

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

IN RE:)
TOUCHSTONE HOME HEALTH, LLC) Case No. 17-11134-TBM
EIN: 54-2191358)
Debtor.) Chapter 11

**DISCLOSURE STATEMENT TO ACCOMPANY PLAN OF REORGANIZATION
DATED DECEMBER 13, 2017**

This Disclosure Statement (“Disclosure Statement”) has been prepared by Debtor Touchstone Home Health, LLC (“Debtor”), Debtor and Debtor-in-Possession, to accompany its Plan of Reorganization dated December 13, 2017 (“Plan”). This Disclosure Statement is being provided to all creditors and Interest holders of the Debtor. This Disclosure Statement is subject to final approval pursuant to 11 U.S.C. § 1125 by the United States Bankruptcy Court for the District of Colorado as containing adequate information to enable creditors and Interest holders to determine whether to accept the Plan. The Court's approval of this Disclosure Statement does not constitute a decision on the merits of the Plan. Issues relating to the adequacy of this Disclosure Statement and the merits of the Plan and its confirmation will be the subject of a confirmation hearing scheduled for **January 23, 2018, at 1:30 p.m., at the U.S. Custom House, 721 19th Street, Courtroom E, Fifth Floor, Denver, Colorado 80202.**

THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION HAS SIMILARLY NOT REVIEWED THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT.

This Disclosure Statement is provided to you along with a copy of the Plan and a Ballot to be used for voting on the Plan. Please complete the Ballot according to the instructions contained on the Ballot if you intend to vote for or against the Plan. Each Creditor or Interest holder may vote on the Plan by completing the enclosed Ballot and returning it to counsel for the Debtor at the address set forth below:

Robert J. Shilliday III, Esq.
1888 Sherman Street, Suite 760
Denver, CO 80203
rob@vs-lawyers.com

This Ballot must be received by Shilliday Law, P.C. no later than January __, 2018, the date selected by the bankruptcy court as the last day to vote on the Plan. Terms contained in this Disclosure Statement, which are defined in the Plan, have the same meaning as set forth in the

definitional section of the Plan, Article II.

Recommendation. Debtor believes the Plan represents the best alternative for providing the maximum value for creditors. **Again, the Debtor strongly believes confirmation of the Plan is in the best interests of creditors and recommends all creditors entitled to vote on the Plan vote to accept the Plan.**

Voting Requirements. Pursuant to the Bankruptcy Code, only Classes of Claims or Interests that are “impaired” under the Plan are entitled to vote to accept or reject the Plan. Classes of Claims and Interests that are not impaired are not entitled to vote and are deemed to have accepted the Plan. Voting on the Plan shall be pursuant to the provisions of the Bankruptcy Code and the Bankruptcy Rules, and a Class shall have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Allowed Claims of such Class actually voting.

Voting Classes. Holders of valid Class 3, 4(a), and 4(b) Claims shall be entitled to vote to accept or reject the Plan. Class 1 Priority Claims, Class 2 Tax Obligations, and Class 5 Interests are unimpaired and are not entitled to vote to accept or reject the Plan.

Deemed Acceptance of Plan. Unimpaired classes are conclusively presumed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f) of the Bankruptcy Code. Class 1 Priority Claims, Class 2 Tax Obligations, and Class 5 Interests are unimpaired and are not entitled to vote to accept or reject the Plan. Debtor believes there are no existing Class 2 Tax Claims, but to the extent such Tax Claims exist, Debtors shall pay such obligations in full over five (5) years from the Petition Date plus statutory interest pursuant to 11 U.S.C. § 1129(a)(9)(C).

Deemed Rejection of Plan. Classes that receive and retain nothing under the Plan are deemed to reject the Plan pursuant to 11 U.S.C. § 1126(g) of the Bankruptcy Code. No Classes will receive and retain nothing under the Plan.

One Vote Per Holder. If a holder of a Claim holds more than one Claim in any one Class, all Claims of such holder in such Class shall be aggregated and deemed to be one Claim for purposes of determining the number of Claims voting for or against the Plan.

II. CHAPTER 11 AND PLAN CONFIRMATION

Chapter 11 of the United States Bankruptcy Code is designed to allow for the rehabilitation and reorganization of financially troubled entities or individuals. Chapter 11 allows the Debtor to retain its assets during administration of the Chapter 11 case as Debtor-in-Possession and, following confirmation of a Plan, as a reorganized Debtor as provided in the Plan. Once confirmation of a Plan of Reorganization is approved by the Court, the Plan is the permanent restructuring of the Debtor’s financial obligations. The Plan also provides a means through which the Debtor will restructure or repay its obligations. The Plan will provide Debtor with an opportunity to sell the Properties in the ordinary course of business and satisfy its debts as restructured under the Plan.

The Plan of Reorganization divides creditors into Classes of similarly situated creditors. All creditors of the same Class are treated in a similar fashion. All Interests are also classified and treated alike. Six (6) Classes of creditors or Interest holders are either impaired or unimpaired under the Plan. A Class is unimpaired if the Plan leaves unaltered the legal, equitable, and contractual rights to which each creditor in the Class is entitled. Alternatively, a claimant is unimpaired if the Plan provides for the cure of a default and reinstatement of the maturity date of the claim as it existed prior to the default.

The Bankruptcy Court has set December 18, 2016 as the bar date establishing the last date for filing Proofs of Claim. The Plan provides that Claims and Interests of all Classes shall be allowed only if evidenced by a timely-filed Proof of Claim or Interest or which otherwise appear in the Schedules filed by the Debtor and are not scheduled as disputed, contingent, or unliquidated, unless subsequently allowed by the Court. Creditors may ascertain whether their claims have been scheduled as disputed, contingent, or unliquidated by reviewing the Schedules and the amendments thereto filed by the Debtor in the Bankruptcy Court for the District of Colorado. Alternatively, creditors may contact the Debtor or their counsel to determine how they have been scheduled.

Chapter 11 does not require each holder of a Claim or Interest vote in favor of the Plan in order for the Court to confirm the Plan. The Plan, however, must be accepted by at least one impaired Class of Claims by a majority in number and two-thirds in amount, without including insider acceptance, of those Claims of such Class actually voting on the Plan. Assuming one impaired Class votes to accept the Plan, it may be confirmed over its rejection by other Classes if the Court finds that the Plan does not discriminate unfairly and is fair and equitable, with respect to each Class of Claims or Interests that is impaired under and has not accepted the Plan. Since the Debtor believes that the Plan provides the best alternative for creditors, all creditors are urged to vote to accept the Plan.

Under the Bankruptcy Code, if Interest holders retain an Interest or receive anything under the Plan, the unsecured creditor Classes must either be paid the full value of their claims or vote to accept the Plan. Since the Plan allows Interest holders to retain their Interests, the Plan can be confirmed only if unsecured creditors vote to accept the Plan or have been paid in full.

If all Classes of Claims and Interests vote to accept the Plan, the Court may confirm the Plan. 11 U.S.C. § 1129 sets forth the requirements for confirmation. Among other things, Section 1129 requires the Plan be in the best interest of the holders of Claims and Interests and be feasible through a showing that confirmation will not be followed by the need for further financial reorganization of the Debtor.

III. OVERVIEW OF THE PLAN AND MEANS OF EXECUTION

The Plan provides for reorganization of Debtor's obligations under Chapter 11 of the Bankruptcy Code. The Plan divides creditors and Interest holders into five (5) Classes. Each Class is treated as either impaired or unimpaired under the Bankruptcy Code. Treatment of the Classes is discussed in greater detail below and in the Plan. Class 1 priority claims shall be paid in full on the

Effective Date of the Plan. Debtor believes no Tax Claims exist, but any such Classes 2 Tax Claims shall be paid in full over five (5) years from the Petition Date plus statutory interest pursuant to 11 U.S.C. § 1129(a)(9)(C).

Debtor proposes to allow Law Firm's disputed Class 3 Claim in the amount of \$100,000. Debtor will pay \$40,000 to Law Firm upon entry of an order confirming the Plan. Debtor shall pay Law Firm an additional \$60,000 in equal monthly installments of \$1,000 over a period of five (5) years. Upon liquidation of Law Firm's claim (either by the bankruptcy court or through arbitration), Debtor shall increase or decrease monthly payments over the five-year plan period in accordance with the liquidated Class 3 Claim to a maximum of \$245,000. If Law Firm objects to the proposed treatment of the Class 3 Claim, the amount of the Claim shall be estimated by the bankruptcy court pursuant to 11 U.S.C. § 502(c) and paid in equal monthly payments up to \$245,000. Debtor shall contribute five (5) years from Debtor's Net Income up to payment of Law Firm's Class 3 Claim in the event the bankruptcy court estimates Law Firm's Claim as greater than \$245,000.

Debtor owes \$49,236.76 in Allowed Claims to Class 4 general unsecured creditors. Debtor shall pay Class 4(a) creditors holding Claims of \$5,000 or less in full within one (1) year following entry of an order confirming Debtor's Plan. Debtor shall make annual payments of ten (10) percent of Debtor's Net Income to Class 4(b) unsecured creditors holding Claims greater than \$5,000 until said Class 4(b) Claims are paid in full. Debtor's minimum annual payment to Class 4(b) creditors shall be \$5,000 paid pro rata to each creditor for a total of \$25,000 over the five-year plan period.

