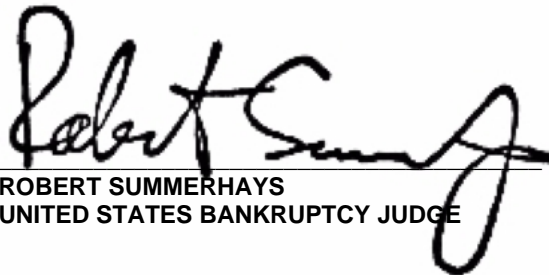




SO ORDERED.

SIGNED August 31, 2016.


ROBERT SUMMERHAYS
UNITED STATES BANKRUPTCY JUDGE

**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

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Progressive Acute Care, LLC (“PAC”), Progressive Acute Care Avoyelles, LLC (“PAC Avoyelles”), Progressive Acute Care Oakdale, LLC (“PAC Oakdale”) and Progressive Acute Care Winn, LLC (“PAC Winn”) as debtors and debtors-in-possession (collectively, the “Debtors” or sometimes referred to as “Sellers”), in the above-captioned administratively consolidated cases (the “*Chapter 11 Cases*”), filed a *Motion Under 11 U.S.C. §§ 363(b) and (f) and 365 for: (I) Preliminary Order (i) Approving Bidding Procedures and Stalking Horse Bid and Fee, (ii) Prescribing Notice Requirements, and (iii) Setting Hearing Date, Time and Place for Auction of Debtors’ Property; and, for (II) Order Approving Sale of Assets and Assumption and Assignment of Certain Contracts and Leases and Amounts of Cure, if any, Related Thereto* (Doc.183)(the “Sale

Motion”), and the Supplemental Motion thereto filed on August 25, 2016 [Doc. 282] (the “Amended Sale Motion”). The Court held a preliminary hearing on the Sale Motion on July 26, 2016, for the purpose of considering (i) approval of the Proposed Stalking Horse Bid, as set forth in the Asset Purchase Agreement¹ (“APA”) submitted by Central Louisiana Hospital Group, LLC (“CLHG”²), (ii) the Proposed Bid Procedures, prescribing Notice requirements, and setting a date, time and place for Auction. Following that hearing, the Court entered a Preliminary Order [Doc. 226] (the “Procedures Order”), setting the matter for final hearing (“Sale Hearing”) on August 26, 2016. The Auction was set to take place on August 22, 2016, if any other parties other than CLHG became Qualified Bidders prior to noon CDT on August 19, 2016. Debtors’ counsel represented that notice of the auction and the hearing was duly given to all creditors, other parties in interest, and certain other persons in accordance with the terms of the Procedures Order. No other persons became Qualified Bidders; so, under the Procedures Order, CLHG was the only Qualified Bidder and no auction was conducted.

There being no other Qualified Bidders, CLHG was deemed to be the Successful Bidder (as defined in the Procedures Order) for the Purchased Assets and assumption and assignment of certain Assumed Contracts (“the Sale and Assignments”) as set forth in the APA, as modified by the parties in the Amendment to Asset Purchase Agreement [Doc. 282]³ (“the Amended APA”) (the APA as modified by the Amended APA collectively referred to as “the Final APA”).

As provided in the Procedures Order, the Court took up the hearing on approval of the bid and consideration of entry of a final order approving the Sale and Assignments, pursuant to 11

¹ The Asset Purchase Agreement, attached as Exhibit 1 to the *Procedures Order*, represents the Stalking Horse Bid.

² “CLHG” herein shall mean Central Louisiana Hospital Group, LLC or its permitted designees, including, Oakdale Real Estate Holdings, LLC, CLHG-Oakdale LLC, Avoyelles Real Estate Holdings, LLC, CLHG-Avoyelles LLC, Winn Real Estate Holdings, LLC, CLHG-Winn LLC.

³ The Amendment to the Asset Purchase Agreement is attached as Exhibit A to the *Supplemental Motion* [Doc. 282]

U.S.C. §§ 363(b), 363(f) and 365, free and clear of liens, claims and encumbrances as modified by the Final APA. Debtors' counsel represented that proper notice of the Sale Hearing was given in accordance with the requirements set forth in the Procedures Order.

