

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re:	:	Chapter 11
	:	
Wordsworth Academy,	:	Case No. 17-14463 (AMC)
	:	
Debtor.	:	(Joint Administration Requested)
	:	
In re:	:	Chapter 11
	:	
Wordsworth CUA 5, LLC,	:	Case No. 17- 14466 (AMC)
	:	
Debtor.	:	(Joint Administration Requested)
	:	
In re:	:	Chapter 11
	:	
Wordsworth CUA 10, LLC,	:	Case No. 17- 14467 (AMC)
	:	
Debtor. <sup>1</sup>	:	(Joint Administration Requested)
	:	

**INTERIM ORDER AUTHORIZING DEBTOR’S LIMITED USE OF CASH  
COLLATERAL AND GRANTING RELATED RELIEF**

Upon the Motion (the “Motion”), dated June 30, 2017, of Wordsworth Academy (“Wordsworth”), Wordsworth CUA 5, LLC (“CUA 5”) and Wordsworth CUA 10, LLC (“CUA 10”) and together with CUA 5 and Wordsworth, the “Debtors”) for (1) entry of interim order authorizing the Debtors to use cash collateral on an interim and limited basis; (2) granting adequate protection pursuant to 11 U.S.C. §§ 361, 362, and 363 of the Bankruptcy Code, and (3) scheduling a final hearing and approving notice with respect thereto; and the Court having considered the Motion and the exhibits attached thereto; and finding due and proper notice of the Motion having been given; and a hearing to consider approval of the Motion on an interim basis having been held and concluded on July 6, 2017; and upon the papers filed with the Court and

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: Wordsworth Academy (9031); Wordsworth CUA 5, LLC (0983); and Wordsworth CUA 10, LLC (5980). Wordsworth Academy has an address at 3300 Henry Ave., Philadelphia, PA 19129.

the proceedings held before the Court; and, after due deliberation and good and sufficient cause appearing therefor,

**THE COURT HEREBY FINDS AND CONCLUDES:**

A. **Chapter 11 Filed.** Each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on June 30, 2017 (the "Petition Date") and is presently operating as a debtor-in-possession in accordance with sections 1107 and 1108 of the Bankruptcy Code. The Debtors have requested joint administration of the above-captioned bankruptcy cases, which motion is pending before the Court.

B. **Jurisdiction and Venue.** The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(M). The statutory predicates for the relief requested herein are sections 105, 361, 362, and 363 of the Bankruptcy Code and Rule 4001(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

C. **Notice and Hearing.** Notice of the Motion pursuant to Federal Rule of Bankruptcy Procedure 9006(c) for the preliminary hearing on the Debtor's use of cash collateral has been served in accordance with Section 102(1) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 4001(b), or if by consent, under Federal Rule of Bankruptcy Procedure 4001(d) which notice is appropriate in the particular circumstances and is sufficient for all purposes under the Bankruptcy Code and the applicable Bankruptcy Rules in respect to the relief requested.

D. **Pre-Petition Debt.** Each of the Debtors admits, stipulates, acknowledges and agrees that:

1. Pursuant to a Credit Agreement dated April 8, 2015 ("Credit Agreement"), M&T made loans to the Debtors, including a \$4,000,000 line of credit, which subsequently

increased to \$5,000,000 ("Line of Credit") and a \$6,000,000 term loan ("Term Loan" and together with the Line of Credit the "Loans"). To evidence the Debtors' obligations under the Credit Agreement, the Debtors each executed and delivered to M&T, among other things, two promissory notes dated April 8, 2015 – a Daily Adjusting LIBOR Revolving Line Note in the maximum original principal amount of \$4,000,000 (as supplemented by a certain Addendum to Line of Credit Note dated April 8, 2015, the "Original LOC Note"), as amended from time to time, including by that certain Third Amended and Restated Daily Adjusting Libor Revolving Line Note dated September 7, 2016 in the maximum principal amount of \$5,000,000 (the "LOC Note") and a Term Note in the original principal amount of \$6,000,000 (as supplemented by a LIBOR Rate Rider dated April 8, 2015, the "Term Note").

