

**United States Bankruptcy Court
Central District of California
Los Angeles
Sheri Bluebond, Presiding
Courtroom 1539 Calendar**

Thursday, July 25, 2024

Hearing Room 1539

10:00 AM
2:00-00000

Chapter

#0.00 All hearings scheduled for today are now simultaneously 1) In person in Courtroom 1539; 2) Via ZoomGov Video; 3) Via ZoomGov Audio. Parties are free to choose any of these options, unless otherwise ordered by the Court. Parties electing to appear in person shall comply with all requirements regarding social distancing, use of face masks, etc. that are in effect at the time of the hearing.

Parties in interest may connect to the video and audio feeds, free of charge, using the connection information provided below. **MEMBERS OF THE PUBLIC MAY ONLY CONNECT TO THE AUDIO FEED USING THE TELEPHONE NUMBERS PROVIDED BELOW AND ARE NOT PERMITTED TO CONNECT TO THE VIDEO FEED.**

Individuals may participate by ZoomGov video and audio using a personal computer (equipped with camera, microphone and speaker), or a handheld mobile device (such as an iPhone or Android phone). Individuals may opt to participate by audio only using a telephone (standard telephone charges may apply).

Neither a Zoom nor a ZoomGov account is necessary to participate and no pre-registration is required **but you must still notify Chambers at Chambers_SBluebond@cacb.uscourts.gov of your appearance.** The audio portion of each hearing will be recorded electronically by the Court and constitutes its official record.

For more information on appearing before Judge Bluebond by ZoomGov, please see the information on the Court's website at:
<https://www.cacb.uscourts.gov/judges/honorable-sheri-bluebond> under the tab, "**Phone/Video Appearances.**"

Hearing conducted by ZOOMGov.

Video/audio web address: <https://cacb.zoomgov.com/j/16161090855>

ZoomGov meeting number: 161 6109 0855

Password: 148508

Telephone conference lines: 1 (669) 254 5252 or 1 (646) 828 7666

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(when prompted, enter meeting number and password shown above)

Judge Bluebond seeks to maintain a courtroom environment (both online and in person) in which all persons are treated with dignity and respect, irrespective of their gender identity, expression or preference. To that end, individuals appearing before the Court are invited to identify their preferred pronouns (e.g., he, she, they, etc.) and their preferred honorific (e.g., Mr., Miss, Ms., Mrs., Mx, M, etc.). Individuals may do so by advising the Courtroom Deputy or Judge prior to any appearance and/or, in the case of remote hearings, by providing this information in the person's screen name in ZoomGov.

Docket 0

Courtroom Deputy:

- NONE LISTED -

Tentative Ruling:

- NONE LISTED -

**United States Bankruptcy Court
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2:23-13448 CenterPoint Radiation Oncology, LLC

Chapter 11

#1.00 Final Hearing re: Motion For Order: (I) Authorizing Interim Use Of Cash Collateral Pursuant To Section 363 Of The Bankruptcy Code; (II) Authorizing Adequate Protection; And (III) Setting A Final Hearing

fr: 6-9-23; 6-28-23; 7-25-23, 9-27-23; 10-4-23; 11-1-23; 11-2-23; 11-15-23; 12-20-23; 1-10-24; 1-31-24; 2-27-24; 4-2-24; 5-8-24; 5-14-24; 5-22-24; 5-29-24; 6-12-24; 6-27-24; 7-11-24

Docket 14

Courtroom Deputy:

ZoomGov Appearance by:

7/8/24 - David Shevitz

7/10/24 - Keith Owens

7/10/24 - Robert Carrasco

Tentative Ruling:

Tentative Ruling for June 9, 2023:

There is a problem with the notice of motion. Although it has the correct date and time for the hearings, it says on page 3 at line 2 that oppositions are due by noon on June 10, 2023.

Court has a number of questions. According to the Fritz declaration, McKesson has a first position lien on all assets of INC, but debtors aren't aware of any outstanding amounts due McKesson. Where did this lien come from? What did/does it secure?

According to the papers, the debtors jointly operate the radiology practice. One debtor is an LLC, with three members, one of whom is Dr. Morrell. The corporation is wholly-owned by Dr. Morrell. What is the distinction between the two entities? Why were two separate entities created? On the debtor's

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budget, certain expenses are attributed to INC and others are attributed to LLC. Why the distinction?

According to the Morrell declaration, the debtor has never "cash flowed," which the Court assumes means has never generated positive cash flow. What is going to change in the future to make a reorganization possible? The debtor is a party to two executory contracts, a lease that the debtors claim is above market and another contract with service provider Varian that the debtors also describe as "unfavorable." Has either the landlord or Varian give the debtors any reason to think that either or both might be willing to renegotiate the terms of these agreements? Do the debtors have any viable options other than continuing to do business with these parties? In other words, is there a realistic prospect for reorganization in these cases?