Considering the representations of counsel for the Debtors and CLHG, and the evidence, testimony, and the record of these Chapter 11 Cases,

THE COURT FINDS THAT:

The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

1. This Court has jurisdiction to hear and determine the Sale Motion and Amended Sale Motion pursuant to 28 U.S.C. §§157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §§157(b)(2)(A) and (N).
2. Sufficient notice of the Sale Motion and the Sale Hearing and the Amended Sale Motion has been provided in accordance with Bankruptcy Rules 2002 and 6004(a), which notice is sufficient for all purposes under the Bankruptcy Code, and no further notice of, or hearing on, the Sale Motion or the Amended Sale Motion is necessary or required.
3. The relief requested in the Sale Motion and the Amended Sale Motion is a reasonable exercise of the Debtors' business judgment, complies with 11 U.S.C. §§ 105, 363, and 365, and is in the best interest of the Debtors, their respective estates and creditors, and all other parties-in-interest.

4. Any delay in consummating the Sale and Assignments will be detrimental to the Debtors, their estates, and their creditors.
5. The bidding and auction procedures established pursuant to the Procedures Order and the procedures for the assumption, assignment and cure of Assumed Contracts are fair and reasonable and have been complied with in all respects.
6. CLHG's bid for the Purchased Assets is fair, reasonable and in good faith and offers the highest and best offer available to the estates and is in the best interests of the Debtors, their respective estates and their creditors.
7. CLHG has been at all times and shall be a purchaser in good faith for purposes of Section 363(m) of the Bankruptcy Code.
8. For purposes of 11 U.S.C. §363(m) and §363(n), CLHG's bids were arm's length, non-collusive bids and were not the subject of or controlled by any agreement among potential bidders.
9. The Sale and Assignments were approved after a hearing properly and timely noticed, at which reasonable opportunity was given to all interested parties to object to the relief requested and to make higher and better offers. The only cure amounts due or which will become due by the estimated date of closing to the other parties to the Assumed Contracts are those set forth on Exhibit "A."
10. Good cause exists for waiving the fourteen-day stay under Bankruptcy Rule 6004(h).

####

Respectfully submitted by:

WILLIAM E STEFFES (LA Bar Roll No. 12426)

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Counsel for Debtors

EXHIBIT A

Cure Amount Schedule

AVOYELLES CONTRACTS AND LEASES			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Avoyelles	GE Optima 660 CT Technology	Personal property lease no. 9737902-001: Optima 660 CT Technology	-
PAC	GE Capital	Personal property lease no. 9802124001: Medispense	-
PAC	GE Capital	Personal property lease no. 7808494-001: Copiers	\$14,464.87 This Cure Amount is subject to payment on or before 8/31/16; if payment is made thereafter, then both the monthly lease payments and late charges will continue to accrue under the terms of the lease.
PAC Avoyelles	GE Healthcare Financial	Personal property lease no. 8772873-001: Digital Mammo Unit	\$5,964.60
PAC Avoyelles	Olympus America Inc.	Personal property lease: Endoscope	\$4,274.51
PAC Avoyelles	Philips Medical Capital	Personal property lease: Ultrasound	\$8,854.46
PAC	Computer Programs & Systems, Inc.	Electronic records/software	\$65,602.51
PAC Avoyelles	Hathorn Record Management	Medical records storage	\$12,873.62
PAC Avoyelles	Aetna Better Health Inc. & Aetna Coventry (Aetna)	Managed care contracts	No Cure Amount is known to be due at this time; however, Aetna shall retain the right to recoup and seek from Purchaser the satisfaction of unidentified overpayments that are not presently curable defaults under the Assumed Contracts.
PAC Avoyelles	Amerigroup	Managed care contract	-
PAC Avoyelles	Blue Cross Blue Shield	Managed care contract	-
PAC Avoyelles	Humana	Managed care contract	-
PAC Avoyelles	PPOplus	Managed care contract	-
PAC Avoyelles	UnitedHealthcare	Managed care contract	-

