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HEARING DATE: MAY 8, 2019
HEARING TIME: 10:00 A.M.
RESPONSE DUE: AT TIME OF HEARING
LOCATION: 402 E. Yakima Ave., Suite 200
(Second Floor Courtroom), Yakima, WA

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8 **UNITED STATES BANKRUPTCY COURT**
9 **EASTERN DISTRICT OF WASHINGTON**

10 Lead Case No. 19-01189-11

11 IN RE:

12 ASTRIA HEALTH, et al.
13 Debtors.¹

Jointly Administered

**EMERGENCY MOTION OF DEBTORS FOR
AUTHORITY TO: (1) CONTINUE USING
EXISTING CASH MANAGEMENT SYSTEM,
BANK ACCOUNTS AND BUSINESS FORMS;
(2) IMPLEMENT CHANGES TO THE CASH
MANAGEMENT SYSTEM IN THE ORDINARY
COURSE OF BUSINESS; (3) CONTINUE
INTERCOMPANY TRANSACTIONS;
14 (4) PROVIDE ADMINISTRATIVE EXPENSE
PRIORITY FOR POSTPETITION
INTERCOMPANY CLAIMS; AND (5) OBTAIN
15 RELATED RELIEF; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT
16 THEREOF**

***WITH REQUEST TO SHORTEN TIME FOR
NOTICE AND OBJECTIONS & REQUEST FOR
EMERGENCY HEARING***

18 ¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier
19 Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit,
20 LLC (19-01195-11), SHS Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-
01190-11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital
Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-
01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-
01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health,
21 LLC (19-01200-11).

CASH MANAGEMENT
MOTION - 1

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1 **EMERGENCY MOTION**

2 Astria Health (“Astria”) and the above-referenced affiliated debtors
3 (collectively, the “Debtors”), the debtors and debtors in possession in the above-
4 captioned chapter 11 bankruptcy cases (collectively, the “Chapter 11 Cases”), hereby
5 move, on an emergency basis (the “Motion”), for the entry of an order, pursuant to
6 §§ 105, 363, 364, 503 and 507 of title 11 of the United States Code (the “Bankruptcy
7 Code”),² authorizing the Debtors, subject to the requirements imposed on the Debtors
8 pursuant to any interim or final orders (including any related budgets) authorizing
9 the Debtors’ entry into postpetition debtor in possession financing and use of cash
10 collateral (each, a “DIP Document”), to: (1) continue to use their cash management
11 system, including the continued maintenance of their existing bank accounts
12 (including credit card accounts) and business forms; (2) implement changes to their
13 cash management system in the ordinary course of business, including opening new
14 or closing existing bank accounts; (3) continue to perform under and honor
15 intercompany transactions in the ordinary course of business, in their business
16 judgment and in their sole discretion; (4) provide administrative expense priority for
17 postpetition intercompany claims, all as set forth in more detail below; and (5) obtain
18 related relief.

19 _____
20 ² All references to “§” or “sections” herein are to sections of the Bankruptcy Code.

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1 The Debtors further request that the Court authorize the financial institutions
2 at which the Debtors maintain various bank accounts to (a) continue to maintain,
3 service and administer the Debtors' bank accounts, and (b) debit the bank accounts
4 in the ordinary course of business on account of (i) wire transfers or checks drawn
5 on the bank accounts, or (ii) undisputed service charges owed to the banks for
6 maintenance of the Debtors' cash management system, if any.

7 In support of the Motion, the Debtors have separately filed the Declaration of
8 John M. Gallagher in Support of Emergency First-Day Motions (the "Gallagher
9 Declaration").

10 **SUMMARY OF REQUESTED RELIEF**

11 As described in the Gallagher Declaration, in the ordinary course of business,
12 the Debtors utilize an integrated cash management system to collect, concentrate and
13 disburse funds generated by their operations (the "Cash Management System"). In
14 broad terms, the Debtors' Cash Management System is similar to the cash
15 management systems used by other large groups or systems of businesses, especially
16 where separate businesses have been brought together through acquisition.

17 The Cash Management System is tailored to meet the Debtors' operating needs
18 as an operator of a large health system that includes business entities and hospitals.
19 The Cash Management System enables the Debtors to efficiently collect and disburse
20 cash generated by their business, pay their financial obligations, control and monitor
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1 funds and available cash at each entity, comply with the requirements of their
2 financing agreements, reduce administrative expenses, and obtain accurate account
3 balances and other financial data. It is critical that the Cash Management System
4 remain intact during these Chapter 11 Cases to ensure seamless continuation of
5 transactions and uninterrupted collection of revenues and disbursement of internal,
6 intercompany and third-party obligations, and avoid irreparable harm to the Debtors'
7 business and their Patients.

8 The Cash Management System currently comprises 37 accounts (the
9 "Accounts"), listed on **Exhibit "A"**³ hereto, with six banks (the "Banks").⁴ Nine of
10 the Accounts are located at Banks designated as authorized depositories by the Office
11 of the United States Trustee for Region 18 (the "U.S. Trustee"), pursuant to the U.S.
12 Trustee's Chapter 11 Guidelines and Initial Reporting Requirements (collectively,
13 the "UST Guidelines"). Of the 37 Accounts, 28 are operational in nature, two are

14 ³ The Debtors believe that the list of Accounts in Exhibit "A" includes a complete
15 list of all of the Debtor accounts. However, in the event that one or more Debtor
16 accounts may have been inadvertently omitted, such accounts are included in the
17 definition of "Accounts."

18 ⁴ The Debtors' Banks comprise Banner Bank, US Bank, Bank of America, Heritage
19 Bank, Wells Fargo, and Lower Valley Credit Union.

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1 money market accounts, two are certificates of deposit (“CDs”), and five are credit
2 card accounts.

3 The Debtors request authority to continue utilizing the Accounts, subject to the
4 terms of the DIP Documents. Requiring the Debtors to close certain of the Accounts
5 and open new ones will disrupt the Debtors’ cash flow—and, ultimately, impact
6 patient care—because (i) the depositors (some of which are governmental agencies)
7 will not respond quickly to the change and will likely continue to send deposits to the
8 original deposit account, and (ii) the Debtors have certain obligations (including for
9 debt, pension and defined contribution) that they pay exclusively by electronic funds
10 transfer and changes to the payment accounts have the potential of slowing down
11 these crucial payments. Closing the Accounts will also increase the work of the
12 Debtors’ accounting personnel, who are already busy addressing the many and varied
13 issues related to these Chapter 11 Cases. Closing the Accounts and opening new
14 ones under the circumstances described in the attached Memorandum of Points and
15 Authorities would needlessly cost the Debtors time and money at a time when they
16 are trying to conserve both, and would result in no discernible benefit to the Debtors’
17 bankruptcy estates (the “Estates”), while potentially causing irreparable harm thereto.

18 The Debtors also request authority to continue using their business forms
19 without the designation “Debtors in Possession” on them *for a limited time*. The
20 Debtors’ forms are either electronically printed or can be electronically altered. The
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1 Debtors seek the authority of this Court to utilize their electronically generated forms
2 without the “Debtors in Possession” designation until the adjustments to the software
3 can be initiated and existing stock is exhausted.

4 Subject to the DIP Documents, the Debtors request that the Court authorize
5 them to continue using their Cash Management System in connection with the
6 continued use of Accounts and continued use of the Debtors’ business forms; in
7 furtherance thereof, the Debtors further request that the Court authorize and direct
8 the Banks to continue honoring the Debtors’ transactions.

9 The Debtors note that other than the specific items described in this Motion
10 excusing the moving of bank accounts, closing of prepetition bank accounts, and the
11 limited period for the lack of designating the debtor in possession status on the
12 business forms, the U.S. Trustee requirements for the debtor in possession remain in
13 place including section 345(b)(2).

14 The Debtors request that the relief sought herein be granted on an emergency
15 basis because the uninterrupted use of their Cash Management System, as described
16 herein, is essential to the Debtors’ ability to maximize their postpetition operations
17 and adjust smoothly to being operating debtors in possession. Reestablishing and
18 reconnecting deposits and billings to new accounts would be impractical, costly, and
19 an inefficient use of the Debtors’ resources. Therefore, especially because the relief

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1 requested herein relates to continued use of cash collateral,⁵ pursuant to Rule 4001-2
2 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Eastern
3 District of Washington (the “LBR”), the Debtors request that this Motion be heard
4 on an emergency basis.

5 **ADDITIONAL INFORMATION**

6 The Motion is based on the Notice of Emergency Motions that will be filed
7 and served after obtaining a hearing date for the Debtors’ “First Day Motions,” the
8 attached Memorandum of Points and Authorities, the concurrently filed Gallagher
9 Declaration, the arguments of counsel and other admissible evidence properly
10 brought before the Court at or before the hearing on this Motion. In addition, the
11 Debtors request that the Court take judicial notice of all documents filed with the
12 Court in this Case.

13 The Debtors will serve this Motion, the attached Memorandum of Points and
14 Authorities, the Gallagher Declaration and Notice of Emergency Motions on: (i) the
15 U.S. Trustee, (ii) all alleged secured creditors, (iii) the United States of America and
16 the State of Washington, (iv) the fifty largest general unsecured creditors appearing
17 on the list filed in accordance with Rule 1007(d) of the Federal Rules of Bankruptcy

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19 ⁵ By separate and contemporaneous motion, the Debtors are requesting authority to
20 access their cash collateral, which would include the funds in some of the Accounts.