The debtors' projections show net losses for June and July, but small net profits (\$6,687 and \$16,755) for August and September, resulting from corresponding increases in revenue for these periods. Morrell has testified that business tends to be slower during the summer and the holidays. What is going to change that will cause the debtors' revenue to increase in August and September?

Hearing required.

Final Ruling for June 9, 2023 (see order, docket no. 34)

Authorize use of cash collateral through close of business on June 30, 2023 up to an aggregate of \$212,733 in accordance with the budget (plus a 10 percent variance), excluding certain prepetition expenses included in the budget and any insider compensation until the debtor has complied with insider compensation procedures (other than health benefits included in payment for all employees). Secured creditors shall have replacement liens on all assets other than avoiding power recoveries. Court set final hearing for June 28, 2023 at 11:00 a.m. Debtors shall file any supplement to the motion not later than June 16, 2023. Oppositions will be due by June 23, 2023. Replies may be presented orally at the hearing. Debtors shall give notice of the final hearing not later than June 16, 2023.

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6/26/23 -- Court approved stipulation between the parties providing that June 28 hearing will be a status conference, increasing authorized use of cash collateral to include the \$6,000 per month that the debtors want to use to pay prepetition amounts due 3 critical vendors (staffing agencies) and extending the term of use of cash collateral through the close of business on July 28, 2023.

Tentative Ruling for June 28, 2023:

Once again, the debtors have served a misleading notice on parties in interest. Both the notice of the final hearing and the debtor's supplement to the motion inexplicably state that the final hearing will be on June **30**, rather than June 28, even though this date was not only stated orally at the June 9 hearing but was also included in the written order entered June 16. **Why does this keep happening? What steps will counsel take in the future to make sure that notices do not go out with the wrong dates, thereby misleading parties in interest?** (Court notes that there was an amended notice, but that did not go out until June 20, 2023, which gives parties in interest significantly less notice than the Court had originally contemplated.)

Hearing required.

7/19/23 -- Court approved stipulation extending use of cash collateral through the close of business on September 29, 2023 and continuing hearing to September 27, 2023 at 10:00 a.m. OFF CALENDAR FOR JULY 25, 2023.

Tentative Ruling for September 27, 2023:

(The most recent budget that the Court was able to locate runs through October of 2023.)

Unless someone has a rabbit that they intend to pull out of a hat, this case appears dead in the water. The only issue here appears to be how best to protect (or at least further) the interests of patients currently undergoing treatment. Authorize use of cash collateral solely to the extent necessary to do an orderly transition of patients and a shutdown of the debtor's operations. (On this record, the Court cannot compel First Citizen's Bank to agree to the

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use of its cash collateral for these purposes, but hopes that the bank will consent to the use of its cash collateral to the extent contemplated by this tentative ruling.)

Tentative Ruling for October 4, 2023:

What, if any, progress have the parties made since their last appearance before this Court? What is the current status of this chapter 11 case?

10/11/23 -- Court approved stipulation continuing hearing to November 2, 2023 at 10:00 a.m. OFF CALENDAR FOR NOVEMBER 1, 2023.

Tentative Ruling for November 2, 2023:

What, if any, progress have the parties made since their last appearance before this Court? What is the current status of this chapter 11 case?

11/9/23 -- Court approved stipulation re continued use of cash collateral, among other things. Pursuant to that stipulation, continue hearing to December 20, 2023 at 10:00 a.m. OFF CALENDAR FOR NOVEMBER 15, 2023.

Tentative Ruling for December 20, 2023:

Pursuant to a prior stipulation between the parties that was approved by this Court, debtor has authority to use cash collateral through the close of business on December 31, 2023 and, provided certain payments were made, lessor was prohibited from locking the debtor out of its business premises until February 29, 2024. These accommodations were made to enable the debtor to pursue investment or sale opportunities.

What has transpired since the last hearing? What does the debtor intend to do with regard to use of cash collateral after December 31, 2023? Hearing required.

12/28/23 -- Court approved stipulation authorizing further use of case collateral through January 31, 2024.

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Tentative Ruling for January 10, 2024:

Pursuant to a stipulation between the parties that was approved by this Court, debtor has authority to use cash collateral through the close of business on January 31, 2024, and, provided certain payments are made, lessor was prohibited from locking the debtor out of its business premises until February 29, 2024. These accommodations were made to enable the debtor to pursue investment or sale opportunities.

What has transpired since the last hearing?

Tentative Ruling for January 31, 2024:

As of this date, the last order authorizing the use of cash collateral runs through January 31, 2024. What progress, if any, has been made since the last hearing?

2/27/24 -- Court approved stipulation authorizing use of cash collateral through February 29, 2024.

Tentative Ruling for February 27, 2024:

As of this date, the last order authorizing the use of cash collateral runs through February 29, 2024. What progress, if any, has been made since the last hearing?

