK PERIOD

2/22/17 - 4/7/17

Week Beginning	3 Days 2/22/2017	Week 2 2/27/2017	Week 3 3/6/2017	Week 4 3/13/2017	Week 5 3/20/2017	Week 6 3/27/2017	Week 7 4/3/2017	6.6 Weeks 2/22/16 - 4/7/17
Cash Receipts								
A/R Collections	65,508	25,541	43,269	12,120	37,980	8,112	10,900	203,430
Other Cash Receipts								-
Total Cash Receipts	65,508	25,541	43,269	12,120	37,980	8,112	10,900	203,430
Cash Disbursements								
Product Purchases		9,075	1,700	1,700	1,700	1,700	7,700	23,575
Shipping Expense/Supplies		872	436	436	436	436	436	3,052
Payroll - Production		5,466	9,110	9,110	9,110	9,110	9,110	51,016
Payroll Taxes (All Payroll)		1,957	1,398	1,398	1,398	1,398	1,398	8,946
Production Contractor			750			1,000		1,750
Bank & Finance Charges		150				150		300
Dues & Subscriptions								-
Financial Advisory (Hiramatsu & Assoc)								-
Insurance- General Liability					635			635
Insurance- Workers' Compensation							5,635	5,635
Insurance- Auto		150			150			300
Insurance- Health				537			537	1,074
Interest								-
IT Expenses - Software & Licenses								-
Meals & Entertainment								-
Office Supplies								-
Outside Services (Bookkeeper)		240	240	240	240	240	240	1,440
Payroll - Executive		1,731	2,885	2,885	2,885	2,885	2,885	16,154
Payroll - Office		428	713	713	713	713	713	3,992
Payroll Processing		35	35	35	35	35	35	210
Permits and Licenses								-
Postage								-
Professional Fees - CPA								-
Professional Fees-Legal (WS&N)								-
Professional Fees-Legal (General)								-
Rent			12,527				12,527	25,054
Rubbish Removal				145				145
Telephone (Land Line)					500			500
Telephone (Mobile)		275			275			550
Travel								-
Utilities (Water/Power)			1,000				1,000	2,000
Utilities (Gas)				160				160
Vehicle Expense		480				480		960
Citibank - Payment								-
Wells Fargo - Payment								-
Total Cash Disbursements	-	20,858	30,793	17,358	18,076	18,146	42,215	147,447
Net Cash Flow	65,508	4,683	12,475	(5,238)	19,903	(10,034)	(31,315)	55,983
Beginning Bank Balance	1,400	66,908	71,591	84,067	78,829	98,732	88,698	1,400
Ending Bank Balance	66,908	71,591	84,067	78,829	98,732	88,698	57,383	57,383

FOR THE 6.6 WEEK PERIOD OF 2/22/17 - 4/07/17

Purpose	Vendor	WEEK 1			WEEK 2					
		Wed. 2/22/2017	Thurs. 2/23/2017	Fri. 2/24/2017	Mon. 2/27/2017	Tues. 2/28/2017	Wed. 3/1/2017	Thurs. 3/2/2017	Fri. 3/3/2017	
Raw Material Purchases	Various							2,000	1,400	
Raw Material Purchases	PTM & W						5,675			
Raw Material Purchases	Eckert & Zeigler									
Shipping Expenses/Supplies	Various						450		422	
Payroll - Production	Production Employees (14)								5,466	
Payroll Taxes (All Payroll)	IRS and EDD						1,118		839	
Production Contractor (Physicist)	Jay Fan, PhD									
Bank & Finance Charges	Citibank					150				
Financial Advisory	Hiramatsu & Associates									
Insurance- General Liability	Liberty Mutual									
Insurance- Workers' Compensation	The Hartford									
Insurance- Auto	Allstate Insurance							150		
Insurance- Health	Blue Shield									
Interest										
Outside Services (Bookkeeper)	Ann Webster								240	
Payroll - Executive	Matthew Alderson								1,731	
Payroll - Office	Employee (1)								428	
Payroll Processing	ADP								35	
Professional Fees - CPA										
Professional Fees-Legal	Weintraub, Selth & Nguyen									
Professional Fees-Legal (General)										
Rent	Wilmington Associates									
Rubbish Removal	Waste Management									
Telephone (Land Line)	Birch Communications									
Telephone (Mobile)	Verizon						275			
Utilities (Water/Power)	So California Edison									
Utilities (Gas)	So California Gas									
Vehicle Expense	CarMax						480			
Citibank - Payment	Citibank									
Wells Fargo - Payment	Wells Fargo Bank									
TOTAL PER DAY		-	-	-	-	150	7,548	2,600	10,560	
TOTAL PER WEEK									-	20,858

