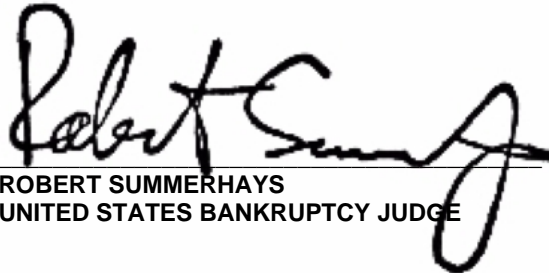




**SO ORDERED.**

**SIGNED July 28, 2017.**

  
ROBERT SUMMERHAYS  
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE DIVISION**

**In re:** § **CASE NO. 17-50799**  
§  
**ACADIANA MANAGEMENT GROUP, L.L.C.,** § **CHAPTER 11**  
**ET AL.<sup>1</sup>** §  
§  
**Debtors.** §  
§

**ORDER AUTHORIZING THE INTERIM USE OF CASH COLLATERAL  
AND GRANTING RELATED RELIEF**

Upon the Motion for Emergency Order Authorizing Use of Cash Collateral and for Final Order After a Final Hearing on the Use of Cash Collateral (the “Motion”) filed by Acadiana Management Group, L.L.C., Albuquerque - AMG Specialty Hospital, L.L.C., Central Indiana - AMG Specialty Hospital, L.L.C., Tulsa - AMG Specialty Hospital, L.L.C., LTAC Hospital of Louisiana - Denham Springs, L.L.C., Las Vegas - AMG Specialty Hospital, L.L.C., LTAC of

<sup>1</sup> AMG Hospital Company, L.L.C., Case No. 17-50800; AMG Hospital Company II, L.L.C., Case No. 17-50801; Albuquerque – AMG Specialty Hospital, L.L.C., Case No. 17-50802; Central Indiana – AMG Specialty Hospital, L.L.C., Case No. 17-50803; Tulsa – AMG Specialty Hospital, L.L.C., Case No. 17-50804; LTAC Hospital of Louisiana – Denham Springs, L.L.C., Case No. 17-50805; Las Vegas – AMG Specialty Hospital, L.L.C., Case No. 17-50806; LTAC Hospital of Greenwood, L.L.C., Case No. 17-50807; LTAC of Louisiana, L.L.C., Case No. 17-50808; Houma – AMG Specialty Hospital, L.L.C., Case No. 17-50809; LTAC Hospital of Edmond, L.L.C., Case No. 17-50810; LTAC Hospital of Wichita, L.L.C., Case No. 17-50811; AMG Realty I, L.L.C., Case No. 17-50812; CHFG Albuquerque, L.L.C., Case No. 17-50813; and AMG Realty Youngsville, L.L.C., Case No. 17-50814.

Louisiana, L.L.C., Houma - AMG Specialty Hospital, L.L.C., LTAC Hospital of Edmond, L.L.C., LTAC Hospital of Wichita, L.L.C., and LTAC Hospital of Greenwood, L.L.C. (the “Debtors”).

This Motion came before the Court on the preliminary hearings on the above captioned Motion to use any cash or cash proceeds which are subject to the liens and security interests of BOKF, NA dba Bank of Oklahoma, Trustmark National Bank, NBC Oklahoma and Eastman National Bank (“Respondents”) pursuant to certain lines of credit and security interests granted and executed pre-petition.

This Court has reviewed the Motion and all matters brought to its attention at preliminary hearings held on June 27, 2017, and July 11, 2017, and it appears that the relief requested in the Motion, to the extent granted by this interim order, is in the best interest of the Debtors, their estates and creditors and is necessary to avoid irreparable harm to the Debtors, their estates and their creditors. After due deliberation and consideration, the Court makes the following findings of fact and rulings of law:

**The Debtor’s Chapter 11 Case; Jurisdiction; Notice**

A. On June 23, 2017 (the “Petition Date”), the Debtors filed voluntary petitions for relief with this Court under Chapter 11 of Title 11 of the United States Code (the “Chapter 11 Cases”). Since the Petition Date, the Debtors have operated their businesses and managed their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.<sup>2</sup> No request has been made for the appointment of trustee or examiner in the Chapter 11 Case.

B. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334, and this matter constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

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<sup>2</sup> As used herein, 11 U.S.C. § 101 *et seq.* is referred to as the “Bankruptcy Code.”

C. The Debtors have served properly notice of the Motion and the interim hearings thereon pursuant to Section 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002 and 4001,<sup>3</sup> and the local rules of this Court, which notice was sent to, among others: Respondents; the Debtors' 20 largest unsecured creditors as set forth in the list filed by the Debtors in the Chapter 11 Cases pursuant to Bankruptcy Rule 1007(d); all known holders of liens on, or equipment leasing interests in, the Debtors' assets; the Office of the United States Trustee (the "U.S. Trustee"); and all applicable government agencies to the extent required by the Bankruptcy Rules or local rules of this Court. This notice is appropriate in the particular circumstances and is sufficient for all purposes under the Bankruptcy Code and the applicable Bankruptcy Rules in respect to the relief requested.

