

CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT
IN AND FOR HILLSBOROUGH COUNTY, FLORIDA
CIVIL DIVISION

In re:

Laser Spine Institute, LLC ¹	Case No. 2019-CA-2762
CLM Aviation, LLC	Case No. 2019-CA-2764
LSI HoldCo, LLC	Case No. 2019-CA-2765
LSI Management Company, LLC	Case No. 2019-CA-2766
Laser Spine Surgery Center of Arizona, LLC	Case No. 2019-CA-2767
Laser Spine Surgery Center of Cincinnati, LLC	Case No. 2019-CA-2768
Laser Spine Surgery Center of Cleveland, LLC	Case No. 2019-CA-2769
Laser Spine Surgical Center, LLC	Case No. 2019-CA-2770
Laser Spine Surgery Center of Pennsylvania, LLC	Case No. 2019-CA-2771
Laser Spine Surgery Center of St. Louis, LLC	Case No. 2019-CA-2772
Laser Spine Surgery Center of Warwick, LLC	Case No. 2019-CA-2773
Medical Care Management Services, LLC	Case No. 2019-CA-2774
Spine DME Solutions, LLC	Case No. 2019-CA-2775
Total Spine Care, LLC	Case No. 2019-CA-2776
Laser Spine Institute Consulting, LLC	Case No. 2019-CA-2777
Laser Spine Surgery Center of Oklahoma, LLC	Case No. 2019-CA-2780

Assignors,

Consolidated Case No:
2019-CA-2762

To:

Soneet Kapila,

Division L

Assignee.

**ASSIGNEE'S MOTION FOR ORDER AUTHORIZING
REJECTION OF ADDITIONAL EQUIPMENT LEASES**
(Copiers and Printers)

Assignee, Soneet Kapila of KapilaMukamal (“Assignee”), by and through his undersigned attorneys, hereby moves the Court, pursuant to the provisions of §§ 727.108(5) and 727.110(3) of

¹ At a hearing held on March 22, 2019, the Court administratively consolidated this case with the assignment cases of the following entities: LSI Management Company, LLC; Laser Spine Institute Consulting, LLC; CLM Aviation, LLC; Medical Care Management Services, LLC; LSI HoldCo, LLC; Laser Spine Surgical Center, LLC; Laser Spine Surgery Center of Arizona, LLC; Laser Spine Surgery Center of Cincinnati, LLC; Laser Spine Surgery Center of St. Louis, LLC; Laser Spine Surgery Center of Pennsylvania, LLC; Laser Spine Surgery Center of Oklahoma, LLC; Laser Spine Surgery Center of Warwick, LLC; Laser Spine Surgery Center of Cleveland, LLC; Total Spine Care, LLC; and Spine DME Solutions, LLC.

the Florida Statutes, for the entry of an order authorizing rejection of certain equipment leases under which certain of the above-captioned Assignors are the lessees, effective as of the date the Assignee files and serves his notice of rejection as to a particular lease. In support of this motion, the Assignee states as follows:

Background

1. On March 14, 2019, Laser Spine Institute, LLC (“**LSI**”) executed and delivered an assignment for the benefit of creditors to the Assignee. The Assignee filed a Petition with the Court on March 14, 2019, commencing an assignment for the benefit of creditors proceeding pursuant to Section 727 of the Florida Statutes. The Assignee also filed a Petition for LSI Management Company, LLC (“**LSI Management**”) and filed Petitions commencing fourteen other assignment for the benefit of creditors proceedings for fourteen affiliates of LSI and LSI Management (collectively, the “**Assignors**,” and the filed assignment cases, “**Assignment Cases**”).

2. One of the Assignee’s duties is to reject unexpired leases of personal property that are financially burdensome to the assignment estate. Since the filing of the Assignment Cases, the Assignee has identified several additional personal property leases that need to be rejected relating to copier and printer equipment.

3. The Assignee will be filing Notices of Rejection of Personal Property Leases (the “**Notices**”) following the filing of this motion with respect to all leases between any Assignor and any lessor of copier and printer equipment, including the following potential lessors:

- a. DEX Imaging, Inc.
- b. Wells Fargo
- c. CIT Bank
- d. GreatAmerica Financial

4. The assignment estates do not require the use of any of the leased equipment during the wind-down process, and he will be immediately seeking rejection of the leases listed above through a notice of rejection. The Assignee will file a separate Notice identifying the affected property, the address at which the affected property is located, the name and telephone number of the person in possession of the affected property, and the deadline for removal of the affected property.

Relief Requested

5. The Assignee seeks the Court's authorization of the lease rejections referenced above pursuant to §§ 727.108(5) and 727.110(3), Florida Statutes, effective as of the date the Assignee files a Notice with respect to the affected lease.

6. Section 727.108 of the Florida Statutes provides that one of the Assignee's duties is, "[t]o the extent reasonable in the exercise of the assignee's business judgment, reject an unexpired lease of nonresidential real property or of personal property under which the assignor is the lessee." Fla. Stat. § 727.108(5). Further, § 727.108 expressly grants the Court the power to "[a]uthorize the assignee to reject an unexpired lease of nonresidential real property or of personal property under which the assignor is the lessee pursuant to s. 727.108(5)." Fla. Stat. § 727.109(6).

7. The procedure for rejection of a personal property lease is set forth in § 727.110(3) of the Florida Statutes, which provides that the Assignee shall file a notice of rejection with the Court and serve the notice on appropriate parties. Further, the notice "must identify the affected property, the address at which the affected property is located, the name and telephone number of the person in possession of the affected property, and the deadline for removal of the affected property." Fla. Stat. § 727.110(3)(a).

8. This motion and the Notices to be filed, described above, satisfy the requirements of § 727.110(3). It is critical that the Assignee be able to immediately reject financially

burdensome personal property leases once he has determined that the estates do not require the use of any of the leased equipment during the wind-down process. The rejection of such leases creates a savings to the estate, which ultimately benefits creditors.

9. Accordingly, the Court's authorization of each lease rejection set forth above, as of the date each Notice is filed, will conserve estate resources and judicial resources and will benefit the creditors of the applicable estate.

WHEREFORE, the Assignee respectfully requests the Court grant this motion and order that the leases referenced herein shall be rejected, effective as of the date the Assignee files each Notice, and that the Court grant such other relief as is just and proper.

/s/ Matthew B. Hale

Harley E. Riedel (FBN 183628)

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Counsel for Assignee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Motion has been furnished on this 4th day of April, 2019 by the Court's electronic system to all parties receiving electronic service and via electronic mail or U.S. Mail to:

DEX Imaging, Inc.
5109 W. Lemon St.
Tampa, FL 33609

DEX Imaging, LLC
c/o CORPORATION SERVICE COMPANY
1201 HAYS STREET
TALLAHASSEE, FL 32301-2525

Wells Fargo Equipment Finance
733 MARQUETTE AVENUE
SUITE 700
MINNEAPOLIS, MN 55402

GreatAmerica Financial Services Corporation
P.O. BOX 609
CEDAR RAPIDS, IA 52406-0609

CIT Bank, N.A.
Attn: Magalie Gilbert
10201 Centurion Parkway N., #100
Jacksonville, FL 32256

/s/ Matthew B. Hale

Matthew B. Hale