



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 10, 2017

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE

MULTICARE HOME HEALTH
SERVICES, LLC

DEBTOR

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Case no.17-32419 -11

CHAPTER 11

FINAL ORDER ON MOTION FOR USE OF CASH COLLATERAL

CAME on this day to be considered the Emergency Motion to Use Cash Collateral (the “Motion”) filed in this proceeding on June 21, 2017. The Court having reviewed the pleading and having heard testimony of witnesses and argument of counsel finds as follows:

1. The Internal Revenue Service (the “IRS”) asserts that substantially all of the Debtor’s assets are subject to the prepetition liens of the IRS

2. The Debtor has requested authorization to use cash collateral to continue its operations.

3. The court having heard testimony of witnesses and argument of counsel is of the opinion the following order shall enter. It is accordingly,

ORDERED AND ADJUDGED that the Motion is GRANTED on a Final basis, and the Debtor be, and hereby is, authorized to enter into all agreements pursuant to the terms of this Order necessary to allow the Debtor to use Cash Collateral subject to the protections and consideration described in this Order in the amounts and for the expenses set forth on the monthly budget attached to the Motion (the "Budget"). The Debtor, without the prior written approval of the IRS shall not incur expenses for any line item for an amount that is not set forth on the Budget. Cash Collateral subject to this order or the proceeds of the IRS's pre-petition liens and the Post-Petition Liens (defined below) shall not, directly or indirectly, be used to pay expenses of the Debtor or otherwise disbursed except for expenses and disbursements that are (1) actual and necessary, (2) are incurred in the ordinary course of Debtor's business and (3) that are expressly permitted herein and as shown on the Debtor's Budget. Nothing contained herein is an authorization for Debtor to pay or disburse Cash Collateral for pre-petition expenses of or claims against the Debtor or Debtor's estate, which shall occur only by further order of this Court. It is further

ORDERED that all cash of Debtor and all accounts receivable collected by Debtor post-petition shall be deposited in a separate cash collateral account, being the Debtor's debtor-in-possession account. The Debtor shall maintain its debtor-in-possession accounts in accordance with the orders of this Court applicable thereto and in accordance with the regulations of the Office of the United States Trustee. It is further

ORDERED upon 48 hours notice to counsel for the Debtor, a representative of the IRS may inspect or audit the books and records of the Debtor in Possession for the purposes of verifying the amount of taxes owed and the balances of the Debtor's bank account. It is further

ORDERED the Debtor shall file its tax returns and make payment of post petition taxes owed to IRS on a timely basis as required by 28 U.S.C. §§ 959(b) and 960. It is further

ORDERED, Debtor's failure to comply with any requirement in this Order is an event of default. In an event of default, Debtor and Debtor's counsel shall be provided with notice of the default. If the default is not cured within five (5) business days of service of the notice, the IRS will certify the default to the Court, at which time the Debtor's authority to use cash collateral will terminate automatically without further notice or hearing. The Debtor can receive up to three (3) notices of default, however, the third notice cannot be cured. It is further

ORDERED that as adequate protection for the diminution in value of the interests of the IRS, the IRS is hereby granted valid, binding, enforceable, and perfected replacement liens and security interests (the "Post-petition Liens") under §§ 361, 363, 364(c)(2), 364(e), 501(b)(1) and 552 of the Bankruptcy Code co-extensive with their pre-petition liens in all currently owned or hereafter acquired property and assets of the Debtor, of any kind or nature, whether real or personal, tangible or intangible, wherever located, now owned or hereafter acquired or arising and all proceeds and products, including, without limitation, all accounts receivable, general intangibles, inventory, and deposit accounts coextensive with their pre-petition liens. Nothing herein shall grant a lien on, interest in or claim on Chapter 5 causes of action. It is further

ORDERED that the replacement liens granted to the IRS in this Order are automatically perfected without the need for filing of a UCC-1 financing statement with the Secretary of State's Office or any other such act of perfection. It is further

ORDERED that the Debtor's authority to use Cash Collateral under this Order shall terminate on December 31, 2017 or such later date and time that is agreed to by the IRS in writing and without further notice or order; it is further

ORDERED that nothing herein contained shall be in prejudice to the right of the IRS or the Debtor to seek modification or termination of the Order based upon a change in circumstances. It is further

ORDERED that nothing in this Order is deemed (a) a finding of adequate protection of the interests of the IRS; (b) a preclusion or a waiver of any right of the IRS to file any motions in this case; (c) agreement, consent, or acquiescence to the terms of any plan of reorganization by virtue of any term or provision of this Order; or (d) preclusion or waiver of any right of the IRS to assert any other rights, objections, causes of action, remedies, or defenses available to the IRS or to respond to any motion, application, proposal, or other action, including, but not limited to, the Motion and all future proceedings related thereto, all such rights, remedies, defenses, and opportunities to respond being specifically reserved by the IRS

End of Order