2. Pursuant to a certain Mortgage dated April 8, 2015, in the original principal amount of \$10,000,000 (the "Mortgage"), to secure all of Wordsworth's present and future indebtedness due and owing to M&T, Wordsworth granted M&T liens on and security interests in, the real property commonly known as (i) 100 Camp Hill Road, partly in Springfield Township and partly in Upper Dublin Township, Montgomery County, Pennsylvania (being known as Parcel Numbers 52-00-14044-007 and 54-00-03541-00-5); and (ii) Wenner Way, Upper Dublin Township, Montgomery County, Pennsylvania (being known as Parcel Number 54-00-03552-00-3), together with all buildings, structures, improvements, fixtures, equipment, easements, rights appurtenances, leases, rents contract rights erected, situate or installed upon, or used in the operation or maintenance thereof, and the proceeds thereof (collectively, as more particularly described in the Mortgage, the "Real Property Collateral"). The Mortgage was recorded in the office of the Recorder of Deeds for Montgomery County Pennsylvania on April 10, 2015, as Instrument Number: 2015024142, in Mortgage Book 13926, at pages 02908-02926.

3. Pursuant to a General Security Agreement dated April 8, 2015 (the "Loan Security Agreement"), to secure all of the Debtors' present and future indebtedness due and owing to M&T, the Debtors granted to M&T liens on and security interests in, among other things, all of

the Debtors' personal property and fixtures, including, without limitation, all accounts, chattel paper, deposit accounts, documents, goods and equipment, and all proceeds and products thereof (collectively, as more particularly described in the Security Agreement, the "Personal Property Collateral") and together with the Real Property Collateral, the "Collateral"). M&T's security interest in the Debtors' Personal Property Collateral is perfected by virtue of M&T filing a UCC Financing Statements in the Office of the Secretary of the Commonwealth of Pennsylvania, on April 14, 2015, as file numbers 2015041502741 (naming Wordsworth as "Debtor") and 2015041502791 (CUA 5 and CUA 10 as "Debtors"), and by virtue of the Debtors' deposit accounts and the cash contained therein being located at M&T.

4. In addition to the Loans, pursuant to a certain Agreement for Visa® Charge Cards and Card Products dated May 28, 2015 by and among M&T and Wordsworth as supplemented by that certain Commercial Card Restriction Addendum to Visa Charge Card Agreement (collectively, the "Purchase Card Agreement"), M&T made available to Wordsworth a purchase card facility in the maximum amount of \$50,000 (the "Purchase Card Facility" and together with the Loans, the "Prepetition Credit Facilities"). Pursuant to a General Security Agreement dated May 28, 2015 by Wordsworth in favor of M&T (the "Purchase Card Security Agreement"), the Purchase Card Facility is secured by the Personal Property Collateral. Pursuant to the Mortgage the Purchase Card Facility also is secured by the Real Property Collateral.

5. M&T asserts that, prior to the Petition Date, the Debtors were, and remain, in default of their obligations under the various documents evidencing the Pre-Petition Credit Facilities, including the Credit Agreement, LOC Note, Term Note, Purchase Card Agreement, Loan Security Agreement, Mortgage, Purchase Card Security Agreement (collectively, with all other documents executed in connection with the Loans and Purchase Card Facility, the "Prepetition Credit Facility Documents"), as a result of, among other things, certain representations and warranties in the Prepetition Credit Facility Documents no longer being true and correct, and as a result of material adverse changes in the Debtors' financial condition.

6. As of the Petition Date, M&T asserts that the total amount due and owing to M&T by the Debtors under the Prepetition Credit Facilities is \$4,798,436.39 (the “Prepetition Claim Amount”), which amount is itemized as follows:

<b>Loan</b>	<b>Term Loan</b>	<b>Line of Credit</b>	<b>Purchase Card Facility</b>	<b>Totals</b>
Principal	\$4,700,000.00	\$0.00	\$2,934.97	\$4,702,934.97
Interest	\$18,220.66	\$0.00	\$0.00	\$18,220.66
Subtotal	\$4,718,220.66	\$0.00	\$0.00	\$4,721,155.63
Attorneys’ Fees and Costs (estimated as of June 30, 2017)	See Totals.	See Totals.	See Totals.	\$73,180.76
Appraisal Fee	See Totals.	See Totals.	See Totals.	\$4,100.00

In addition to the Prepetition Claim Amount, the Debtors are obligated to pay additional interest, fees, and expenses, including but not limited to attorneys’ fees and expenses, incurred in connection with the enforcement and collection of the Prepetition Credit Facilities, which accrued before or may accrue after the Petition Date (together with the Prepetition Claim Amount, the “Indebtedness”).