Tentative Ruling for April 2, 2024:

Court entered order on March 20, 2024, extending use of cash collateral through May 31, 2024 and authorizing debtor to remain on premises through same date, provided monthly payments of \$45,000 are made.

What additional progress, if any, has been made since the last hearing?

Final Ruling for April 2, 2024:

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Continue hearing to May 8, 2024 at 11:00 a.m. to give parties a further opportunity to formalize their agreements in writing.

Tentative Ruling for May 29, 2024:

What additional progress, if any, has been made since the last hearing?

6/3/2024 -- Court entered order extending use of cash collateral through June 30, 2024 and authorizing debtor to remain on premises through same date, provided monthly payment of \$58,500 is made.

Tentative Ruling for June 27, 2024:

What additional progress, if any, has been made since the last hearing?
Have the parties figured out what will happen if no deal is in place by June 30? Hearing required.

Tentative Ruling for July 11, 2024:

What additional progress, if any, has been made since the last hearing?
Have the parties entered into any additional agreements concerning the continued use of cash collateral or the debtor's business premises? Hearing required.

7/11/2024 -- Court entered order extending use of cash collateral and debtor's authority to remain in premises through July 31, 2024. See order for additional terms.

Tentative Ruling for July 25, 2024:

What additional progress, if any, has been made since the last hearing?
Have the parties entered into any additional agreements concerning the continued use of cash collateral or the debtor's business premises? Hearing required.

Party Information

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Debtor(s):

CenterPoint Radiation Oncology,

Represented By
Ron Bender
John-Patrick M Fritz

Movant(s):

CenterPoint Radiation Oncology,

Represented By
Ron Bender
John-Patrick M Fritz

Trustee(s):

Mark M Sharf (TR)

Pro Se

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2:23-13448 CenterPoint Radiation Oncology, LLC

Chapter 11

#2.00 Scheduling and Case Management Conference in a Chapter 11 Subchapter V Case

fr: 7-19-23; 8-9-23; 8-30-23, 10-5-23; 10-4-23; 11-1-23; 11-2-23; 11-15-23;
12-20-23; 1-10-24; 1-31-24; 2-27-24; 4-2-24; 5-8-24; 5-14-24; 5-22-24; 5-29-24;
6-12-24; 6-27-24; 7-11-24

Docket 1

Courtroom Deputy:

ZoomGov Appearance by:

7/8/24 - David Shevitz

7/10/24 - Keith Owens

7/10/24 - Robert Carrasco

Tentative Ruling:

Tentative Ruling from July 19, 2023:

Deadline for debtor to file plan is August 31, 2023. Continue case status conference to September 6, 2023 at 11:00 a.m. Court will review plan at that conference and discuss plan-related deadlines and procedures. Requests for additional disclosures/concerns with regard to content of plan can be discussed orally at the September 6 status conference.

Discuss with debtor status of negotiations with landlord.

Tentative Ruling for August 9, 2023:

Revisit status of case after conclusion of hearing on related matters on calendar.

Final Ruling for August 9, 2023:

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US Trustee will lodge order appointing patient care ombudsman, as court should already have appointed one by this point in the case. (Entry of order is without prejudice to debtor's motion to have the PCO removed as unnecessary.)

Continue status conference to August 30, 2023 at 11:00 a.m.

Tentative Ruling for August 30, 2023:

Revisit status of case after conclusion of hearing on related matters on calendar.

9/27/23 -- Court advanced date of case status conference to October 4, 2023 at 11:00 a.m. OFF CALENDAR FOR OCTOBER 5, 2023.

Tentative Ruling for October 4, 2023:

What, if any, progress have the parties made since their last appearance before this Court? What is the current status of this chapter 11 case?

10/11/23 -- Court approved stipulation continuing hearing to November 2, 2023 at 10:00 a.m. OFF CALENDAR FOR NOVEMBER 1, 2023.

Tentative Ruling for November 2, 2023:

What, if any, progress have the parties made since their last appearance before this Court? What is the current status of this chapter 11 case?

Tentative Ruling for November 15, 2023:

Continue case status conference to December 20, 2023 at 10:00 a.m. to be heard concurrently with hearing on continued use of cash collateral.
APPEARANCES WAIVED ON NOVEMBER 15, 2023.

Tentative Ruling for June 27, 2024:

Revisit status of chapter 11 case after resolution of related matter on calendar.

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Tentative Ruling for July 11, 2024:

What additional progress, if any, has been made since the last hearing?
Have the parties entered into any additional agreements concerning the continued use of cash collateral or the debtor's business premises? Hearing required.

Tentative Ruling for July 25, 2024:

What additional progress, if any, has been made since the last hearing?
Have the parties entered into any additional agreements concerning the continued use of cash collateral or the debtor's business premises? Hearing required.

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CenterPoint Radiation Oncology,

Represented By
Ron Bender
John-Patrick M Fritz

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