AVOYELLES CONTRACTS AND LEASES, cont'd			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Avoyelles	Vantage Health Plan	Managed care contract	-
PAC Avoyelles	Cigna	Managed care contract	-
PAC Avoyelles	PDM JDT, LLC	Real property lease: Place Due Marche, 338 Moreau Street, Marksville, Louisiana 71351	-
PAC Avoyelles	Avoyelles Surgical Associates	Real property lease: 4239 Highway 1192, Suite 300, Marksville, LA	-
PAC Avoyelles	Hope's Children & Family Care Clinic	Real property sublease: 338 Moreau Street, Suite B, Marksville, Louisiana	-
PAC Avoyelles	Avoyelles Pediatrics	Real property sublease: 338 Moreau Street, Suite E & F, Marksville, Louisiana	-
PAC Avoyelles	Dr. Donna Breen, M.D.	Real property sublease: 338 Moreau Street, Suite A, Marksville, Louisiana	-
PAC Avoyelles	Dr. Kevin L. Bordelon, M.D.	Real property lease: 4239 Highway 1192, Suite 200, Marksville, LA	-
PAC Avoyelles	Dr. Ellas Mounayar, M.D.	Real property sublease: 338 Moreau Street, Suite D, Marksville, Louisiana	-
PAC Avoyelles	Dr. Warren John Plauche	Real property lease: 4239 Highway 1192, Suite 100, Marksville, LA	-
PAC Avoyelles	Siemens lab reagent equipment	Equipment and Product Agreement	\$28,860.18
PAC Avoyelles	All Saints Hospice	Agreement for Hospice Services	-
PAC Avoyelles	Avoyelles Manor Nursing Home	Host Facility Agreement	-
PAC Avoyelles	Avoyelles Parish Sheriff's Office	Healthcare Professional's Agreement	-
PAC Avoyelles	Central LA Area Education Center	"A-HEC of a Summer", 2016 Program Agreement	-
PAC Avoyelles	Central LA Technical College	Multiple Cooperation Agreements	-
PAC Avoyelles	City of Marksville	Real property lease: 4.61 acres lying within and forming a portion of Section 61, Township Two North, Range Four East, Ward 2, Avoyelles Parish, Louisiana	-

Exhibit A

AVOYELLES CONTRACTS AND LEASES, cont'd			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Avoyelles	CMS Communications	Quality Improvement Organization Memorandum of Agreement	-
PAC Avoyelles	Compassionate Care—Hospice	Hospital Inpatient Services Agreement	-
PAC Avoyelles	Journey Hospice of Alexandria	Hospice and Inpatient Facility Agreement	-
PAC Avoyelles	Louisiana Eyebank	Terms of Association Agreement	-
PAC Avoyelles	LSU Health—Shreveport	AAMC Uniform Clinical Training Affiliation Agreement	-
PAC Avoyelles	Louisiana Healthcare Quality Forum	Healthcare Information Exchange Agreement	-
PAC Avoyelles	Louisiana Organ Procurement Agency	Agreement for Procurement of Organs/Tissue	-
PAC Avoyelles	LSU—Alexandria (Dept. of Allied Health)	Clinical Laboratory Science Program Agreement	-
PAC Avoyelles	St. Joseph Hospice	Hospital Provider Agreement	-
PAC Avoyelles	eClinicalworks, LLC	Billing service provider	\$3,293.72