7. M&T asserts that the Indebtedness is secured by valid, perfected, first priority liens and security interests (collectively, the “Liens”) in the Collateral, including any cash or cash proceeds of the Collateral. The value of the Collateral is presently in excess of the Indebtedness and M&T is oversecured based on current market values. M&T asserts that the Indebtedness is not subject to defense, offset or counterclaim of any kind or nature and the Indebtedness is and shall constitute an allowed, secured claim under Sections 506(a) and 502 of the Bankruptcy Code. The acknowledgments and agreements in this Section D(7) shall be binding upon the Debtors, but shall not bind any Official Committee of Unsecured Creditors or any other

statutorily appointed committee or successor-in-interest to the Debtors, who shall have until a date to be established in a final order authorizing use of cash collateral (the “Contest Deadline”) to contest the amount of M&T’s claim, and the extent, validity, perfection of the liens or security interests of M&T in the Collateral.

E. **Cash Collateral.** For purposes of this Interim Order, the following assets constitute “Cash Collateral” of M&T within the meaning of section 363(a) of the Bankruptcy Code: (a) all cash of the Debtors as of the Petition Date and (b) proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties subject to a security interest as provided in Section 552(b) and as the term “proceeds” is described in UCC Sections 9-102 and 9-315.

F. **Consent.** M&T consents to the Debtors’ proposed use of Cash Collateral solely on the terms and conditions set forth in this Interim Order and solely to be used in accordance with the Budget (as hereinafter defined) and the terms and conditions set forth in this Interim Order. The adequate protection provided herein and other benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code and are necessary in order to obtain such consent. The Debtors and M&T believe that it is in the best interests of the Debtors, their estates, and their creditors that the Debtors be allowed to use Cash Collateral during their bankruptcy cases, subject to the terms of this Interim Order and the Budget.

G. **Good Faith.** Based on the record before the Court, the terms of the use of Cash Collateral and adequate protection as provided in this Interim Order have been negotiated at arms’ length and in good faith.

H. **Need to Use Cash Collateral.** The Debtors have an immediate and critical need to use Cash Collateral in order to fund allowed expenses during their bankruptcy cases. The Debtors do not have sufficient unencumbered cash or other assets with which to continue to operate its

business in the bankruptcy cases. The Debtors' use of cash collateral to the extent and on the terms and conditions set forth herein is necessary to avoid immediate and irreparable harm to the estate pending a final hearing. The amount of cash collateral authorized to be used pending a final hearing or entry of a final order is not to exceed the amounts reflected in the Debtors' budget, annexed hereto as Exhibit "A" (the "Budget"), for the time period from July 1, 2017 through September 30, 2017 (the "Budget Period").

I. **Relief Essential.** Based on the record before the Court, good, adequate, and sufficient cause has been shown to justify the immediate grant of the relief requested in the Motion to avoid irreparable harm to the Debtors' estates. The terms of the Debtors' use of Cash Collateral, as more fully set forth herein, are (i) fair and reasonable under the circumstances, (ii) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, (iii) constitute reasonably equivalent value and fair consideration for M&T's consent thereto, and (iv) are essential and appropriate for the continued operation and management of the Debtors' business and the preservation of their assets and properties.

**NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:**

1. **Use of Cash Collateral.** Solely in accordance with the Budget and subject to compliance with the further terms and provisions of this Interim Order, M&T consents and the Debtors are authorized to use cash collateral to meet the ordinary cash needs of the Debtors (and for such other purposes as may be approved in writing by M&T) for the payment of actual expenses of the Debtors necessary to (a) maintain and preserve the Debtors' assets, and (b) continue operation of its business, including approved payroll and payroll taxes, and insurance expenses as reflected in the Budget.