Means to execute payments under the Plan will derive from three sources: (a) Debtor's Net Income; (b) payments by Debtor and/or its Insiders of at least \$25,000 into the Plan Payment Account to be established at Bank of the West; and (c) post-petition financing to be furnished as a \$300,000 line of credit by Points West Community Bank. Details concerning these payment sources are described in more detail below.

IV. BACKGROUND AND EVENTS LEADING TO CHAPTER 11 FILING

Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on February 16, 2017 ("Petition Date"). Debtor provides skilled medical services upon a physician's referral to patients in their home or designated facility. Debtor operates exclusively in Weld and Larimer County, Colorado.

Debtor filed for bankruptcy relief primarily to restructure and pay a \$560,193.38 claim for legal fees claimed by Santangelo Law Offices, P.C. ("Law Firm"). Law Firm is Debtor's largest creditor. Debtor retained Law Firm in December 2012 to pursue trademark infringement and other claims against Touchstone Health Partners ("THP"), a competitor operating in the same geographic area as Debtor. Law Firm filed a complaint against THP in June 2013 captioned *Touchstone Home Health, LLC v. Touchstone Health Partners*, Case No. 2013CV30788 ("Larimer County Action").

Debtor terminated Law Firm in December 2013 as the Firm continued to charge excessive and unreasonable legal fees in the Larimer County Action. During pre-bankruptcy arbitration proceedings, Debtor's expert concluded Law Firm's fees in the Larimer County Action should not have exceeded \$177,499.50. Debtor paid Law Firm \$109,370 prior to terminating the Firm. Debtor believes Law Firm's claim is \$68,129.50. Law Firm believes a pre-petition attorney's lien secures repayment of its claim and attached to \$444,000 in settlement proceeds received by Debtor in July 2015. Debtor disputes the validity of Law Firm's lien and filed a claim objection contesting the reasonableness of Law Firm's fees and the validity of its attorney's lien. The bankruptcy court granted Law Firm's motion to compel arbitration of the claim dispute but stayed its order compelling arbitration pending Debtor's appeal to the Tenth Circuit Bankruptcy Appellate Panel ("BAP").

The Larimer County Action and Debtor's fee dispute with Law Firm are the primary causes of Debtor's financial difficulties resulting in the need to file for bankruptcy relief. Law Firm promised Debtor when the Firm was retained that total fees and costs through trial in the Larimer County Action would not exceed \$100,000. Law Firm claimed unpaid fees exceeded \$195,000 after Debtor already paid \$109,370 and before close of discovery and commencement of trial. Law Firm claimed unpaid fees of \$226,400 by July 2015. Despite market demands, Law Firm recommended during the Larimer County Action that Debtor not modify its business operations so that damages against defendant THP could increase. This advice had a ruinous effect upon Debtor's revenue and profit and caused Debtor to suffer increasing losses during 2015 and 2016. Debtor also incurred over \$92,000 in legal fees prior to the Petition Date litigating Law Firm's unreasonable fees during pre-bankruptcy arbitration proceedings. Debtor could not continue to suffer these mounting losses by February 2017 and filed for relief under Chapter 11 of the Bankruptcy Code.

V. DESCRIPTION OF ASSETS

A. Summary of Debtor's Assets

The estimated current value of Debtor's assets is \$147,380. Debtor's assets consist of the following:

Bank Accounts and other Cash Accounts. Debtor maintains a debtor-in-possession account at Bank of the West with a current balance of \$3,063.04. Debtor also maintains an account at Points West Community Bank maintained to receive insurance payments in the amount of \$8,364.55. Jonsen Law Firm also maintains Debtor funds in its COLTAF Account in the amount of \$52,481.65.

Accounts Receivable. Debtor's principal asset consists of its accounts receivable for payments received by Medicare, Medicaid, and private insurers for services provided to patients. Debtor's accounts receivable vary from month to month but are typically collected in their entirety within an average of ninety (90) days following completion of patient services. Debtor's average monthly accounts receivable over the past year was approximately \$85,000. Debtor's current accounts receivable is \$79,620.02.

Office Furniture and Equipment. Debtor maintains computer equipment, desks, chairs, and other office equipment and supplies with an estimated value of approximately \$2,500.

Security Deposit. Debtor paid a pre-petition security deposit in the amount of \$1,350 in connection with Debtor's rental of commercial office space in Greeley, Colorado.

Litigation Claims. Debtor has potential malpractice claims against Law Firm arising from the Larimer County Action. The claimed damages may be significant and include the \$109,370 paid by Debtor to Law Firm prior to the Petition Date, fees paid to other attorneys during litigation of the fee dispute with Law Firm exceeding \$92,000, plus damages to Debtor's operations and business. No malpractice claim is pending in the stayed arbitration proceedings and Law Firm denies the validity of such a claim.

VII. DESCRIPTION OF LIABILITIES

A. Priority Claims

Priority Claims. Priority Claims are defined in the Plan as any pre-petition Claim entitled to a priority payment under 11 U.S.C. § 507(a), excluding any Administrative Claim or Tax Claim.

Administrative Claims. Administrative Claims are those Claims for payment of an administrative expense of a kind specified in §503(b) or §1114(e)(2) of the Bankruptcy Code and entitled to priority pursuant to §507(a)(2) of the Bankruptcy Code, including, but not limited to: (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Estate and operating the businesses of the Debtor, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Case; (b) Professional Fee Claims; (c) all fees and charges assessed against the estate under 28 U.S.C. §1930; and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under §546(c)(2)(A) of the Bankruptcy Code. Debtor anticipates the following Administrative Claims:

Professional Fees. The Debtor retained Robert J. Shilliday III ("Bankruptcy Counsel") as their bankruptcy counsel. The Court approved Debtor's application to employ Bankruptcy Counsel on February 22, 2017. As of November 30, 2017, Bankruptcy Counsel incurred unpaid fees and costs arising from these Chapter 11 proceedings in the amount of \$43,990.22. These fees have been paid in full by Debtor as of December 13, 2017. Bankruptcy Counsel separately incurred fees and costs in the amount of \$9,564.99 relating to Debtor's appeal before the BAP regarding the bankruptcy court's order granting relief from stay and to compel arbitration. Debtor anticipates Law Firm will object to confirmation of Debtor's proposed Plan. Although Debtor hopes to resolve plan objections without further litigation, a contested confirmation hearing regarding Debtor's Plan may cost up to an additional \$10,000.

Tax Claims. Tax Claims are any Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. § 507(a)(8). The Internal Revenue Service filed proofs of claim in these Chapter 11 proceedings initially claiming unpaid pre-petition taxes in the amount of 11,354.88 but amendments to these claims indicate no taxes are owed. Debtor believes no taxes are owed for pre-petition Tax Claims to any governmental taxing unit. In the event such Tax Claims exist, Debtor shall pay such Claims in full through monthly installment payments over five (5) years from the Petition Date plus statutory interest pursuant to 11 U.S.C. § 1129(a)(9)(C).

Employee Claims. Pursuant to 11 U.S.C. § 507(a)(4), wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950 per employee earned within 180 days prior to the Petition Date are entitled to priority. Debtor does not have employee claims requiring priority treatment.

Section 364 Post-Petition Financing. Debtor may seek to obtain post-petition financing under Section 364 of the Bankruptcy Code from Points West Bank. The Bank will seek to secure repayment of a post-petition loan with Debtor's ongoing post-petition accounts receivable. Accounts receivable constitute Debtor's largest asset. Proceeds from such financing will be deposited only in the Plan Payment Account, described further below. Although funds from any post-petition loan under Section 364 will be used only for the repayment of creditor claims under the Plan, the granting of a security interest in favor of Points West against Debtor's accounts receivable poses a risk of non-payment to general unsecured creditors.

B. Secured Claims

Santangelo Law Offices, P.C. Law Firm filed a proof of claim on April 6, 2017 in the amount of \$560,193.38. Law Firm claims \$138,000 of its Claim is secured based on an alleged attorney's lien against \$444,000 in settlement proceeds paid to Debtor in July 2015. Debtor disputes the validity of the attorney lien and filed a motion to disallow Law Firm's claim on the ground Law Firm's fees in the Larimer County Action were unreasonable and its purported attorney lien is invalid.

C. Non-Priority Unsecured Claims.

As set forth below, Debtor's Plan proposes to divide general unsecured creditor claims into two Classes. Class 4(a) consists of the following general unsecured creditor claims holding general unsecured claims of \$5,000 or less.

Ability Network Inc.	\$28.00
Anthem Blue Cross-Blue Shield	\$128.70
Comcast	\$271.04
Great American Financial Service	\$4,667.75
Meadows Court Reporting	\$107.00
Moore Medical	\$103.19

Rioch	\$4,125.16
Thomas P. Howard LLC	\$1,527.44

Debtor shall pay Class 4(a) Claims in full through one (1) lump sum payment to each Class 4(a) Creditor within one (1) year following the Effective Date of the Plan.

Class 4(b) Claims consist of Claims held by the following general unsecured creditors in an allowed amount greater than \$5,000:

Capital One Bank USA	\$11,503.57
Coan Payton & Payne Inc.	\$13,244.25
Eclipse Healthcare LLC	\$13,529.96

Debtor shall make annual payments of ten (10) percent of Debtor's Net Income to Class 4(b) unsecured creditors holding Claims greater than \$5,000 until said Class 4(b) Claims are paid in full. Debtor shall pay a minimum of \$5,000 per year to Class 4(b) Creditors.

