



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**

**FINAL ORDER GRANTING MOTION AND SUPPLEMENTAL MOTION
UNDER 11 U.S.C. §§ 363(b) AND (f) AND 365 APPROVING SALE OF ASSETS AND
ASSUMPTION AND ASSIGNMENT OF CERTAIN CONTRACTS AND LEASES AND
AMOUNTS OF CURE, IF ANY, RELATING THERETO**

Considering the *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), and the Supplemental Motion thereto filed on August 25, 2016 [Doc. 282] (collectively the "Amended Sale Motion") filed by 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*”); the preliminary Order (“the Procedures Order”) entered thereon [Doc. 226] that, *inter alia*, approved the Stalking Horse Bid, as set forth in the Asset Purchase Agreement¹ (“APA”) submitted by Central Louisiana Hospital Group, LLC (“CLHG”); and the evidence presented and the representations of counsel made at the final hearing on the Amended Sale Motion held on August 26, 2016, the record of the Chapter 11 Cases; applicable law; and the Findings of Fact and Conclusions of Law entered contemporaneously with this Order:

IT IS HEREBY ORDERED THAT the Amended Sale Motion is granted in all respects and all objections thereto be and they are hereby overruled; and the sale of the Purchased Assets and the 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]² (“the Amended APA”) (the APA as modified by the Amended APA collectively referred to as “the Final APA”)³, pursuant to and under the terms set forth in the Final APA duly executed by CLHG or its permitted designees (“the Purchasers”) and the Debtors is hereby approved in its entirety and is authorized under sections 363 and 365 of the Bankruptcy Code and shall constitute a valid and binding agreement in accordance with the terms of the Final APA; and Purchasers and the Debtors shall close the Sale within the time period set forth in the Final APA

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

² The Amendment to the Asset Purchase Agreement is attached as Exhibit A to the *Supplemental Motion* [Doc. 282]

³ Any capitalized terms otherwise undefined in this Order shall have the meanings ascribed to them in the Final APA.

(such date, the “Closing Date”), unless the Debtors and Purchaser agree to an extension of that time;

IT IS FURTHER ORDERED that pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, the Sale and Assignments are hereby approved free and clear of all mortgages, security interests, liens, encumbrances, interests, commissions, assessments, conditional sale or other title retention agreements, pledges, judgments, demands, easements, servitudes, restrictions, costs, or charges of any kind or nature, and claims (for and as that term is defined in section 101(4) of the Bankruptcy Code) (collectively, the “Liens and Claims”) asserted against the Purchased Assets and Assumed Contracts *except for the Permitted Exceptions as defined in the Final APA including the existing Liens granted by any one or more of the Sellers to Business First Bank (“the BFB Liens”) and the Liens to be granted at Closing by Purchaser to Sellers (“the Wraparound Liens”) to secure the Wraparound Note (defined below);*

IT IS FURTHER ORDERED that, in accordance with the agreement of the Debtors and the Purchasers as embodied in the Final APA, the Debtors, as Sellers, are hereby authorized and directed to accept a promissory note executed by Purchasers in solido as to each signatory in the original principal amount equal to \$10,050,000⁴ (the “Wraparound Note”) at Closing; the Wraparound Note shall be secured by (1) mortgages granted by Purchasers (the original Purchaser or its permitted assignees, as the case may be) to Sellers against all Owned Property being conveyed by Sellers to Purchasers, (2) a security agreement granting from Purchasers to Sellers perfected security interests in and to all other Purchased Assets being conveyed by Sellers to Purchasers and all of Purchasers’ other assets existing at and after Closing, including all proceeds thereof, and (3) a commercial guaranty of payment to be executed at the Closing by Allegiance

⁴ Subject to adjustments upward and downward as provided by Section 3.1 of the Final APA.

Health Management, Inc. guaranteeing full and timely payment of the Wraparound Note, provided guarantor's liability thereunder will be limited to \$500,000. Such mortgages and security interests shall be subject to existing mortgages and security interests of Business First Bank affecting the Owned Property and other Purchased Assets but shall have priority over any and all other consensual liens. Until the entire principal amount of the Wraparound Note and all interest accrued thereon have been paid in full, Purchaser shall not grant mortgages or security interests against any of the assets covered by the mortgages and security agreements referred to above. The Wraparound Note shall bear interest from September 1, 2016 until paid in full at a rate equal to the per diem amount (calculated at the non-default contractual rate) of interest accruing on Sellers' indebtedness to Business First Bank and interest shall be paid by Purchasers to Sellers not later than one (1) business day before each date that Sellers are obligated to remit interest to Business First Bank. All principal and interest due under the Wraparound Note shall be fully due and payable on or before October 17, 2016. The Wraparound Note and such mortgages, security agreements and commercial guaranty shall contain such other provisions and terms as may be reasonably requested by Sellers, including provisions for default interest and collection of attorney fees and other collection expenses in the event of default as are customary and usual in commercial banking transactions. The Purchasers shall make payment to the Debtors (and only to the Debtors) of all amounts due under the Wraparound Note with all amounts of interest thereunder received by the Debtors being remitted by the Debtors to Business First Bank as and when due to be paid to Business First Bank;