D. The Debtors own and operate a number of long term acute care hospitals. The hospitals generate revenues which the Debtors use to pay their operating costs.

E. Originating pre-petition, Respondents are the lenders on two (2) lines of credit to the Debtors, namely a \$14,000,000 line of credit on which LTAC Hospital of Edmond, L.L.C., LTAC Hospital of Wichita, L.L.C., Albuquerque – AMG Specialty Hospital, L.L.C., LTAC Hospital of Louisiana – Denham Springs, L.L.C., LTAC of Louisiana, L.L.C., Houma – AMG Specialty Hospital, L.L.C., Central Indiana – AMG Specialty Hospital, L.L.C., Tulsa - AMG Specialty Hospital, L.L.C., and Las Vegas - AMG Specialty Hospital, L.L.C. are the borrowers (collectively, the "Borrowers") and a \$1,000,000 line of credit issued to LTAC Hospital of Greenwood, L.L.C. (hereinafter "Greenwood"). The Borrowers and Greenwood granted general security interests to the Respondents which cover, *inter alia*, the Borrowers' and Greenwood's cash, bank accounts and accounts receivables, which will constitute cash collateral of the Respondents under 11 U.S.C. § 363.

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<sup>3</sup> As used herein, the Federal Rules of Bankruptcy Procedure are referred to as the "Bankruptcy Rules."

F. Further, Acadiana Management Group, L.L.C. (“AMG”), guaranteed both lines of credit and granted Respondents assignments of its management contracts with the Borrowers and Greenwood to secure those respective lines of credit, the proceeds of which arguably constitute cash collateral to the Respondents under 11 U.S.C. § 363.

G. Debtors derive revenues from operations at their long term acute care hospitals and generate accounts receivable which, when paid, become proceeds that the Debtors use to fund their daily operations. Debtors intend to continue operations and, to do so, will require use of proceeds from pre-petition accounts receivable. Attached hereto as Exhibit “1” is a copy of a Budget prepared by Debtors regarding the projected use of funds from operations (the “Budget”).

#### **The Motion**

H. In the Motion, Debtors requested that they be authorized pursuant, *inter alia*, to Sections 363 and 1108 of the Bankruptcy Code and Bankruptcy Rule 4001, to use the cash collateral of Respondents on an interim and final basis in accordance with the terms and conditions of this Interim Order.

I. Rule 4001(b)(2) provides that a hearing on use of cash collateral may not be conducted earlier than fourteen (14) days after service of the motion requesting such use, but that a court may grant a preliminary hearing earlier than such date to authorize the use of such cash collateral necessary to prevent immediate and irreparable injury. Debtors requested that an immediate, emergency preliminary hearing be scheduled pursuant to 11 U.S.C. § 363(c)(3) for this Court to grant authority to Debtors to use cash collateral in accordance with the Budget, as well as a second preliminary hearing on July 11, 2017.

J. Debtors will suffer immediate and irreparable injury if such emergency, limited authorization is not approved as it must pay payroll, vendors, suppliers, utilities and other costs

of operation. If it is unable to pay its ongoing post-petition obligations until final hearing, it is quite likely that the Debtors will be unable to reorganize successfully as employees may quit, vendors and suppliers may terminate services and goods and utilities may terminate service. For these reasons, interim relief granted herein is appropriate.

K. Debtors further requested that this Court schedule a final hearing on this Motion for such time as this Court has available after the expiration of fourteen (14) days from the service of the Motion.

L. At such final hearing, Debtors may request that this Court authorize it to use cash collateral in accordance with the Budget for the time period covered by the budget (13 weeks) subject to the ability to request further extensions of such authorization.

#### **Adequate Protection**

M. 11 U.S.C. § 363(c)(3) and (e) provide that use of cash collateral may be granted if the secured party is adequately protected. Adequate protection determinations are made on a case by case basis to determine whether a creditor's secured position is diminished by the proposed use of the collateral.

#### **The Respondents' Secured Claim**

N. Respondents are owed the aggregate sum of approximately \$15 million, with interest, attorney's fees and costs accruing post-petition. In addition to accounts receivable and proceeds therefrom owned by the Borrowers and Greenwood, Respondents have liens against certain equipment, inventory, fixtures and general intangibles owned by the Borrowers, Greenwood and AMG (collectively, the "Pre-Petition Collateral").

O. Debtors and Respondents agree that that use of cash collateral by Debtors could result in Diminution (as defined below) and that Respondents are entitled to the protections afforded in this Interim Order.

P. Under these circumstances, the Court concludes that the use of cash collateral by the Debtors in accordance with this Interim Order will be authorized.