2. **Adequate Protection.** M&T is entitled, under sections 361, 363(c), and 363(e) of the Bankruptcy Code, to adequate protection of its interests in the Collateral, including to the extent applicable Cash Collateral, and to adequate protection on account of the imposition of the

automatic stay, equal to the amount of M&T's Cash Collateral used by the Debtors and the aggregate diminution in the value of M&T's interests in the Collateral (the "M&T Adequate Protection Obligations"). The Debtors shall be jointly and severally liable for the M&T Adequate Protection Obligations. As adequate protection for the interest of M&T in the Collateral (including Cash Collateral) on account of the Debtors' use of M&T's Cash Collateral or disposition or other depreciation of the Collateral, and on account of the imposition of the automatic stay, M&T is hereby provided with the following forms of adequate protection, which constitute part of the M&T Adequate Protection Obligations:

a. **Adequate Protection Payments.** As adequate protection, the Debtors are authorized and directed to pay to M&T:

i. ongoing payments in cash on a current basis, no less than monthly, and including any amounts incurred prior to the Petition Date, equal to the amount of accrued and unpaid interest on the Term Loan (at the non-default rate of interest specified in the Term Note), the first of such payments shall be made within two (2) business days following entry of this Interim Order and all subsequent payments shall be made on or before the first business day of each month; and

ii. a one-time payment in the amount of \$2,934.97, to repay in full the amounts due and owing to M&T in connection with the Purchase Card Facility, which payment shall be made within two (2) business days following entry of this Interim Order.

b. **Replacement Liens and Superpriority Claim under § 507(b).** M&T is hereby granted (i) valid, enforceable, non-avoidable, and fully perfected, first priority postpetition security interests and liens (effective and perfected upon the date of entry of this Interim Order and without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements, or other agreements or instruments) (the "Adequate Protection Liens") in and upon all property of the Debtors, now existing or hereafter



acquired, including, without limitation, all accounts, accounts receivable, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, intellectual property, general intangibles, payment intangibles, letters of credit, letter-of-credit rights, supporting obligations, machinery and equipment, vehicles, real property (including all facilities), fixtures, leases, money, investment property, deposit accounts, securities accounts, books and records, all commercial tort claims and other causes of action, all Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of all of the foregoing, (collectively, the “Adequate Protection Collateral”), to the extent of any diminution in the value of the M&T’s interests in Collateral (including Cash Collateral) resulting from the Debtors’ use of Cash Collateral hereunder or the disposition or other depreciation of the Collateral, and on account of the imposition of the automatic stay. The Adequate Protection Liens (A) shall not be subject to sections 506, 510, 542, 549, 550, or 551 of the Bankruptcy Code or otherwise or the “equities of the case” exception of section 552 of the Bankruptcy Code (in the case of section 506(c) of the Bankruptcy Code and the “equities of the case” exception of section 552 of the Bankruptcy Code, subject to entry of a final order), (B) shall be senior in priority and right of payment to any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) shall be valid and enforceable against any trustee or any other estate representative appointed or elected in the Debtors’ bankruptcy cases, or in any other proceedings related to any of the foregoing (each, a “Successor Case”), and/or upon the dismissal of the Debtors’ bankruptcy cases. The parties reserve and preserve all rights under section 507(b) of the Bankruptcy Code. Nothing in this Order, including but not limited to the Adequate Protection Liens given to M&T herein, shall prejudice, impair or impact any bankruptcy or non-bankruptcy rights, claims, or priorities of M&T, the Debtors or Learn and Play t/a Play and Learn with respect to that certain lease Agreement dated July 7, 2003 by and between Play and Learn and the Debtor.

c. **M&T's Rights of Inspection and Audit and Provision of Financial and Other Information.**

i. **Inspection.** Upon reasonable notice by the M&T, Debtors shall permit M&T and any of its agents reasonable and free access to the Debtors' records and place of business during normal business hours to verify the existence, condition and location of Collateral in which M&T holds a security interest and to audit Debtors' cash receipts and disbursements. At any reasonable time, Debtors shall permit M&T and any of its agents access to inspect the Collateral.

ii. **Reporting.** On or before 5:00 p.m. each Tuesday during the Budget Period, the Debtors shall provide to M&T a summary of receipts and disbursements for the immediately prior week, and an updated 13-week cash flow projection reflecting the projected cash flow for the upcoming 13-week time period, which reports shall be in form and substance satisfactory to M&T. In addition, the Debtors shall provide M&T with all reports and information provided to any DIP lender (or prospective DIP lender) as and when so provided to such DIP lender.