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1 Procedure (the “Bankruptcy Rules”), (v) any parties requesting special notice, and
2 (vi) the Banks. To the extent necessary, the Debtors request that the Court waive
3 compliance with LBR 2002-1(a)(6) and approve service (in addition to the means of
4 service set forth in such LBR) by overnight delivery. Among other things, the Notice
5 of Emergency Motions will provide that any opposition or objection to the Motion
6 may be presented at any time before or at the hearing regarding the Motion, but that
7 failure to timely object may be deemed by the Court to constitute consent to the relief
8 requested herein. In the event that the Court grants the relief requested by the Motion,
9 the Debtors shall provide notice of the entry of the order granting such relief upon
10 each of the foregoing parties and any other parties in interest as the Court directs.
11 The Debtors submit that such notice is sufficient and that no other or further notice
12 be given.

13 **WHEREFORE**, the Debtors respectfully request that this Court enter an
14 Order:

15 (i) Authorizing the Debtors, subject to the terms of the DIP Documents, to
16 continue to use their Cash Management System, including to maintain and continue
17 using their existing Accounts (including credit cards) and business forms (until
18 existing stock is exhausted), as described in the attached Memorandum of Points and
19 Authorities;

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1 (ii) Authorizing the Debtors to implement changes to their Cash
2 Management System in the ordinary course of business, subject to the terms of the
3 DIP Documents, including closing the Accounts or opening new bank accounts;

4 (iii) Authorizing the Debtors to continue to perform under and honor
5 intercompany transactions related to the Cash Management System in the ordinary
6 course of business, in their business judgment and in their sole discretion, subject to
7 the terms of the DIP Documents; and providing administrative expense priority for
8 postpetition intercompany claims based upon transfers made using the Cash
9 Management System;

10 (iv) Authorizing and directing the Banks to continue to maintain, service and
11 administer the Accounts in the ordinary course of business, including to honor
12 postpetition checks drawn on and transfers made from the Accounts; and requiring
13 that, in the event the Banks refuse to honor a check drawn or a transfer made on an
14 Account maintained by it (provided there are sufficient good funds in the account to
15 complete the transfer), the Banks immediately turn over the deposits held in the
16 applicable Account upon the Debtors' request;

17 (v) Granting the Banks limited relief from the automatic stay to continue to
18 offset standard monthly bank fees against the Accounts in the same manner as such
19 fees were offset prepetition; and

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(vi) Granting such other and further relief as is just and proper under the circumstances.

Dated: May 6, 2019

/s/ James L. Day
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Debtors and Debtors In Possession*

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**
3 **INTRODUCTION**

4 The Debtors in these Chapter 11 Cases request authority to maintain and utilize
5 their Cash Management System. If the Debtors are required to close certain of the
6 Accounts they need for the smooth and uninterrupted operation of their business and
7 open new ones, the deposit of the payments they receive from hundreds of sources
8 would be disrupted while the depositors (some of which are governmental agencies)
9 change their internal records regarding the new deposit instructions, which can be a
10 very lengthy process. Any interruption in the Debtors' cash flow would certainly
11 interfere with the continuity of the Debtors' operations, which could result in a
12 potentially harmful interruption of the Debtors' business, and could detrimentally
13 impact patient care. The Debtors' accounting staff, which also will be working on
14 supplying all of the information needed to meet the Debtors' chapter 11 reporting
15 requirements, as well as performing their regular tasks, would be further distracted
16 by a needless, time-consuming exercise of closing accounts, opening new ones,
17 advising and explaining the same to interested parties, addressing the logistical issues
18 of getting the depositors to utilize the new accounts and getting checks printed for
19 the new disbursement accounts.

20 Accordingly, it is critical that the Debtors be allowed to maintain their existing
21 Cash Management System as described in this Memorandum of Points and

1 Authorities and in the attached *Emergency Motion of Debtors for Authority to (1)*
2 *Continue Using Existing Cash Management System, Bank Accounts and Business*
3 *Forms, (2) Implement Changes to the Cash Management System in the Ordinary*
4 *Course of Business, (3) Continue Intercompany Transactions, (4) Provide*
5 *Administrative Expense Priority for Postpetition Intercompany Claims, and (5)*
6 *Obtain Related Relief.*

7 **II.**
8 **JURISDICTION**

9 The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and
10 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of
11 these Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

12 **III.**
13 **STATEMENT OF FACTS**

14 **A. General Background**

15 1. On May 6, 2019 (the "Petition Date"), each of the Debtors filed a
16 voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Chapter
17 11 Cases are currently being jointly administered before this Court [Docket No.
18 10]. The Debtors are operating their businesses as debtors in possession pursuant to
19 §§1107 and 1108.

20 2. Debtor Astria, a Washington nonprofit corporation, is the direct or
21 indirect corporate member of several entities that make it the largest non-profit
healthcare system based in Eastern Washington. The Astria Health system is

1 headquartered in the heart of Yakima Valley, Washington, with facilities in Yakima,
2 Sunnyside, and Toppenish, Washington.

3 3. The Astria system includes three hospitals: Astria Regional Medical
4 Center, a 214-bed hospital in Yakima, Washington (“Yakima”); Astria Sunnyside
5 Hospital, a 38-bed critical access hospital in Sunnyside, Washington (“Sunnyside”);
6 and Astria Toppenish Hospital, a 63-bed hospital in Toppenish, Washington
7 (“Toppenish,” and referred to collectively with Sunnyside and Yakima as the
8 “Hospitals”). In addition to collectively having 315 licensed beds, the Hospitals have
9 three active emergency rooms and a host of medical specialties. The Astria system
10 also has outpatient Astria Health Centers (14 medical clinics and 24 specialty clinics),
11 the Ambulatory Surgical Center, Astria Hearing and Speech, and Astria Home Health
12 and Hospice.⁶

13 _____
14 ⁶ Collectively, the system provides the following services: allergy testing and
15 treatment program, ambulatory surgery, audiology, behavioral health/psychiatry,
16 breast health center, cancer care, cardiac electrophysiology, cardiac rehabilitation,
17 cardiothoracic surgery, catheterization lab, colorectal surgery, critical care medicine,
18 diabetes education, diagnostic imaging and radiology, ear, nose and throat,
19 emergency services, endocrinology, family medicine, gastroenterology,
20 gynecological surgery, heart care, hand surgery, heart failure, home health, hospice,
21 hospitalists, inpatient behavioral health, internal medicine, interventional cardiology,

1 4. The Astria system provides medical treatments to approximately
2 346,400 patients annually, including approximately 7,344 who spend at least one
3 night in its Hospitals during the year. Astria's necessity to the health and welfare of
4 the people of the Yakima Valley is evidenced by several facts, including having the:

- 5 • *only* open-heart surgery program in Yakima County;
- 6 • *only* neurosurgery program in Yakima County;
- 7 • *only* elective cardiac catheterization program in Yakima County;
- 8 • *only* hospital in Sunnyside, Washington;
- 9 • *only* hospital in Toppenish, Washington; and
- 10 • *only* obstetric services in the Lower Valley (both at Sunnyside and
11 Toppenish).

12
13 _____
14 laboratory, life transitions intensive out-patient program, maternity services, medical
15 withdrawal management, nephrology, neurosurgery, spine care, nutritional services,
16 obstetrics and gynecology, occupational medicine, orthopedics, orthopedic surgery,
17 outpatient palliative care, speech therapy, physical therapy, pediatrics, pharmacy,
18 plastic and reconstructive surgery, podiatry, rehabilitation, inpatient rehabilitation,
19 rheumatology, senior services, sleep medicine, sports medicine, stroke care, surgical
20 services, robotic surgery, general surgery, telehealth, urology, urological surgery,
21 walk-in care, women's health, vascular medicine, and wound care center.

1 5. The system employs approximately 1,547 employees (making it one of
2 the largest employers in the Yakima Valley), plus an additional 172 contract
3 personnel, and approximately 600 doctors have privileges at the Hospitals.

4 6. To date, the Office of the United States Trustee (the “U.S. Trustee”) has
5 not appointed an Official Committee of Unsecured Creditors in these Chapter 11
6 Cases.

7 **B. Relevant Background to Motion**

8 7. As set forth above, as well as in the concurrently filed Gallagher
9 Declaration, the Debtors maintain 37 Accounts with six Banks, as further detailed
10 herein.⁷ Twenty of the Accounts are at Banner Bank (“Banner”),⁸ seven are at Wells
11

12 ⁷ A full list of Accounts is included as **Exhibit “A”** hereto. In the event that one or
13 more Debtor accounts may have been inadvertently omitted, such accounts are
14 included in the definition of “Accounts.”

15 ⁸ By separate and contemporaneous motion (the “DIP Motion”), the Debtors are
16 requesting authority to enter into a debtor in possession financing facility (the “DIP
17 Facility”). As described in the DIP Motion and the Gallagher Declaration, the
18 Debtors are currently indebted to Banner under certain prepetition loan documents,
19 and seek relief to, among other things, use proceeds of the interim DIP Facility to
20 immediately pay all Outstanding Prepetition Banner Bank Obligations (as defined in
21

1 Fargo (“WF”), three are at Bank of America (“BoA”), three others are at Heritage
2 Bank (“Heritage”), two are at US Bank, and two are at Lower Valley Credit Union
3 (“LVCU”). Twenty-eight of them are regular depository and/or checking accounts;
4 four are savings accounts (two money market accounts and two CDs); five are credit
5 card accounts.