**NOW, THEREFORE, THE COURT HEREBY ORDERS AS FOLLOWS:**

1. Disposition. The Motion is granted on an interim basis on the terms set forth in this Interim Order. The requirements of Bankruptcy Rule 4001(b)(2) are satisfied with respect to the use of cash collateral on an interim and preliminary basis pending a final hearing on the Motion. Any objections to the relief sought in the Motion other than that of Respondents (whose objections are preserved, reserved and maintained) that have not been resolved previously or that have not been withdrawn, and all reservations of rights contained therein, are overruled on the merits, without prejudice, however, to any such objection or reservation or rights being reasserted in connection with the final hearing (as set forth below).

2. Authorization to Use Cash Collateral. The Debtors are authorized to use as cash collateral (as defined in Section 363 of the Bankruptcy Code) any revenues derived by the Debtors in the ordinary course of their businesses and funds that are identifiable proceeds of the Pre-Petition Collateral or which are held in its various bank accounts upon which Respondents hold a lien or security interest or right of setoff (the "Cash Collateral") until the earlier of the occurrence of a Termination Event (as defined below) or August 8, 2017, but only on the terms of this Interim Order. Subject to the preceding sentence, such use of Cash Collateral shall be limited solely to the categories of expenses listed in the Budget. Further, such use of Cash Collateral shall be limited solely to pay expenses in the amounts and at the times listed in the

Budget with a 10% upward variance being allowed on any particular expense in the budget for vendor payments, and with the Debtors being able to carry over any unused expense allowances (including the 10% upward variance) in any given category in a particular week for vendor payments in the same category paid in the following week.

3. Prohibited Use of Cash Collateral. Except as expressly provided in this paragraph, no Cash Collateral or proceeds thereof shall be used by the Debtors for the purpose of: (a) objecting to, or contesting in any manner, or raising any defense to, the validity, amount, extent, perfection, priority or enforceability of (i) the Loan Documents, (ii) any liens or security interests recognized in the Loan Documents or (ii) any other rights or interests of Respondents set forth in Loan Documents; (b) asserting any claims or defenses or causes of action against Respondents or their agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors including, without limitation, any actions under Chapter 5 of the Bankruptcy Code, including, without limitation, to the payments made pursuant to the Loan Documents; (c) seeking to modify any of the rights granted to Respondents hereunder for the period during which this Interim Order is in effect; (d) seeking to bifurcate any claims of Respondents; (e) paying any amounts not included in the Budget (except as authorized herein); and (f) paying any amounts on account of claims arising before the Petition Date, except pursuant to an order of this Court upon notice to Respondents and hearing thereon.

4. Amendment or Extension of this Order. This Interim Order shall not be amended without the express written consent of Respondents, which shall be at their sole discretion. Notice of any such amendment to this Interim Order shall be filed with the Court and served on all parties entitled to notice in accordance with Bankruptcy Rule 4001(b). Any party may object

to such amendment and request a hearing before the Court. If no such objection is made within five (5) days of such notice, such amendment shall become final.

5. Amendment or Extension of Authorization to Use Cash Collateral. The Debtors at any time may propose to Respondents in writing (including by email) an amended budget, either for the period covered by the Budget or for any period thereafter. Respondents may withhold their consent to such amended budget for any reason or purpose. The amended budget shall become the Budget for purposes of this Order upon Respondents' written consent (which may be supplied to the Debtors by email). At such time as the amended budget becomes the Budget, the Debtors shall file a copy thereof with this Court and serve it upon all parties entitled to notice in accordance with Bankruptcy Rule 4001(b). In the event of an objection by Respondents, the Debtors may at any time seek relief from this Court including, but not limited to, an order seeking further authorization to use Cash Collateral in accordance with such amended budget and Respondents reserve all rights to object to same.

6. Rollover Lien as Adequate Protection for Any Diminution. As adequate protection for any diminution in the value of Cash Collateral and other Pre-Petition Collateral resulting from the Debtors' use thereof after the Petition Date ("Diminution"), Respondents shall continue to have a valid, perfected and enforceable continuing replacement lien and security interest (the "Rollover Lien") in all assets of the Debtors existing on or after the Petition Date of the same type as the Cash Collateral and other Pre-Petition Collateral, together with the proceeds, rents, products and profits thereof, whether acquired or arising before or after the Petition Date (the "Post-Petition Collateral"), to the same extent, validity, perfection, enforceability and priority of the liens and security interests of Respondents as of the Petition Date. The Rollover Lien shall be subject only to prior valid and perfected liens, if any, existing



as of the Petition Date with priority over Respondents' liens and security interests. The Rollover Lien shall be limited to the amount of any Diminution.

7. Supplemental Lien as Additional Adequate Protection for Any Diminution. As additional adequate protection for any Diminution, Respondents shall have a valid, perfected and enforceable continuing supplemental lien and security interest (the "Supplemental Lien") in all of the assets of the Debtors of any kind or nature whatsoever within the meaning of Section 541 of the Bankruptcy Code, whether acquired or arising prepetition or postpetition, together with all proceeds, rents, products and profits thereof, including, without limitation, causes of action under Chapter 5 of the Bankruptcy Code and proceeds thereof, and including the Debtors' membership interests in North Alabama – AMG Specialty Hospital, LLC and LTAC Hospital of Feliciana (the "Supplemental Collateral"). The Supplemental Lien shall be subject only to prior valid and perfected liens, if any, existing as of the Petition Date and the Carve-Out. The Supplemental Lien shall be limited to the amount of any Diminution in excess of the value of the Rollover Lien.

