

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
Lafayette Division**

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al.

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

***EX PARTE* CONSENT MOTION FOR LIMITED RELIEF FROM AUTOMATIC STAY**

NOW INTO COURT, through undersigned counsel, comes Trent McMorris, Sr., individually and as natural tutor of Trent McMorris, Jr. (collectively “McMorris” or “the Plaintiff”), who hereby seeks limited *ex parte* relief from the automatic stay imposed upon the commencement of this case by Progressive Acute Care Avoyelles, LLC (“PAC Avoyelles” or “Debtor”) the debtor and debtor-in-possession, so as to go forward with a mediation of that certain lawsuit brought by McMorris against PAC Avoyelles bearing case no. 2016-00002942 (“the Lawsuit”) on the docket of the 12th Judicial District Court for the Parish of Avoyelles, State of Louisiana and in support thereof respectfully represents:

Background

1.

On May 31, 2016, the Debtor and related entities each filed a petition for voluntary relief under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business in the ordinary course as debtor-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2.

The Debtor owns and operates a community-based hospital (“the Hospital”) in Avoyelles Parish, which provides inpatient, outpatient and emergency care, primarily for residents of the immediate region of the Hospital.

3.

After prevailing in a medical review panel proceeding, McMorris filed the Lawsuit against PAC Avoyelles and other non-debtor defendants on April 20, 2016.

4.

Prior to the commencement of the Chapter 11 case by PAC Avoyelles, a mediation of the Lawsuit and all issues arising therein ("the Mediation") had been scheduled for August 17, 2016.

5.

The Plaintiff and the other parties involved in the Lawsuit believe that, if the Mediation is permitted to go forward among all parties other than PAC Avoyelles, it is likely that the claims and all other issues arising in the Lawsuit can be settled and compromised without possible economic exposure of PAC Avoyelles beyond its limits of underlying medical malpractice insurance liability coverage.

6.

In order to facilitate the Mediation and to insulate the Debtor from any expense in connection with the Mediation or exposure of the Debtor to uninsured liability, the Debtor's professional liability coverage provider and the Plaintiff have agreed to waive any claim against the Debtor for any deductible or self-insured retention amount that might otherwise be due the Debtor in connection with the Lawsuit or any settlement that might be reached at the Mediation. This assures that the Debtor need not incur any expense of sending representatives or counsel to the Mediation as well as insulates it and its estate from any uninsured liability.

7.

Both the Debtor's professional liability coverage provider and the Debtor's general bankruptcy counsel have consented to the relief requested in this Motion as shown by their

signature affixed below; accordingly, McMorris alleges that *ex parte* relief is appropriate in view of that consent. The consent of the Debtor and its professional liability coverage provide to this Motion shall NOT be construed to be an admission of liability by either.

WHEREFORE, Trent McMorris, Sr., individually and as natural tutor of Trent McMorris, Jr., pray that they be granted limited *ex parte* relief from the automatic stay imposed upon the commencement of this case by Progressive Acute Care Avoyelles, LLC (“PAC Avoyelles”), the debtor and debtor-in-possession, solely so as to go forward with a mediation of that certain lawsuit brought by McMorris against PAC Avoyelles bearing case no. 2016-00002942 on the docket of the 12th Judicial District Court for the Parish of Avoyelles, State of Louisiana, under the conditions that they and the Debtor’s professional liability coverage waive any claim against the Debtor for any deductible or self-insured retention amount that might otherwise be due the Debtor in connection the Lawsuit or any settlement that might be reached at the Mediation; the stay shall remain in effect as to any further proceedings other than the Mediation; and, for any and all other relief that might be due under the circumstances.

By Counsel for Trent McMorris, Sr., individually and as natural tutor of Trent McMorris, Jr.

/s/ Oscar L. Shoenfelt, III

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Consent to Limited Relief Requested under
Condition set forth above-

STEFFES, VINGIELLO & McKENZIE, L.L.C.

By: /s/ William E. Steffes

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