6 8. For the most part, the Debtors maintain cash systems for each of (a)
7 Astria; (b) Sunnyside and its affiliates, including Sunnyside Community Hospital
8 Home Medical Supply, LLC (“S. Medical Supply”) and Sunnyside Home Health (“S.
9 Home Health,” and collectively, the “Sunnyside Entities”); and (c) Yakima and
10 Toppenish together and with their affiliates, including Yakima HMA Home Health,
11 LLC (“Y. Home Health,” and collectively “Yakima/Toppenish”), that also connect
12 through a complex series of intercompany transfers. From a broad perspective, (a)
13 each Debtor (or Debtor group) maintains one or more depository accounts to collect
14 receivables and one or more credit card accounts; (b) Astria’s depository account also
15 serves as a checking account from which it pays corporate obligations, such as
16 corporate management fees, life insurance costs, other employee benefits, property
17 insurance, and other corporate vendors; (c) the Sunnyside Entities maintain an
18 account for non-payroll accounts payable (“A/P”), payroll account, accounts related
19 _____
20 the DIP Motion). This would cause the funds in the Banner Accounts to no longer
21 serve as cash collateral for Banner.

1 to their health insurance, and money market accounts and certificates of deposit; and
2 (d) Yakima/Toppenish maintains a payroll account and A/P account, both of which
3 list Astria as owner. All of Yakima/Toppenish deposit accounts are swept to
4 MidCap,⁹ and their operating accounts are then funded by Midcap on regular request.

5 9. Astria and Sunnyside are each listed as owners of record on a total of
6 three Accounts that are purposed for Yakima/Toppenish. By Debtor, the Accounts
7 are as follows:

Debtor	Accounts Owned	Accounts Purposed
Astria	6 (Banner)	4 (Banner)
Sunnyside, S. Home Health, S. Medical Supply	16 (Banner Bank; US Bank; LWCUC)	15 (Banner; US Bank; LWCUC)
Yakima/Toppenish and Y. Home Health	15 (Banner; Wells Fargo; BoA; US Bank; Heritage)	18 (Wells Fargo; BoA; US Bank; Heritage)
Total Accounts	37	37

13 10. Below is a further description of the Accounts, grouped by Debtor as
14 purposed, not necessarily as owned.

15 _____
16 ⁹ As described in the DIP Motion and the Gallagher Declaration, the Debtors are
17 currently indebted to MidCap under certain prepetition loan documents, and seek
18 relief to, among other things, use proceeds of the interim DIP Facility to immediately
19 pay all Outstanding Prepetition MidCap Obligations (as defined in the DIP Motion).
20 This would cause the funds in the Yakima/Toppenish Accounts to no longer serve as
21 cash collateral for—nor require sweeping to—MidCap.

1 (a) Astria Accounts

2

Record Owner	Bank	Account No.	Nickname
Astria	Banner	xxxxx5519 ¹⁰	" <u>Astria Account</u> "
Astria	Banner	xxxxxx3026	" <u>Gallagher CC Account</u> "
Astria	Banner	xxxx5379	" <u>Allen CC Account</u> "
Astria	Banner	xxxx3059	" <u>Rowan CC Account</u> " (and together with the Gallagher CC Account and the Allen CC Account, the " <u>Astria Credit Card Accounts</u> ")

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9 11. Astria uses one corporate account: the Astria Account. This single
10 account serves both depository and checking functions. As noted above, Astria pays
11 corporate obligations, such as management pay (contracted through a third party),
12 life insurance costs, other employee benefits, property insurance, and other corporate
13 vendors from the Astria Account. Astria allocates such expenses among the Debtors,
14 based on which the comptroller requests corresponding transfers to be made from
15 those Debtors' accounts. The Debtors submit their approval by email, and the
16 Sunnyside allocation is transferred from the S. Operational Account (see paragraph
17 14 below), and the Yakima/Toppenish allocation is transferred from the YT Funding
18 Account (see paragraph 25 below).

19
20 _____
21 ¹⁰ The Debtors will provide full Account numbers to the U.S. Trustee.

1 12. Astria has three credit card accounts at Banner. The Astria Credit Card
 2 Accounts, and their corresponding physical MasterCards, are assigned to three
 3 personnel: John Gallagher (Chief Executive Officer), Cary Rowan (Chief Financial
 4 Officer), and Carol Allen (Executive Assistant).

5 13. Astria is also record owner of the YT Payroll Account and YT A/P
 6 Account, listed and described below in paragraph 25.

7 **(b) Sunnyside Entity Accounts**

Record Owner	Bank	Account No.	Nickname
Sunnyside	Banner	xxxxxx2062	“ <u>S. Operating Account</u> ”
Sunnyside	Banner	xxxxxx2070	“ <u>S. Payroll Account</u> ”
Sunnyside	Banner	xxxxxx2088	“ <u>S. Clinic Depository Account</u> ”
Sunnyside	Banner	xxxxxx4308	“ <u>S. UMR Medical Account</u> ”
Sunnyside	Banner	xxxxxx4316	“ <u>S. UMR FSA Account</u> ”
Sunnyside	Banner	xxxxxx0049	“ <u>S. MM Account</u> ”
Sunnyside	Banner	xxxxx1111	“ <u>S. Clinic 2 Account</u> ”
Sunnyside	Banner	xxxxx1013	“ <u>S. Operating 2 Account</u> ” or “ <u>DIP Loan Account</u> ”
Sunnyside	Banner	xxxxx1318	“ <u>S. Payable 2 Account</u> ”
Sunnyside	Banner	xxxxxx4731	“ <u>Sunnyside Credit Card Account</u> ”

1	Sunnyside	US Bank	xxxxx2000	“ <u>S. MM2 Account</u> ”
2	Sunnyside	LVCU	xxxx5-001	“ <u>S. CD1</u> ”
3	Sunnyside	LVCU	xxxx5-002	“ <u>S. CD2</u> ”
4	S. Home Health	Banner	xxxxx5312	“ <u>SHH Account</u> ”
5	S. Medical Supply	Banner	xxxxxx4367	“ <u>SMS Account</u> ”

6 14. With one exception, described below in paragraph 17, Sunnyside
7 receives all deposits in the S. Operating Account at Banner. From there, Sunnyside
8 directly pays all its own A/P. Sunnyside regularly transfers funds into the S. Payroll
9 Account, the S. UMR Medical Account, and the Astria Account, and irregularly
10 transfers funds into the S. MM Account. Specifically, Sunnyside transfers payroll-
11 related funds (including wages, withholdings, deductions and 401(k) matching
12 contributions) into the S. Payroll Account on a weekly basis. Sunnyside also
13 transfers funds necessary for its self-insured health plans into the S. UMR Medical
14 Account on a monthly basis. Upon request by Astria, as described above in paragraph
15 11, Sunnyside transfers funds from the S. Operating Account to the Astria Account
16 to cover Sunnyside’s allocation of health system costs paid by Astria. Finally, when
17 Sunnyside finds itself with sufficient excess cash in the S. Operating Account, on an
18 *ad hoc* basis it transfers funds to the S. MM Account for various periods as available
19 to collect interest, and then transfers those funds back into the S. Operating Account
20 for use.

1 15. From the S. Payroll Account, Sunnyside makes three types of payment:
2 (a) wages to employees, (b) taxes to governmental entities, (c) and other deductions
3 to the appropriate third parties, as appropriate. One deduction is for employees'
4 flexible spending accounts through Sunnyside's self-insured health plans, which
5 employee-elected funds Sunnyside transfers to the S. UMR FSA Account.

6 16. From the S. UMR Medical Account, Sunnyside makes payments
7 relating to the administrative cost of running their self-insured health plans, including
8 monthly fees for stop loss and administrative fees to United Medical Resources
9 ("UMR"). Sunnyside also pays out any employee medical claims from the S. UMR
10 Medical Account.

11 17. All receivables from Sunnyside's clinic are deposited in the S. Clinic
12 Depository Account. All receivables from S. Home Health's and S. Medical
13 Supply's activities are deposited into the corresponding SHH Account and SMS
14 Account. Funds are then transferred from these three Accounts to the S. Operating
15 Account for all uses as described above in paragraph 14.

16 18. Sunnyside also maintains four accounts that are not in regular use. The
17 S. MM2 Account is an old escrow account at US Bank, currently minimal funds.¹¹

18
19 _____
20 ¹¹ In fact, the Debtors had attempted to close this Account prepetition, and believe
21 that it has either already been closed or that such closure will be effectuated in the

1 Sunnyside had also set up the S. Clinic 2 Account, S. Operating 2 Account, and S.
 2 Payable 2 Account when it thought it might have to separate governmental and non-
 3 governmental receivables, which it has not yet been instructed it must do. Currently
 4 these three accounts are not being used and hold approximately \$70 each. After the
 5 Petition Date, *with the exception of the S. Operating 2 Account*, these three Accounts
 6 may be closed, with any remaining funds transferred to the S. Operating Account.
 7 The S. Operating 2 Account is being repurposed as the DIP Loan Account, with all
 8 proceeds from the Debtors' debtor-in-possession financing being deposited therein.