8. Status of Adequate Protection Liens. The Rollover Lien and Supplemental Lien (also referred to herein as the "Adequate Protection Liens") set forth in this Interim Order shall be in addition to all other rights of Respondents, including Respondents' liens and security interests in the Pre-Petition Collateral. The Adequate Protection Lien shall not be subject or subordinated to (a) any liens arising after the Petition Date, including, without limitation, any liens or security interests in favor of any federal, state, municipal or other government unit, commission, board or court for any tax liability of the Debtors, whether secured or unsecured, including property taxes for which liability is *in rem*, *in personam*, or both, except a tax of a kind specified in Section 507(a)(8) of the Bankruptcy Code, or (b) any intercompany or affiliate liens

of the Debtors, or subordinated to or made *pari passu* with any other lien or security interest under Sections 363 or 364 of the Bankruptcy Code or otherwise.

9. No Further Action Required for Perfection. The approval of this Interim Order by the Court shall be sufficient and conclusive evidence of the validity, extent, enforceability and perfection of the Adequate Protection Liens granted to Respondents, whether or not Respondents elect to file or record financing statements, any other documents which may otherwise be required under federal or state law in any jurisdiction, or to take such other steps as may otherwise be required to obtain, evidence or perfect such liens under applicable law; *provided, however,* that, upon the request of Respondents, the Debtors shall execute such other documents as may be reasonably requested to evidence and perfect such liens, and Respondents, in their sole discretion, may file, but shall not be required to file, a certified copy of this Interim Order in any filing or recording office in any jurisdiction in which the Debtors have real or personal property, and the Debtors are authorized and directed to execute, or cause to be executed, all such financing statements or other documents upon the Respondents' reasonable request, and such filing or recording shall be accepted and shall constitute further evidence of perfection of Respondents' liens and security interests. No obligation, payment, transfer or grant of security under this Interim Order shall be stayed (other than by court order in an appeal from this Interim Order), restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any otherwise applicable state law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

10. Superpriority Administrative Expense Claim. As additional adequate protection for any Diminution, Respondents shall have a super-priority administrative expense claim pursuant to Section 507(b) of the Bankruptcy Code, with recourse to and payable from any and

all assets of the Debtors' estate and the Supplemental Collateral, (the "Secured Party Superpriority Claims"). The Secured Party Superpriority Claims shall be subject to only prior valid and perfected liens existing on the Petition Date and the Carve-Out and shall have priority over any and all administrative expenses, diminution claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all other administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor, in this Chapter 11 Case or any subsequent proceedings under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment which allowed claims shall be payable from and have recourse to all pre and post-petition property of the Debtors and all proceeds thereof. The Secured Party Superpriority Claims shall be limited to the amount of any Diminution in excess of the aggregate value of any recovery from the Rollover Lien and (without duplication) the Supplemental Lien.

11. Financial Information Access and Reports. As additional adequate protection of Respondents' security interests in the Cash Collateral and other Pre-Petition Collateral, the Debtors shall allow AMG and its professionals and designees reasonable access during normal business hours to the premises of the Debtors in order to conduct appraisals, analyses and/or audits any Collateral, and shall otherwise reasonably cooperate in providing any other financial information requested by Respondents for this purpose. From and after the entry of this Interim Order, the Debtors shall provide to Respondents weekly on Wednesday of each week

(commencing with the second Wednesday after the Petition Date), a report certified by the Debtors' chief financial officer and in the same form as the Budget indicating all receipts received by and disbursements made by the Debtors in the week ending the prior Friday compared to the Budget and detailing any variances from the expenditures and receipts as described in the Budget. The Debtors and their representatives shall be available every Tuesday (subject to reasonable scheduling conflicts) for a telephonic conference call with Respondents to discuss the results of operations and other matters pertaining to the Chapter 11 Case. The Debtors shall provide to Respondents such other reports and information as Respondents may reasonably request from time to time.

12. Compliance With Loan Documents. As further adequate protection against Diminution, the Debtors shall comply with those terms and provisions of the Loan Documents requiring insurance coverage on and maintenance of the Collateral. The requirements of this Interim Order shall be in addition to, and not in substitution for, the terms and provisions of the Loan Documents; *provided, however*, that, in the event of any inconsistency between the provisions of the Loan Documents and this Interim Order, the terms of this Interim Order shall control.

13. Maintenance of Collateral. The Debtors shall maintain the Pre-Petition Collateral in good repair and condition and not permit or commit any waste thereof.

