

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

GLOBAL WOUND CARE MEDICAL
GROUP, a Professional Corporation,¹

Debtor.

Chapter 11

Case No. 24-34908 (CML)

GLOBAL WOUND CARE MEDICAL
GROUP, a Professional Corporation,

Plaintiff,

vs.

WELLS FARGO BANK, N.A.

Defendant.

Adv. Pro. No. 25-03121 (CML)

**DECLARATION OF ISAAC LEE IN SUPPORT OF
THE DEBTOR'S MOTION FOR PRELIMINARY
INJUNCTION AND TEMPORARY RESTRAINING ORDER**

I, Isaac Lee declare, pursuant to section 1746 of title 28 of the United States Code, that the following is true to the best of my knowledge:

1. I am a Managing Director at Ankura Consulting Group, LLC ("Ankura"), with more than 20 years of operational and financial restructuring experience. I am also currently serving as the Chief Restructuring Officer in the above-captioned chapter 11 case of Global Wound Care Medical Group, a Professional Corporation, the debtor and debtor in possession (the "Debtor").

¹ The last four digits of the Debtor's tax identification number in the jurisdiction in which it operates is 3572.



2. I have advised numerous companies on turnaround plan development and evaluation, liquidity improvement initiatives, asset dispositions, liability management, and bankruptcy filing preparation. I have also assisted in managing and administering companies during chapter 11 cases. Additionally, I have prior experience with health care providers, including acting as Chief Restructuring Officer for Borrego Community Health Foundation and holding senior level responsibilities for a nine surgical center system engagement and a long-term care hospital system engagement.

3. I received my MBA from the Tuck School at Dartmouth College and my BS in Business Administration from the University of Southern California.

4. I submit this declaration (the "Declaration") in support of the *Debtor's Motion for Preliminary Injunction and Temporary Restraining Order* (the "Motion").

5. I am authorized to submit this Declaration on behalf of the Debtor and Ankura, and if called upon to testify, I could and would testify competently to the facts and opinions set forth herein.

I. The Debtor's Business

6. The Debtor is a medical practice that originated in Los Angeles, is licensed in more than 20 states, and has a team of over 200 wound care providers that treat over 2,000 wounds daily. The Debtor's mission is to heal chronic and acute wounds efficiently and cost-effectively. Since 2019, the Debtor (or its predecessor) has provided critical wound care services to elderly patients in their homes, hospices, and skilled nursing facilities. Wound care is a critical service for these patients, because, if left untreated, severe wounds can result in amputation or other serious complications.

7. The Debtor's business operations, corporate and capital structures, and restructuring efforts are described in greater detail in the *Declaration of Ralph Cetrulo in*

Support of Chapter 11 Petition and First Day Motions [Docket No. 8] (the “First Day Declaration”).²

II. The Debtor’s Relationship with Wells Fargo

8. The Debtor has been a long standing client of Wells Fargo (“Wells Fargo”) and uses Wells Fargo to conduct all of its business. Indeed, the Debtor has only one deposit account, a checking account at Wells Fargo, account number XXXXXX9783 (the “Bank Account”). The Debtor uses Wells Fargo as its sole bank to handle all of its business and operations, including all transfers and disbursements (the “Cash Management System”). All of the Debtor’s receipts from Medicare and commercial insurers, accounting for essentially all of the Debtor’s revenue, are paid to the Bank Account.

9. As of April 3, 2025, the cash balance of the Bank Account was \$20,322,463.62. I understand that the Debtor’s Cash Management System constitutes an ordinary course and essential business practice of the Debtor.

10. I understand that the Cash Management System provides significant benefits to the Debtor including, among other things, the ability to control corporate funds, ensure the availability of funds when necessary, and reduce costs and administrative expenses by facilitating the movement of funds and developing timely and accurate account balance information.