IT IS FURTHER ORDERED that payment in full of all amounts of principal and interest due under the Wraparound Note ("Full and Final Payment") shall be made by Purchasers on or before October 17, 2016, by wire transfer to Sellers' Bank Account # xxxx6701 maintained at

Business First Bank to be administered pursuant to the provisions of the Bankruptcy Code and any further Orders of this Court; upon receipt of such Full and Final Payment in said Seller's Bank Account, the BFB Liens and the Wraparound Liens shall be immediately released and cancelled by operation of this Order insofar as they affect any of the Purchased Assets and/or the Assumed Contracts with such BFB Liens to attach to the proceeds of the Sale and Assignments with the same validity, extent, rank, and priority they had as against the Purchased Assets and/or Assumed Contracts themselves. Upon receipt of the Full and Final Payment, the Debtors shall promptly file a Notice of Receipt into the record of this case, evidencing such payment. Business First Bank and the Debtors shall execute and deliver such documents as may be reasonably requested by the Purchasers for the purpose of discharging as of record any or all of such BFB Liens and/or the Wraparound Liens, as the case may be;

IT IS FURTHER ORDERED that, except as expressly permitted by this Order, all persons and entities holding Liens and Claims with respect to the Purchased Assets and Assumed Contracts be and hereby are barred from asserting such Liens and Claims against Purchasers, their successors or assigns, or the Purchased Assets or Assumed Contracts;

IT IS FURTHER ORDERED that the transfer of the Purchased Assets and Assumed Contracts by the Debtors to Purchasers for the Purchase Price (i) are and will be legal, valid and effective transfers, (ii) will vest Purchasers with good title to the Purchased Assets, as the case may be, free and clear of all Liens and Claims except for the Permitted Exceptions with all such Liens and Claims to attach to the sale proceeds with the same validity, extent, rank, and priority each had as against the Purchased Assets themselves, (iii) constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and nonbankruptcy law, and (iv) does not and will not subject Purchasers to any liability by reason of such transfers under the Bankruptcy Code

or under the laws of the United States, any state, territory or possession thereof, or the District of Columbia, in whole or in part, directly or indirectly, or under any theory of law including, without limitation, any theory of successor or transferee liability;

IT IS FURTHER ORDERED that nothing in this Order shall be deemed an admission, acknowledgment, or allowance of the validity, extent, rank, or priority of any liens, claims, or interests that may attach to the proceeds of the Sale, and any and all rights, claims, defenses, and other challenges of the Debtors, the Official Committee of Unsecured Creditors, or any other parties-in-interest with respect to the validity, extent, rank, or priority of such liens, claims, or interests are hereby expressly preserved;

IT IS FURTHER ORDERED that this Order is and shall be binding upon and govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, recorders of conveyances, registrants and deeds, administrative agencies, governmental departments, secretaries of state, Federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any and/or all of the Purchased Assets;

IT IS FURTHER ORDERED that the assumption and assignment of the Assumed Contracts, listed on Exhibit "A" hereto, to the Purchasers be and they are hereby approved; and, that, pursuant to Section 365(b) and (f), the only cure amounts due or which will become due by the estimated date of Closing on September 1, 2016, to the other parties to the Assumed Contracts are those set forth on Exhibit "A," with the Purchasers to be responsible for paying all such "Cure Costs;"

IT IS FURTHER ORDERED that the Debtors, acting through the signatory power of Michael Hurlburt or Wayne Thompson, be and hereby are, authorized, empowered, and directed to execute, deliver, fully perform under, consummate and implement the Sale and Assignments, including but not limited to the execution of Bills of Sale of the Purchased Assets and Assumption and Assignment Agreement of the Assumed Contracts and any such other and further agreements and closing documents as may be necessary to implement the terms of this Order and the Sale and Assignments; and, that this Order shall be deemed to provide full authority for execution of the Sale and Assignments and any such other further agreements and closing documents notwithstanding any provisions in the articles of organization, operating agreement, or other organizational or governance documents of the Debtors to the contrary;

IT IS FURTHER ORDERED that the Sellers shall assume and assign all contracts with eClinicalWorks, LLC (“ECW”) to Purchasers. Pursuant to this Order, Purchasers, each of them, assume all responsibilities of the Debtors under the contracts with ECW. Purchasers are entitled to take access to all patient records and ECW may correspond directly with Purchasers as a counterparty to the contracts. Purchasers, each of them, and Debtors shall execute transfers of ownership documents with ECW. Purchasers shall be responsible for paying any “cure costs” relating to the assumed and assigned ECW contracts;