14. Termination of Authority to Use Cash Collateral With Prior Notice. The Debtors' authority to use Cash Collateral shall terminate without any further action by this Court and a Termination Event shall occur four (4) business days after written notice sent by Respondents to the Debtors, any committee appointed in this case and the U.S. Trustee of the occurrence of any of the following (a "Termination Event"):

- (a) except for Emergency Expenses (as defined in this paragraph), the payment or incurrence by the Debtors of expenses, or any other amounts, of a type not set forth in the Budget. The term “Emergency Expenses” includes any expenses beyond or above that identified in a particular line item within the Budget, or not included in the Budget, which (i) arise as a result of operations of the Debtors’ businesses, and (ii) are required to be paid to avoid immediate and irreparable harm to the Collateral or the Debtors’ business operations; *provided, however*, the Debtors shall first obtain the consent of Respondents prior to paying such expense;
- (b) the failure of the Debtors to pay, within ten (10) days of the date required to be paid by order of the Court or applicable provisions of the Bankruptcy Code, all undisputed administrative expenses in full in accordance with their terms as provided for in the Budget;
- (c) the failure of the Debtors to pay timely all fees due under 28 U.S.C. § 1930; and
- (d) the failure of the Debtors to comply with, keep, observe or perform any of its agreements or undertakings under this Interim Order,

Unless, prior to the expiration of the four (4) business day period described in this paragraph, the Debtors have cured the Termination Event(s) specified in Respondents’ notice or obtained an order of this Court (after notice to and with opportunity to be heard by Respondents) that no such Termination Event has occurred, the Debtors’ authority to use Cash Collateral hereunder shall terminate.

15. Termination of Authority to Use Cash Collateral Without Prior Notice. The Debtors’ authority to use Cash Collateral hereunder, shall terminate without any further action by this Court and a Termination Event shall occur without prior notice upon the occurrence of any of the following (also a “Termination Event”):

- (a) the Debtors’ Chapter 11 Cases, or any of them, are dismissed or converted to a case under Chapter 7 of the Bankruptcy Code;

- (b) the earlier of (i) the date of the entry of an order of this Court appointing a Chapter 11 trustee or an examiner with enlarged powers (beyond those set forth in Sections 1104(c) and 1106(a)(3) and (4) of the Bankruptcy Code) for any of the Debtors; or (ii) the date any of the Debtors file a motion, application or other pleading consenting to or acquiescing in any such appointment;
- (c) the Bankruptcy Court suspends any of the Debtors' Chapter 11 Cases under Section 305 of the Bankruptcy Code;
- (d) entry of an order confirming a plan in any of the Chapter 11 Cases;
- (e) the consummation of the sale of all or substantially all of the assets of any Debtor or any Debtor's estate;
- (f) this Interim Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of Respondents;
- (g) an order is entered in any of the Chapter 11 Cases over the objection of Respondents approving financing pursuant to Section 364 that would grant an additional security interest or a lien on any Collateral or granting a superpriority administrative claim that is equal or superior to the superpriority administrative claim granted to Respondents under this Interim Order;
- (h) an adversary proceeding or contested matter is commenced by any Debtor challenging the validity, enforceability, priority or extent of Respondents' liens, or security interests; or
- (i) the Court fails to enter a Final Order allowing this Motion, on terms acceptable to Respondents, within three (3) business days following the conclusion of the Final Hearing.

Upon the occurrence of a Termination Event described in this paragraph, the Debtors' authority to use Cash Collateral hereunder shall terminate.

16. Post-Termination Rights. Notwithstanding cessation of the Debtors' right to use Cash Collateral hereunder as of a particular date (a "Termination Date"):

- (a) the Debtors or a trustee appointed for the Debtors' estates may use Cash Collateral to pay payroll and payroll-related expenses such as taxes accrued through and including the Termination Date, up to the amounts set forth in the Budget; and
- (b) the Debtors may seek and Respondents may oppose use of Cash Collateral on any terms that the Debtors wish to propose, on short notice such that relief can be entered not later than the Termination Date, *provided, however*, that the Debtors and Respondents may stipulate, without the need for a further order of this Court, for this Order to remain in effect temporarily through the date of a hearing on such relief.

17. Releases. The Debtors hereby waive, release and discharge Respondents and their respective past, present and future affiliates, agents, attorneys, professionals, officers, directors and employees, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, the Loan Documents, any aspect of the prepetition relationship between Respondents and the Debtors and any other acts or omissions by Respondents in connection with the Loan Documents or Respondents' prepetition relationship with the Debtors. Further, the Debtors waive any and all rights to object to or contest the Respondents' liens and security interests in the Pre-Petition Collateral, and agree that all such security interests have been duly perfected and are in all respects valid and enforceable security interests and liens.

18. Failure of Adequate Protection. Nothing herein shall constitute a waiver, release or modification of the rights of Respondents to assert a claim or claims under Bankruptcy Code Sections 364(c) and/or 507(b).

19. Deemed Request for Stay Relief. This Interim Order shall be deemed to constitute a request by Respondents for relief from the automatic stay with respect to the Pre-Petition Collateral and for adequate protection for the use of cash collateral as of the Petition Date.

