

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Chapter 11
PHYSIOTHERAPY HOLDINGS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 13-12965 (KG)
	)	
Debtors.	)	Joint Administration Requested
	)	
	)	Related to Docket No. 10

**INTERIM ORDER AUTHORIZING THE DEBTORS TO  
PAY PREPETITION CLAIMS OF GENERAL UNSECURED  
TRADE CREDITORS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion (the "*Motion*")<sup>2</sup> of the Debtors for entry of an interim order (this "*Order*"), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, Rule 6003 of the Bankruptcy Rules, and Rule 6003-1 of the Local Rules, (a) authorizing the Debtors to pay the Trade Claims in the ordinary course of business and (b) scheduling a Final Hearing to consider

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Physiotherapy Holdings, Inc. (5193); Actra Rehabilitation Associates, Inc. (7806); Alexandria Sports, Inc. (7654); Benchmark Acquisition Corp. (3850); Benchmark Medical Management Company (0335); Benchmark O&P Holdings, Inc. (6848); Benchmark Orthotics & Prosthetics, Inc. (7000); Blue Hen Physical Therapy, Inc. (7267); Cape Prosthetics-Orthotics, Inc. (7914); Carrollton Physical Therapy Clinic, Inc. (2832); Integrity Physical Therapy, Inc. (1075); Keystone Rehabilitation Associates of Warren (8341); Keystone Rehabilitation Systems, Inc. (8380); Keystone Rehabilitation Systems of McMurray (6304); Leesburg Sports, Inc. (4190); MATRIX Healthcare Services, LLC (7344); MATRIX Rehabilitation, Inc. (3147); MATRIX Rehabilitation-Delaware, Inc. (2504); MATRIX Rehabilitation-Georgia, Inc. (4073); MATRIX Rehabilitation-Ohio, Inc. (2505); MATRIX Rehabilitation-South Carolina, Inc. (5603); MATRIX Rehabilitation-Texas, Inc. (9542); Morris Area Rehabilitation Association, Inc. (2043); North Dallas Physical Therapy Associates, Inc. (5331); Northstar Health Services, Inc. (7152); NSHS Services, Inc. (6789); Orthopaedic Services of Paducah, Inc. (3143); PhysioLink Corporation (3705); Physiotherapy Associates Holdings, Inc. (3367); Physiotherapy Associates, Inc. (7193); Physiotherapy Associates-Union Rehab, LLC (0041); Physiotherapy Corporation (3816); Physiotherapy-BMHI Holdings, Inc. (3361); Physiotherapy-BMI, Inc. (4107); Potomac Rehabilitation Services, Inc. (2725); Professional Rehab Associates, Inc. (2393); Progressive Therapy Services, Inc. (8449); Rehab Associates, L.L.C. (9381); Rehab Colorado, LLC (5804); Rehab Missouri, LLC (0587); Rehab Xcel, LLC (0586); Rehabilitation Consultants, Inc. (1166); R.S. Network, Inc. (9104); SMR Banyan Tree, Inc. (6933); Swanson Orthotic & Prosthetic Center, Inc. (2308); The Parks Physical Therapy and Work Hardening Center, Inc. (2926); Theraphysics Partners of Colorado, Inc. (2115); Theraphysics Partners of Texas, Inc. (9976); Therapy Associates of Martinsville, Inc. (1394); Trumbull P.T. Corp. (3855); Wisconsin Prosthetics and Orthotics, Inc. (7815). The Debtors' main corporate address is 855 Springdale Drive, Suite 200, Exton, PA 19341.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.



entry of the Final Order to the extent a hearing is necessary, all as more fully described in the Motion; and the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Motion (the "**Hearing**"); and upon consideration of the First Day Declaration, the record of the Hearing and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on an interim basis to the extent provided herein.

2. The Debtors are authorized to pay Trade Claims in their sole discretion and in the ordinary course of business; *provided, however,* that the Debtors reserve the right to condition payments on receiving trade terms from the holders of Trade Claims, which terms must be acceptable to the Debtors; *provided further that the Debtors will not pay more*

*than \$ 2.5 million on account of the Trade Claims within the first 20 days of this case.*

3. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Order or any payment made pursuant to this Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or the assumption or adoption of any agreement, contract or lease under section 365 of the Bankruptcy Code.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. Notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any approved order regarding the use of cash collateral approved by this Court in these chapter 11 cases.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Order.

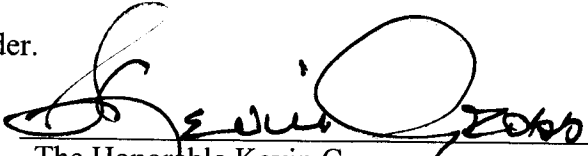
7. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion as set forth at the Hearing.

8. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry. The Final Hearing on the Motion shall be held on December 6 2013 at 2:00 a.m./p.m. prevailing Eastern Time. Any objections or responses to entry of the proposed Final Order shall be filed on or before DEC. 2, 2013, at 4:00 P.M. ~~seven days before the Final Hearing~~ and served on the following parties: (a) the Office of the United States Trustee for the District of Delaware; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the administrative and collateral agent under the Debtors' bridge loan credit agreement; (d) counsel for certain lenders under the bridge loan

credit agreement; (e) counsel to the senior notes indenture trustee; (f) counsel to the ad hoc committee of senior noteholders; (g) counsel to the equity sponsor; (h) each of the holders of equity interests in the Debtors; (i) the Delaware Secretary of State; (j) the Delaware Secretary of Treasury; (k) the Delaware State Attorney General; (l) the Office of the United States Attorney General for the State of Delaware; (m) the Internal Revenue Service; and (n) the Securities and Exchange Commission. In the event no objections to entry of the Final Order are timely received, the Court may enter the Final Order without need for the Final Hearing.

9. This Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Date: November 14 2013  
Wilmington, Delaware

  
The Honorable Kevin Gross  
Chief United States Bankruptcy Judge