

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
Eastern Division

In Re:	)	BK No.: 17-17855
Wellness Home Care Inc., an Illinois	)	
corporation	)	Chapter: 11
	)	Honorable A. Benjamin Goldgar
	)	
Debtor(s)	)	

**SECOND INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL**

THIS MATTER COMING TO BE HEARD upon the Emergency Motion of the Debtor/ Debtor-in-Possession, Wellness Home Care Inc. (“Debtor”), for Authority to Use Cash Collateral, notice having been given, and the Court being fully advised in the premises; and

IT APPEARING THAT on June 12, 2017, this Court entered an Order for Relief in the above-captioned matter, pursuant to a Voluntary Petition under Chapter 11 of the United States Bankruptcy Code; and

IT FURTHER APPEARING that the Debtor is an Illinois corporation with principal offices located at 5718 W. 95th Street, Oak Lawn, Illinois 60453, and is a Medicare-Certified provider of home care services to over 300 seniors annually; and that the Debtor currently employs approximately thirteen (13) persons; and

IT FURTHER APPEARING that the Debtor had annual revenues in 2015 and 2016 in the amounts of approximately \$607,000 and \$1,276,000; and during the first five (5) months of 2017, revenues have averaged \$130,000 per month; and

IT FURTHER APPEARING that the Debtor is operating its business and managing its financial affairs as Debtor-in-Possession; and no trustee or examiner has been appointed to serve in this reorganization case; and

IT FURTHER APPEARING that the Debtor currently has cash totaling approximately \$92,000.00, and accounts receivable valued at approximately \$212,479.78; and the cash has been frozen in the Debtor’s account at JPMorgan Chase Bank, N.A. (“Bank”) pursuant to a post-judgment attachment purportedly served upon the Bank by Yellowstone Capital LLC (“YSC”) pursuant to a purported confession of judgment entered in favor of YSC against the Debtor on May 12, 2017 in the amount of \$141,449.58; and that the Debtor asserts that such attachment is voidable pursuant to Section 547 of the Bankruptcy Code; and that nevertheless, the Debtor is prepared to offer adequate protection to YSC and such other creditors (collectively, “Secured Parties”) who may be asserting an interest in the Debtor’s cash collateral including said bank account; and

IT FURTHER APPEARING that in order for the Debtor to continue to operate its business, and effectuate an effective reorganization, it is essential that the Debtor be authorized to use cash collateral for, among other things, the following purposes:

- A. Payroll;
- B. Insurance;
- C. Utilities;
- D. Postage;
- E. Rent;
- F. Purchases of Supplies and Materials; and
- G. Other miscellaneous items needed in the ordinary course of business; and

IT FURTHER APPEARING that the Debtor proposes, subject to the approval of this Court, to use cash collateral in which the Secured Parties assert interests; and the Debtor's proposal will permit the Debtor to sustain its business operations and rehabilitate its financial affairs through the implementation of a successful plan of reorganization; and that furthermore, the Debtor's proposal will adequately protect the purported secured interests of the Secured Parties; and

IT FURTHER APPEARING that unless the Debtor is authorized to use cash collateral in which the Secured Parties assert interests; and that the Debtor will be unable to continue to operate, thereby eliminating any reasonable prospect for a successful reorganization; and that the cessation of normal business operations by the Debtor will cause irreparable harm to the Debtor, its patients, its creditors and this estate; and

IT FURTHER APPEARING that the Debtor proposes to use cash collateral and provide adequate protection upon the following terms and conditions:

- A. The Debtor will permit the Secured Parties to inspect, upon reasonable notice, within reasonable hours, the Debtor's books and records;
- B. The Debtor shall maintain and pay premiums for insurance to cover all of its assets from fire, theft and water damage;
- C. The Debtor shall, upon reasonable request, make available to the Secured Parties evidence of that which purportedly constitute their collateral or proceeds;
- D. The Secured Parties shall be granted valid, perfected, enforceable, security interests in and to Debtor's post-petition assets which are now or hereafter become property of this estate, to the extent of their alleged pre-petition liens, if valid; and
- E. The Debtor shall execute any documents that may be reasonably required by the Secured Parties to evidence the post-petition liens granted in lettered Paragraph (D), above; and

IT FURTHER APPEARING that attached to the Motion as Exhibit "A" and incorporated by reference therein is a proposed budget relating to the Debtor's use of cash collateral through September 2, 2017.