20. Modification of Automatic Stay. The automatic stay imposed by virtue of Section 362 of the Bankruptcy Code is hereby vacated and modified insofar as necessary to permit Respondents to: (a) receive payments to be made by the Debtors to Respondents, if any, and (b) take any action specifically authorized or contemplated by this Interim Order. Any of the aforementioned actions may be taken without further order of this Court.

21. No Charge on Collateral; Carve Out. In partial consideration of the Debtors' acknowledgements above, Respondents consent to certain expenses incurred during the pendency of these Chapter 11 Cases which shall be superior in all instances to the liens and claims of Respondents and all other parties (the "Carve Out"). For purposes hereof, the "Carve Out" means: (i) the statutory fees of the United States Trustee pursuant to 28 U.S.C. § 1930; (ii) the fees of the Clerk of the Bankruptcy Court; and (iii) court-approved fees and expenses of the Debtors' counsel up to the amount of \$100,000.00. The entry of a Final Order shall be a conclusive and binding determination on all parties that, except for the Carve Out, no costs or expenses of administration shall be imposed against Respondents or the Collateral under Sections 105 or 506(c) of the Bankruptcy Code, or otherwise.

22. Preservation of Rights. If any or all of the provisions of this Interim Order, at any time, are modified, vacated or stayed, such stay, modification or vacation shall not affect the validity, extent, priority and enforceability of any lien, priority or other benefit conferred under this Interim Order prior to such stay, modification or vacation.

23. Binding Effect. This Interim Order shall be binding on all creditors and parties in interest in this case including, but not limited to, the Debtors and any successors thereto, any Chapter 11 or Chapter 7 trustee(s) that is appointed or elected in this case, and any committee; *provided, however,* that this Interim Order is without prejudice to the rights of any committee, on



behalf of the Debtors' estates, to challenge the validity, amount, perfection, priority, extent or enforceability of the Respondents' Claim or the pre-petition liens and security interests of Respondents, so long as any such challenge is made on or before 60 days after the commencement of this Chapter 11 Case, after which time all such challenges shall be deemed finally and conclusively barred; *provided, further*, that, if one or more claims are made timely and properly filed under this paragraph, then, except for such claims, all potential claims and causes of actions are hereby deemed forever waived and relinquished.

24. No Competing Liens. Except as set forth herein, the Debtors shall not grant liens on, or security interests in, the Pre-Petition Collateral or the Post-Petition Collateral to any other party, pursuant to Section 364 of the Bankruptcy Code or otherwise.

25. Reservation of Rights. Except as provided in this Interim Order, neither the Debtors nor Respondents waive any of their rights under the Bankruptcy Code, any applicable law, or the Loan Documents including, without limitation, the right of the Debtors or Respondents at any time to seek any relief (or to oppose any such relief) under the Bankruptcy Code, or the right of the Debtors or Respondents to exercise any of their rights and remedies under the Bankruptcy Code at any time. In particular, Respondents and the Debtors each reserve their rights to seek modification of this Interim Order and Respondents reserve the right to seek additional adequate protection including, without limitation, with regard to the use of its Collateral other than Cash Collateral.

26. Further Relief. Nothing herein shall (a) preclude Respondents or the Debtors from seeking any other relief that it may deem appropriate, including relief from the automatic stay, or (b) prevent Respondents from asserting at some later time that its liens and security

interests in the Pre-Petition Collateral are not being adequately protected, or the Debtors from opposing such assertion.

27. No Control. Respondents are not, and shall not be deemed to be, in control of the operations of the Debtors or to be acting as a “responsible person,” “managing agent” or “owner or operator” (as such terms or any similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any similar Federal or state statute) with respect to the operation or management of the Debtors, notwithstanding its consent to this Interim Order and to extending financial accommodations of any type, kind or nature under this Interim Order.

28. No Third Party Beneficiaries. No rights are created hereunder for the benefit of any third party, including, without limitation, any creditor or any direct, indirect or incidental beneficiary.

29. Effectiveness. The rights and obligations of the parties under this Interim Order shall be effective and enforceable as of the Petition Date. This Interim Order shall be deemed effective immediately and, for the avoidance of doubt, Bankruptcy Rule 6004(h) shall not apply hereto. If any or all of the provisions of this Interim Order hereafter are reversed, modified, vacated or stayed, such reversal, modification, vacatur or stay shall not affect (a) the validity, extent, priority or enforceability of any obligations incurred prior to the actual receipt of written notice by Respondents of the effective date of such reversal, modification, vacatur or stay or (b) the validity, extent or enforceability of the liens and claims granted hereunder.

30. Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Interim Order shall be in writing and shall be

deemed to have been duly given if (a) delivered personally, (b) sent by next-day or overnight mail or delivery or (c) sent by e-mail to the following addresses:

TO THE DEBTOR:

Bradley L. Drell  
Heather M. Matthews  
B. Gene Taylor, III  
Gold, Weems, Bruser, Sues & Rundell  
P.O. Box 6118  
Alexandria, LA 71307-6118  
[bdrell@goldweems.com](mailto:bdrell@goldweems.com)

TO RESPONDENTS:

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31. Notice of Final Hearing. Within two (2) business days after entry of this Interim Order, mail copies of a notice of the entry of this Interim Order, the Debtors shall serve a copy of the Motion and of a notice of the Final Hearing, to: (a) counsel to Respondents; (b) the Debtors' 20 largest unsecured creditors as set forth in the list filed by the Debtors in the Chapter 11 Cases pursuant to Bankruptcy Rule 1007(d); (c) all known holders of liens on, or equipment leasing interests in, the Debtors' assets; (d) all applicable government agencies to the extent required by the Bankruptcy Rules or local rules of this Court; (e) all parties that have filed an appearance in the Chapter 11 Cases; and the U.S. Trustee (collectively, the "Notice Parties").

32. Final Hearing; Objections. A Final Hearing will be held on August 8, 2017, at 10:00 a.m., before the Honorable Robert Summerhays, Bankruptcy Judge, Courtroom at 214 Jefferson Street, Suite 100, Lafayette, Louisiana. Any party desiring to object to the relief sought in the Motion shall file a written objection with the Court on or before August 1, 2017, and shall contemporaneously serve that objection on the Notice Parties so as to be received by such parties on or before such date.

###

This order was prepared and is being submitted by:

**GOLD, WEEMS, BRUSER, SUES & RUNDELL**

By: /s/Bradley L. Drell  
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**ATTORNEYS FOR DEBTORS AND DEBTORS  
IN POSSESSION: ACADIANA MANAGEMENT  
GROUP, L.L.C., ET AL.**

and

**McGLINCHEY STAFFORD, PLLC**

/s/ Rudy J. Cerone  
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**ATTORNEYS FOR RESPONDENTS**