IT IS FURTHER ORDERED that Purchasers shall be, and hereby are, entitled to the protection of Section 363(m) of the Bankruptcy Code as purchasers in good faith;

IT IS FURTHER ORDERED that all entities who are presently, or who on or after the closing of the Sale and Assignments may be, in possession of any of the Purchased Assets, are hereby directed to surrender possession of the same to Purchasers immediately upon the occurrence of the Closing;

IT IS FURTHER ORDERED that except as expressly permitted or otherwise specifically provided by this Order or the Final APA, all persons and entities, including, but not limited to, governmental, tax and regulatory authorities, trade and other creditors and past and present employees of the Debtors, holding liens, claims and interests of any kind or nature whatsoever against the Debtors or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising prior to the Closing, under or out of, in connection with or in any way relating to the Debtors or the Purchased Assets, are forever enjoined from asserting against Purchasers, their successors or assigns, their assets, or the Purchased Assets, such persons' or entities' liens, claims or interests;

IT IS FURTHER ORDERED that the terms and provisions of this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates and creditors, Purchasers and their respective purchasers and assigns, and any affected third parties, notwithstanding any subsequent conversion of any of these administratively consolidated cases to a case under Chapter 7 of the Bankruptcy Code or the appointment of any trustee for any of the Debtors under Chapter 7 of the Bankruptcy Code, upon which trustee such terms and provisions shall be binding in all respects;

IT IS FURTHER ORDERED that, to the extent of any conflict or inconsistency between this Order and the Final APA, any pleading, prior Order of this Court, or any other document relating to the subject matter hereof, the provisions of this Order shall govern and control, unless expressly stated to the contrary herein;

IT IS FURTHER ORDERED that this Court shall retain exclusive jurisdiction to enforce the provisions of this Order, the Final APA, the Wraparound Note (including all security documents and guarantees related thereto) and to resolve any issue or dispute concerning the

interpretation, implementation, or enforcement thereof;

IT IS FURTHER ORDERED that the fourteen-day stay under Bankruptcy Rule 6004(h) is hereby waived; and,

IT IS FURTHER ORDERED that this Order is a final order and, in accordance with Bankruptcy Rule 8002(a), the time to file a notice of appeal shall commence from the date of entry of this Order.

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Respectfully submitted by:

WILLIAM E STEFFES (LA Bar Roll No. 12426)
Steffes, Vingiello & McKenzie, LLC
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Baton Rouge, Louisiana 70817
Telephone: (225) 751-1751
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Counsel for Debtors

United States Bankruptcy Court
Western District of Louisiana

In re:
Progressive Acute Care, LLC
Debtor

Case No. 16-50740-RRS
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0536-4

User: mcomeaux
Form ID: pdf8

Page 1 of 2
Total Noticed: 25

Date Rcvd: Aug 31, 2016

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Sep 02, 2016.

db +Progressive Acute Care, LLC, Post Office Box 5309, Abita Springs, LA 70420-5309
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 70503-2451
aty +George C. Freeman, III, Barrasso Usdin Kupperman et al, 909 Poydras Street, Suite 2400,
New Orleans, LA 70112-4004
cr +CLECO Corporation, Wheelis & Rozanski, P.O. Box 13199, Alexandria, La 71315-3199
cr +De Leo Law Firm, 800 Ramon St., Mandeville, la 70448-5035
cr Doerle Food Services LLC, 103 Kol Drive, Broussard, La 70518
cr +Global Physicians Network, LLC, 504 Texas Street, Suite 200, Shreveport, LA 71101-3526
sp +Jack M. Stolier, Sullivan Stolier Knight, LC, 909 Poydras Street, Suite 2600,
New Orleans, LA 70112-1033
intp Louisiana Department of Health & Hospitals, c/o Kimberly Humbles, P. O. Box 3836,
Baton Rouge, LA 70821-3836
cr +Mobile Imaging Services, LLC, Wheelis & Rozanski, P.O. Box 13199,
Alexandria, LA 71315-3199
cr +NES Louisiana, Inc., 39 Main Street, Tiburon, CA 94920-2507
cr +Official Committee of Unsecured Creditors for Prog, c/o Christopher Lehmann,
7000 Cardinal Place, Dublin, OH 43017-1091
cr +Parallon Business Solutions, LLC, c/o NeunerPate, 1001 W. Pinhook Rd., Suite 200,
Lafayette, LA 70503-2451
cr +Pharmacy Service of Winnfield, Incorporated, c/o Stephen Shelton, P.O. Box 1437,
Winnfield, LA 71483-1437
cr +Prime Alliance Bank, 1868 South 500 West, Woods Cross, UT 84010-7453
cr +Richard Hylland, 3500 S Phillips Ave Ste 110, Sioux Falls, SD 57105-6864
fa +SOLIC Capital LLC, c/ Neil Luria, 1603 Orrington Ave Ste 1600, Evanston, IL 60201-5064
fa +SOLIC Captial Advisors, LLC, c/o Neil Luria, 1603 Orrington Ave Ste 1600,
Evanston, IL 60201-5064
cr +Shelton Property West Court Division, LLC, c/o Stephen Shelton, P.O. Box 1437,
Winnfield, LA 71483-1437
cr +Siemens Financial Services, Inc., 170 Wood Avenue South, Iselin, NJ 08830-2726
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 70508-8522
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 70508-8522
intp +Trent McMorris, Sr., Oscar L. Shoenfelt, III, 2109 Perkins Road,
Baton Rouge, LA 70808-1488