OAKDALE CONTRACTS AND LEASES			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Oakdale	Mindray DS	Personal property lease: Telemetry	\$900.01
PAC Oakdale	De Lage Landen	Personal property lease: Blood Gas Analyzer	\$3,293.93
PAC Oakdale	Karl Storz	Personal property lease: Endoscopy	\$28,614.49
PAC Oakdale	Siemens Financial Services (“SFS”)	Personal property lease: Chemistry Analyzer	\$24,920.46 The Cure Amount shall be paid in five equal consecutive monthly installments of \$4984.09, with the 1st installment being paid contemporaneously with and in addition to the payment due to SFS by Purchaser under the assigned lease for the month of September 2016.
PAC	GE Capital	Personal property lease no. 7808494-005: Copier	\$10,256.11 This Cure Amount is subject to payment on or before 8/31/16; if payment is made thereafter, then both the monthly lease payments and late charges will continue to accrue under the terms of the lease.
PAC	GE Capital	Personal property lease no. 9802124001: MedDispense	-
PAC Oakdale	Toshiba	Personal property lease: Ultrasound	\$3,218.11
PAC	Computer Programs & Systems, Inc.	Electronic records/software	\$32,136.68
PAC Oakdale	Professional Archive Solutions	Medical records storage	\$20,565.60
PAC Oakdale	Aetna Better Health Inc. and Aetna Coventry	Managed care contracts	\$2,400.67 Aetna shall retain the right to recoup and seek from Purchaser the satisfaction of unidentified overpayments that are not presently curable defaults under the Assumed Contracts.

OAKDALE CONTRACTS AND LEASES, cont'd			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Oakdale	Blue Cross Blue Shield	Managed care contract	-
PAC Oakdale	Humana	Managed care contract	-
PAC Oakdale	PPOplus	Managed care contract	-
PAC Oakdale	UnitedHealthcare	Managed care contract	-
PAC Oakdale	Vantage Health Plan	Managed care contract	-
PAC Oakdale	Verity HealthNet Network	Managed care contract	-
PAC Oakdale	Cigna	Managed Care Contract	
PAC Oakdale	Charles Cottongin	Real property lease: 404 West 6th avenue, Oakdale, Louisiana	\$2,100
PAC Oakdale	Town of Elizabeth	Real property lease: 504 West Main Street, Elizabeth, Louisiana	\$1,250
PAC Oakdale	eClinicalworks, LLC	Billing service provider	\$9,128.84

WINN CONTRACTS AND LEASES			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Winn	Siemens Financial Services	Personal property lease: Chemistry Analyzer	\$27,206.75 The Cure Amount shall be paid in five equal consecutive monthly installments of \$5441.35, with the 1st installment being paid contemporaneously with and in addition to the payment due to SFS by Purchaser under the assigned lease for the month of September 2016.
PAC	GE Capital	Personal property lease no. 7808494-006: Copiers	\$12,383.67 This Cure Amount is subject to payment on or before 8/31/16; if payment is made thereafter, then both the monthly lease payments and late charges will continue to accrue under the terms of the lease.
PAC	GE Capital	Personal property lease no. 9802124001: MedDispense	\$3,802.33
PAC	Computer Programs & Systems, Inc.	Electronic records/software	-
PAC Winn	Professional Archive Solutions	Medical records storage	
PAC Winn	Aetna Better Health Inc. and Aetna Coventry	Managed care contracts	No Cure Amount is known to be due at this time; however, Aetna shall retain the right to recoup and seek from Purchaser the satisfaction of unidentified overpayments that are not presently curable defaults under the Assumed Contracts.
PAC Winn	Amerigroup	Managed care contract	-
PAC Winn	Blue Cross Blue Shield	Managed care contract	-
PAC Winn	Humana	Managed care contract	-
PAC Winn	PPOplus	Managed care contract	-
PAC Winn	UnitedHealthcare	Managed care contract	-
PAC Winn	Vantage Health Plan	Managed care contract	-
PAC Winn	Cigna	Managed care contract	-
PAC Winn	Shelton Properties, West Court Division, LLC	Real property lease: 608 W. Lafayette St, Winnfield, LA	\$50,343.75

WINN CONTRACTS AND LEASES, cont'd.			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Winn	Stryker Financing/MedOne Capital Funding	Personal property lease no. 21-6674: Endoscopy	\$8,176.88
PAC Winn	MedOne Capital Funding	Personal property lease no. MO-E028969A: IV pumps	\$9,562.36
PAC Winn	eClinicalworks, LLC	Billing service agreement	\$3,054.47