d. **US Trustee Carve-Out.** The liens granted to the Secured Creditor under this Order are subject to payments due to the United States Trustee under 28 U.S.C. § 1930(a)(6).

e. **Further Adequate Protection.** Nothing in this Interim Order waives any rights of M&T to request at any time that the Court provide additional or further protection of its interests in the Collateral (including Cash Collateral) or seeking further or additional adequate protection and the ability of the Debtors or any other party in interest to oppose any such relief.

3. **Interlocutory Order and No Modification of Creditor's Adequate Protection.**

This is an interlocutory order. Nothing contained herein shall be deemed or construed to (a) limit M&T to the relief granted herein; (b) bar M&T from seeking other and further relief (including without limitation relief from the terms of this Interim Order) for cause shown on appropriate notice to the Debtors and other parties-in-interest entitled to notice of same; or (c) require M&T

to make any further loans or advances to the Debtor. The Order may be modified for cause shown by the Debtors, M&T or any other party-in-interest on due notice. No such modification, however, shall deprive M&T of its interests in Debtor's Collateral, whether granted before or after the Petition Date.

4. **Default.** Should the Debtors fail to perform or comply with any of the provisions contained in this Interim Order, the Debtors shall be considered in default of the Order. In the event that one or more of the Debtors defaults or violates this Order, M&T is entitled to request a hearing within five (5) business days (or if immediate and irreparable injury, loss or damage may occur, an emergency hearing within 48 hours).

5. **Expiration/Termination.** The Debtors' right to use Cash Collateral under this Order shall expire on the earlier of (a) the entry of a subsequent interim order, (b) the entry of the Final Order, or (c) entry of an Order by this court otherwise terminating the Debtors' right to use Cash Collateral.

6. **Survival.** The obligations of the Debtors in respect of the Adequate Protection Obligations, and the claims and liens granted to or for the benefit of M&T pursuant to this Interim Order shall not be discharged by the entry of an order (i) confirming a chapter 11 plan in any of the Debtors' bankruptcy cases (and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors hereby waive such discharge, (ii) converting any of the Debtors' bankruptcy cases to a case under chapter 7 of the Bankruptcy Code, (iii) to the extent authorized by applicable law, dismissing any of the Debtors' bankruptcy cases, (iv) withdrawing of the reference of any of the Debtors' bankruptcy cases from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of either of any of the Debtors' bankruptcy cases in this Court.

6. **Effectiveness.** This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable nunc pro tunc to the Petition Date immediately upon entry of this Interim Order. Notwithstanding any Bankruptcy Rule or other applicable law, there shall be no stay of execution or effectiveness of this Interim Order. The rights of all parties in interest to object to the terms of any final order concerning use of Cash Collateral are expressly reserved.

**FINAL HEARING ORDER**

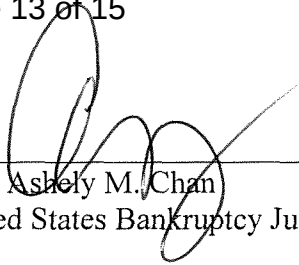
IT IS FURTHER ORDERED, AND NOTICE IS HEREBY GIVEN

That any creditor or other interested party having any objection to Debtor's use of cash collateral beyond the time period set forth in this Interim Order may, but is not required to, file with the Clerk of this Court and serve upon counsel for the Debtor on or before the 31st day of July, 2017, a written objection and shall appear to advocate said objection at a further interim hearing to be held at 1:00 a.m. on the 7th day of August, 2017 in Courtroom 5 of the United States Bankruptcy Court for the Eastern District of Pennsylvania, Philadelphia, Pennsylvania.

**NOTICE ORDER**

IT IS FURTHER ORDERED that the Debtors serve a copy of this Order and Notice by first class mail within one (1) business day from the date hereof, on the following: (1) the United States Trustee, (2) counsel for M&T and (3) any other interested party. Debtor shall immediately file with the Clerk of this Court a Certificate of Service of said mailing.