9 19. Sunnyside has one credit card account at Banner. Limited personnel
 10 have access to the Sunnyside Credit Card Account, and each of them is granted a
 11 separate "account" number corresponding to their physical Visa cards; but they are
 12 each tied to a single credit card account governed by a single agreement. For the
 13 purpose of putting Banner on notice, the individual phantom accounts are as follows:

Entity	Name	Account No.
Sunnyside	Business Card	xxxxxxxxxxxx0211
Sunnyside	Brian Gibbons (Chief Executive Officer)	xxxxxxxxxxxx6458
Sunnyside	Angela Smith (Administrative Assistant)	xxxxxxxxxxxx2723

14
 15
 16
 17
 18
 19
 20 near future because its balance is not currently available (but most recently held less
 21 than \$500). The Account is still listed here in an abundance of caution.

20. Sunnyside has two final accounts at LVCU, which are CDs (S. CD1 and S. CD2). Sunnyside maintains these accounts for the satisfaction of the Board, which receives comfort from the Debtor keeping certain funds in such investment vehicles, which receive a minimum deposit of \$250,000 each. Sunnyside currently has borrowed against the CDs, so they function more as loans than cash accounts. But in any case, they form part of the Cash Management System.

21. Sunnyside is also record owner of the SYT Account, listed and described below in paragraph 24.

(c) **Yakima/Toppenish Accounts**

Record Owner	Bank	Account No.	Nickname
Yakima	WF	xxxxxx6018	“Y. Govt. Rec. Account”
Yakima	WF	xxxxxx6026	“Y. Non-Govt. Rec. Account”
Toppenish	WF	xxxxxx5994	“T. Govt. Rec. Account”
Toppenish	WF	xxxxxx6000	“T. Non-Govt. Rec. Account”
Y. Home Health	WF	xxxxxx6034	“YHH Govt. Rec. Account”
Y. Home Health	WF	xxxxxx6042	“YHH Non-Govt. Rec. Account”
Yakima	WF	xxxxxx5985	“ <u>YT Consolidating Account</u> ”
Yakima	BoA	xxx310	“ <u>Y. Lockbox Account</u> ”
Toppenish	BoA	xxx211	“ <u>T. Lockbox Account</u> ”

1	Yakima/Toppenish	BoA	xxxxxx1432	“ <u>YT BoA Dep. Account</u> ”
2	Yakima	Heritage	xxxx3317	“ <u>Y. Heritage Dep. Account</u> ”
3	Toppenish	Heritage	xxxx3374	“ <u>T. Heritage Dep. Account</u> ”
4	Y. Home Health	Heritage	xxxxx5653	“ <u>YHH Heritage Account</u> ”
5	Yakima	Banner	xxxxx8017	“ <u>YT Funding Account</u> ”
6	Astria	Banner	xxxxx2915	“ <u>YT A/P Account</u> ”
7	Yakima	Banner	Xxxxxx0213	“ <u>YT Credit Card Account</u> ” (and together with the Astria Credit Card Accounts and the Sunnyside Credit Card Account, the “ <u>Credit Card Accounts</u> ”)
8				
9				
10	Astria	Banner	xxxxx2817	“ <u>YT Payroll Account</u> ”
11	Sunnyside	US Bank	xxxxxxxx4375	“ <u>SYT Account</u> ”

12 22. Yakima/Toppenish use Wells Fargo depository accounts for their
13 primary receivables, separated into governmental and non-governmental accounts.
14 The Y. Govt. Rec. Account, T. Govt. Rec. Account, and YHH Govt. Rec. Account
15 receive deposits from Medicare and Medicaid to Yakima, Toppenish, and Y. Home
16 Health, respectively. The Y. Non-Govt. Rec. Account, T. Non-Govt. Rec. Account,
17 and YHH Non-Govt. Rec. Account receive all other receivables not from
18 governmental payors. The funds from all six of these depository accounts are then
19 swept into the Y. Consolidating Account, which is then swept to MidCap.

20 23. The three BOA Accounts are holdovers from when Yakima and
21 Toppenish belonged to CHS. Insurance receivables in the form of physical checks

1 would be deposited in either the Y. Lockbox Account or the T. Lockbox Account, as
2 applicable, and then funds would transfer to the YT BoA Dep. Account. Insurance
3 receivables in electronic form would be deposited directly into the YT BoA Dep.
4 Account. The YT BoA Dep. Account is then swept to MidCap. The Debtors have
5 advised insurance companies to use the WF Accounts, but, historically, \$10-50,000
6 on average in receivables still hit the BoA Accounts every day. So despite
7 Yakima/Toppenish's primary use of the WF Accounts, they have not yet determined
8 to close the BoA Accounts.

9 24. The Heritage and US Bank Accounts also receive payments from
10 insurance companies on account of home health visits (the Y. Heritage Dep. Account
11 or the T. Heritage Dep. Account, as applicable, then swept to the YHH Heritage
12 Account, then swept to MidCap). These Accounts see the least action on the
13 Yakima/Toppenish side, with less than \$500 received in any given week.
14 Accordingly, these Accounts could reasonably be closed to streamline the Cash
15 Management System, except that the Debtors are concerned there may be an obscure
16 payment that will not find its way to the Estates if these Accounts no longer exist to
17 accept it. (As for the Account owned by Sunnyside, this was originally set up to
18 more easily create an account for nondebtor affiliate Yakima HMA Physician
19 Management by using Sunnyside's tax identification number. The SYT Account has
20 nothing to do with Sunnyside operations, and could be closed following the Petition
21 Date.)

1 25. As described in this section, all the Yakima/Toppenish Accounts are
2 either directly or indirectly swept to MidCap. Every day the parties reconcile what
3 has been swept. Every other week, Yakima/Toppenish requests funds for payroll;
4 and the other weeks, Yakima/Toppenish requests funds for non-payroll A/P. These
5 requests take the form of borrowing base certificates (BBCs). These requests need
6 to be made by Thursday in order to fund the following day's payroll.¹² Funds
7 requested are deposited by MidCap into the YT Funding Account, which then are
8 transferred, as applicable, to either: (a) the YT Payroll Account for payment of
9 Yakima/Toppenish payroll; (b) the YT A/P Account for Yakima/Toppenish direct
10 A/P; or (c) (upon request by Astria, as described above in paragraph 11) to the Astria
11 Account to cover Yakima/Toppenish's allocation of health system costs paid by
12 Astria. If the DIP Motion is approved, and the Outstanding Prepetition MidCap
13 Obligations are paid, the element of the Cash Management system requiring
14 sweeping to and funding from MidCap will no longer be necessary.

15 26. Yakima/Toppenish also has one credit card account at Banner, owned
16 by Yakima. Limited personnel have access to the YT Credit Card Account, and each
17 of them is granted a separate "account" number corresponding to their physical
18 MasterCards; but they are each tied to a single credit card account governed by a

19 _____
20 ¹² By separate and contemporaneous motion, the Debtors are requesting authority to
21 continue processing payroll in the ordinary course of business.

1 single agreement. For the purpose of putting Banner on notice, the individual
2 phantom accounts are as follows:

3 Entity	Name	Account No.
4 Yakima	Toni Koerner (Administrative 5 Assistant)	xxxxxxxxxxxx0221
6 Yakima	Brian Fischer (Director of Materials 7 Management)	xxxxxxxxxxxx9263
8 Yakima	Shannon Carlson (Medical Staff 9 Coordinator)	xxxxxxxxxxxx0816
10 Toppenish	Annabell Szymeczek (Administrative 11 Assistant)	xxxxxxxxxxxx3159

12 **C. Balance in Accounts**

13 27. As of May 1, 2019, the aggregate balance in the Accounts was
14 approximately \$4.14 million. Two of the Banks (WF and US Bank) already appear
15 on the U.S. Trustee’s list of approved depositories for funds of debtors in possession.
16 Three of the Banks (BoA, Banner, and Heritage) are insured by the FDIC or Office
17 of the Comptroller of the Currency (“OCC”) and regulated by the FDIC, OCC and/or
18 CFPB. Moreover, BoA was also previously recognized by this Court as an
19 appropriate depository bank for a chapter 11 debtor. *See In re Metro. Mortgage &*
20 *Sec. Co., et al.*, Docket No. 558, Case No. 04-00757-W11 (Bankr. E.D. Wash. Apr.
21 14, 2004). The one remaining Bank (LVCU), insured by the National Credit Union

1 Share Insurance Fund, is used only for CDs that are in place at the suggestion of the
2 Board, and are currently borrowed against by Sunnyside. Therefore, the Debtors
3 submit that the funds in the Accounts are sufficiently protected as required by § 345
4 of the Bankruptcy Code.

