

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

IN RE:)
) Case No. 18-20352-MER
NICHOLAS L. HUGENTOBLE, P.C. DBA)
ANIMAS FOOT AND ANKLE)
EIN: 46-0889605) Chapter 11
)
Debtor.)

SECOND INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL

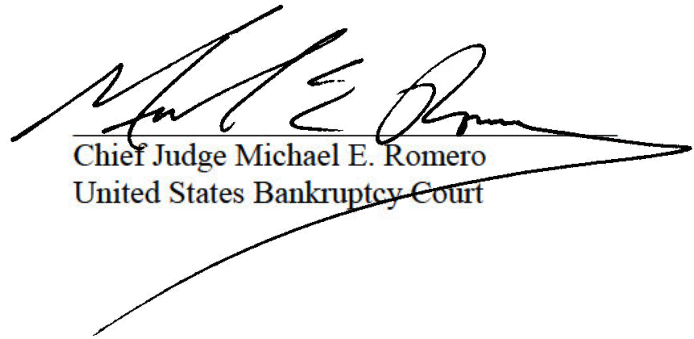
UPON CONSIDERATION of the Motion of the Debtor and Debtor in Possession for entry of an order authorizing the use of cash collateral on an interim basis (“Motion”) and setting a final hearing, and any additional papers filed in opposition thereto and in further support thereof; and having heard the arguments of counsel; and having considered any evidence presented; and due and proper notice of the Motion having been provided; and for good cause shown:

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein;
2. That adequate protection of each secured creditor’s interest in cash collateral proposed to be used by the Debtor in accordance with the Budget for the months of January and February 2019, which is attached hereto as Exhibit A, as follows:
 - a. The Debtor will provide secured creditors with a post-petition lien on all post-petition inventory and income derived from the operation of the business and assets, to the extent that the use of the cash results in a decrease in the value of secured creditor’s interest in the collateral pursuant to 11 U.S.C. § 361(2). All replacement liens will hold the same relative priority to assets as did the pre-petition liens;

- b. The Debtor will only use cash collateral in accordance with the Budget attached to this Motion as Exhibit A subject to a deviation on line item expenses not to exceed 15% without the prior agreement of secured creditors or an order of the Court;
 - c. *The Budget shall be amended to include an adequate protection payment to Strategic Funding on account of their secured claim in the amount of \$4,000 per month and shall receive replacement liens in accordance with paragraph 2(a) above.*
 - d. The Debtor will keep all secured creditor collateral fully insured;
 - e. The Debtor will provide secured creditors with a complete accounting, on a monthly basis, of all revenue, expenditures, and collections through the filing of the Debtor's Monthly Operating Reports and provide the secured lenders with a monthly variance report showing all actual uses on a line item bases and any variance to the approved budget; and
 - f. The Debtor will maintain in good repair all of secured creditor's collateral;
- 3. The Debtor's use of cash collateral pursuant to this Order is authorized with a complete reservation of rights of secured creditors to their various claims and lien positions in and to the Debtor's assets.
 - 4. A final hearing on the Debtor's Motion is set for 9:30 a.m. on March 1, 2019.

Dated: January 16, 2019



Chief Judge Michael E. Romero
United States Bankruptcy Court

Nicholas L. Hugentobler PC

Monthly Budget

	January	February
Opening Balance	\$ 29,579.98	\$ 40,633.11
Revenue	460,000.00	462,000.00
Los Alamos Reimbursement	20,000.00	20,000.00
Monticello Physcian Fee	10,000.00	10,000.00
Refunds	(3,000.00)	(3,000.00)
Gross Revenue	487,000.00	489,000.00
Payroll/Taxes/Benefits	299,000.00	274,000.00
Employee Reimbursements	1,000.00	1,000.00
United States Trustee Fees	4,875.00	-
EXPENSES		
<u>Advertising</u>	500.00	500.00
Phonebooks	2,050.00	2,050.00
Website/SEO	4,700.00	4,700.00
Website Hosting/Domain Names	300.00	30.00
Business/Appt/Referral Cards	300.00	300.00
Local Events	300.00	300.00
<u>Payment Expenses</u>		
Bank Charges	600.00	600.00
Credit Card Processing	2,300.00	2,300.00
Billing Services - Veda Babb/Becky Robbins	5,000.00	5,000.00
Billing Services - SK Medical Billing	1,000.00	2,500.00
FABI - Podiatry Mastermind	-	-
<u>Electronic Medical Record</u>		
Eclinical Works	7,000.00	7,000.00
CareCloud/Breeze	10,000.00	10,000.00
Holly Nimbler-Confirmation Calls Service	405.00	405.00
Flex Scan - Inventory	169.90	169.90
Dictation Service	1,080.00	-
Trizetto Clearinghouse	800.00	800.00
<u>Equipment Loans</u>		
De lage Landen - Durango MLS Laser	948.65	948.65
De Lage Landen - Farmington MLS Laser	915.00	915.00
De Lage Landen - Santa Fe MLS Laser	836.79	836.79
De Lage Landen - Las Vegas X-Ray	555.57	555.57
Everbank - Durango CT Machine	3,346.44	3,346.44
Marlin Leasing - Farmington/Gallup X-Rays	1,029.66	1,029.66
Univest Capital - Durango Shockwave	370.88	370.88
Time Payment - Farmington/Loveland AutoClaves	112.00	112.00