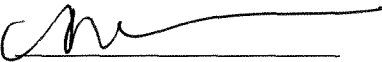
Dated: 7/6/17

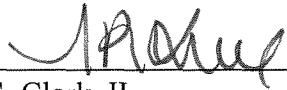
  
Hon. Ashley M. Chan  
United States Bankruptcy Judge

**SO STIPULATED AND AGREED:**

DILWORTH PAXSON LLP

REED SMITH LLP

By:   
Lawrence G. McMichael  
Peter C. Hughes  
Anne M. Aaronson  
1500 Market Street, Suite 3500E  
Philadelphia, PA 19102  
Telephone: (215) 575-7100  
Facsimile: (215) 575-7200

By:   
Peter S. Clark, II  
Jennifer P. Knox  
Three Logan Square, Suite 3100  
1717 Arch Street  
Philadelphia, PA 19103  
Telephone: (215) 851-8100  
Facsimile: (215) 851-1420  
Email: pclark@reedsmith.com  
jknox@reedsmith.com

*Proposed Counsel for the Debtors and Debtors  
in Possession*

*Counsel for M&T Bank*

Dated: July 6, 2017

Dated: July 6, 2017

**EXHIBIT A**

(BUDGET)

	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR	PR
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E
<b>Deposits</b>																		
CBI / Other MCOs	288,785	68,868	281,715	50,000	275,000	50,000	300,000	275,000	50,000	300,000	275,000	50,000	300,000	275,000	50,000	300,000	275,000	50,000
PA DEDUCT	-	-	-	643,130	-	-	-	651,922	-	-	-	-	-	-	-	-	-	-
DHS - Regular & CUA Payments	17,979	56,775	310,455	30,000	30,000	100,000	30,000	30,000	30,000	30,000	100,000	30,000	30,000	100,000	30,000	30,000	100,000	30,000
DHS - CUA	-	4,085,793	-	-	413,363	-	-	-	4,000,000	-	-	-	-	1,500,000	-	-	-	-
SD of Philadelphia	-	-	-	294,390	-	319,480	13,000	-	-	159,740	192,850	258,825	-	-	-	-	-	-
Other Misc School Districts	16,238	34,388	40,980	100,000	70,000	70,000	70,000	90,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	90,000
Acute Partial Hospital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Debt Proceeds	-	-	-	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-
Misc Deposits	113,582	33,725	2,000	41,000	10,000	30,000	10,000	10,000	10,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Deposits</b>	<b>436,584</b>	<b>4,279,549</b>	<b>635,150</b>	<b>1,158,520</b>	<b>798,363</b>	<b>569,480</b>	<b>1,923,000</b>	<b>837,922</b>	<b>4,385,000</b>	<b>409,740</b>	<b>602,850</b>	<b>438,825</b>	<b>2,612,922</b>	<b>180,000</b>	<b>410,000</b>	<b>250,000</b>	<b>1,042,922</b>	
<b>Operating Disbursements</b>																		
Pavlov	(1,006,000)	-	(997,124)	(850,000)	-	(960,000)	-	(1,000,000)	-	(935,854)	-	(935,854)	-	(935,854)	-	(935,854)	-	(935,854)
403(b) Payment	(13,291)	(13,291)	-	(14,000)	-	(14,000)	-	(14,000)	-	(14,000)	-	(14,000)	-	(14,000)	-	(14,000)	-	(14,000)
Credit Cards (M&T)	(29,523)	(29,523)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)
Debit Cards (TD Bank)	(608)	-	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)	-	(2,500)
ISA Transfer	(2,000)	(5,014)	-	(4,000)	-	(2,000)	-	(2,000)	-	(2,000)	-	(2,000)	-	(2,000)	-	(2,000)	-	(2,000)
Employee Expenses	(27,334)	(25,296)	(30,648)	(40,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Petty Cash	(5,964)	(8,475)	(10,000)	(10,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Foster Care	(36,321)	(35,355)	(34,750)	(172,000)	-	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