~~ACCORDINGLY, IT IS HEREBY ORDERED that the Bank shall immediately release the funds currently on hold in the Debtor's bank account and YSC shall cooperate fully in said immediate release of funds except for \$30,000.00; and~~

IT IS FURTHER HEREBY ORDERED that the Debtor is hereby authorized to use cash collateral under the terms described in the Motion pursuant to the budget attached as Exhibit "A" to the Motion plus no more than 10 percent of the total proposed expense payments, unless otherwise agreed by the Secured Parties, through September 2, 2017; and

IT IS FURTHER ORDERED that the Motion is entered and continued for final hearing to July 12, 2017 at 10 a.m.

Enter:

Dated: 05 JUN 2017

  
United States Bankruptcy Judge

**Prepared by:**

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WELLNESS HOME CARE, INC

	6/11-6/17	6/18-6/24	6/25-7/01	7/02-7/08	7/09-7/15	7/16-7/22	7/23-7/29	7/30-8/05	8/06-8/12	8/13-8/19	8/20-8/26	8/27-9/02
Income												
Med Revenue	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65
Total Income	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65
Gross Profit	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65	\$ 34,178.65
Expense												
6243 - Copier/Printer Lease	\$ 312.00	\$ -	\$ 312.00	\$ -	\$ 312.00	\$ -	\$ 312.00	\$ -	\$ 312.00	\$ -	\$ 312.00	\$ -
60400 - Bank Service Charges	\$ -	\$ -	\$ 356.00	\$ -	\$ -	\$ -	\$ -	\$ 356.00	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -
Medical Supplies	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
66000 - Payroll Expenses	\$ 38,669.41	\$ -	\$ 38,669.41	\$ -	\$ 38,669.41	\$ -	\$ 38,669.41	\$ -	\$ 38,669.41	\$ -	\$ 38,669.41	\$ -
Payroll Tax Expenses	\$ 3,882.44	\$ -	\$ 3,882.44	\$ -	\$ 3,882.44	\$ -	\$ 3,882.44	\$ -	\$ 3,882.44	\$ -	\$ 3,882.44	\$ -
Contracted Services	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -
61700 - Computer and Internet Expenses	\$ 2,187.63	\$ -	\$ -	\$ 2,187.63	\$ -	\$ -	\$ 2,187.63	\$ -	\$ -	\$ -	\$ 2,187.63	\$ -
64300 - Travel Expense	\$ 1,200.00	\$ -	\$ 1,200.00	\$ -	\$ 1,200.00	\$ -	\$ 1,200.00	\$ -	\$ 1,200.00	\$ -	\$ 1,200.00	\$ -
64400 - Medical Records and Supplies	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 126.00
64900 - Office Supplies	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16	\$ 282.16
Billing & Collections Service	\$ 22,045.23	\$ -	\$ -	\$ 22,045.23	\$ -	\$ -	\$ 22,045.23	\$ -	\$ -	\$ -	\$ 22,045.23	\$ -
Office Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certification Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67100 - Rent Expense	\$ 2,150.00	\$ -	\$ 2,150.00	\$ -	\$ 2,150.00	\$ -	\$ 2,150.00	\$ -	\$ 2,150.00	\$ -	\$ 2,150.00	\$ -
68100 - Telephone Expense	\$ 350.00	\$ -	\$ 350.00	\$ -	\$ 350.00	\$ -	\$ 350.00	\$ -	\$ 350.00	\$ -	\$ 350.00	\$ -
Total Expense	\$ 80,554.87	\$ 758.16	\$ 54,678.01	\$ 26,991.02	\$ 51,832.01	\$ 758.16	\$ 51,832.01	\$ 29,847.02	\$ 51,832.01	\$ 758.16	\$ 51,832.01	\$ 758.16
Net Ordinary Income	\$ (46,376.22)	\$ 33,420.49	\$ (20,499.36)	\$ 7,187.63	\$ (17,643.36)	\$ 33,420.49	\$ (17,643.36)	\$ 4,331.63	\$ (17,643.36)	\$ 33,420.49	\$ (17,643.36)	\$ 33,420.49
Weeks Ending Cash Balance	\$ 45,623.78	\$ 79,044.27	\$ 58,544.91	\$ 65,732.54	\$ 48,089.18	\$ 81,509.67	\$ 63,866.31	\$ 68,197.94	\$ 50,554.58	\$ 83,975.07	\$ 66,331.70	\$ 99,752.19
Accounts Receivable Balance	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78	\$ 212,479.78

