

**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

**MOTION FOR ENLARGEMENT OF EXCLUSIVITY PERIOD AND TIME WITHIN
WHICH THE DEBTORS' PLAN MAY BE ACCEPTED AND CONFIRMED**

NOW INTO COURT, through undersigned counsel, come Progressive Acute Care, LLC (“PAC”), Progressive Acute Care Avoyelles (“PAC Avoyelles”), LLC, Progressive Acute Care Oakdale, LLC (“PAC Oakdale”) and Progressive Acute Care Winn, LLC (“PAC Winn”) as debtors and debtors-in-possession herein (collectively, the “Debtors”), which respectfully move this Court for entry of an order pursuant to Section 1121 of Chapter 11 of Title 11 of the U.S. Code (the “Bankruptcy Code”) (i) extending the exclusive 120-day period within which each of the Debtors may maintain exclusivity to file a plan of reorganization (“Plan”) and any amendments thereto, and (ii) extending the 180-day period within which each of the Debtors may obtain acceptance of their plan for an additional sixty (60) days each for the reasons as set forth fully herein.

1.

On May 31, 2016, each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the U.S. Code (“Bankruptcy Code”). An Official Committee of Unsecured Creditors (the “Committee”) has been appointed in this case; and, the Debtors continue to operate their businesses as debtors-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2.

At the commencement of these cases, the Debtors owned and operated three (3) community-based hospitals (“Hospitals”), located in Marksville (PAC Avoyelles), Oakdale (PAC Oakdale) and Winnfield (PAC Winn). PAC is the sole member and manager of each of the three Hospital Debtors.

3.

On July 14, 2016, the Debtors 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* [P-183], as amended on August 25, 2016 [P-282] (“Amended Sale Motion”). After notice and hearing held on August 26, 2016, the Amended Sale Motion was granted pursuant to the final sale order [P-290] (“Final Sale Order”) entered on August 31, 2016, and substantially all assets of the Debtors were sold to certain assignees of Central Louisiana Hospital Group, LLC (“CLHG”). Because of unavoidable delays, \$10,050,000 of the purchase price was paid by CLHG by the tender of a promissory note (“the Wraparound Note”) in the face amount of \$10,050,000, secured by all of the assets sold to it, due and payable on or before October 17, 2016.

4.

The periods in which the Debtors maintain the exclusive right to file a Plan and obtain acceptance of the Plan currently expire on September 28, 2016, and November 28, 2016, respectively.

RELIEF REQUESTED

5.

By this Motion, the Debtors seek a sixty (60) day extension of: (i) the exclusive 120-day period within which only the Debtors may file a Plan and amendments thereto (“Exclusivity”), and (ii) the 180-day period provided under 11 U.S.C. §1121 within which the Debtors may obtain acceptance of their Plan.

6.

In early August 2016, the Debtors prepared and circulated to Committee counsel a draft of a joint Plan of the Debtors and the Committee. It is the intent of the Debtors to file and support a joint Plan with the Committee if at all possible. Such Plan will depend heavily on negotiations among the Debtors, their senior lender and the Committee. Most importantly, the funding of any Plan is dependent upon receipt of the proceeds of the Wraparound Note, which is not due and payable until October 17, 2016.

7.

The Debtors maintain that the possibility of competing plans would drive up administrative costs in these cases to the prejudice of unsecured creditors who would ultimately bear such costs. Accordingly, extending the Exclusivity period is in the best interests of the Debtors, their respective estates and creditors thereof.

8.

For the foregoing reasons, the Debtors allege that good cause exists for the Court to extend the 120-day exclusive period in which the Debtors may file their Plan and 180-day exclusive period in which the Debtors may obtain acceptance of their Plan, for an additional sixty (60) days each, to November 28, 2016 and January 27, 2017, respectively.

WHEREFORE, the Debtors respectfully request that this Honorable Court, following notice and a hearing, enter an Order extending i) the exclusive 120-day period within which the Debtors may file their plan and ii) the 180-day period provided under Section 1121 within which the Debtors may obtain acceptance and confirmation of their Plan for an additional sixty (60) days each; and, for any and all other relief this Court deems necessary and proper.

Respectfully Submitted by:

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