VIII. DESCRIPTION OF THE PLAN

A. General Description

Debtor filed its Plan of Reorganization with the United States Bankruptcy Court for the District of Colorado on December 13, 2017. The Plan divides creditors and Interest holders into five (5) Classes. Each Class is treated as either impaired or unimpaired under the Bankruptcy Code. Treatment of the Classes is discussed in greater detail below and in the Plan. Class 1 priority claims shall be paid in full on the Effective Date of the Plan. Debtor believes no Tax Claims exist, but any such Classes 2 Tax Claims shall be paid in full over five (5) years from the Petition Date plus statutory interest pursuant to 11 U.S.C. § 1129(a)(9)(C).

Debtor proposes to allow Law Firm's disputed Class 3 Claim in the amount of \$100,000. Debtor will pay \$40,000 to Law Firm upon entry of an order confirming the Plan. Debtor shall pay Law Firm an additional \$60,000 in equal monthly installments of \$1,000 over a period of five (5) years. Upon liquidation of Law Firm's claim (either by the bankruptcy court or through arbitration), Debtor shall increase or decrease monthly payments over the five-year plan period in accordance with the liquidated Class 3 Claim to a maximum of \$245,000. If Law Firm objects to the proposed treatment of the Class 3 Claim, the amount of the Claim shall be estimated by the bankruptcy court pursuant to 11 U.S.C. § 502(c) and paid in equal monthly payments over five (5) years up to \$245,000. In addition, if the bankruptcy court estimates Law Firm's Claim is greater than \$245,000, Debtor shall pay five percent of Debtor's Net Income toward repayment of Law Firm's Claim to the extent said claim is estimated to be greater than \$245,000.

Debtor owes \$49,236.76 in Allowed Claims to Class 4 general unsecured creditors. Debtor shall pay Class 4(a) creditors holding Claims of \$5,000 or less in full within one (1) year following

entry of an order confirming Debtor's Plan. Debtor shall make annual payments of ten (10) percent of Debtor's Net Income to Class 4(b) unsecured creditors holding Claims greater than \$5,000 until said Class 4(b) Claims are paid in full. Debtor's minimum annual payment to Class 4(b) creditors shall be \$5,000 paid pro rata to each creditor.

The Plan provides for the specification and treatment of all creditors and Interest holders of the Debtor. The Plan identifies whether each Class is impaired or unimpaired. A Class is unimpaired only if the Plan leaves unaltered the legal, equitable, or contractual obligations between the Debtor and the unimpaired claimants or Interest holders. The following is a brief summary of the Plan. The actual text of the Plan should be reviewed for more specific detail. In the event of any conflict between the Plan and this Disclosure Statement, the terms of the Plan govern.

As provided in 11 U.S.C. § 1123(a)(1) of the Bankruptcy Code, the Priority, Administrative, and Tax Claims against the Debtor are not designated as Classes. The holders of such Allowed Claims are not entitled to vote on the Plan and such claims will be paid in full on the Effective Date of the Plan.

The Plan divides the creditors into separate Classes. The Classes are set forth as follows:
Class 1- All Allowed Unsecured Claims specified in Section 507(a)(4) or 507(a)(5) of the Code as having priority.

Class 2- All Allowed Tax Claims specified in Section 507(a)(8).

Class 3- The Allowed Secured Claim held by Santangelo Law Offices, P.C.

Class 4- The Allowed Claims held by general unsecured creditors.

Class 5- The Allowed Interests held by Debtor's Insiders.

B. Claims

Unclassified Priority Claims

Administrative Claims. The holders of Allowed Claims of the type specified in Section 507(a)(2) of the Code, costs and expenses of administration, shall receive cash equal to the allowed amount of such Claim or a lesser amount or different treatment as may be acceptable and agreed to by particular holders of such Claims. Such Claims shall be paid in full on the Effective Date of the Plan, or treated as otherwise agreed by the particular holders of such Claims. Administrative Claims that are allowed by the Court after the Effective Date of the Plan shall be paid upon allowance. The Debtor expects the following creditors will hold Claims which constitute unpaid cost and expense of administration claims as of the Confirmation Date of the Plan: Bankruptcy Counsel may incur additional legal fees and costs of up to \$10,000 relating to approval of this Disclosure Statement and confirmation of the Plan.

The amount of legal fees payable to the Debtor's Bankruptcy Counsel may substantially increase depending on the levels of future activity in these Chapter 11 proceedings. All Administrative Claims of professionals are subject to Court approval on notice to creditors with an opportunity for a hearing. Certain professional fees may be paid pursuant to interim fee applications and upon Court allowance. The fees set forth above are the total fees expected in the case as of the

estimated Confirmation Date of the Plan, assuming minimal litigation over the Plan.

Tax Claims. Tax Claims are any Claim of a governmental unit for taxes entitled to priority pursuant to 11 U.S.C. §507(a)(8). Debtor does not believe it owes any Tax Claim.

United States Trustee Fees. The Debtor has paid in full all quarterly fee obligations to the United States Trustee's Office as of September 30, 2017 and will make all payments required to be paid to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed, converted, or dismissed. All payments due to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) shall be paid on the Effective Date, and the U.S. Trustee shall thereafter be paid fees due on a quarterly basis until the case is closed, converted, or dismissed. The Debtor's obligation to file post-confirmation quarterly reports pursuant to 28 U.S.C. § 1930(a)(7) continues until the Chapter 11 case is dismissed, converted, or closed. Since it is expected the case will be closed and a Final Decree entered shortly after the Effective Date, it is not expected that the fees will be a material post-petition obligation. Post-confirmation payments due to the United States Trustee are estimated to be less than \$325 per quarter. Additional payments in connection with the sale of real estate assets will be paid from the proceeds of the sale of such assets. The Debtor will be responsible for preparing and filing post-confirmation quarterly reports.

Classified Priority Claims

Class 1, Priority Claims. The Allowed Class 1 Priority Claims, if any, shall be paid in full on the Effective Date of the Plan. The Class 1 Claims for certain pre-petition wages and employee claims are more particularly described in 11 U.S.C. §§ 507(a)(3), 507(a)(4), and 507(a)(5). The Debtor will not have any Claims in this category.

Class 2 Tax Claims. Class 2 consists of Tax Claims entitled to priority under Section 508(a)(8) of the Bankruptcy Code. Debtor believes is has no Tax Claims.

Class 3 Secured Claim held by Santangelo Law Offices, P.C. The Plan provides the disputed Class 3 Claim held by Law Firm shall be allowed for purposes of confirming the Plan in the amount of \$100,000 and allowed as a Secured Claim. Debtor believes Law Firm's claimed unpaid fees are unreasonable and that the claimed attorney lien is invalid. Debtor believes Law Firm's Claim may be as low as \$68,129.50. Law Firm claims unpaid fees and costs in the amount of \$560,193.38. If Law Firm's Claim is secured and allowed in full, Class 4 general unsecured creditors likely will receive nothing under the Plan. Debtor filed an objection to Law Firm's Claim which the bankruptcy court stayed pending liquidation of Law Firm's claim in arbitration. The bankruptcy court ordered the parties to arbitrate Law Firm's disputed Claim but stayed its order compelling arbitration pending Debtor's appeal to the BAP. Continued litigation of Law Firm's disputed Claim will continue to burden Debtor and the bankruptcy estate with legal fees and costs and further diminish Debtor's assets.

Debtor's proposed treatment of Law Firm's Class 3 Claim seeks to avoid these further litigation costs and conserve assets for payment of creditor claims. Under the Plan, Law Firm's

Claim shall be allowed as an Allowed Secured Claim in the amount of \$100,000. Debtor shall pay Law Firm in cash \$40,000 upon the Effective Date of the Plan. Debtor upon the Effective Date of the Plan shall pay Law Firm an additional \$60,000 in equal monthly payments of \$1,000 over five (5) years with no interest.

Should Law Firm elect to liquidate its Claim either in the arbitration or pursuant to Debtor's pending claim objection, Debtor again will pay \$40,000 upon the Effective Date plus \$1,000 per month until the Claim is liquidated. Upon liquidation, Debtor will increase or decrease its monthly payment based on the liquidated Claim up to a maximum of \$245,000. Thus, if an Arbitrator or the Court liquidates the Claim in the amount of \$245,000, Debtor will make monthly payments of \$3,416.66 per month for a period of five (5) years. Debtor, however, will not make additional payments on Law Firm's Claim even if a fact finder determines the Claim to be greater than \$245,000.

If the bankruptcy court estimates the Claim greater than \$245,000, Debtor shall in addition to monthly payments of \$3,416.66 pay Law Firm five (5) percent of Debtor's Net Income over five (5) years commencing on the Effective Date of the Plan. Thus, the Plan proposes to pay Law Firm at least 43% of its Claim. Debtor hopes Law Firm will elect to accept the Plan rather than continuing to litigate the amount of Law Firm's disputed fee claim. If Law Firm continues to litigate the disputed fee claim either in arbitration or pursuant to Debtor's pending claim objection, Debtor will not pay more than a total of \$245,000 of the liquidated Claim. This is to incentivize Law Firm to opt for a stipulated amount of the Class 3 Claim or efficient claim estimation by the bankruptcy court.

Class 4 General Unsecured Class 5 Claims.