CUA Subcontractors	(7,671)	(536,141)	(14,833,276)	-	(175,000)	(1,000,000)	(750,000)	(1,000,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Benefits	(18,220)	(19,763)	(202,127)	(30,000)	-	(120,000)	-	(120,000)	-	(120,000)	-	(120,000)	-	(120,000)	-	(120,000)	-	(120,000)
Insurance	(64,667)	(152,831)	(17,666)	(100,000)	-	(235,000)	-	(235,000)	-	(235,000)	-	(235,000)	-	(235,000)	-	(235,000)	-	(235,000)
Operating	(73,286)	(113,834)	(38,264)	(30,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Acute Partial Hospital Expenses	-	-	-	-	-	(238,300)	-	(106,600)	-	-	-	(106,600)	-	-	-	-	-	-
Staffing	(43,926)	(48,922)	(49,287)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Utilities	(10,562)	(43,933)	(872)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Professional	(8,173)	(5,850)	(5,510)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)
<b>Total Operating Disbursements</b>	<b>(1,304,533)</b>	<b>(1,049,217)</b>	<b>(2,889,523)</b>	<b>(1,999,825)</b>	<b>(434,925)</b>	<b>(2,209,825)</b>	<b>(1,251,825)</b>	<b>(2,257,179)</b>	<b>(1,343,425)</b>	<b>(1,668,679)</b>	<b>(1,028,825)</b>	<b>(1,561,179)</b>	<b>(843,425)</b>	<b>(1,659,279)</b>	<b>(1,023,825)</b>	<b>(1,654,279)</b>	<b>(531,325)</b>	
<b>Net Operating Cash Flow</b>	<b>(867,950)</b>	<b>3,230,332</b>	<b>(2,254,374)</b>	<b>(841,305)</b>	<b>363,438</b>	<b>(1,640,345)</b>	<b>671,175</b>	<b>(1,419,257)</b>	<b>3,041,575</b>	<b>(1,258,939)</b>	<b>(425,975)</b>	<b>(1,522,354)</b>	<b>1,769,497</b>	<b>(1,479,279)</b>	<b>(613,825)</b>	<b>(1,404,279)</b>	<b>511,597</b>	
<b>Non-Operating and Restructuring Disbursements</b>																		
Term Loan (P&I)	-	-	-	-	(19,000)	-	-	-	(19,000)	-	-	-	-	(19,000)	-	-	-	-
LOC Interest / Bank Fees	(2,411)	-	-	-	-	(2,500)	-	-	-	(2,500)	-	-	-	-	-	(2,500)	-	-
New Term Debt Interest	-	-	-	-	-	-	-	-	(4,375)	-	-	-	-	(8,750)	-	-	-	-
New LOC Interest	-	-	-	-	-	-	-	-	(2,058)	-	-	-	-	(857)	-	-	-	-
New Bank Fees	-	-	-	(100,000)	-	-	-	-	(100,000)	-	-	-	-	(2,033)	-	-	-	-
Professional Fees - Restructuring	(17,500)	(145,000)	(50,000)	(115,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(265,000)	-	(117,127)	-	-	-	(290,000)
PHMC Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(117,127)
Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating &amp; Chap 11 Disb</b>	<b>(19,911)</b>	<b>(145,000)</b>	<b>(50,000)</b>	<b>(215,000)</b>	<b>(19,000)</b>	<b>(7,500)</b>	<b>-</b>	<b>(25,433)</b>	<b>(107,500)</b>	<b>-</b>	<b>(382,127)</b>	<b>(30,640)</b>	<b>-</b>	<b>(2,500)</b>	<b>-</b>	<b>(407,127)</b>		
<b>Total Disbursements</b>	<b>(1,324,444)</b>	<b>(1,194,217)</b>	<b>(2,939,523)</b>	<b>(1,414,825)</b>	<b>(453,925)</b>	<b>(2,217,325)</b>	<b>(1,251,825)</b>	<b>(2,257,179)</b>	<b>(1,368,858)</b>	<b>(1,776,179)</b>	<b>(1,028,825)</b>	<b>(2,343,306)</b>	<b>(874,065)</b>	<b>(1,659,279)</b>	<b>(1,026,325)</b>	<b>(1,654,279)</b>	<b>(938,452)</b>	