5 **IV.**
6 **DISCUSSION**

7 Statutory support for the requested relief exists pursuant to §§ 105(a),
8 363(b)(1) and (c)(1), and 364(a). Section 363(c)(1) authorizes a debtor in possession
9 to enter into transactions in the ordinary course of business without notice and a
10 hearing; whereas § 363(b)(1) authorizes a debtor in possession to use property of the
11 estate other than in the ordinary course of business after notice and a hearing.
12 Furthermore, § 364(a) authorizes a debtor in possession to obtain unsecured credit in
13 the ordinary course of business. The Debtors request to continue using their Cash
14 Management System—including their Credit Card Account—in the ordinary course
15 of business; but even if any of the relief requested herein could be considered outside
16 the ordinary course, the Court may approve it.

17 Pursuant to § 105(a), “the court may issue any order, process, or judgment that
18 is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. §
19 105(a). Essentially, § 105(a) provides a statutory counterpart to the bankruptcy
20 court’s otherwise inherent and discretionary equitable powers. *See In re Sasson*, 424
21

1 F.3d 864, 874 (9th Cir. 2005); *In re Halvorson*, 581 B.R. 610, 636 n.91 (Bankr. C.D.
2 Cal. 2018).

3 The Cash Management System constitutes an ordinary course and essential
4 business practice of the Debtors. The Cash Management System provides significant
5 benefits to the Debtors including, among other things, the ability to (a) control
6 corporate and Hospital funds, (b) ensure the maximum availability of funds when
7 and where necessary, and (c) reduce costs and administrative expenses by facilitating
8 the movement of funds and the development of more timely and accurate account
9 information.

10 The operation of the Astria Health system requires that the Cash Management
11 System continue during the pendency of these Chapter 11 Cases. As a practical
12 matter, because of the Debtors' history and structure, it would be extremely difficult
13 and expensive to establish and maintain a new cash management system; and it would
14 be extraordinarily disruptive and harmful to their operations at this early and critical
15 stage of their Chapter 11 Cases. Reestablishing and reconnecting deposits and
16 billings to new accounts would be impractical, costly, and an inefficient use of the
17 Debtors' resources. Any such disruption would have a severe, adverse, and
18 potentially irreparable impact upon the Estates. Consequently, maintaining the Cash
19 Management System is in the best interest of all parties in interest, including Patients.

20 The Court may exercise its equitable powers to grant the relief requested
21 herein. Permitting the Debtors to continue using their Cash Management System

1 without interruption is critical to the success of these Chapter 11 Cases. As currently
2 structured, the Debtors' Cash Management System enables the Debtors to transfer
3 their revenues, deposits and other receipts toward the payment of their obligations,
4 and recognizes the operation of the Debtors as an integrated health system. Without
5 the Cash Management System, the Debtors efforts to preserve and maximize value
6 would be impaired. It is well within the Court's equitable powers pursuant to §§
7 105(a) and 363 to approve the relief requested herein.

8 **A. Maintenance of the Accounts Is in the Best Interests of the Estates**

9 The LBR require chapter 11 debtors in possession to open new bank accounts
10 and close all existing accounts upon the commencement of their bankruptcy cases.
11 See LBR 3016-1(d). The UST Guidelines also require that new bank accounts be
12 opened at certain financial institutions designated as authorized depositories by the
13 U.S. Trustee. See Notice Of Requirements For Chapter 11 Debtors In Possession,
14 available at www.usdoj.gov/ust/r18.

15 However, requiring the Debtors to close the Accounts and to open new ones
16 will disrupt the Debtors' business and cash flow, which could adversely impact the
17 Debtors' operations, and—significantly—affect patient care. Further, closing the
18 Accounts and opening new ones will also increase the work required of the Debtors'
19 accounting personnel who already are busy addressing the many and varied issues
20 related to the commencement of these Chapter 11 Cases, and would needlessly cost
21

1 the Debtors time and money with no discernible benefit to the Estate at a time when
2 they are trying to conserve both.

3 LBR 3016-1(d) requires that a debtor close their existing Accounts and open
4 new postpetition bank accounts at depositories authorized by the U.S. Trustee. The
5 UST Guidelines further provide that “[e]ach Chapter 11 debtor in possession bank
6 account should be opened at one of the institutions” listed in the Initial Reporting
7 Requirements as approved by the U.S. Trustee. The Debtors hereby seek a waiver of
8 these rules and requirements. The Debtors request instead that they be allowed to
9 convert the Accounts, which are already primarily at depositories authorized by the
10 U.S. Trustee, to “debtor in possession” accounts and continue to utilize them as
11 necessary to best serve their business needs.

12 LBR 3016-1(d) and the UST Guidelines are, at bottom, intended to support the
13 statutory goals of § 345. Section 345 governs a debtor’s deposits during its
14 bankruptcy case and authorizes deposits of money of an estate in such manner as
15 “will yield the maximum reasonable net return on such money, taking into account
16 the safety of such deposit or investment.” 11 U.S.C. § 345(a). However, for deposits
17 or investments that are not “insured or guaranteed by the United States or by a
18 department, agency, or instrumentality of the United States or backed by the full faith
19 and credit of the United States,” § 345(b) requires that the estate obtain from the
20 entity with which such money is deposited or invested, a bond in favor of the United
21 States secured by the undertaking of a corporate surety. 11 U.S.C. § 345(b)(1)(A)-

1 (B). In the alternative, the estate may require that the entity deposit government
2 securities in accordance with 31 U.S.C. § 9303. 11 U.S.C. § 345(b)(2).

3 Maintaining deposits in strict compliance with the requirements of § 345(b)
4 would, in some cases, be inconsistent with the requirement of § 345(a) that deposits
5 be maintained in a manner that “will yield the maximum reasonable net return on
6 such money, taking into account the safety of such deposit or investment.” It is for
7 this reason that in 1994, Congress amended § 345 to allow the requirements of
8 subsection (b) to be waived or modified if a court so orders “for cause.” 11 U.S.C. §
9 345(b). As the legislative history indicates, Congress believed that strict application
10 of § 345(b) could “needlessly handcuff larger, more sophisticated debtors.” 140
11 Cong. Rec. H 10,767 (Oct. 4, 1994).

12 All except nine of the Debtors’ Accounts are ordinary depository accounts
13 maintained for operational and not investment purposes. At times, the individual
14 balance in the Accounts may exceed the current limits of governmental insurance.
15 Therefore, these accounts may be subject to § 345(b)’s bonding or collateralization
16 requirements unless they are waived.

17 In determining whether “cause” exists for a waiver, the Court should consider
18 the “totality of circumstances,” including the following factors:
19
20
21

- 1 (a) The sophistication of the debtor's business;
2 (b) The size of the debtor's business operations;
3 (c) The amount of the investments involved;
4 (d) The bank ratings (Moody's and Standard and Poor) of the
5 financial institutions where debtor-in-possession funds are held;
6 (e) The complexity of the case;
7 (f) The safeguards in place within the debtor's own business of
8 insuring the safety of the funds;
9 (g) The debtor's ability to reorganize in the face of a failure of one
10 or more of the financial institutions;
11 (h) The benefit to the debtor;
12 (i) The harm, if any, to the estate; and
13 (j) The reasonableness of the debtor's request for relief from §
14 345(b) requirements in light of the overall circumstances of the
15 case.

16 *In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

17 The Debtors request that the Court waive the requirements of § 345(b) and
18 permit the Debtors to maintain their deposits in the Accounts in accordance with
19 existing deposit practices. The Debtors' existing deposit practices are significantly
20 less burdensome and more appropriately tailored to their business needs than the
21 practices otherwise required under both the Bankruptcy Code and by the UST
Guidelines. The Debtors submit that strict compliance with § 345(b) would be overly
burdensome and restrict the Debtors' banking options to the detriment of their Estates
and creditors.

Moreover, the totality of circumstances in these Cases support cause for a
waiver. The Debtors comprise a vast system of hospitals, medical clinics, and
systems. They operate using 37 different accounts, which include, on the one hand,
operationally, multiple A/P and payroll accounts, and on the other hand, very

1 specifically purposed accounts. Subjecting each of these Accounts to the
2 collateralization or bonding requirements of § 345 would be more than disruptive; it
3 would be untenable and harmful to the estates, the Hospitals' patients and all parties
4 in interest such requirements are designed to protect.

5 Requiring the Debtors to close the Accounts would serve no purpose but
6 would, as stated, delay the Debtors' ability to utilize their funds, put further burdens
7 on accounting personnel dealing with the Debtors' many financial issues and cost the
8 Debtors time and money better used in their efforts to maximize value of the Estates
9 for their creditors.

10 Bankruptcy courts across the country routinely grant relief similar to that
11 requested in this Motion; because such considerations are so obvious, however, few
12 decisions related to such requests are published or reported. *See, e.g., In re Gen.*
13 *Growth Props., Inc.*, 412 B.R. 609 (Bankr. S.D.N.Y. 2009); *In re UAL Corp.*, No.
14 02-B-48191, 2002 WL 34344255 (Bankr. N.D. Ill. Dec. 9, 2002). Courts in this
15 Circuit have routinely (a) waived the strict enforcement of the U.S. Trustee
16 Guidelines requiring closing prepetition bank accounts and (b) approved the
17 continued use of existing cash management systems, including various hospital
18 systems' authority to continue using prepetition bank accounts. *See, e.g., In re Verity*
19 *Health System*, Case No. 2:18-20151-ER, Docket No. 728 (Bankr. C.D. Cal. Oct. 31,
20 2018); *In re Victor Valley Cmty. Hosp.*, Case No. 10-39537-CB, Docket No. 32
21 (Bankr. C.D. Cal. Sep. 17, 2010); *In re Downey Reg'l Med. Ctr.-Hosp., Inc.*, Case

1 No. 09-34714-BB, Docket No. 38 (Bankr. C.D. Cal. Sep. 17, 2009). The Debtors
2 respectfully submit that continued use of the Accounts should be approved in these
3 Chapter 11 Cases as well.