As set forth below, Debtor's Plan proposes to divide general unsecured creditor claims into two Classes. Class 4(a) consists of the following general unsecured creditor claims holding general unsecured claims of \$5,000 or less.

Ability Network Inc.	\$28.00
Anthem Blue Cross-Blue Shield	\$128.70
Comcast	\$271.04
Great American Financial Service	\$4,667.75
Meadows Court Reporting	\$107.00
Moore Medical	\$103.19
Rioch	\$4,125.16
Thomas P. Howard LLC	\$1,527.44

Debtor shall pay Class 4(a) Claims in full through one (1) lump sum payment to each Class 4(a) Creditor within one (1) year following the Effective Date of the Plan.

Class 4(b) Claims consist of the following Claims held by general unsecured creditors in an allowed amount greater than \$5,000:

Capital One Bank USA	\$11,503.57
Coan Payton & Payne Inc.	\$13,244.25
Eclipse Healthcare LLC	\$13,529.96

Debtor shall make annual payments of ten (10) percent of Debtor's Net Income to Class 4(b) unsecured creditors holding Claims greater than \$5,000 until said Class 4(b) Claims are paid in full.

Class 5 Interests. Class 5 includes the Interests held by Debtor's Insiders, Justin Yeater, Jason Yeater, and Keith Sheaffer. Class 5 shall retain their Interests in Debtor upon confirmation of the Plan and will receive no payments under the Plan unless Class 3 and Class 4 creditors have been paid in full on their Allowed Claims.

Means for Execution of the Plan

The Debtor shall be empowered to take such action as may be necessary to perform its obligations under the Plan. On the Effective Date of the Plan, Justin Yeater shall be appointed pursuant to 11 U.S.C. §1142(b) for the purpose of carrying out the terms of the Plan and may take all actions deemed necessary to consummate the terms of the Plan. Mr. Yeater and the other members of Debtor are not receiving compensation for their services.

The means to fund the Plan will derive first from Debtor's Net Income. As set forth in Exhibit A, Debtor's projected Net Income during 2018 will be \$65,973.45. Net Income will increase to \$79,074.16 during 2019. Net Income will continue to increase to \$85,295.13, \$89,359.02, and \$96,674.07 during 2020, 2021, and 2022. Several key post-petition changes in operations drive Debtor's projected increases in Net Income. First, upon confirmation of the Plan, Debtor will avoid further litigation costs by efficiently resolving and paying the Law Firm Class 3 Claim. Debtor is adding employees and service providers, which in turn further drives revenue and profit. Debtor has subleased part of its leased commercial office space in Greeley, resulting in additional monthly income of \$1100 and driving Debtor's monthly rental obligation down to \$970. Debtor further is renegotiating its health care and other insurance expenses, improving Net Income as a result.

As set forth in paragraph 10.2 of the Plan, Debtor and/or its Insiders will contribute at least \$25,000 per year to payment of claims under the Plan. Debtor will establish a Plan Payment Account at Bank of the West upon confirmation of the Plan and fund the Account with \$10,000 upon the Effective Date. Debtor and/or its Insiders will fund this Account with an additional \$15,000 on or before three hundred (300) days after the Effective Date. Debtor and/or its Insiders will pay into this Account \$25,000 during each of the remaining four (4) years under the Plan. The purpose of this provision is to ensure creditors the minimum \$1,000 monthly payment to Law Firm and payments to Class 4 Claimants under the Plan.

Finally, Debtor will obtain post-petition financing from Points West Community Bank in the form of a line of credit up to \$300,000. The Bank's commitment letter is attached hereto as Exhibit B. Any draw upon this line of credit will be deposited only into the Plan Payment Account and be

used solely for the purpose of paying Claims under the Plan. The line of credit will be secured by Debtor's post-petition accounts receivable. This line of credit must be approved by the bankruptcy court as part of Debtor's Plan. A post-petition lien against Debtor's post-petition accounts receivable increases the risk Class 4 general unsecured creditors will receive payment under the Plan, but the fact proceeds from the line of credit must be used for deposit into the Plan Payment Account for payment of Claims under Plan mitigates this risk.

Administrative Claims Bar Date.

If the Plan is confirmed, all applications for allowance and payment of Administrative Claims, including Professional Fees, must be filed within thirty (30) days following the Effective Date of the Plan, unless additional time is timely requested.

IX. PLAN FEASIBILITY

Debtor believes the Plan is feasible. As set forth in Exhibit A, Debtor's projected Net Income during 2018 will be \$65,973.45. Net Income will increase to \$79,074.16 during 2019. Net Income will continue to increase to \$85,295.13, \$89,359.02, and \$96,674.07 during 2020, 2021, and 2022. Debtor will obtain up to a \$300,000 line of credit for deposits into the Plan Payment Account to be used solely for payments to creditors under the Plan. Debtor and its Insiders also will pay \$25,000 per year into the Plan Payment Account to assume minimum payments under the Plan are made to creditors.

X. RISK TO CREDITORS

This Disclosure Statement contains statements which look into the future. There is no way to determine the accuracy of these statements. Debtor has used its best efforts based upon all the information available to it in determining the likelihood for a successful reorganization. The Debtor has attempted to be conservative in its analysis. Depending on the market, the actual value of the Property may increase or decrease. The Debtor believes the Plan as proposed offers the best option for creditors. As explained below in greater detail, the principal alternative to the Debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. As indicated in the Debtor's liquidation analysis, liquidation of the Debtor may result in a distribution to creditors less than that proposed by the Plan. The Chapter 7 bankruptcy estate will also incur Trustee fees and costs of sale further reducing returns to creditors.

XI. EVENT OF DEFAULT

The Plan, upon confirmation, constitutes a new contractual relationship by and between the Debtor and its creditors. In the event of a default by the Debtor under the Plan, secured creditors shall be entitled to enforce all rights and remedies against the Debtor for breach of contract. Any secured creditor claiming a breach of the Plan by the Debtor will be able to enforce all of their rights and remedies including foreclosure of their deed of trust, security agreement, lien, or mortgage pursuant to the terms of such documents. Any creditor claiming a breach by the Debtor must provide

written notice to the Debtor of the claimed default. The Notice must provide the Debtor a fifteen-day period within which to cure the claimed default. Upon the Debtor's failure to cure the default within such fifteen-day period, the creditor may proceed to exercise their rights and remedies.

XII. TAX CONSEQUENCE

The Debtor is not providing tax advice to creditors or interest holders. **U.S. Treasury Regulations require you to be informed that, to the extent this section includes any tax advice, it is not intended or written by the Debtor or their counsel to be used, and cannot be used, for the purpose of avoiding federal tax penalties.** Each party affected by the Plan should consult its own tax advisor for information as to the tax consequences of Plan confirmation. Generally, unsecured creditors should have no tax impact as a result of Plan confirmation. The recovery of each creditor is payment on account of a debt and generally not taxable, unless the creditor wrote off the debt against income in a prior year in which case income may have to be recognized. Interest holders may have very complicated tax effects as a result of Plan confirmation.

XIII. LIQUIDATION ANALYSIS UNDER CHAPTER 7

The principal alternative to the Debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. Chapter 7 requires the liquidation of the Debtor's assets by a Trustee who is appointed by the United States Trustee's Office. In a Chapter 7 case, the Debtor would cease all operations and the Chapter 7 Trustee would take control of the Debtor's assets. The assets would be liquidated and the proceeds distributed to creditors in the order of their priorities.

Had this case been commenced in February 2017 under Chapter 7 of the Bankruptcy Code, Law Firm on account of its Class 3 Claim would have received at most \$241,350. Law Firm's expected recovery under Chapter 7 likely would be lower in light of fees and costs which must first be paid to the Chapter 7 Trustee. Class 4 general unsecured creditors at most would have received \$20,987. The estimated value of Debtor's assets on the Petition Date was listed as \$262,337.64. The above-referenced calculations are based upon Law Firm's Claim constituting approximately 92% of total creditor claims and Class 4 general unsecured creditors comprising the remaining 8%.


Debtor's Plan proposes to pay Law Firm's Class 3 Claim at least \$245,000. Debtor proposes to pay Class 4 unsecured creditors at least \$25,000. Plan payments will be significantly higher as Debtor's post-petition increases in employees and cost-cutting drive increased revenue and profit. Acceptance of Debtor's Plan is therefore in the best interest of Creditors and Debtor's bankruptcy estate, and as a result, Debtor strongly recommends Creditors vote to accept the Plan.

DATED: December 13, 2017



Touchstone Home Health, LLC
By: Justin Yeater

Robert J. Shilliday III and Shilliday Law, P.C. ("Bankruptcy Counsel") have acted as legal counsel to Debtor J.T.P. Corp. on bankruptcy matters during this Chapter 11 case. Bankruptcy Counsel assisted Debtor in the preparation of this Disclosure Statement based upon information provided primarily by the Debtor. The information contained herein has been approved by the Debtor. Bankruptcy Counsel have not made any separate or independent investigation as to the veracity or accuracy of the statements contained herein.



