

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

IN RE: CASE NO. 16-50740
PROGRESSIVE ACUTE CARE, LLC, et al. CHAPTER 11
JOINTLY ADMINISTERED

**LIMITED OBJECTION TO EMERGENCY MOTION FOR ORDER
AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL**

The Official Committee of Unsecured Creditors of Progressive Acute Care, LLC, *et seq.* (the “Committee”) files this Limited Objection to Debtors’ Emergency Motion for Order Authorizing the Debtors to Use Cash Collateral and Scheduling a Final Hearing (the “Motion”) [ECF 16], and respectfully states as follows:

BACKGROUND

1. The Motion and Interim Orders on the Motion provide for a carve out of collateral to ensure payment of certain administrative costs and expenses in the event of a default by the Debtors (a “Carve Out”), as is appropriate in most Chapter 11 cases. *See* Second Consent Order Authorizing Interim Use of Cash Collateral Granting Related Relief [ECF 146] (“Second Interim Order”), ¶ 10.

2. For reasons unknown to the Committee, the Carve Out in the Motion and the Second Interim Order is set aside exclusively for payment of fees incurred by the Debtor’s professionals, not other estate professionals. Specifically, the Second Interim Order sets the Carve Out at \$75,000.00 to cover for fees, costs and expenses incurred by “professionals or

professional firms retained by the Debtors.” Second Interim Order, ¶ 10. Other estate professionals are not included in the Carve Out.

3. The Committee is unaware of any rational basis for this discriminatory treatment in favor of the Debtor’s professionals and against all other estate professionals. The Committee files this Limited Objection to such discriminatory treatment. The Committee requests that the Carve Out be expanded to include all estate professionals, and that the cap be increased to at least \$200,000.

Prayer

Wherefore, the Committee prays that the Court sustain this Limited Objection and enter a Final Order on the Motion that allows all estate professionals to participate in a meaningful Carve Out of at least \$200,000.

Respectfully submitted,

Date: July 28, 2016

/s/ J. Eric Lockridge

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Certificate of Service

I hereby certify that a copy of the foregoing *Limited Objection to Emergency Motion for Order Authorizing the Debtors to Use Cash Collateral and Scheduling a Final Hearing* was served on the Office of the U.S. Trustee, the Debtor through its counsel, and all parties requesting notice through the Court's CM/ECF System on July 28, 2016.

/s/ J. Eric Lockridge