<b>Weekly Net Cash Flow</b>	<b>(887,860)</b>	<b>3,085,332</b>	<b>(2,304,374)</b>	<b>(256,305)</b>	<b>344,438</b>	<b>(1,647,845)</b>	<b>671,175</b>	<b>(1,419,257)</b>	<b>3,016,142</b>	<b>(1,366,439)</b>	<b>(425,975)</b>	<b>(1,504,481)</b>	<b>1,738,857</b>	<b>(1,479,279)</b>	<b>(616,325)</b>	<b>(1,404,279)</b>	<b>164,470</b>	
<b>W/E Balance</b>	<b>970,961</b>	<b>4,055,393</b>	<b>1,731,020</b>	<b>1,494,715</b>	<b>1,839,153</b>	<b>191,308</b>	<b>862,483</b>	<b>(556,773)</b>	<b>2,459,369</b>	<b>1,092,930</b>	<b>666,955</b>	<b>(1,237,526)</b>	<b>501,331</b>	<b>(977,948)</b>	<b>(1,594,273)</b>	<b>(2,998,552)</b>	<b>(2,894,082)</b>	
<b>Benefits - Detail</b>																		
INDEPENDENCE BLUE CROSS	-	-	(15,174)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KEYSTONE HEALTH PLAN EAST	-	-	(203,212)	-	-	-	-	(277,000)	-	-	-	-	-	(277,000)	-	-	-	(277,000)
ACSA-ASSOC. OF COMMUNITY SERV. AGENC	-	(17,172)	-	-	-	-	-	(17,500)	-	-	-	-	-	(17,500)	-	-	-	(17,500)
RX BENEFITS	(18,220)	(13,609)	(53,726)	(10,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prudent Life & Accident Ins Co.	(8,931)	-	-	-	-	-	-	(10,000)	-	-	-	-	-	(10,000)	-	-	-	(10,000)
<b>Total</b>	<b>(18,220)</b>	<b>(19,763)</b>	<b>(82,127)</b>	<b>(10,000)</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>(294,500)</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>(284,500)</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>(294,500)</b>
<b>Professionals - Detail</b>																		
DANEKER, DAVID ESQUIRE	(7,500)	-	-	-	-	(5,000)	-	-	(5,000)	-	-	-	-	-	-	-	-	(5,000)
DONLIN RDCANO	(10,000)	-	-	(5,000)	-	-	-	-	-	-	-	(10,000)	-	-	-	-	-	(10,000)
GETZLER HENRICH	-	(45,000)	-	(60,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,000)
DILWORTH PAXSON LLP	-	(100,000)	(50,000)	(50,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(150,000)
Creditor Committee Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,000)
<b>Total</b>	<b>(17,500)</b>	<b>(145,000)</b>	<b>(50,000)</b>	<b>(115,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>(165,000)</b>	<b>-</b>	<b>(117,127)</b>	<b>-</b>	<b>(117,127)</b>	<b>-</b>	<b>(290,000)</b>
<b>Accounts Receivable</b>																		
Credible New Billings	392,393	251,603	300,059	248,828	308,642	305,082	352,782	419,806	352,561	180,158	153,367	150,433	305,239	341,583	402,919	425,053	392,982	
Other New Billings	4,747,062	38,345	413,363	16,121	713,301	4,015,900	16,121	713,301	15,900	1,500,000	117,650	713,301	15,900	1,500,000	16,121	66,142	66,142	
<b>Total New Billings</b>	<b>5,139,455</b>	<b>290,948</b>	<b>713,422</b>	<b>264,949</b>	<b>1,021,943</b>	<b>4,320,982</b>	<b>352,782</b>	<b>435,928</b>	<b>1,045,862</b>	<b>195,158</b>	<b>1,653,367</b>	<b>268,083</b>	<b>1,018,540</b>	<b>356,583</b>	<b>3,902,919</b>	<b>441,174</b>	<b>459,124</b>	
Credible Adjustments	(1,474)	(4,286)	(5,359)	(77,293)	(1,227)	(3,972)	(2,452)	(19,272)	(12,698)	(1,175)	(1,662)	(10,832)	(1,081)	(2,371)	(2,248)	(1,082)	(9,834)	
Other Adjustments	(1,474)	(4,286)	(5,359)	(77,293)	(1,227)	(3,972)	(2,452)	(19,272)	(12,698)	(1,175)	(1,662)	(10,832)	(1,081)	(2,371)	(2,248)	(1,08		