Notice Recipients

District/Off: 0536-4
Case: 16-50740

User: mcomeaux
Form ID: pdf8

Date Created: 8/31/2016
Total: 61

Recipients submitted to the BNC (Bankruptcy Noticing Center) without an address:

tr DIP
op Garden City Group, LLC
cr Jefferson Sprinkler, Inc.
intp CHRISTUS Health
cr Allen Emergency Group, LLC
cr Winn Emergency Group, LLC
cr Avoyelles Emergency Group, LLC
cr Iberia Emergency Group, LLC
cr Iberia Physician Services, LLC
cr The Schumacher Group of Louisiana, Inc.
cr Sheridan Healthcare of Louisiana, Inc.
cr De Lage Landen Financial Services, Inc.
cr Karl Storz Capital
cr Philips Medical Capital, LLC

TOTAL: 14

Recipients of Notice of Electronic Filing:

ust Office of U. S. Trustee USTPRegion05.SH.ECF@usdoj.gov
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aty Andrew H. Sherman asherman@sillscummis.com
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TOTAL: 22

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db Progressive Acute Care, LLC Post Office Box 5309 Abita Springs, LA 70420
cr Global Physicians Network, LLC 504 Texas Street Suite 200 Shreveport, LA 71101
intp Southern Textile Services, L.L.C. c/o Armistead M. Long Gordon Arata McCollam Duplantis &
Eagan 400 E. Kaliste Saloom Rd. Suite 4200 Lafayette, LA 70508
cr Southern Textile Services, L.L.C. c/o Armistead M. Long, Esq. Gordon Arata McCollam Duplantis &
Eagan 400 East Kaliste Saloom Rd. Suite 4200 Lafayette, LA 70508
cr TCF Equipment Finance, Inc. Gregory A. Payer 11100 Wayzata Blvd., Suite 801 Minnetonka, MN
55305
cr NES Louisiana, Inc. 39 Main Street Tiburon, CA 94920
cr Pharmacy Service of Winnfield, Incorporated c/o Stephen Shelton P.O. Box 1437 Winnfield, LA
71483
cr Shelton Property West Court Division, LLC c/o Stephen Shelton P.O. Box 1437 Winnfield, LA
71483
cr Doerle Food Services LLC 103 Kol Drive Broussard, La 70518
cr CLECO Corporation Wheelis & Rozanski P.O. Box 13199 Alexandria, La 71315
cr Mobile Imaging Services, LLC Wheelis & Rozanski P.O. Box 13199 Alexandria, LA 71315
cr Official Committee of Unsecured Creditors for Progressive Acute Care, LLC c/o Christopher
Lehmann 7000 Cardinal Place Dublin, OH 43017
intp Louisiana Department of Health & Hospitals c/o Kimberly Humbles P. O. Box 3836 Baton Rouge,
LA 70821-3836
intp Trent McMorris, Sr. Oscar L. Shoenfelt, III 2109 Perkins Road Baton Rouge, LA 70808
sp Jack M. Stoler Sullivan Stoler Knight, LC 909 Poydras Street, Suite 2600 New Orleans, LA 70112
cr Parallon Business Solutions, LLC c/o NeunerPate 1001 W. Pinhook Rd., Suite 200 Lafayette, LA
70503
cr Richard Hylland 3500 S Phillips Ave Ste 110 Sioux Falls, SD 57105

cr De Leo Law Firm 800 Ramon St. Mandeville, la 70448
cr Prime Alliance Bank 1868 South 500 West Woods Cross, UT 84087
cr Siemens Financial Services, Inc. 170 Wood Avenue South Iselin, NJ 08830
fa SOLIC Capital LLC c/ Neil Luria 1603 Orrington Ave Ste 1600 Evanston, IL 60201
fa SOLIC Captial Advisors, LLC c/o Neil Luria 1603 Orrington Ave Ste 1600 Evanston, IL 60201
aty Boris I. Mankovestskiy Sillis Cummins & Gross, PC One Riverfront Plaza Newark, NJ 07102
aty Cliff A LaCour 1001 W Pinhook Rd Ste 200 Lafayette, LA 70503
George C. Freeman, III Barrasso Usdin Kupperman et al 909 Poydras Street, Suite 2400 New
Orleans, LA 70112

TOTAL: 25