

**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

**FIRST APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR SULLIVAN STOLIER, LLC, SPECIAL COUNSEL FOR DEBTORS**

Jack M. Stolier and the law firm of Sullivan Stolier, LLC (collectively, the “Applicants”), special counsel to Progressive Acute Care, LLC, Progressive Acute Care Avoyelles, LLC, Progressive Acute Care Oakdale, LLC and Progressive Acute Care Winn, LLC (collectively, the “Debtors”), debtors-in-possession herein, file this *First Application for Compensation and Reimbursement of Expenses* (the “Application”) and respectfully represent as follows:

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”). A creditors’ committee has been appointed in the cases; and, the Debtors continue to operate their businesses in the ordinary course as debtors-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2.

This Court approved Debtors’ retention of Applicants by *Order* [P-201] entered on July 21, 2016. Applicants were employed to serve as special counsel to the Debtors in connection with the preparation of various documents required for a sale of primarily all of the Debtors’ assets, and advising the Debtors regarding the regulatory compliance requirements under various state and federal health care laws and statutes during the pendency of this chapter 11 proceeding.

3.

This Application represents Applicants' first application for compensation and reimbursement of expenses. To date, no previous orders have been applied for or received by Applicants.

4.

Applicants seek an allowance of \$10,848.75 in attorneys' fees and \$7.20 for expenses incurred during the period of July 1, 2016 through September 30, 2016.

5.

Your Applicants show that the following factors under *In the Matter of First Colonel Corp. of America*, 544 F.2d 1291 (15th Cir. 1977), *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974); and, the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330*, are to be considered in awarding fees in this case:

- a) **Time and Labor Required**: Your Applicants attach hereto an itemization of the time spent showing time from July 1, 2016 through September 30, 2016.
- b) **Novelty and Difficulty of the Questions**: The questions posed during this case were not strange or complicated for experienced special counsel, but often required immediate attention.
- c) **The Skill Requisite to Perform Legal Services Properly**: Services rendered by Applicants were performed primarily by Jack M. Stolier and Louis J. Lupin, attorneys with extensive experience in these matters.
- d) **The Preclusion of Other Employment Due to Acceptance of the Case**: Applicants' representation of the debtors-in-possession has not precluded its acceptance of new

clients.

- e) **The Customary Fee**: The fees charged by Applicants are customary in this area.
- f) **Whether the Fee is Fixed or Contingent**: The fees charged are not contingent in nature.
- g) **Time Limitations**: The time limitations imposed by the Debtors, creditors, or other circumstances are addressed in (d) above.
- h) **Amount Involved and Results Obtained**: All services for which Applicants request payment, and all expenses for which reimbursement is requested have been rendered and spent on behalf of the Debtors and no other persons, creditors, or parties, and the compensation requested is strictly for legal and professional services rendered. The services provided by Applicants have been rendered as requested and as necessary and appropriate in furtherance of the interests of the Debtors herein. The services provided have been an attempt to directly benefit the estates and contribute to the effective administration of this consolidated case.
- i) **The Experience, Reputations and Ability of Applicants**: Applicants have over twenty-five (25) years of experience in healthcare law and have extensive experience by holding or having held key government, institutional or academic positions and/or have advanced degrees in Public Health, Health Care, Administration, and Health Information Management.
- j) **The Undesirability of the Case**: This is not an undesirable case.
- k) **The Nature and Length of Professional Relationship**: The professional relationship with the client began in June 2008, and has continued until the date of this Application.

6.

Applicants also request an Order that the compensation and reimbursement of costs and expenses requested herein be paid forthwith by the Debtors, and/or any disbursing agent(s) out of

funds held by them and out of the Debtors' estates as a priority claim pursuant to 11 U.S.C. §507(a)(2).

7.

All services by Applicants were rendered to and on behalf of the Debtors and their estates and no other person.

WHEREFORE, your Applicants pray that this Application be granted and that:

(1) there be an Order made by this Court approving reasonable compensation for professional fees to Applicants in the sum of \$10,848.75 in attorneys' fees and \$7.20 in expenses for a total of \$10,855.95;

(2) that the Order direct the Debtors and/or disbursing agent(s) to pay the balance of said fees and expenses forthwith out of the Debtors' funds held by them and out of the Debtors' estates as a priority administrative claim pursuant to 11 U.S.C. §507; and,

(3) Applicants be granted any and all other relief to which they may be entitled.