11. The Debtor also maintains books and records to document its financial results and a wide array of operating information (collectively, the “Books and Records”).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

12. The Debtor primarily utilizes the following forms of electronic payment—electronic funds transfers (“EFTs”) and automatic clearing-house (or “ACH”) transactions, both of which are processed through the Bank Account.

13. The majority of the Debtor’s receipts are received in the form of ACH transactions from Medicare and various commercial insurance carriers. Separate from the ACH transactions, the Debtor also receives checks from secondary payors, including Medicare, and various commercial insurance carriers (collectively, the “Payors”) that account for the Debtor’s remaining revenue.

III. The Cash Management System

14. I understand that on October 21, 2024 (the “Petition Date”), the Debtor filed the cash management motion [Docket No. 6] (the “Cash Management Motion”), which was approved on a final basis on November 11, 2024 [Docket No. 58] (the “Final Cash Management Order”).

15. The Final Cash Management Order authorizes Wells Fargo to:

[C]ontinue to service and administer the Bank Account as an account of the Debtor as a debtor in possession, without interruption and in the ordinary course of business, consistent with prepetition practices, including prefunding arrangements, and to receive, process, honor and pay any and all checks, drafts, wire transfers, and ACH and other transfers issued, whether before or after the Petition Date, and drawn on the Bank Account after the Petition Date by the holders or makers thereof, as the case may be; provided that the Debtor will instruct the Bank as to which checks, drafts, wire transfers (excluding any wire transfers or ACH transfers that the Bank is obligated to settle), or other items presented, issued, or drawn, shall not be honored.

Final Cash Management Order ¶ 3.

IV. Wells Fargo’s Disruptions to the Debtor’s Business

16. Since the Petition Date, despite the protections afforded to Wells Fargo through the Cash Management Order, Wells Fargo has made it difficult for the Debtor

to conduct its business and to process payments through the Bank Account. For example, Wells Fargo will not permit the Debtor to make or process any payments online and requires a Debtor representative to physically go to a Wells Fargo branch to conduct any business, where they must present two forms of identification to initiate a meeting. Wells Fargo then requires all transactions to be processed by a branch manager, who's availability at each location is unpredictable, at best. At times, the Debtor's representative has had to drive to various branches to find an available branch manager just to process one transaction. Wells Fargo also requires additional steps depending on the receiver of the transaction. For example, for transfers to third party bank accounts, the Debtor's representative must provide a banker letter verifying the Debtor's relationship for each recipient before being allowed to initiate a wire transfer. Lastly, all wire transfers must be accompanied with hard copies of substantiation (*e.g.*, invoices, a copy of the Medicare Stipulation, and email support). The process is cumbersome and laborious and not an efficient use of the Debtor's limited resources.

17. I understand that Wells Fargo has asserted that they have unidentified concerns in continuing the banking relationship with the Debtor. I believe that there are certain safeguards in place that should alleviate any of Wells Fargo's potential concerns. In particular, as CRO of the Debtor and pursuant to the terms of the Medicare Stipulation, I closely oversee the Bank Account and am responsible for (a) reviewing and approving all disbursements and wires ensuring disbursements are within the stipulated budget pursuant to the Medicare Stipulation; (b) preparing support for all wires and transfers from the Bank Account; (c) reviewing account activity and bank balances 2-3 times per week and verifying bank activity and reconciliations; (d) managing adequate liquidity by ensuring funds are available for disbursements; and

(e) tracking all Medicare receipts and ensuring Medicare funds are appropriately transferred to the Medicare receivable account pursuant to the Medicare Stipulation.

18. I believe that the above demonstrates that the Bank Account is closely monitored and that various procedures are in place to minimize any potential risks.

19. Accordingly, the Debtor is seeking to avoid the potentially severe disruption to their businesses that would result if Wells Fargo were to unilaterally terminate the Bank Account.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York
April 4, 2025

/s/ Isaac Lee

Isaac Lee
Chief Restructuring Officer
Global Wound Care Medical Group, a Professional
Corporation