IT Services - Kosh Monthly	8,200.00	8,200.00
Quickbooks Software	900.00	-
IT Equipment	2,000.00	2,000.00
Equipment Maintenance, Repair, Certification	1,000.00	1,000.00
Radmedix - CT Data Restoration		
Equipment Rental	-	-
Proscan Radiology Reads	1,500.00	1,500.00
Equipment Warranty	-	2,995.00

Professional Fees

Legal Fees	2,500.00	2,500.00
Accounting Fees	\$2,000	\$2,000

Licensing and Credentials

Provider Licensing	1,500.00	1,500.00
Business Licensing	200.00	200.00
Credentialing Services - Robin Stevenson	2,900.00	2,900.00
Farmington Chamber of Commerce	137.50	-
Durango Chamber of Commerce	-	-

Secured Debt

Alpine Bank - Practice Loan	4,176.39	4,176.39
Alpine Bank - 350k LOC	1,600.00	1,600.00
Strategic Funding	4,000.00	4,000.00
Complete Business Solutions		

Malpractice Insurance

Dr. Lindsay Allen	-	370.00
Dr. Lorin Brandon	-	1,500.00
Dr. Bryan Broadbent	-	1,864.00
Dr. Michelle Deithloff	-	906.00
Dr. Nicholas Hugentobler	3,044.00	-
Dr. Daniel McAfee	-	301.00
Dr. Marta Riniker	-	301.00
Dr. Scott Taylor	-	-
Dr. Micah Tovey	-	3,000.00
	-	-

Commission - Dr. Samuel Carpenter	10,000.00	10,000.00
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Supplies

Medical Supplies	3,000.00	3,000.00
Treatment Products	2,000.00	2,000.00
Durable Medical Equipment	2,500.00	2,500.00
Custom Orthotics/Braces	5,000.00	5,000.00
Medical Waste Disposal-Stericycle	500.00	500.00
Office Supplies	3,000.00	3,000.00

Office Expense

Office Cleaning	750.00	750.00
Water	300.00	250.00
Magazine Subscription	483.96	-
Recycling-Shred	530.00	530.00
Script Pads	200.00	200.00
Staff Uniforms	150.00	150.00
Pest Control - Farmington	80.00	80.00

Roto Rooter of Farmington	-	110.00
Trash - Loveland	60.00	60.00
Outdoor Maintenance	-	-
Staff Training	150.00	150.00

Phone/Internet Service

2 Ta k	300.00	300.00
Beardbytes	500.00	500.00
Century Link - Loveland	-	-
Century Link Fax - Farmington	35.95	-
Century Link - Farmington	-	-
Comcast - Farmington	180.00	180.00
Comcast - Santa Fe	306.78	315.00
Comcast - Loveland	180.00	180.00
Comcast - Los Alamos	240.00	240.00
Comcast - Gallup	180.00	180.00
Comcast - Taos	210.00	210.00
Fast Track	700.00	700.00
Plateau - Las Vegas Internet	175.00	175.00
Mobile Phone	275.00	275.00

Rent/Lease

Animas Orthopedic - Durango Office Space Ste 105	8,711.13	8,711.13
GAHC3 Organge Star Medical Portfolio, LLC Admin Space Ste 106	2,010.00	2,010.00
WBR Properties - Farmington Office Space	3,517.93	3,517.93
Mesa Condominium Association - Farmington Tenant Dues	763.90	192.00
WBR Properties - Property Tax for Farmington Office		
Lawrence Andrade - Gallup Office Space	200.00	200.00
Gallup Self-Storage - Gallup Storage Unit	61.95	61.95
DNH Investments - Las Vegas Office Space	3,200.00	3,200.00
LifePoint Corporate Svs General Partnership-Los Alamos Office Space	2,697.28	2,218.06
1440 Boise Ave, LLC - Loveland Office Space	3,261.21	-
Guadalupe Credit Union - Santa Fe Office Space	18,127.48	6,000.00
Taos Professional Building - Taos Office Space	1,951.73	1,951.73

Taxes

CO Department of Revenue	400.00	-
City of Loveland	200.00	-
City of Durango	200.00	-
NM Department of Revenue Gross Receipts	8,000.00	10,000.00

Shipping Expenses

Shipping and Delivery	200.00	200.00
Pitney Bowes Postage	500.00	500.00

Utilities

ADT Security Loveland	39.99	39.99
City of Loveland Utilities	500.00	500.00
Xcel Energy Loveland	100.00	100.00
Gaudalupe Credit Union - Santa Fe Utilities	800.00	800.00
WBR Properties - Farmington Utilites	700.00	700.00

Vehicle

Insurance - Liability and Auto	800.00	800.00
Chase - Subaru Payment	604.83	589.83

Bank of American - F150 Payment	659.97	659.97
Fuel-Maintenance	600.00	600.00
Total Expenses	475,946.87	437,670.87
Net Income	11,053.13	51,329.13
Ending Balance	\$ 40,633.11	\$ 91,962.24