Respectfully submitted,

By: /s/ Barbara B. Parsons
William E. Steffes (#12426)
Barbara B. Parsons (#28714)
STEFFES, VINGIELLO & McKENZIE, LLC
13702 Coursey Blvd., Building 3
Baton Rouge, Louisiana 70817
Telephone: (225) 751-1751
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E-mail: bparsons@steffeslaw.com

Counsel for Debtors

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

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al.

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JOINTLY ADMINISTERED

**ITEMIZATION OF EXPENSES
FOR SPECIAL COUNSEL FOR DEBTORS**

SEE ATTACHED ITEMIZATION

**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**

**RECAP OF TIME OF SULLIVAN STOLIER, LLC,
SPECIAL COUNSEL FOR DEBTORS, FOR THE
PERIOD OF JULY 1, 2016 THROUGH SEPTEMBER 30, 2016**

ATTORNEY SERVICES:

July 2016 Services

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jack M. Stolier	10.25	\$395.00	\$ 4,048.75
Louis J. Lupin	15.50	\$375.00	\$ 5,812.50

August 2016 Services

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jack M. Stolier	2.25	\$395.00	\$ 888.75

September 2016 Services

<u>Attorney</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jack M. Stolier	.25	\$395.00	\$ 98.75

TOTAL SERVICES **\$10,848.75**

Expenses

August 2016 \$ 7.20

TOTAL EXPENSES **\$ 7.20**

TOTAL SERVICES AND EXPENSES **\$ 10,855.95**

**UNITED STATES BANKRUPTCY COURT
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Lafayette Division**

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al.

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AFFIDAVIT

**STATE OF LOUISIANA
PARISH OF ORLEANS**

I, Jack M. Stolier of Sullivan Stolier, LLC, named in the foregoing Application, do hereby make solemn oath that I have read such Application and that all of the allegations of fact contained therein are true and correct to the best of my knowledge, information and belief.

/s/ Jack M. Stolier

JACK M. STOLIER

SWORN TO AND SUBSCRIBED before me, Notary, this 11th day of October, 2016, at New Orleans, Louisiana.

/s/ Louis J. Lupin

NOTARY OF PUBLIC

Printed Name: Louis J. Loupin

Number: 20506

Invoice Date: July 31, 2016

Invoice Number 71259

Hector Lopez, In-house Counsel
Progressive Acute Care
 2210 7th Street
 Mandeville, LA 70471

Regarding:

File No: 4607-02
 Special Healthcare Counsel for Chapter 11 Bankruptcy

For professional services rendered:

07/05/16	LJL	Prepare post-closing billing language to include in Asset Purchase Agreement.	0.50
07/06/16	JMS	Multiple communications with Bill regarding APA, billing and collection agreements, etc.	0.75
07/06/16	LJL	Review Asset Purchase Agreement for healthcare issues.	2.00
07/07/16	JMS	Continued review of Steffes documents (APA, billing agreements). Communications with Bill Steffes regarding billing agreement and meeting with Bill to discuss case.	0.75
07/08/16	JMS	Conference regarding APA and bankruptcy issues.	0.25
07/10/16	JMS	Receive and review APA, schedules etc. Conference regarding supplemental payments.	1.25
07/10/16	LJL	Cotinue review and suggest revisions to Asset Purchase Agreement; Review schedules to APA.	2.00
07/11/16	JMS	Conference call with Bill Steffes et al regarding APA, Schedule and related health care issues regarding reps and warranties and excluded assets. Related communications. Receive and review revised APA. Conference regarding same.	0.75
07/11/16	JMS	Receive and review revised motion to approve bid process. Multiple related communications. Additional communications regarding schedules. Communications regarding cure amounts and executory contracts. Receive and review new deal point memo from Greg and Oakdale clinic. Multiple communications regarding bidder qualifications.	0.75
07/11/16	JMS	Receive and review revised motion regarding bidding procedure. Additional communications regarding draft APA. Additional communications regarding Allegiance. Receive and review revisions regarding Winn Parish employed physicians and Oakdale.	0.50
07/11/16	LJL	Telephone conference with Bill Steffes and others regarding	4.50

