

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE

DIABETES AMERICA, INC.,

Debtor.

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CASE NO: 10-41521

CHAPTER 11

NOTICE OF AMENDED CASH COLLATERAL BUDGET

PLEASE TAKE NOTICE that the Cash Collateral Budget that is attached as Exhibit “A” to the Final Order Authorizing Use of Alleged Cash Collateral (the “Order”) (Dkt. No. 94) has been revised with the consent of MetroBank, N.A., in accordance with decretal paragraph 1 of the Order. The revised Cash Collateral Budget is attached hereto as Exhibit “A.”

Respectfully Submitted,

LOOPER REED & MCGRAW, P.C.

Dated: April 22, 2011

By: /s/ H. Joseph Acosta

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**COUNSEL FOR DEBTOR AND
DEBTOR-IN-POSSESSION**

EXHIBIT "A"

	Projected												
	14	15	16	17	18	19	20	21	22	23	24	25	26
	24-Mar	31-Mar	7-Apr	14-Apr	21-Apr	28-Apr	5-May	12-May	19-May	26-May	2-Jun	9-Jun	16-Jun
Cash Inflow													
Cash-in-Bank	\$ 152,250	\$ 53,988	\$ 145,861	\$ 3,612	\$ (72,077)	\$ (123,017)	\$ 4,664	\$ (105,041)	\$ (156,016)	\$ (194,071)	\$ (58,520)	\$ (165,356)	\$ (213,461)
Collections on A/R													
New A/R - post Bankruptcy													
Patient Cash Receipts	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704
Third Party Payments													
Old A/R - pre Bankruptcy	272,939	290,030	276,046	276,046	290,393	290,393	290,393	290,393	280,723	298,247	298,247	298,247	299,449
BCBS Bridges to Excellence													
PPD													
AHF			37,500	37,500	37,500	37,500	37,500	37,500	37,500				
Medicare - New Physicians													
Total Cash Inflow	307,643	324,734	348,250	348,250	362,597	362,597	362,597	362,597	352,927	332,951	332,951	332,951	334,153
Cash Outflow													
Payroll	287,408	-	287,405	-	249,052	-	249,052	-	249,052	-	249,052	-	260,912
Payroll Taxes	-	99,838	-	99,838	-	86,515	-	86,515	-	86,515	-	86,515	-
Health Insurance	-	-	-	58,930	-	-	-	58,930	-	-	-	58,930	-
Benefits	-	-	-	46,457	-	-	-	46,457	-	-	-	46,457	-
Facility Rent	-	-	79,850	67,969	-	-	79,850	78,269	-	-	79,850	78,269	-
Building Expenses	16,014	16,014	16,014	16,014	16,014	16,014	16,014	16,014	16,014	16,014	16,014	16,014	16,014
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinic Consumables	34,644	34,644	31,631	31,631	31,631	31,631	31,631	31,631	31,631	33,138	33,138	33,138	33,138
Retinal Equipment	-	-	-	-	16,085	-	-	-	16,085	-	-	-	16,085
Contract Labor	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974
Emdeon (Patient Receivables)	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608
IT & Telecommunication	11,918	11,918	11,918	11,918	11,918	11,918	11,918	11,918	11,918	11,918	11,918	11,918	11,918
Franchise Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing Education	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222
Marketing/Advertising	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Other Operating Expenses	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418
Total Cash Outflow	370,705	183,135	447,539	353,478	345,421	166,799	409,186	350,455	345,421	168,305	410,692	351,961	358,787
Total Cash Flow from Operations	(63,062)	141,599	(99,289)	(5,228)	17,176	195,798	(46,589)	12,142	7,506	164,645	(77,742)	(19,011)	(24,635)
Excess/(Deficit) of Cash													
A/R Revolver	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt													
Equity													
Restructuring Expenses	\$ 35,200	\$ 49,727	\$ 42,960	\$ 70,460	\$ 68,116	\$ 68,116	\$ 63,116	\$ 63,116	\$ 45,562	\$ 29,094	\$ 29,094	\$ 29,094	\$ 62,029
Ending Cash Balance	\$ 53,988	\$ 145,861	\$ 3,612	\$ (72,077)	\$ (123,017)	\$ 4,664	\$ (105,041)	\$ (156,016)	\$ (194,071)	\$ (58,520)	\$ (165,356)	\$ (213,461)	\$ (300,124)
Budgeted Ending Cash Balance	53,988	145,861	3,612	(72,077)	(123,017)	4,664	(105,041)	(156,016)	(194,071)	(58,520)	(165,356)	(213,461)	(300,124)
Difference:	\$ -	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
Beginning Cash vs Budgeted	65,133	65,133	65,133	65,133	65,133	65,133	65,133	65,133	65,133	65,133	65,133	65,133	65,133
Collections Actual vs Budgeted													
Expenses Actual vs Budgeted													
Restructuring Expense Actual vs Budgeted													
One-time Payroll Catch-up for Hightower													
Total	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133	\$ 65,133
Attorney - DA Second 13 Weeks Fees	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Attorney - DA First 13 Weeks Fees	-	-	-	25,000	25,000	25,000	25,000	25,000	10,975	-	-	-	29,700
Attorney - Committee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
US Trustee	-	10,400	-	-	-	-	-	-	-	-	-	-	-
HMG - CRO Fee	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
HMG - Financing Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
AHF	-	2,806	7,509	7,509	10,379	10,379	10,379	10,379	8,445	4,449	4,449	4,449	4,690
Broker	-	-	-	-	-	-	-	-	-	-	-	-	-
Accountants	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Moving Expenses - Clinic and Corporate	-	-	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-
Other - Estimated @ 10% of Total	3,200	4,521	3,451	5,951	5,738	5,738	5,738	5,738	4,142	2,645	2,645	2,645	5,639
Total	\$ 35,200	\$ 49,727	\$ 42,960	\$ 70,460	\$ 68,116	\$ 68,116	\$ 63,116	\$ 63,116	\$ 45,562	\$ 29,094	\$ 29,094	\$ 29,094	\$ 62,029

Unaudited or otherwise verified