Justin Yeater
Touchstone Home Health LLC
Debtor and Debtor-in-Possession

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EXHIBIT A

Touchstone Home Health
2018 Projection

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Ordinary Income/Expense												
Income												
4000 · Medicaid Services	15,280.96	17,191.08	17,191.08	17,191.08	11,460.72	11,460.72	19,101.20	17,191.08	13,370.84	13,370.84	19,101.20	19,101.20
4005 · Medicare Services	14,748.16	16,591.68	16,591.68	16,591.68	11,061.12	11,061.12	18,435.20	16,591.68	12,904.64	12,904.64	18,435.20	18,435.20
4010 · Private Pay	412.25	463.78	463.78	463.78	309.18	309.18	515.31	463.78	360.71	360.71	515.31	515.31
4015 · Private Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4017 · Anthem	1,372.96	1,544.58	1,544.58	1,544.58	1,029.72	1,029.72	1,716.20	1,544.58	1,201.34	1,201.34	1,716.20	1,716.20
4018 · CareCentrix	1,363.20	1,533.60	1,533.60	1,533.60	1,022.40	1,022.40	1,704.00	1,533.60	1,192.80	1,192.80	1,704.00	1,704.00
4020 · Humana	2,575.12	2,897.01	2,897.01	2,897.01	1,931.34	1,931.34	3,218.90	2,897.01	2,253.23	2,253.23	3,218.90	3,218.90
4024 · Pinnacle	74.82	84.17	84.17	84.17	56.12	56.12	93.53	84.17	65.47	65.47	93.53	93.53
4027 · United Health Care	3,369.28	3,790.44	3,790.44	3,790.44	2,526.96	2,526.96	4,211.60	3,790.44	2,948.12	2,948.12	4,211.60	4,211.60
4028 · Veterans Affairs	21,633.57	24,337.77	24,337.77	24,337.77	16,225.18	16,225.18	27,041.97	24,337.77	18,929.38	18,929.38	27,041.97	27,041.97
4038 · Colorado Health Plans	83.66	94.11	94.11	94.11	62.74	62.74	104.57	94.11	73.20	73.20	104.57	104.57
4015 · Private Insurance - Other	369.58	415.89	415.89	415.89	277.26	277.26	462.10	415.89	323.47	323.47	462.10	462.10
4037 · Tricare	34.04	38.30	38.30	38.30	25.53	25.53	42.55	38.30	29.79	29.79	42.55	42.55
Total 4015 · Private Insurance	30,942.29	34,697.57	34,697.57	34,697.57	23,131.72	23,131.72	38,552.86	34,697.57	26,987.00	26,987.00	38,552.86	38,552.86
Total Income	61,283.65	68,944.11	68,944.11	68,944.11	45,962.74	45,962.74	76,604.57	68,944.11	53,623.20	53,623.20	76,604.57	76,604.57
Cost of Goods Sold												
5010 · Marketing Expense	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48
5100 · Clinical Labor												
5211 · RN Labor	15,429.81	17,358.54	17,358.54	17,358.54	11,572.36	11,572.36	19,287.27	17,358.54	13,501.09	13,501.09	19,287.27	19,287.27
5212 · PT Labor	6,212.13	6,988.64	6,988.64	6,988.64	4,659.10	4,659.10	7,765.16	6,988.64	5,435.61	5,435.61	7,765.16	7,765.16
5213 · OT Labor	2,816.00	3,168.00	3,168.00	3,168.00	2,112.00	2,112.00	3,520.00	3,168.00	2,464.00	2,464.00	3,520.00	3,520.00
5215 · CNA Labor	4,538.88	5,106.24	5,106.24	5,106.24	3,404.16	3,404.16	5,673.60	5,106.24	3,971.52	3,971.52	5,673.60	5,673.60
5218 · Cell Phone Reimbursement	70.89	79.75	79.75	79.75	53.16	53.16	88.61	79.75	62.03	62.03	88.61	88.61
Total 5100 · Clinical Labor	29,067.71	32,701.17	32,701.17	32,701.17	21,800.78	21,800.78	36,334.63	32,701.17	25,434.24	25,434.24	36,334.63	36,334.63
5105 · Clinical Mileage	1,415.78	1,592.76	1,592.76	1,592.76	1,061.84	1,061.84	1,769.73	1,592.76	1,238.81	1,238.81	1,769.73	1,769.73
5110 · Medical Supplies	187.64	211.10	211.10	211.10	140.73	140.73	234.55	211.10	164.19	164.19	234.55	234.55
5200 · Payroll Taxes	3,152.43	3,546.49	3,546.49	3,546.49	2,364.32	2,364.32	3,940.54	3,546.49	2,758.38	2,758.38	3,940.54	3,940.54
5210 · Reimbursed Expenses	36.83	41.43	41.43	41.43	27.62	27.62	46.04	41.43	32.23	32.23	46.04	46.04
5220 · Medical Paperwork	1.44	1.62	1.62	1.62	1.08	1.08	1.80	1.62	1.26	1.26	1.80	1.80
Total COGS	34,167.31	38,400.04	38,400.04	38,400.04	25,701.85	25,701.85	42,632.77	38,400.04	29,934.58	29,934.58	42,632.77	42,632.77
Gross Profit	27,116.34	30,544.07	30,544.07	30,544.07	20,260.89	20,260.89	33,971.80	30,544.07	23,688.61	23,688.61	33,971.80	33,971.80
Expense												
6000 · Admin Payroll Expense	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75
6140 · Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
6150 · Depreciation Expense	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71
6160 · Dues and Subscriptions	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00
6180 · Insurance												
6181 · Insurance - Health	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00
6182 · Insurance - Dental	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48
6183 · Insurance - Liability	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39	1,110.39
6186 · Insurance - Workers Comp	214.25	214.25	214.25	214.25	214.25	214.25	214.25	214.25	214.25	214.25	214.25	214.25
Total 6180 · Insurance	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11	1,752.11

**Touchstone Home Health
2018 Projection**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
6201 - Education	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68
6230 - Licenses and Permits	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67
6270 - Legal & Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6280 - Bank Fee	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50
6290 - Rent	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00
6300 - Repairs & Maintenance	143.35	143.35	143.35	143.35	143.35	143.35	143.35	143.35	143.35	143.35	143.35	143.35
6325 - Computer												
6326 - Hosting	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65
6325 - Computer - Other	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15
Total 6325 - Computer	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80
6340 - Telephone	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78
6390 - Employee Appreciation	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81
6400 - Utilities	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24
6550 - Office Supplies & Expenses	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30
6772 - Storage	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83
6820 - Taxes	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20
6852 - Penalties & Fines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.82	0.00
6899 - Hiring Expenses	81.58	81.58	81.58	81.58	81.58	81.58	81.58	81.58	81.58	81.58	81.58	81.58
9000 - Clinical Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Total Expense	22,746.31	22,746.31	22,746.31	22,746.31	22,746.31	22,746.31	22,746.31	22,746.31	22,746.31	22,746.31	22,774.13	22,896.31
Net Income	4,370.03	7,797.76	7,797.76	7,797.76	-2,485.43	-2,485.43	11,225.49	7,797.76	942.30	942.30	11,197.67	11,075.49
YTD Net Income	4,370.03	12,167.79	19,965.55	27,763.30	25,277.88	22,792.45	34,017.94	41,815.69	42,758.00	43,700.30	54,897.96	65,973.45