		Asset Purchase Agreement and related matters; review information in online data room; revise Asset Purchase Agreement; Review bid procedures and related documents; Review multiple emails regarding transaction	
07/12/16	JMS	Receive and review updated motion and materials. Preparation for and participate in conference call.	1.00
07/12/16	JMS	Receive and review revised agreement. Communications regarding schedule.	0.25
07/12/16	JMS	Communications regarding data ram and compliance review.	0.25
07/12/16	JMS	Additional communications regarding compliance issues. Communications with Bill. Receive and review escrow agreement.	0.25
07/12/16	JMS	Receive and review motion to expedite hearing. Related communications.	0.25
07/12/16	LJL	Revise conflict waiver letter.	0.00
07/12/16	LJL	Telephone conference with client and representatives of Allegiance to discuss asset purchase agreement; Revise same to include FMP language; Review revisions to same; Review multiple emails related to transaction; Review Escrow Agreement.	3.00
07/13/16	JMS	Receive and review revised draft of motion to approve bid procedures and order, PNC form APA, escrow agreement etc. Telephone conference with Bill regarding our understanding of compliance, review of docs in reading room and update on FMP schedule of hearings, etc. Telephone conference with John Wells regarding FMP invoice calculations and SFY 2017 payment schedules. Receive and review revised schedules from Greg. Additional communications regarding FMP payment calculations. Related communications with Bill. Receive and review revised sale motion and related communications regarding assets.	2.00
07/13/16	LJL	Review revisions of various documents, including APA, schedules thereto, escrow agreement; bid procedures, and motion to approve bid procedures; review issues regarding FMP payments due to hospitals.	2.50
07/14/16	JMS	Receive and review revised notice, revised schedule.,	0.25
07/14/16	LJL	Review motion regarding continued employment.	0.25
07/15/16	JMS	Multiple communications regarding review of Stalking Horse hearing.	0.25
07/15/16	LJL	Review email correspondence regarding hearing date and related matters.	0.25
07/19/16	JMS	Multiple communications regarding court action. Related communications.	0.25
07/19/16	JMS	Communications with Bill regarding compliance revisions.	0.25

Sullivan | Stolier

Sullivan Stolier LLC
909 Poydras Street
Suite 2600
New Orleans, LA 70112
Federal Tax I.D. #: 27-3132424

Invoice Date: August 31, 2016

Invoice Number 71420

Hector Lopez, In-house Counsel
Progressive Acute Care
2210 7th Street
Mandeville, LA 70471

Regarding:

File No: 4607-02
Special Healthcare Counsel for Chapter 11 Bankruptcy

For professional services rendered:

08/08/16	JMS	Telephone conference with Linda Rodrigue regarding unsecured creditor committee inquiry on status of transaction and regulatory filings.	0.25	
08/08/16	JMS	Telephone conference with Bill Steffes regarding status of "stalking horse" process, deadline and likely closing date and update on regulatory filings. Report to Linda Rodrigue on same.	0.25	
08/09/16	JMS	Receive and review court communications on filing. Communications with Bill.	0.25	
08/29/16	JMS	Telephone conference with Bill regarding court approval and update3s. Telephone conference with Glenn Langlinais and Lisa Whitford regarding UCC/FMP calculation. Receive and review court order. Multiple communications regarding UCC reporting.	1.00	
08/29/16	JMS	Telephone conference with Glenn Langlinais, Lisa, Clara, Gayle et al regarding cost report. Telephone conference with Glenn et al and Bill regarding filing and approval.	0.50	
		Total professional services:	<u>2.25</u>	888.75

Attorney Time Summary

Jack M. Stolier	2.25	395.00	\$888.75
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For expenses advanced:

07/11/16	E131	Conference Call Service Fee - AT&T.	6.64
08/31/16	E108	Postage	0.56
		Total expenses advanced:	<u>7.20</u>

Prior balance brought forward	\$9,861.25
Total Balance Due	\$10,757.20

