



SO ORDERED.

SIGNED September 26, 2017.


JOHN W. KOLWE
UNITED STATES BANKRUPTCY JUDGE

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

IN RE:

CASE NO. 17-80881

SERENITY HOMECARE, LLC, ET AL ¹

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

**FINAL ORDER AUTHORIZING THE 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 Serenity Homecare, LLC (“Serenity”); Antigua Investments, LLC (“Antigua”); Central Louisiana Home Healthcare, LLC (“Central”); Cupples Holdings, LLC; Hospice Care of Avoyelles Parish, LLC (“Hospice”); Quality Home Health I, LLC; and Quality Home Health, Inc., and pursuant to 11 U.S.C. § 363;

¹Antigua Investments, LLC, Case No. 17-80882; Central Louisiana Home Healthcare, LLC, Case No. 17-80883; Cupples Holdings, LLC, Case No. 17-80884; Hospice Care of Avoyelles Parish, LLC, Case No. 17-80885; Quality Home Health I, LLC, Case No. 17-80886; and Quality Home Health, Inc., Case No. 17-80887.

This Motion came before the Court on the final hearing on the above Motion to use any cash or cash proceeds which are subject to the liens and security interests of the United States of America through the Internal Revenue Service (“IRS”); The Cottonport Bank (“Cottonport Bank”); and Mid-Delta Health Group, Inc. (“Mid-Delta”) (collectively, “Respondents”) pursuant to certain tax liabilities, lines of credit and security interests granted and executed pre-petition;

This Court having reviewed the Motion and all matters brought to its attention at the hearing held on September 20, 2017, and it appearing that the relief requested is in the best interest of the Debtors, their estates and creditors; and it being necessary to avoid irreparable harm pursuant to the Debtors estates and their creditors, and after due deliberation and consideration;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted. Subject to the terms set for below, this order is valid and binding on all parties in interest and shall be immediately and fully effective upon entry.
2. The Debtors are hereby authorized, pursuant to 11 U.S.C. § 363, to use cash collateral.
3. Adequate Protection Lien. As adequate protection for the use of the cash collateral pursuant to the terms of this order, any final order approving the use of cash collateral, or subsequent order entered pursuant to 11 U.S.C. § 363 of the Bankruptcy Code, or the imposition of the automatic stay pursuant to 11 U.S.C. § 362 of the Bankruptcy Code: a replacement lien shall be granted unto the IRS, to the extent that it is demonstrated in due course that the IRS was secured pre-petition above and beyond senior liens; and a first priority replacement lien shall be granted unto The Cottonport Bank and Mid-Delta Health Group, Inc., in accordance with the respective security agreements and/or mortgages between the Debtors and these parties.

4. Carve Out. The Adequate Protection Liens and all liens in favor of the United States of America/IRS shall be subject and subordinate to the payment of \$50,000 for the payment of the following: (i) all fees and interest requested to be paid to the Office of the U.S. Trustee; (ii) all reasonable fees and expenses incurred by a patient care ombudsman if required and appointed; and (iii) to the extent allowed by the Bankruptcy Court at any time, all accrued and unpaid fees, disbursements, costs and expenses incurred by professionals or professional firms retained by the Debtors or any committee appointed under the Bankruptcy Code, however, that nothing in this Order shall be construed to impair the right of any party to object to any fees, expenses, reimbursement or compensation sought by any such professionals or any other person or entity.

5. Release of levied funds. The Court further directs that any and all funds and accounts levied by the IRS and held by depository banks be released unto Debtors.

6. Reservation of Rights. Notwithstanding anything in this order to the contrary, all legal and equitable rights of the Debtors and Respondents are reserved and deemed not waived, including but not limited to: (a) the Debtors' rights to seek a surcharge under 11 U.S.C. § 506(c); (b) right of the Respondents to object to any future requests for authorization to use cash collateral, seek relief from the automatic stay of 11 U.S.C. §362, or to file any other motion for relief under the Bankruptcy Code; (c) right of the Respondents to resist and defend against any attempts to seek a surcharge under 11 U.S.C. § 506(c) or to assert rights of setoff, compensation and/or recoupment under 11 U.S.C. § 553; (d) the Debtors' rights to assert that the proceeds of all accounts receivable and on hand and in bank accounts or otherwise do not constitute "cash collateral" as defined in 11 U.S.C. § 363, and Respondents are not entitled to adequate protection for the use thereof; and, (e) the Debtors' rights under 11 U.S.C. §§ 510, 544, 545, 547, 548, 549, 550, 551, and 552 of the

Bankruptcy Code to avoid and/or prime any lien of the Respondents on the proceeds of all accounts receivable and the cash on hand and in bank accounts.

7. Post-Petition Taxes. The Debtor shall make adequate protection payments to the United States of America, IRS, in the amounts of \$15,683.72 for Serenity, \$3,872.85 for Hospice, and \$3,897.25 for Antigua, commencing thirty days from the entry of this Order by the Court. Central will not be using the cash collateral of the United States/IRS, pending further orders of the Court. The Debtors shall deposit/pay in full the federal tax deposits for all post-petition Form 941 and Form 941 taxes as they become statutorily due and submit proof of deposits/payments as they are made to the IRS, Insolvency Unit, by facsimile to (855)732-0012, Attn: Valerie Daniel. The Debtors shall timely file all tax returns and timely pay the balance of any taxes due for periods ending after the petition date within the due date imposed by federal law. In the event that the Debtors defaults under the terms of this Order, the United States shall provide written notice of default to the Debtor's counsel of record. If the Debtor does not cure the default within 30 days of the written notice, the United States may move for dismissal of the case.

8. Adequate Protection for Lenders Other Than The IRS. The Debtors are hereby authorized to make adequate protection payments to Mid-Delta in an amount sufficient to pay the entirety of their secured claim at the contract rate of interest over five (5) years and to Cottonport Bank in an amount sufficient to cover the interest on their real estate loan on a monthly basis, once those figures are provided to the Debtors by Mid-Delta and Cottonport Bank, with the first payment being due thirty days from the provision of those figures by Mid-Delta and Cottonport Bank. This order is without prejudice to the rights of Mid-Delta or Cottonport Bank to seek further adequate protection payments for their secured claims.

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Respectfully submitted:

GOLD, WEEMS, BRUSER, SUES & RUNDELL

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**ATTORNEYS FOR DEBTORS AND DEBTORS
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-And-

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