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

cr +E-mail/Text: bankruptcynotices@tcfef.com Aug 31 2016 20:42:32 TCF Equipment Finance, Inc.,
Gregory A. Payer, 11100 Wayzata Blvd., Suite 801, Minnetonka, MN 55305-5503
TOTAL: 1

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

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

TOTALS: 14, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

***** BYPASSED RECIPIENTS (continued) *****

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Sep 02, 2016

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 31, 2016 at the address(es) listed below:

- Alan H. Goodman on behalf of Interested Party CHRISTUS Health alan.goodman@bswllp.com, kathy.moore@bswllp.com
- Andrew H. Sherman on behalf of Creditor Committee Official Committee of Unsecured Creditors for Progressive Acute Care, LLC asherman@sillscummis.com
- Armistead M. Long on behalf of Creditor Southern Textile Services, L.L.C. along@gordonarata.com, sroberts@gordonarata.com
- Barbara B. Parsons on behalf of Debtor Progressive Acute Care Avoyelles, LLC bparsons@steffeslaw.com, akujawa@steffeslaw.com;bparsons@ecf.courtdrive.com
- Bradley L. Drell on behalf of Creditor Pharmacy Service of Winnfield, Incorporated bdrell@goldweems.com, ddrago@goldweems.com;slouviere@goldweems.com
- Brandon A. Brown on behalf of Creditor De Lage Landen Financial Services, Inc. bbrown@stewartrobbins.com, kheard@stewartrobbins.com
- Gail Bowen McCulloch on behalf of U.S. Trustee Office of U. S. Trustee gail.mcculloch@usdoj.gov
- George C. Freeman, III on behalf of Debtor Progressive Acute Care Avoyelles, LLC gfreeman@barrassousdin.com
- J. Eric Lockridge on behalf of Creditor Committee Official Committee of Unsecured Creditors for Progressive Acute Care, LLC eric.lockridge@keanmiller.com, Brenda.seneca@keanmiller.com
- John M. Landis on behalf of Creditor Sheridan Healthcare of Louisiana, Inc. jlandis@stonepigman.com, pblackman@stonepigman.com
- Joseph P. Hebert on behalf of Creditor Allen Emergency Group, LLC jphebert@liskow.com
- Kimberly L. Humbles on behalf of Interested Party Louisiana Department of Health & Hospitals kimberly.humbles@la.gov
- Mark P. Seyler on behalf of Creditor NES Louisiana, Inc. mseylor@barkleythompson.com
- Michael H. Piper on behalf of Plaintiff Progressive Acute Care Avoyelles, LLC mpiper@steffeslaw.com, mpiper@ecf.courtdrive.com;schassaing@steffeslaw.com
- Noel Steffes Melancon on behalf of Debtor Progressive Acute Care, LLC nsteffes@steffeslaw.com
- Office of U. S. Trustee USTPRegion05.SH.ECF@usdoj.gov
- Randall L. Wilmore on behalf of Creditor Siemens Financial Services, Inc. rwilmore@goldweems.com, atam@goldweems.com
- Richard J. Reynolds on behalf of Creditor Global Physicians Network, LLC rreynolds@ahmgt.com
- Robin R. DeLeo on behalf of Creditor De Leo Law Firm Elaine@dreher-la.com
- Ronald J. Savoie on behalf of Creditor Doerle Food Services LLC ronnie@jlaw.net, bob@jlaw.net;konrad@jlaw.net;kincaid@jlaw.net;terry@jlaw.net
- Stephen D. Wheelis on behalf of Creditor CLECO Corporation steve@wheelis-rozanski.com
- Thomas J. Lutkewitte on behalf of Creditor TCF Equipment Finance, Inc. tlutkewitte@favretlaw.com
- Victoria Viator Theriot on behalf of Creditor Parallon Business Solutions, LLC ttheriot@neunerpate.com
- William E. Steffes on behalf of Debtor Progressive Acute Care Avoyelles, LLC bsteffes@steffeslaw.com, akujawa@steffeslaw.com;bsteffes@ecf.courtdrive.com

TOTAL: 24