4 Furthermore, the Court has previously authorized a chapter 11 debtor to
5 contemporaneously close and reopen identical accounts at the same financial
6 institution. *See Metro. Mortgage*, at Docket No. 558. Here, the Debtors seek very
7 similar relief, except to substitute the administrative step of rebranding the accounts
8 as “debtor in possession” ones rather than going through the much more burdensome
9 process of closing and reopening. The Debtors submit that the procedure they
10 propose is preferable in its benefits to the Estates especially on account of the
11 difference in electronic banking from 2004 (when Metropolitan Mortgage was before
12 the Court) and 2019. Logistically, now accounts may be easily rebranded in the
13 account information itself, without the need to close and reopen them to achieve the
14 same result. Critically, now many more receivables to these Accounts are electronic
15 rather than physical, which means they are more likely to bounce back to their payors
16 if they do not reach a familiar account number.

17 Similarly, along with their other Accounts, the Debtors respectfully submit that
18 it is imperative that the Debtors continue to have access to the use of their credit card
19 facilities, so that the Debtors may pay for ordinary expenses that arise in the course
20 of delivering health care services and are critical to patient care. Such authority is
21 available pursuant to § 364(a), which provides that the Debtors “may obtain

1 unsecured credit and unsecured debt in the ordinary course of business allowable
2 under section 503(b)(1) of [the Bankruptcy Code] as an administrative expense.” The
3 Credit Card Account will continue to be used precisely for “actual, necessary costs
4 and expenses of preserving the estate.” See § 503(b)(1). Conversely, if the Bank is
5 permitted to terminate the Debtors’ access to the Credit Card Account, it will cause
6 a severe disruption to the Debtors’ ability to perform routine functions in the ordinary
7 course of operating the Hospitals and performing any other healthcare focus. Thus,
8 to avoid immediate and irreparable harm, the Debtors request the Court grant this
9 Motion.

10 **B. Granting Administrative Expense Priority to Postpetition Intercompany**
11 **Claims Is Necessary and Appropriate**

12 Certain of the Debtors’ funds, and certain of their expenses, are aggregated in
13 the Cash Management System. The Debtors track all fund transfers in their
14 accounting system and have the ability to account for all intercompany transfers
15 related to cash receipts and disbursements. Continuation of the intercompany
16 transfers in the Cash Management System is in the best interests of the Debtors, their
17 Estates, and all parties in interest. To ensure each individual Debtor will not fund, at
18 the expense of its creditors, the operations of another entity, the Debtors request that,
19 pursuant to §§ 364(b), 503(b)(1) and 507(a)(2), all intercompany claims arising after
20 the Petition Date be accorded administrative expense priority.
21

1 **C. Honoring Certain Prepetition Obligations Related to the Cash**
2 **Management System Should Be Approved**

3 The Debtors incur periodic service charges and other fees from the Banks in
4 connection with the maintenance of the Cash Management System (collectively, the
5 “Bank Fees”), which average approximately \$9,000 per month, which the Debtors
6 estimate that they owe as of the Petition Date and is payable on May 11, 2019.
7 Payment of any prepetition Bank Fees is in the best interests of the Debtors and all
8 parties in interest in these Chapter 11 Cases, as it will prevent unnecessary disruptions
9 to the Cash Management System and ensure that the Debtors’ receipt of funds are not
10 delayed. Further, because the Banks likely have setoff rights for the Bank Fees,
11 payment of prepetition Bank Fees should not alter the rights of unsecured creditors
12 in these Chapter 11 Cases.

13 **D. Authorizing and Directing the Banks to Honor Postpetition Checks and**
14 **Granting Banks Limited Relief from the Automatic Stay**

15 In relation to the above requested relief, the Debtors also request that the Court:
16 (i) authorize and direct the Banks to immediately, as of entry of the order hereon,
17 honor postpetition checks drawn on and transfers made from the Accounts; (ii)
18 require that in the event the Banks refuse to honor checks drawn on their Accounts
19 or transfer instructions made on their Accounts (provided there are sufficient good
20 funds in the account to honor the checks or transfer instructions and the checks are
21 otherwise properly payable), the Banks immediately turn over the deposits held in
the applicable Accounts upon the Debtors’ request, and (iii) grant the Banks limited

1 relief from the automatic stay to continue to offset standard monthly or periodic bank
2 fees against the Accounts in the same manner as such fees were offset prepetition.
3 Courts in this Circuit have routinely granted this relief, and the Debtors respectfully
4 submit that the same relief should be approved in these Chapter 11 Cases as well.
5 *See* citations, p.31, ll.9-14, *supra*.

6 **E. Maintenance of the Debtors' Existing Business Forms Is in the Best**
7 **Interests of the Estates**

8 The Debtors are also requesting authority to continue using their business
9 forms without the designation "Debtors in Possession" on them for a limited time.
10 Many of the Debtors' business forms are electronically generated or, if printed, can
11 be electronically altered. The Debtors seek the authority of this Court to utilize their
12 forms without the "Debtors in Possession" designation until existing stock is
13 exhausted, and until the Debtors can make the necessary adjustments to their software
14 so that these forms will contain the phrase "Debtors in Possession."

15 Courts in this Circuit routinely grant authority to continue using existing
16 business forms in chapter 11 cases until new forms can be printed and their current
17 stock is depleted. *See* citations, p.31, ll.9-14, *supra*. Such authority is routinely
18 granted excusing a business enterprise from suffering the disruption and expense of
19 immediately replacing or otherwise placing the "Debtors in Possession" designation
20 on all of their pre-existing business forms, hampering the administration of a chapter
21

1 11 case to the further economic detriment of creditors while the new forms are being
2 generated, all because it is counter-productive to the purpose of the bankruptcy filing.

3 Accordingly, the Debtors respectfully request continued use of their existing
4 business forms as set forth above, until existing stock is exhausted.

5 **F. The Court Should Authorize the Banks to Immediately Release Any and**
6 **All Administrative Holds and/or Freezes That They May Have on the**
7 **Accounts**

8 The United States Supreme Court as well as courts within the Ninth Circuit
9 have discussed whether the placement of an administrative “freeze” or hold on a
10 debtor’s bank account violates the automatic stay; and their holdings depend on
11 several factors including under which chapter of the Bankruptcy Code the case is
12 proceeding and what, if any, setoff rights the bank holds. *See, e.g., Citizens Bank of*
13 *Md. v. Strumpf*, 516 U.S. 16 (1995); *In re Mwangi*, 764 F.3d 1168 (9th Cir. 2014); *In*
14 *re Tuscan Ranch, Inc.*, No. BAP AZ-11-1045, 2012 WL 603639, at *6 (B.A.P. 9th
15 Cir. Feb. 2, 2012).

16 The Debtors are not seeking any determination from the Court at this time with
17 respect to the validity or the permissibility of the policy described above.
18 Nonetheless, as the Debtors are seeking to keep the Cash Management System in
19 place, and concurrently requesting authority to immediately pay prepetition payroll,
20 in an abundance of caution, the Debtors respectfully request that the Court exercise
21 its authority pursuant to § 105 and authorize the immediate release on all holds or
freezes on the Accounts.

1 The Debtors note that other than the specific items described in this Motion
2 excusing the moving of bank accounts, closing of prepetition bank accounts, and the
3 limited period for the lack of designating the debtor in possession status on the
4 business forms, the U.S. Trustee requirements for the debtor in possession remain in
5 place including section 345(b)(2).

6 V.

7 **CONCLUSION**

8 For the foregoing reasons, the Debtors respectfully request that this Court enter
9 an Order:

10 (a) Authorizing the Debtors to continue to use their Cash Management
11 System (including their Credit Card Accounts), subject to the terms of the DIP
12 Documents, including to maintain and continue using their existing Accounts and
13 business forms (until existing stock is exhausted);

14 (b) Authorizing the Debtors to implement changes to their Cash
15 Management System in the ordinary course of business, subject to the terms of the
16 DIP Documents, including closing the Accounts or opening new bank accounts;

17 (c) Authorizing the Debtors to continue to perform under and honor
18 intercompany transactions related to the Cash Management System in the ordinary
19 course of business, in their business judgment and in their sole discretion, subject to
20 the terms of the DIP Documents; and providing administrative expense priority for
21

1 postpetition intercompany claims based upon transfers made using the Cash
2 Management System;

3 (d) Authorizing and directing the Banks to continue to maintain, service and
4 administer the Accounts in the ordinary course of business, including to honor
5 postpetition checks drawn on and transfers made from the Accounts; and requiring
6 that, in the event the Banks refuse to honor a check drawn or a transfer made on an
7 Account maintained by it (provided there are sufficient good funds in the account to
8 complete the transfer), the Banks immediately turn over the deposits held in the
9 applicable Account upon the Debtors' request;

10 (e) Granting the Banks limited relief from the automatic stay to continue to
11 offset standard monthly bank fees against the Accounts in the same manner as such
12 fees were offset prepetition, including those fees accrued prepetition in the amount
13 of \$4,800; and

14 (f) Granting such other and further relief as is just and proper under the
15 circumstances.