FOR THE 6.6 WEEK PERIOD OF 2/22/17 - 4/07/17

Purpose	Vendor	WEEK 3					WEEK 4				
		Mon. 3/6/2017	Tues. 3/7/2017	Wed. 3/8/2017	Thurs. 3/9/2017	Fri. 3/10/2017	Mon. 3/13/2017	Tues. 3/14/2017	Wed. 3/15/2017	Thurs. 3/16/2017	Fri. 3/17/2017
Raw Material Purchases	Various		1,000			700		1,000			700
Raw Material Purchases	PTM & W										
Raw Material Purchases	Eckert & Zeigler										
Shipping Expenses/Supplies	Various		225			211		225			211
Payroll - Production	Production Employees (14)					9,110					9,110
Payroll Taxes (All Payroll)	IRS and EDD					1,398					1,398
Production Contractor (Physicist)	Jay Fan, PhD				750						
Bank & Finance Charges	Citibank										
Financial Advisory	Hiramatsu & Associates										
Insurance- General Liability	Liberty Mutual										
Insurance- Workers' Compensation	The Hartford										
Insurance- Auto	Allstate Insurance										
Insurance- Health	Blue Shield						537				
Interest											
Outside Services (Bookkeeper)	Ann Webster					240					240
Payroll - Executive	Matthew Alderson					2,885					2,885
Payroll - Office	Employee (1)					713					713
Payroll Processing	ADP					35					35
Professional Fees - CPA											
Professional Fees-Legal	Weintraub, Selth & Nguyen										
Professional Fees-Legal (General)											
Rent	Wilmington Associates	12,527									
Rubbish Removal	Waste Management						145				
Telephone (Land Line)	Birch Communications										
Telephone (Mobile)	Verizon										
Utilities (Water/Power)	So California Edison			1,000							
Utilities (Gas)	So California Gas						160				
Vehicle Expense	CarMax										
Citibank - Payment	Citibank										
Wells Fargo - Payment	Wells Fargo Bank										
TOTAL PER DAY		12,527	1,225	1,000	750	15,292	842	1,225	-	-	15,292
TOTAL PER WEEK						30,794					17,359

FOR THE 6.6 WEEK PERIOD OF 2/22/17 - 4/07/17

Purpose	Vendor	WEEK 5					WEEK 6				
		Mon. 3/20/2017	Tues. 3/21/2017	Wed. 3/22/2017	Thurs. 3/23/2017	Fri. 3/24/2017	Mon. 3/27/2017	Tues. 3/28/2017	Wed. 3/29/2017	Thurs. 3/30/2017	Fri. 3/31/2017
Raw Material Purchases	Various		1,000			700		1,000			700
Raw Material Purchases	PTM & W										
Raw Material Purchases	Eckert & Zeigler										
Shipping Expenses/Supplies	Various		225			211		225			211
Payroll - Production	Production Employees (14)					9,110					9,110
Payroll Taxes (All Payroll)	IRS and EDD					1,398					1,398
Production Contractor (Physicist)	Jay Fan, PhD							1,000			
Bank & Finance Charges	Citibank										150
Financial Advisory	Hiramatsu & Associates										
Insurance- General Liability	Liberty Mutual	635									
Insurance- Workers' Compensation	The Hartford										
Insurance- Auto	Allstate Insurance			150							
Insurance- Health	Blue Shield										
Interest											
Outside Services (Bookkeeper)	Ann Webster					240					240
Payroll - Executive	Matthew Alderson					2,885					2,885
Payroll - Office	Employee (1)					713					713
Payroll Processing	ADP					35					35
Professional Fees - CPA											
Professional Fees-Legal	Weintraub, Selth & Nguyen										
Professional Fees-Legal (General)											
Rent	Wilmington Associates										
Rubbish Removal	Waste Management										
Telephone (Land Line)	Birch Communications			500							
Telephone (Mobile)	Verizon			275							
Utilities (Water/Power)	So California Edison										
Utilities (Gas)	So California Gas										
Vehicle Expense	CarMax						480				
Citibank - Payment	Citibank										
Wells Fargo - Payment	Wells Fargo Bank										
TOTAL PER DAY		635	1,225	925	-	15,292	480	1,225	1,000	-	15,442
TOTAL PER WEEK						18,077					18,147

FOR THE 6.6 WEEK PERIOD OF 2/22/17 - 4/07/17

Purpose	Vendor	WEEK 7					TOTAL	
		Mon. 4/3/2017	Tues. 4/4/2017	Wed. 4/5/2017	Thurs. 4/6/2017	Fri. 4/7/2017	6.6 Weeks 2/22 - 4/7/17	
Raw Material Purchases	Various		1,000			700	11,900	
Raw Material Purchases	PTM & W							
Raw Material Purchases	Eckert & Zeigler			6,000			6,000	
Shipping Expenses/Supplies	Various		225			211	3,052	
Payroll - Production	Production Employees (14)					9,110	51,016	
Payroll Taxes (All Payroll)	IRS and EDD					1,398	8,946	
Production Contractor (Physicist)	Jay Fan, PhD						1,750	
Bank & Finance Charges	Citibank						300	
Financial Advisory	Hiramatsu & Associates						-	
Insurance- General Liability	Liberty Mutual						635	
Insurance- Workers' Compensation	The Hartford	5,635					5,635	
Insurance- Auto	Allstate Insurance						300	
Insurance- Health	Blue Shield					537	1,074	
Interest							-	
Outside Services (Bookkeeper)	Ann Webster					240	1,440	
Payroll - Executive	Matthew Alderson					2,885	16,156	
Payroll - Office	Employee (1)					713	3,993	
Payroll Processing	ADP					35	210	
Professional Fees - CPA							-	
Professional Fees-Legal	Weintraub, Selth & Nguyen						-	
Professional Fees-Legal (General)							-	
Rent	Wilmington Associates					12,527	25,054	
Rubbish Removal	Waste Management						145	
Telephone (Land Line)	Birch Communications						500	
Telephone (Mobile)	Verizon						550	
Utilities (Water/Power)	So California Edison					1,000	2,000	
Utilities (Gas)	So California Gas						160	
Vehicle Expense	CarMax						960	
Citibank - Payment	Citibank						-	
Wells Fargo - Payment	Wells Fargo Bank						-	
TOTAL PER DAY		5,635	1,225	6,000	-	29,356	147,451	
TOTAL PER WEEK							42,216	147,451