Touchstone Home Health
2019 Projection

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Ordinary Income/Expense												
Income												
4000 · Medicare Services	16,197.82	18,222.54	14,173.09	18,222.54	14,173.09	14,173.09	20,247.27	18,222.54	14,173.09	14,173.09	20,247.27	20,247.27
4005 · Medicare Services	15,633.05	17,587.18	13,678.92	17,587.18	13,678.92	13,678.92	19,541.31	17,587.18	13,678.92	13,678.92	19,541.31	19,541.31
4010 · Private Pay	436.98	491.60	382.36	491.60	382.36	382.36	546.23	491.60	382.36	382.36	546.23	546.23
4015 · Private Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4017 · Anthem	1,455.34	1,637.25	1,273.42	1,637.25	1,273.42	1,273.42	1,819.17	1,637.25	1,273.42	1,273.42	1,819.17	1,819.17
4018 · CareCentrix	1,444.99	1,625.62	1,264.37	1,625.62	1,264.37	1,264.37	1,806.24	1,625.62	1,264.37	1,264.37	1,806.24	1,806.24
4020 · Humana	2,729.63	3,070.83	2,388.42	3,070.83	2,388.42	2,388.42	3,412.03	3,070.83	2,388.42	2,388.42	3,412.03	3,412.03
4024 · Pinnacle	79.31	89.22	69.40	89.22	69.40	69.40	99.14	89.22	69.40	69.40	99.14	99.14
4027 · United Health Care	3,571.44	4,017.87	3,125.01	4,017.87	3,125.01	3,125.01	4,464.30	4,017.87	3,125.01	3,125.01	4,464.30	4,464.30
4028 · Veterans Affairs	22,931.59	25,798.03	20,065.14	25,798.03	20,065.14	20,065.14	28,664.48	25,798.03	20,065.14	20,065.14	28,664.48	28,664.48
4038 · Colorado Health Plans	88.68	99.76	77.59	99.76	77.59	77.59	110.85	99.76	77.59	77.59	110.85	110.85
4015 · Private Insurance - Other	391.86	440.84	342.88	440.84	342.88	342.88	489.83	440.84	342.88	342.88	489.83	489.83
4037 · Tricare	36.08	40.59	31.57	40.59	31.57	31.57	45.11	40.59	31.57	31.57	45.11	45.11
Total 4015 · Private Insurance	32,692.83	36,779.43	28,606.22	36,779.43	28,606.22	28,606.22	40,866.03	36,779.43	28,606.22	28,606.22	40,866.03	40,866.03
Total Income	64,960.67	73,080.76	56,840.59	73,080.76	56,840.59	56,840.59	81,200.84	73,080.76	56,840.59	56,840.59	81,200.84	81,200.84
Cost of Goods Sold												
5010 · Marketing Expense	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48	305.48
5100 · Clinical Labor												
5211 · RN Labor	16,972.79	19,094.39	14,851.19	19,094.39	14,851.19	14,851.19	21,215.99	19,094.39	14,851.19	14,851.19	21,215.99	21,215.99
5212 · PT Labor	6,522.73	7,338.08	5,707.39	7,338.08	5,707.39	5,707.39	8,153.42	7,338.08	5,707.39	5,707.39	8,153.42	8,153.42
5213 · OT Labor	2,984.96	3,358.08	2,611.84	3,358.08	2,611.84	2,611.84	3,731.20	3,358.08	2,611.84	2,611.84	3,731.20	3,731.20
5215 · CNA Labor	4,765.82	5,361.55	4,170.10	5,361.55	4,170.10	4,170.10	5,957.28	5,361.55	4,170.10	4,170.10	5,957.28	5,957.28
5218 · Cell Phone Reimbursement	74.43	83.73	65.13	83.73	65.13	65.13	93.04	83.73	65.13	65.13	93.04	93.04
Total 5100 · Clinical Labor	31,320.74	35,235.84	27,405.65	35,235.84	27,405.65	27,405.65	39,150.93	35,235.84	27,405.65	27,405.65	39,150.93	39,150.93
5105 · Clinical Mileage	1,500.73	1,688.32	1,313.14	1,688.32	1,313.14	1,313.14	1,875.91	1,688.32	1,313.14	1,313.14	1,875.91	1,875.91
5110 · Medical Supplies	197.03	221.65	172.40	221.65	172.40	172.40	246.28	221.65	172.40	172.40	246.28	246.28
5200 · Payroll Taxes	3,368.66	3,789.75	2,947.58	3,789.75	2,947.58	2,947.58	4,210.83	3,789.75	2,947.58	2,947.58	4,210.83	4,210.83
5210 · Reimbursed Expenses	39.41	44.33	34.48	44.33	34.48	34.48	49.26	44.33	34.48	34.48	49.26	49.26
5220 · Medical Paperwork	4.00	4.50	3.50	4.50	3.50	3.50	5.00	4.50	3.50	3.50	5.00	5.00
Total COGS	36,736.05	41,289.87	32,182.23	41,289.87	32,182.23	32,182.23	45,843.69	41,289.87	32,182.23	32,182.23	45,843.69	45,843.69
Gross Profit	28,224.62	31,790.88	24,658.36	31,790.88	24,658.36	24,658.36	35,357.15	31,790.88	24,658.36	24,658.36	35,357.15	35,357.15
Expense												
6000 · Admin Payroll Expense	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75
6140 · Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
6150 · Depreciation Expense	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71
6160 · Dues and Subscriptions	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00
6180 · Insurance												
6181 · Insurance - Health	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00
6182 · Insurance - Dental	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48
6183 · Insurance - Liability	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01	1,177.01
6186 · Insurance - Workers Comp	227.11	227.11	227.11	227.11	227.11	227.11	227.11	227.11	227.11	227.11	227.11	227.11
Total 6180 · Insurance	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59	1,831.59

Touchstone Home Health
2019 Projection

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
6201 - Education	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68
6230 - Licenses and Permits	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67
6270 - Legal & Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6280 - Bank Fee	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
6290 - Rent	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00
6300 - Repairs & Maintenance	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25
6325 - Computer												
6326 - Hosting	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65
6325 - Computer - Other	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15
Total 6325 - Computer	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80
6340 - Telephone	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78
6390 - Employee Appreciation	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
6400 - Utilities	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24
6550 - Office Supplies & Expenses	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30
6772 - Storage	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83
6820 - Taxes	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20
6852 - Penalties & Fines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.82	0.00
6899 - Hiring Expenses	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50
9000 - Clinical Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Total Expense	22,809.04	22,809.04	22,809.04	22,809.04	22,809.04	22,809.04	22,809.04	22,809.04	22,809.04	22,809.04	22,836.86	22,959.04
Net Income	5,415.58	8,981.84	1,849.31	8,981.84	1,849.31	1,849.31	12,548.10	8,981.84	1,849.31	1,849.31	12,520.28	12,398.10
YTD Net Income	5,415.58	14,397.42	16,246.73	25,228.57	27,077.89	28,927.20	41,475.30	50,457.14	52,306.46	54,155.77	66,676.06	79,074.16

Touchstone Home Health
2020 Projection

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Ordinary Income/Expense												
Income												
4000 · Medicaid Services	16,683.75	14,598.28	14,598.28	18,769.22	14,598.28	14,598.28	16,683.75	18,769.22	18,769.22	18,769.22	20,854.69	20,854.69
4005 · Medicare Services	16,102.04	14,089.29	14,089.29	18,114.80	14,089.29	14,089.29	16,102.04	18,114.80	18,114.80	18,114.80	20,127.55	20,127.55
4010 · Private Pay	450.09	393.83	393.83	506.35	393.83	393.83	450.09	506.35	506.35	506.35	562.61	562.61
4015 · Private Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4017 · Anthem	1,499.00	1,311.62	1,311.62	1,686.37	1,311.62	1,311.62	1,499.00	1,686.37	1,686.37	1,686.37	1,873.75	1,873.75
4018 · CareCentrix	1,488.34	1,302.30	1,302.30	1,674.38	1,302.30	1,302.30	1,488.34	1,674.38	1,674.38	1,674.38	1,860.43	1,860.43
4020 · Humana	2,811.52	2,460.08	2,460.08	3,162.96	2,460.08	2,460.08	2,811.52	3,162.96	3,162.96	3,162.96	3,514.40	3,514.40
4024 · Pinnacle	81.69	71.48	71.48	91.90	71.48	71.48	81.69	91.90	91.90	91.90	102.11	102.11
4027 · United Health Care	3,678.58	3,218.75	3,218.76	4,138.40	3,218.76	3,218.76	3,678.58	4,138.40	4,138.40	4,138.40	4,598.22	4,598.22
4028 · Veterans Affairs	23,619.53	20,667.09	20,667.09	26,571.98	20,667.09	20,667.09	23,619.53	26,571.98	26,571.98	26,571.98	29,524.42	29,524.42
4038 · Colorado Health Plans	91.34	79.92	79.92	102.75	79.92	79.92	91.34	102.75	102.75	102.75	114.17	114.17
4015 · Private Insurance - Other	403.62	353.16	353.16	454.07	353.16	353.16	403.62	454.07	454.07	454.07	504.52	504.52
4037 · Tricare	37.17	32.52	32.52	41.81	32.52	32.52	37.17	41.81	41.81	41.81	46.46	46.46
Total 4015 · Private Insurance	33,673.61	29,464.41	29,464.41	37,882.81	29,464.41	29,464.41	33,673.61	37,882.81	37,882.81	37,882.81	42,092.01	42,092.01
Total Income	66,909.49	58,545.81	58,545.81	75,273.18	58,545.81	58,545.81	66,909.49	75,273.18	75,273.18	75,273.18	83,636.87	83,636.87
Cost of Goods Sold												
5010 · Marketing Expense	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42
5100 · Clinical Labor												
5211 · RN Labor	17,821.43	15,593.75	15,593.75	20,049.11	15,593.75	15,593.75	17,821.43	20,049.11	20,049.11	20,049.11	22,276.79	22,276.79
5212 · PT Labor	6,587.96	5,764.47	5,764.47	7,411.46	5,764.47	5,764.47	6,587.96	7,411.46	7,411.46	7,411.46	8,234.95	8,234.95
5213 · OT Labor	3,074.51	2,690.20	2,690.20	3,458.82	2,690.20	2,690.20	3,074.51	3,458.82	3,458.82	3,458.82	3,843.14	3,843.14
5215 · CNA Labor	4,813.48	4,211.80	4,211.80	5,415.17	4,211.80	4,211.80	4,813.48	5,415.17	5,415.17	5,415.17	6,016.85	6,016.85
5218 · Cell Phone Reimbursement	77.41	67.73	67.73	87.08	67.73	67.73	77.41	87.08	87.08	87.08	96.76	96.76
Total 5100 · Clinical Labor	32,374.79	28,327.94	28,327.94	36,421.64	28,327.94	28,327.94	32,374.79	36,421.64	36,421.64	36,421.64	40,468.49	40,468.49
5105 · Clinical Mileage	1,545.75	1,352.53	1,352.53	1,738.97	1,352.53	1,352.53	1,545.75	1,738.97	1,738.97	1,738.97	1,932.19	1,932.19
5110 · Medical Supplies	197.03	172.40	172.40	221.65	172.40	172.40	197.03	221.65	221.65	221.65	246.28	246.28
5200 · Payroll Taxes	3,481.98	3,046.73	3,046.73	3,917.23	3,046.73	3,046.73	3,481.98	3,917.23	3,917.23	3,917.23	4,352.48	4,352.48
5210 · Reimbursed Expenses	40.98	35.86	35.86	46.11	35.86	35.86	40.98	46.11	46.11	46.11	51.23	51.23
5220 · Medical Paperwork	4.00	3.50	3.50	4.50	3.50	3.50	4.00	4.50	4.50	4.50	5.00	5.00
Total COGS	38,154.95	33,449.39	33,449.39	42,860.52	33,449.39	33,449.39	38,154.95	42,860.52	42,860.52	42,860.52	47,566.09	47,566.09
Gross Profit	28,754.54	25,096.42	25,096.42	32,412.66	25,096.42	25,096.42	28,754.54	32,412.66	32,412.66	32,412.66	36,070.78	36,070.78
Expense												
6000 · Admin Payroll Expense	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75
6140 · Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
6150 · Depreciation Expense	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71
6160 · Dues and Subscriptions	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00	185.00
6180 · Insurance												
6181 · Insurance - Health	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00
6182 · Insurance - Dental	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48
6183 · Insurance - Liability	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32	1,212.32
6186 · Insurance - Workers Comp	233.92	233.92	233.92	233.92	233.92	233.92	233.92	233.92	233.92	233.92	233.92	233.92
Total 6180 · Insurance	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72	1,873.72