1 Dated: May 6, 2019

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JAMES L. DAY (WSBA #20474)
BUSH KORNFELD LLP

3

4

SAMUEL R. MAIZEL (*Pro Hac Vice*
pending)

5

SAM J. ALBERTS (WSBA #22255)
DENTONS US LLP

6

*Proposed Attorneys for the Chapter 11
Debtors and Debtors In Possession*

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EXHIBIT A

	Debtor	Type/Description	Motion ¶	Account No.
	Bank of America Attn: Cash Pro Technical Assistance 100 North Tryon Street Charlotte, NC 28205 (888) 589-3473			
1	SHC Medical Center Yakima	Lockbox	23	xxx310
2	SHC Medical Center Toppenish	Lockbox	23	xxx211
3	SHC Medical Center Yakima; SHC Medical Center Toppenish	Depository	23	xxxxxx1432 ¹
	Banner Bank Attn: CeCe Iberra 1010 Yakima Valley Highway Sunnyside, WA 98944 (509) 837-8008			
4	Astria Health	Depository and Checking	11	xxxxx519
5	Astria Health	Payroll for Yakima and Toppenish	13, 25	xxxxx2817
6	Astria Health	Accounts Payable for Yakima and Toppenish	13, 25	xxxxx2915

¹ The Debtors had attempted to close these two Accounts prepetition, and believe that they have either already been closed or that such closure will be effectuated in the near future. The Accounts are listed here in an abundance of caution.

**CASH MANAGEMENT
MOTION**

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7	Astria Health	Credit Card (Gallagher)	12	xxxxxx3026
8	Astria Health	Credit Card (Rowan)	12	xxxx3059
9	Astria Health	Credit Card (Allen)	12	xxxx5379
10	SHC Medical Center Yakima	Depository	25	xxxxx8017
11	SHC Medical Center Yakima	Credit Card	26	xxxxxx0213 • xxxxxxxxxxxxxx0221 • xxxxxxxxxxxxxx9263 • xxxxxxxxxxxxxx0816 • xxxxxxxxxxxxxx3159
12	Sunnyside Community Hospital Assn	Operating	14	xxxxxx2062
13	Sunnyside Community Hospital Assn	Payroll	15	xxxxxx2070
14	Sunnyside Community Hospital Assn	Clinic	17	xxxxxx2088
15	Sunnyside Community Hospital Assn	UMR Medical	16	xxxxxx4308
16	Sunnyside Community Hospital Assn	UMR FSA	16	xxxxxx4316
17	Sunnyside Community Hospital Assn	Money Market	18	xxxxxx0049

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18	Sunnyside Community Hospital Assn	Clinic #2	18	xxxxx1111
19	Sunnyside Community Hospital Assn	Was: Operating #2 Now: DIP Loan	18	xxxxx1013
20	Sunnyside Community Hospital Assn	Payable #2	18	xxxxx1318
21	Sunnyside	Credit Card	19	xxxxxxx4731 • xxxxxxxxxxxxxx0211 • xxxxxxxxxxxxxx6458 • xxxxxxxxxxxxxx2723
22	Sunnyside Home Health	Depository	17	xxxxx5312
23	Sunnyside Community Hospital Home Medical Supply	Depository	17	xxxxxx4367
<p>Heritage Bank Tami Ramirez 301 W Yakima Ave Yakima, WA 98902 (509) 453-1172</p>				
24	SHC Medical Center Yakima	Depository	24	xxxx3317
25	SHC Medical Center Toppenish	Depository	24	xxxx3374
26	Yakima HMA Home Health LLC	Depository	24	xxxxx5653

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<p>US Bank Darlene Robinson 800 Nicollet Mall Minneapolis, MN 55402 (414) 765-5484</p>				
27	Sunnyside Community Hospital Assn	Money Market	18	xxxxx2000 ¹
28	Sunnyside Community Hospital Assn	Depository	21, 24	xxxxxxxx4375
<p>Wells Fargo Attn: Brenda Valencia 101 E Yakima Ave Yakima, WA 98902 (509) 576-6184</p>				
29	SHC Medical Center Yakima	Consolidating	22	xxxxxx5985
30	SHC Medical Center Yakima	Depository	22	xxxxxx6018
31	SHC Medical Center Toppenish	Depository	22	xxxxxx5994
32	Yakima HMA Home Health LLC	Depository	22	xxxxxx6034
33	SHC Medical Center Yakima	Depository	22	xxxxxx6026
34	SHC Medical Center Toppenish	Depository	22	xxxxxx6000
35	Yakima HMA Home Health LLC	Depository	22	xxxxxx6042

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Lower Valley Credit Union 900 Yakima Valley Highway Sunnyside, WA 98944 (877) 406-5828				
36	Sunnyside Community Hospital Assn	Certificate of Deposit	20	xxxx5-001
37	Sunnyside Community Hospital Assn	Certificate of Deposit	20	xxxx5-002

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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

<p>IN RE:</p> <p>ASTRIA HEALTH, et al.</p> <p style="padding-left: 150px;">Debtors.¹</p>	<p>Chapter 11</p> <p>Lead Case No. 19-01189-11</p> <p>Jointly Administered</p> <p>[PROPOSED] INTERIM ORDER GRANTING EMERGENCY MOTION OF DEBTORS FOR AUTHORITY TO: (1) CONTINUE USING EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS; (2) IMPLEMENT CHANGES TO THE CASH MANAGEMENT SYSTEM IN THE ORDINARY COURSE OF BUSINESS; (3) CONTINUE INTERCOMPANY TRANSACTIONS; (4) PROVIDE ADMINISTRATIVE EXPENSE PRIORITY FOR POSTPETITION INTERCOMPANY CLAIMS; AND (5) OBTAIN RELATED RELIEF</p>
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¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHS Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-01190-11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-01200-11)

INTERIM CASH MANAGEMENT
ORDER

1 Upon the motion, dated May 6, 2019, of Astria Health and the above-
2 referenced affiliated debtors (collectively, the “Debtors”), the debtors and debtors in
3 possession in the above-captioned chapter 11 bankruptcy cases (collectively, the
4 “Chapter 11 Cases”), for the entry of an order, pursuant to §§ 105, 363, 364, 503 and
5 507 of title 11 of the United States Code (the “Bankruptcy Code”),² authorizing the
6 Debtors, subject to the requirements imposed on the Debtors pursuant to any interim
7 or final orders (including any related budgets) authorizing the Debtors’ entry into
8 postpetition debtor in possession financing and use of cash collateral (each, a “DIP
9 Document”), to: (1) continue to use their cash management system, including the
10 continued maintenance of their existing bank accounts (including credit card
11 accounts) and business forms; (2) implement changes to their cash management
12 system in the ordinary course of business, including opening new or closing existing
13 bank accounts; (3) continue to perform under and honor intercompany transactions
14 in the ordinary course of business, in their business judgment and in their sole
15 discretion; (4) provide administrative expense priority for postpetition intercompany
16 claims, all as set forth in more detail below; and (5) obtain related relief (the
17 “Motion”)³ [Docket No. ___], all as more fully set out in the Motion; and upon

18 _____
19 ² All references to “§” or “sections” herein are to sections of the Bankruptcy Code.

20 ³ Capitalized terms not otherwise defined herein have the meanings ascribed to
21 them in the Motion.

1 consideration of the Declaration of John Gallagher in support of the Motion; it further
2 appearing that the Court has jurisdiction over this matter; and it further appearing that
3 notice of the Motion as set forth therein is sufficient under the circumstances, and
4 that no other or further notice need be provided; and it further appearing that the relief
5 requested in the Motion is in the best interests of the Debtors, their estates and their
6 creditors; and after due deliberation and sufficient cause appearing therefor, it is
7 hereby

8 ORDERED that notice of the Motion was appropriate under the circumstances
9 and in compliance with the Bankruptcy Code, Bankruptcy Rules, and Local
10 Bankruptcy Rules; and it is further

11 ORDERED that the Emergency Motion is granted on an interim basis; and it
12 is further

13 ORDERED that:

14 1. The Debtors are authorized and empowered pursuant to sections 105(a),
15 363, 364, 503 and 507 to continue using their integrated cash management system
16 described in the Motion (the "Cash Management System") and to collect,
17 concentrate, and disburse cash in accordance with the Cash Management System,
18 including intercompany funding among Debtors and Debtor affiliates;

19 2. Notwithstanding anything to the contrary herein, any payment to be
20 made or authorization contained hereunder shall be subject to the requirements
21 imposed on the Debtors pursuant to the DIP Documents;

INTERIM CASH MANAGEMENT
ORDER

1 3. The Debtors are authorized to implement changes to their Cash
2 Management System in the ordinary course of business, including closing any
3 existing bank accounts or opening any new bank accounts (collectively, the “Bank
4 Accounts”) as they may deem necessary and appropriate in their sole discretion;
5 provided that such actions are not prohibited or restricted by the terms of any DIP
6 Document and three (3) business days’ notice in writing of the opening or closing of
7 any Bank Account provided to (a) counsel for the lender of the DIP under the DIP
8 Documents (the “DIP Lender”) and (b) the Official Committee of Unsecured
9 Creditors, once appointed in these chapter 11 cases (the “Committee”); and provided
10 further that any such new account is (i) with a bank that is (A) insured with the
11 Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance
12 Corporation and (B) designated as an authorized depository pursuant to the UST
13 Guidelines, and (ii) the Debtors provide notice to the U.S. Trustee and the Committee
14 of the opening of such account;