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CONSOLIDATED	6/30/2017	7/7/2017	7/14/2017	7/21/2017	7/28/2017	8/4/2017	8/11/2017	8/18/2017	8/25/2017	9/1/2017	9/8/2017	9/15/2017	9/22/2017
	1	2	3	4	5	6	7	8	9	10	11	12	13
Beginning Cash	963,005	875,094	228,255	(14,819)	(104,714)	448,326	(836,632)	(246,108)	93,213	717,946	(402,692)	359,905	442,379
Intercompany Receivables			99,259	600,060		695,060				695,060			
Collections on A/R	1,910,566	981,703	1,112,861	1,803,557	1,903,596	1,933,596	1,903,596	1,888,596	1,858,596	1,888,596	1,858,596	1,888,596	1,858,596
<b>Total Cash Available</b>	<b>2,873,572</b>	<b>1,856,798</b>	<b>1,440,375</b>	<b>2,388,798</b>	<b>1,798,882</b>	<b>3,076,982</b>	<b>1,066,964</b>	<b>1,642,488</b>	<b>1,951,809</b>	<b>3,301,602</b>	<b>1,455,904</b>	<b>2,248,501</b>	<b>2,300,975</b>
<b>Cash Outflows:</b>													
Pre-Petition O/S Checks to Clear	967,724												
80020 - Bank Fees	392	136		1,197	7,631	1,197			8,384				8,148
80035 - Cable Services	3,364	2,845			7,298				6,667				6,669
80050 - Computer Software Lease/Maint.	361	7,222	6,850	6,413		100,786				91,602			
80075 - Continuing Education		256		511		5,641				5,466			
80080 - Copier Lease/Maintenance	407	4,732		1,577		25,351				23,973			
80100 - Dues and Subscriptions		6,790		1,166		17,866				16,998			
80105 - Employee Health and Screening		1,869				5,461				5,261			
80120 - Equipment Rentals-Other	7	23,972	5,425			41,657				40,857			
80145 - Insurance-Employee Health/Life	52,735		178,280	111,806		52,735	290,086				50,677	274,753	
80150 - Insurance-Prof. Liability/GL	95,150	530			94,790				81,420				94,935
80160 - Insurance-Worker's Comp	132,674		188,822										
80175 - Licenses and Permits		2,004	1,850				4,424				4,208		
80180 - Marketing and Advertising		194	19,187				41,001				40,216		
80195 - Medical Director/Asst Med Dir	20,000	59,288	136,918	228,286		387,894	46,598			379,245	46,598		
80200 - Minor Equipment			2,329				3,997				3,697		
80205 - Miscellaneous Expense		614	1,150		180,000		2,625				2,575		
80210 - Office Expense/Printing	74	2,983	5,825				22,392				22,140		
80235 - Payroll Processing Fees	4,127	6,443	4,127	8,635	4,127	8,635	4,127	8,635	4,127	8,046	4,127	8,046	4,127
80240 - Pension Plan Expense	14,868	16,102	9,196	19,880	9,196	19,880	9,196	19,880	9,196	19,063	9,196	19,063	9,196
80245 - Pest Control			1,125				1,818				1,450		
80260 - Postage & Freight		210	2,195				5,939				5,859		
80265 - Professional Fees-Accounting			8,706				19,941				18,123		
80270 - Professional Fees-Legal									100,000				
80275 - Professional Fees-Other	2,500	5,691	20,261				135,146				134,746		
80295 - Rent				297,559	182,567	35,763		297,558	182,567		35,763	297,558	182,567
80300 - Repairs and Maintenance	7,136	8,608	23,969				45,117				42,676		
80310 - Security		27	3,284				4,913				4,913		
80385 - Telephone Service	11,770	10,460		3,994	43,188			3,994	39,154			3,994	39,154
80400 - Travel	3,047			3,902	22,033			3,902	20,533			3,902	20,533
80405 - Utilities-Electricity	6,512	4,471		3,712	40,155			3,712	35,444			3,712	35,444
80410 - Utilities-Gas	403	1,543		934	1,621			934	1,126			934	1,126
80415 - Utilities-Water/Sewer	2,724	463		1,339	3,844			1,339	3,646			1,339	3,646
80425 - Waste Disposal Service	1,601	837		3,785	20,547			3,785	18,358			3,785	18,358
81001 - Billing/Collections/AP		20,493	48,451	218,083		311,753				311,753			
81005 - Blood Storage & Processing		1,892		3,239		49,789				48,598			
81010 - Dialysis-Contract Services		7,356		9,000		124,366				124,366			
81015 - Dietary, Food	3,000	13,546	10,628	2,802		59,836				49,926			
81020 - Dietary, Purchased Services		17,437	7,647			115,998				115,998			
81025 - Equipment Rentals-Nursing		16,864		4,000		106,259				103,759			
81035 - Laboratory Fees		11,771	7,447			115,752				113,141			
81040 - Laundry-Contract Services	1,292	1,405		6,169		44,097				42,917			
81042 - Management Oversight		25,853	76,549	275,575		383,307				383,307			
81045 - Medical Gas		261	1,586	600		25,236				23,786			
81050 - Outpatient Procedures		28,177		6,881		74,769				73,019			
81055 - Pharmacy	33,943	106,740	114,751	114,751	114,751	114,751	114,751	88,534	108,034	108,034	108,034	108,034	108,034
81065 - Radiology-Contract Services		5,369		5,514		95,963				92,263			
81070 - Supplies-Dietary/Kitchen		261		135		27,403				25,732			
81075 - Supplies-Housekeeping/Janitoria		7,353		1,530		18,600				17,348			
81077 - Supplies-Inpatient Procedures		4,381				39,719				39,719			
81080 - Supplies-Maintenance		930		62		3,757				3,497			
81085 - Supplies-Nursing	17,272	26,071	3,600	3,600	3,600	138,757				135,992			
81095 - Supplies-Office/HIM	187	121		1,434		22,754				22,010			
81100 - Supplies-Pharmacy		317		1,295		15,016				14,298			
81105 - Supplies-Physical Therapy		120		107		6,838				6,813			
81110 - Supplies-Respiratory Therapy		3,398		2,639		38,052				38,052			
81115 - Supplies-Wound Care		3,426		2,544		58,377				57,877			
81120 - Transcription Services		1,263	2,711	1,012		42,031				41,460			
81125 - Transportation		3,870		844		40,567				39,117			
Payroll & Taxes	561,000	1,137,000	561,000	1,137,000	561,000	1,137,000	561,000	1,117,000	561,000	1,081,000	561,000	1,081,000	561,000
Note Payments-Medicare Debt	54,207	14,578	1,324		54,207				54,207				54,207
<b>Total Cash Outflows</b>	<b>1,998,478</b>	<b>1,628,543</b>	<b>1,455,193</b>	<b>2,493,513</b>	<b>1,350,555</b>	<b>3,913,614</b>	<b>1,313,072</b>	<b>1,549,274</b>	<b>1,233,863</b>	<b>3,704,294</b>	<b>1,095,999</b>	<b>1,806,122</b>	<b>1,147,144</b>
<b>Ending Cash</b>	<b>875,094</b>	<b>228,255</b>	<b>(14,819)</b>	<b>(104,714)</b>	<b>448,326</b>	<b>(836,632)</b>	<b>(246,108)</b>	<b>93,213</b>	<b>717,946</b>	<b>(402,692)</b>	<b>359,905</b>	<b>442,379</b>	<b>1,153,831</b>
<b>Ck Point:</b>	<b>875,094</b>	<b>228,255</b>	<b>(14,819)</b>	<b>(104,714)</b>	<b>448,326</b>	<b>(836,632)</b>	<b>(246,108)</b>	<b>93,213</b>	<b>717,946</b>	<b>(402,692)</b>	<b>359,905</b>	<b>442,379</b>	<b>1,153,831</b>
	0	0	0	(0)	0	0	0	(0)	0	0	0	0	0