Touchstone Home Health
2020 Projection

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
6201 - Education	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68
6230 - Licenses and Permits	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67
6270 - Legal & Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6280 - Bank Fee	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
6290 - Rent	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00	971.00
6300 - Repairs & Maintenance	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25	104.25
6325 - Computer												
6325 - Hosting	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65
6325 - Computer - Other	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15
Total 6325 - Computer	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80
6340 - Telephone	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78
6390 - Employee Appreciation	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
6400 - Utilities	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24
6550 - Office Supplies & Expenses	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30	355.30
6772 - Storage	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83	55.83
6820 - Taxes	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20
6852 - Penalties & Fines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.82	0.00
6899 - Hiring Expenses	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50	104.50
9000 - Clinical Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Total Expense	22,851.17	22,851.17	22,851.17	22,851.17	22,851.17	22,851.17	22,851.17	22,851.17	22,851.17	22,851.17	22,878.99	23,001.17
Net Income	5,903.37	2,245.25	2,245.25	9,561.49	2,245.25	2,245.25	5,903.37	9,561.49	9,561.49	9,561.49	13,191.79	13,069.61
YTD Net Income	5,903.37	8,148.63	10,393.88	19,955.37	22,200.62	24,445.88	30,349.25	39,910.74	49,472.23	59,033.72	72,225.52	85,295.13

**Touchstone Home Health
2021 Projection**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Ordinary Income/Expense												
Income												
4000 - Medicaid Services	22,314.52	20,083.07	17,851.61	13,388.71	13,388.71	22,314.52	15,620.16	20,083.07	20,083.07	20,083.07	22,314.52	15,620.16
4005 - Medicare Services	21,536.48	19,382.83	17,229.18	12,921.89	12,921.89	21,536.48	15,075.54	19,382.83	19,382.83	19,382.83	21,536.48	15,075.54
4010 - Private Pay	602.00	541.80	481.60	361.20	361.20	602.00	421.40	541.80	541.80	541.80	602.00	421.40
4015 - Private Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4017 - Anthem	2,004.91	1,804.42	1,503.93	1,202.95	1,202.95	2,004.91	1,403.44	1,804.42	1,804.42	1,804.42	2,004.91	1,403.44
4018 - CareCentrx	1,990.66	1,791.59	1,592.53	1,194.39	1,194.39	1,990.66	1,393.46	1,791.59	1,791.59	1,791.59	1,990.66	1,393.46
4020 - Humana	3,760.40	3,384.36	3,008.32	2,256.24	2,256.24	3,760.40	2,632.28	3,384.36	3,384.36	3,384.36	3,760.40	2,632.28
4024 - Pinnacle	109.26	98.33	87.41	65.56	65.56	109.26	76.48	98.33	98.33	98.33	109.26	76.48
4027 - United Health Care	4,920.10	4,428.09	3,936.08	2,952.06	2,952.06	4,920.10	3,444.07	4,428.09	4,428.09	4,428.09	4,920.10	3,444.07
4028 - Veterans Affairs	31,591.13	28,432.01	25,272.90	18,954.68	18,954.68	31,591.13	22,113.79	28,432.01	28,432.01	28,432.01	31,591.13	22,113.79
4038 - Colorado Health Plans	122.16	109.95	97.73	73.30	73.30	122.16	85.51	109.95	109.95	109.95	122.16	85.51
4015 - Private Insurance - Other	539.84	485.85	431.87	323.90	323.90	539.84	377.89	485.85	485.85	485.85	539.84	377.89
4037 - Tricare	49.71	44.74	39.77	29.83	29.83	49.71	34.80	44.74	44.74	44.74	49.71	34.80
Total 4015 - Private Insurance	45,038.45	40,534.61	36,030.76	27,023.07	27,023.07	45,038.45	31,526.92	40,534.61	40,534.61	40,534.61	45,038.45	31,526.92
Total Income	89,491.45	80,542.30	71,593.16	53,694.87	53,694.87	89,491.45	62,644.01	80,542.30	80,542.30	80,542.30	89,491.45	62,644.01
Cost of Goods Sold												
5010 - Marketing Expense	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42
5100 - Clinical Labor												
5211 - RN Labor	24,281.70	21,853.53	19,425.36	14,569.02	14,569.02	24,281.70	16,997.19	21,853.53	21,853.53	21,853.53	24,281.70	16,997.19
5212 - PT Labor	9,058.45	8,152.60	7,246.76	5,435.07	5,435.07	9,058.45	6,340.91	8,152.60	8,152.60	8,152.60	9,058.45	6,340.91
5213 - OT Labor	4,265.88	3,839.29	3,412.70	2,559.53	2,559.53	4,265.88	2,986.12	3,839.29	3,839.29	3,839.29	4,265.88	2,986.12
5215 - CNA Labor	6,493.44	5,844.09	5,194.75	3,896.06	3,896.06	6,493.44	4,545.40	5,844.09	5,844.09	5,844.09	6,493.44	4,545.40
5218 - Cell Phone Reimbursement	108.37	97.53	86.70	65.02	65.02	108.37	75.86	97.53	97.53	97.53	108.37	75.86
Total 5100 - Clinical Labor	44,207.84	39,787.05	35,366.27	26,524.70	26,524.70	44,207.84	30,945.49	39,787.05	39,787.05	39,787.05	44,207.84	30,945.49
5105 - Clinical Mileage	2,067.44	1,860.70	1,653.96	1,240.47	1,240.47	2,067.44	1,447.21	1,860.70	1,860.70	1,860.70	2,067.44	1,447.21
5110 - Medical Supplies	256.13	230.52	204.91	153.68	153.68	256.13	179.29	230.52	230.52	230.52	256.13	179.29
5200 - Payroll Taxes	4,754.36	4,278.93	3,803.49	2,852.62	2,852.62	4,754.36	3,328.05	4,278.93	4,278.93	4,278.93	4,754.36	3,328.05
5210 - Reimbursed Expenses	55.33	49.80	44.25	33.20	33.20	55.33	38.73	49.80	49.80	49.80	55.33	38.73
5220 - Medical Paperwork	12.00	10.80	9.60	7.20	7.20	12.00	8.40	10.80	10.80	10.80	12.00	8.40
Total COGS	51,863.52	46,728.21	41,582.90	31,322.28	31,322.28	51,863.52	36,457.59	46,728.21	46,728.21	46,728.21	51,863.52	36,457.59
Gross Profit	37,627.93	33,814.09	30,000.26	22,372.59	22,372.59	37,627.93	26,186.42	33,814.09	33,814.09	33,814.09	37,627.93	26,186.42
Expense												
6000 - Admin Payroll Expense	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75
6140 - Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
6150 - Depreciation Expense	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71
6160 - Dues and Subscriptions	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33
6180 - Insurance												
6181 - Insurance - Health	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00
6182 - Insurance - Dental	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48
6183 - Insurance - Liability	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19	1,297.19
6186 - Insurance - Workers Comp	250.29	250.29	250.29	250.29	250.29	250.29	250.29	250.29	250.29	250.29	250.29	250.29
Total 6180 - Insurance	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95	1,974.95

**Touchstone Home Health
2021 Projection**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
6201 · Education	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68
6210 · Licenses and Permits	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67
6270 · Legal & Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6280 · Bank Fee	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42
6290 · Rent	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00
6300 · Repairs & Maintenance	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17
6325 · Computer												
6326 · Hosting	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65
6325 · Computer - Other	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15
Total 6325 · Computer	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80
6340 · Telephone	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78
6390 · Employee Appreciation	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33
6400 · Utilities	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24
6550 · Office Supplies & Expenses	415.70	415.70	415.70	415.70	415.70	415.70	415.70	415.70	415.70	415.70	415.70	415.70
6772 · Storage	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67
6820 · Taxes	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20
6852 · Penalties & Fines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.82	0.00
6899 · Hiring Expenses	341.67	341.67	341.67	341.67	341.67	341.67	341.67	341.67	341.67	341.67	341.67	341.67
9000 · Clinical Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Total Expense	23,810.06	23,810.06	23,810.06	23,810.06	23,810.06	23,810.06	23,810.06	23,810.06	23,810.06	23,810.06	23,837.88	23,960.06
Net Income	13,817.87	10,004.03	6,190.20	-1,437.47	-1,437.47	13,817.87	2,376.37	10,004.03	10,004.03	10,004.03	13,790.05	2,226.37
YTD Net Income	13,817.87	23,821.90	30,012.10	28,574.64	27,137.17	40,955.04	43,331.40	53,335.44	63,339.47	73,343.51	87,133.56	89,359.92