15 4. The Debtors are authorized to (i) continue to use, with the same account
16 numbers, all of the Bank Accounts in existence as of the Petition Date, including
17 those Accounts identified on **Exhibit “A”** to the Motion, including (for the avoidance
18 of doubt), the credit card accounts; and (ii) treat the Bank Accounts for all purposes
19 as accounts of the Debtors as debtors in possession;

20 5. The Debtors are authorized to continue to use, in their present form, all
21 correspondence and business forms, as well as checks and all other documents related

1 to the Bank Accounts (collectively, the “Business Forms”) existing immediately
2 before the Petition Date, without reference to the Debtors’ status as debtors in
3 possession, until existing stock is exhausted; provided that in the event the Debtors
4 generate new Business Forms during the pendency of these chapter 11 cases, such
5 Business Forms shall include a legend referring to the Debtors as “Debtors in
6 Possession,” and, to the extent practicable, the Debtors shall print such legend on any
7 Business Forms electronically generated during these cases;

8 6. The Debtors are authorized and empowered to continue performing
9 under and honoring intercompany transfers (“Intercompany Transfers”) related to the
10 Cash Management System in the ordinary course of business, in their business
11 judgment and in their discretion subject to the terms of this Order; provided, however,
12 that notwithstanding anything contrary contained herein, the Debtors are not
13 authorized to make Intercompany Transfers to non-debtor affiliates of the Debtors’
14 DIP proceeds;

15 7. The Debtors shall (a) maintain current records with respect to all
16 postpetition Intercompany Transfers and claims arising from such transfers
17 (“Intercompany Claims”), (b) put in place accounting procedures to identify and
18 distinguish between the prepetition and postpetition Intercompany Claims and to
19 track postpetition Intercompany Claims, and (c) provide reasonable access to such
20 records and procedures to counsel for the DIP Lender and counsel for the Committee;

1 8. The Debtors shall deliver a report to counsel to the DIP Lender
2 and counsel to the Committee, on a bi-weekly and confidential basis, describing the
3 Intercompany Transfers occurring during the two-week period preceding the report
4 date with sufficient detail with respect to the Debtor entities, the source and the time
5 period covered by each Intercompany Transfer;

6 9. The Debtors shall provide the Committee and counsel for the DIP
7 Lender with notice of filing any records regarding Intercompany Transfers and
8 balances, including: (i) their schedules of assets and liabilities and statements of
9 financial affairs, and any amendments thereto; and (ii) monthly operating reports
10 created pursuant to the United States Trustee guidelines and requests;

11 10. In accordance with sections 364(b), 503(b)(1) and 507(a)(2) of
12 the Bankruptcy Code, all postpetition Intercompany Claims shall be accorded
13 administrative expense priority;

14 11. Nothing in this Order shall be deemed or construed as a waiver of
15 the rights, if any, of the DIP Lender, the Committee, or the Office of the United States
16 Trustee, if any, to challenge the Debtors' allocations of expenses and revenues among
17 the Debtor entities, or the Debtors' rights to contest any such challenges; provided,
18 however, that such challenges shall be limited to the issue of allocation and not
19 priority;

20 12. Except as otherwise provided in this Order, all banks at which the
21 Bank Accounts are maintained (collectively, the "Banks") are authorized and

1 directed to continue to maintain, service and administer the Bank Accounts as
2 accounts of the Debtors as debtors in possession, without interruption and in the
3 ordinary course of business, and to receive, process, honor and pay any and all
4 checks, drafts, wires, and ACH payments issued by the Debtors and drawn on the
5 Bank Accounts after the Petition Date—whether issued before or after the Petition
6 Date—to the extent the Debtors have sufficient funds standing to their credit with
7 such Bank;

8 13. To the extent any Banks have frozen any of the Bank Accounts,
9 the Banks—including Bank of America, Banner Bank, Heritage Bank, Lower Valley
10 Credit Union, US Bank, and Wells Fargo—are authorized and directed to
11 immediately unfreeze the Debtors’ Bank Accounts;

12 14. In the event the Banks refuse to honor a check drawn or a transfer
13 made on an Account maintained by it (provided there are sufficient good funds in the
14 account to complete the transfer), the Banks are authorized and directed to
15 immediately turn over the deposits held in the applicable Account upon the Debtors’
16 request;

17 15. The Banks are authorized to charge and the Debtors are
18 authorized to pay and honor, both prepetition and postpetition service and other fees,
19 costs, charges, and expenses to which the Banks may be entitled under the terms of
20 and in accordance with their contractual arrangements with Debtors (collectively, the
21 “Service Charges”);

1 16. Each of the Debtors' Banks is authorized to debit the Debtor's
2 accounts in the ordinary course of business without need for further order of this
3 Court for: (i) all checks, items, and other payment orders drawn on the Debtor's
4 accounts which are cashed at such Bank's counters or exchanged for cashier's checks
5 by the payees thereof prior to the Bank's receipt of notice of filing of the Petition;
6 (ii) all checks, automated clearing house entries, and other items deposited or credited
7 to one of Debtor's accounts with such Bank prior to filing of the Petition which have
8 been dishonored, reversed, or returned unpaid for any reason, together with any fees
9 and costs in connection therewith, to the same extent the Debtor was responsible for
10 such items prior to filing of the Petition; and (iii) all undisputed prepetition amounts
11 outstanding as of the date hereof, if any, owed to any Bank as service charges for the
12 maintenance of the Cash Management System;

13 17. For the avoidance of doubt, each Bank is authorized to honor all
14 items presented against the Bank Accounts, whether originated prepetition or
15 postpetition and whether or not authorized by other orders;

16 18. Any of the Debtors' Banks may rely on the representations of the
17 Debtors with respect to whether any check, item, or other payment order drawn or
18 issued by the Debtors prior to filing of the Petition should be honored pursuant to this
19 or any other order of this Court and the DIP Documents, and such Bank shall not
20 have any liability to any party for relying on such representations by the Debtor as
21 provided for herein;

1 19. Those certain existing deposit agreements between the Debtors
2 and each of the Banks shall continue to govern the postpetition cash management
3 relationship between the Debtors and the Banks, and all of the provisions of such
4 agreements, including, without limitation, the termination and fee provisions, shall
5 remain in full force and effect, in accordance with the terms of any DIP Document;

6 20. The Debtors and the Banks may, without further Order of this
7 Court—but only after the DIP Lender, the Committee and the U.S. Trustee have been
8 provided three (3) business days' notice in writing of, and the opportunity to object
9 to, the proposed changes—agree to and implement changes to the Cash Management
10 System and procedures in the ordinary course of business, including, without
11 limitation, the opening and closing of bank accounts;

12 21. The relief, rights, and responsibilities provided for in this Order
13 shall be deemed to apply to any and all Bank Accounts maintained in the Debtors'
14 names, including any new bank accounts, whether or not such Bank Accounts are
15 identified on **Exhibit A** to the Motion, and any Banks at which new accounts are
16 opened shall be subject to the rights and obligations of this Order;

17 22. Nothing contained in the Motion or this Order, nor any payment
18 made pursuant to the authority granted by this Order, is intended to be or shall be
19 construed as (i) an admission as to the validity of any claim against the Debtors, (ii)
20 a waiver of the Debtors' or any appropriate party in interest's rights to dispute the
21 amount of, basis for, or validity of any claim against the Debtors, (iii) a waiver of

1 any claims or causes of action which may exist against any creditor or interest holder,
2 or (iv) an approval, assumption, adoption, or rejection of any agreement, contract,
3 lease, program, or policy between the Debtors and any third party under section 365
4 of the Bankruptcy Code;

5 23. Other than the specific items described in the Motion excusing
6 the moving of bank accounts, closing of prepetition bank accounts and the limited
7 period for the lack of designating the debtor in possession status on the business
8 forms, the U.S. Trustee requirements for the debtor in possession remain in place
9 including § 345(b)(2).

10 24. Nothing herein shall create, nor is intended to create, any rights
11 in favor of or enhance the status of any claim held by any party;

12 25. The Debtors are authorized to take all action necessary to
13 effectuate the relief granted in this Order; and

14 26. The Court shall retain jurisdiction to hear and determine all
15 matters arising from or related to the implementation, interpretation, and/or
16 enforcement of this Order.

17 ///End of Order///

18 PRESENTED BY:

19 _____
20 JAMES L. DAY (WSBA #20474)
BUSH KORNFELD LLP

21 SAMUEL R. MAIZEL (*Pro Hac Vice* pending)

INTERIM CASH MANAGEMENT
ORDER

- 10 -

110753641\V-4

1 SAM J. ALBERTS (WSBA #22255)
DENTONS US LLP

2 *Proposed Attorneys for the Chapter 11*
3 *Debtors and Debtors In Possession*

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INTERIM CASH MANAGEMENT
ORDER

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