**Touchstone Home Health
2022 Projection**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Ordinary Income/Expense												
Income												
4000 · Medicaid Services	16,401.17	18,744.20	21,087.22	16,401.17	14,058.15	21,087.22	21,087.22	18,744.20	21,087.22	21,087.22	23,430.24	21,087.22
4005 · Medicare Services	15,829.31	18,090.64	20,351.97	15,829.31	13,567.98	20,351.97	20,351.97	18,090.64	20,351.97	20,351.97	22,613.30	20,351.97
4010 · Private Pay	442.47	505.66	568.89	442.47	379.26	568.89	568.89	505.68	568.89	568.89	632.09	568.89
4015 · Private Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4017 · Anthem	1,473.61	1,684.12	1,894.64	1,473.61	1,263.09	1,894.64	1,894.64	1,684.12	1,894.64	1,894.64	2,105.15	1,894.64
4018 · CareCentrix	1,463.13	1,672.15	1,881.17	1,463.13	1,254.11	1,881.17	1,881.17	1,672.15	1,881.17	1,881.17	2,090.19	1,881.17
4020 · Humana	2,763.90	3,158.74	3,553.58	2,763.90	2,369.05	3,553.58	3,553.58	3,158.74	3,553.58	3,553.58	3,948.42	3,553.58
4024 · Pinnacle	80.30	91.78	103.25	80.30	68.83	103.25	103.25	91.78	103.25	103.25	114.72	103.25
4027 · United Health Care	3,616.27	4,132.88	4,649.50	3,616.27	3,099.66	4,649.50	4,649.50	4,132.88	4,649.50	4,649.50	5,166.11	4,649.50
4028 · Veterans Affairs	23,219.48	26,536.55	29,853.61	23,219.48	19,902.41	29,853.61	29,853.61	26,536.55	29,853.61	29,853.61	33,170.68	29,853.61
4038 · Colorado Health Plans	89.79	102.62	115.44	89.79	76.96	115.44	115.44	102.62	115.44	115.44	128.27	115.44
4015 · Private Insurance - Other	396.78	453.46	510.15	396.78	340.10	510.15	510.15	453.46	510.15	510.15	566.83	510.15
4037 · Tricare	36.54	41.76	46.98	36.54	31.32	46.98	46.98	41.76	46.98	46.98	52.20	46.98
Total 4015 · Private Insurance	33,103.26	37,832.30	42,561.34	33,103.26	28,374.23	42,561.34	42,561.34	37,832.30	42,561.34	42,561.34	47,290.38	42,561.34
Total Income	65,776.21	75,172.82	84,569.42	65,776.21	56,379.61	84,569.42	84,569.42	75,172.82	84,569.42	84,569.42	93,966.02	84,569.42
Cost of Goods Sold												
5010 · Marketing Expense	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42	510.42
5100 · Clinical Labor												
5211 · RN Labor	18,526.94	21,173.64	23,820.35	18,526.94	15,880.23	23,820.35	23,820.35	21,173.64	23,820.35	23,820.35	26,467.06	23,820.35
5212 · PT Labor	6,594.55	7,536.63	8,478.71	6,594.55	5,652.47	8,478.71	8,478.71	7,536.63	8,478.71	8,478.71	9,420.79	8,478.71
5213 · OT Labor	3,314.59	3,788.10	4,261.62	3,314.59	2,841.08	4,261.62	4,261.62	3,788.10	4,261.62	4,261.62	4,735.13	4,261.62
5215 · CNA Labor	4,587.11	5,242.41	5,897.71	4,587.11	3,931.80	5,897.71	5,897.71	5,242.41	5,897.71	5,897.71	6,553.01	5,897.71
5218 · Cell Phone Reimbursement	75.86	86.70	97.53	75.86	65.02	97.53	97.53	86.70	97.53	97.53	108.37	97.53
Total 5100 · Clinical Labor	33,099.04	37,827.48	42,555.91	33,099.04	28,370.61	42,555.91	42,555.91	37,827.48	42,555.91	42,555.91	47,284.35	42,555.91
5105 · Clinical Mileage	1,577.46	1,802.81	2,028.16	1,577.46	1,352.11	2,028.16	2,028.16	1,802.81	2,028.16	2,028.16	2,253.51	2,028.16
5110 · Medical Supplies	193.64	221.30	248.96	193.64	165.97	248.96	248.96	221.30	248.96	248.96	276.62	248.96
5200 · Payroll Taxes	3,560.23	4,068.83	4,577.44	3,560.23	3,051.63	4,577.44	4,577.44	4,068.83	4,577.44	4,577.44	5,086.04	4,577.44
5210 · Reimbursed Expenses	42.99	49.13	55.27	42.99	36.85	55.27	55.27	49.13	55.27	55.27	61.41	55.27
5220 · Medical Paperwork	15.75	18.00	20.25	15.75	13.50	20.25	20.25	18.00	20.25	20.25	22.50	20.25
Total COGS	38,999.53	44,497.97	49,996.41	38,999.53	33,501.08	49,996.41	49,996.41	44,497.97	49,996.41	49,996.41	55,494.86	49,996.41
Gross Profit	26,776.69	30,674.85	34,573.00	26,776.69	22,878.53	34,573.00	34,573.00	30,674.85	34,573.00	34,573.00	38,471.16	34,573.00
Expense												
6000 · Admin Payroll Expense	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75	14,662.75
6140 · Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
6150 · Depreciation Expense	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71	63.71
6160 · Dues and Subscriptions	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33
6180 · Insurance												
6181 · Insurance - Health	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00	378.00
6182 · Insurance - Dental	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48	49.48
6183 · Insurance - Liability	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04	1,362.04
6186 · Insurance - Workers Comp	262.81	262.81	262.81	262.81	262.81	262.81	262.81	262.81	262.81	262.81	262.81	262.81
Total 6180 · Insurance	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33	2,052.33

Touchstone Home Health
2022 Projection

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
6201 - Education	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68	127.68
6230 - Licenses and Permits	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67	91.67
6270 - Legal & Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6280 - Bank Fee	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42	10.42
6290 - Rent	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00	1,110.00
6300 - Repairs & Maintenance	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17	179.17
6325 - Computer												
6326 - Hosting	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65	3,236.65
6325 - Computer - Other	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15	566.15
Total 6325 - Computer	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80	3,802.80
6340 - Telephone	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78	251.78
6390 - Employee Appreciation	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33
6400 - Utilities	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24	161.24
6550 - Office Supplies & Expenses	408.60	408.60	408.60	408.60	408.60	408.60	408.60	408.60	408.60	408.60	408.60	408.60
6772 - Storage	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67
6820 - Taxes	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20	8.20
6852 - Penalties & Fines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.82	0.00
6899 - Hiring Expenses	364.58	364.58	364.58	364.58	364.58	364.58	364.58	364.58	364.58	364.58	364.58	364.58
9000 - Clinical Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Total Expense	23,903.24	23,903.24	23,903.24	23,903.24	23,903.24	23,903.24	23,903.24	23,903.24	23,903.24	23,903.24	23,931.06	24,053.24
Net Income	2,873.45	6,771.61	10,669.76	2,873.45	-1,024.71	10,669.76	10,669.76	6,771.61	10,669.76	10,669.76	14,540.10	10,519.76
YTD Net Income	2,873.45	9,645.05	20,314.82	23,188.26	22,163.55	32,833.31	43,503.08	50,274.68	60,944.45	71,614.21	86,154.31	96,674.07

EXHIBIT B



December 13, 2017

Justin Yeater
Touchstone Home Health LLC
5312 W 9th Street Dr., Suite #120
Greeley, CO 80634

RE: Line of Credit Pre-Approval

Justin,

Points West Community Bank is pleased to inform you that we have pre-approved you for a revolving line of credit of an amount upto \$300,000. It should be understood that this line of credit will be subject to final approval from our Board Loan Committee.

The line of credit will be subject to the following terms:

- Payments will be monthly interest payments.
- The rate on the line of credit will be Prime + .50% floating.
- There will also be an annual \$1,000 loan fee.
- The loan will have a one year maturity with annual renewals at borrowers' request.
- Borrowing Base Certificate to be completed on a monthly basis and turned into Points West Community Bank. PWCB will finance 75% of the receivables that are less than 90 days in age.
- Other information that PWCB will collect from the borrower will include quarterly financial statements and annual reviewed statements on Touchstone Health.

Please keep in mind that this is still contingent upon receiving a full approval from the Board of Directors Loan Committee. If you have any concerns or questions, please do not hesitate to call myself at 330-1200 or email at sjyoung@pwcbank.com.

Yours truly,



Scott Young
Vice President

www.pwcbank.com

6801 West 20th St.
Greeley, CO 80634
970.330.1200

355 Eastman Park Dr.
Windsor, CO 80550
970.674.3600

1291 Main St.
Windsor, CO 80550
970.686.0878

805 Compassion Dr.
Windsor, CO 80550
970.674.5502

128 S. Colorado Ave.
Haxtun, CO 80731
970.774.6141

100 E. 3rd St.
Julesburg, CO 80737
970.474.3341

8100 6th St
Wellington, CO 80549
970.568.3250