

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

**RESPONSE TO OBJECTION BY THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS TO MOTION TO COMPEL
DEBTORS TO DISTRIBUTE SALE PROCEEDS TO
BUSINESS FIRST BANCSHARES, INC.**

NOW INTO COURT, through undersigned counsel, comes Business First Bancshares, Inc. d/b/a Business First Bank (“Business First”), which in response to the *Objection by the Official Committee of Unsecured Creditors to Motion to Compel Debtors to Distribute Sale Proceeds to Business First Bancshares, Inc.* [ECF 334], respectfully states as follows:

Summary of Response

The Committee of Unsecured Creditors (“UCC”) has filed an adversary complaint against Business First in order to manufacture a basis for preventing the disbursement of the proceeds from the sale by Debtors of Business First’s collateral (“Sale Proceeds”). The adversary complaint (“Complaint”) does not create a *bona fide* dispute as to Business First’s secured claim. Neither does the UCC’s objection otherwise establish any legitimate basis for blocking the distribution of sale proceeds. Instead, the key issue is the amount of cash that remains in the estate and how much is enough to complete the wind down of the estate. Business First filed its *Motion for Disbursement of Sale Proceeds* (“Motion”) only after Debtors provided Business First with an updated cash budget and financial reports prepared by Debtors indicating there would be significant excess funds left in the estate after payment of all outstanding post-petition payables,

administrative expenses (both pending and estimated), and payment in full of Business First's secured claim. Subsequent to the filing of the Motion, Debtors provided updated financial reports (also prepared "in-house" by Debtors) indicating a significantly different picture; however, the updated report contained deficiencies that cast doubts upon its accuracy. These deficiencies apparently caused Debtors to rehire SOLIC Capital Advisors, LLC ("SOLIC") to prepare accurate reports of current cash on hand, accounts payable, accounts receivable, estimated wind-down costs and a corresponding waterfall analysis. A revised report (the "Waterfall Analysis") was provided to Business First four (4) days before the hearing on its Motion. *See Exhibit A*, copy of the "Waterfall Analysis" prepared by SOLIC and provided to Business First.

The revised Waterfall Analysis indicates there will be a shortfall of about \$180,000 after payment in full of Business First's claim, payment of all pending post-petition payables and payment of estimated attorney fees for Debtors' counsel and UCC counsel through December 2016. According to the Waterfall Analysis, this shortfall is due in part to an additional \$247,731 in estimated professional fees and wind-down expenses through the end of the 2016 calendar year.

In light of this revised report, Business First remains an oversecured creditor entitled to the proceeds from the sale of its collateral. In the absence of any *bona fide* dispute to its claim, Business First is entitled to at least a partial distribution of the sale proceeds.

I. DISBURSEMENT PRIOR TO PLAN CONFIRMATION

1.

While "[t]he general rule is that a distribution on pre-petition debt in a Chapter 11 case should not take place except pursuant to a "confirmed plan of reorganization" that does not mean such distributions are always prohibited. *In re Conroe Forge & Mfg. Corp.*, 82 B.R. 781, 784 (Bankr.W.D.Pa.1988). "To date, most of the cases addressing the problems arising when a sale or

other transaction involving substantial assets of a Chapter 11 estate is proposed outside the confines of a plan have arisen in the context of approval of the transaction itself.” *In re Air Beds, Inc.*, 92 B.R. 419, 422–23 (B.A.P. 9th Cir.1988). In this case, no protections are being denied to unsecured creditors as a result of the sale of the asset and the distribution of sale proceeds. Business First is the only secured creditor, and the unsecured creditors cannot be considered for adequate protection under 11 U.S.C.A. §363(e). Essentially the UCC’s objection is based on there being no “extraordinary circumstances” requiring the distribution of proceeds outside a plan confirmation. But a showing of extraordinary circumstances is not necessary where the court has applied the business judgment-creditor protection standard, which this Court applied in approving the proposed sale of assets. A similar question was considered by the court in *In re San Jacinto Glass Indus., Inc.*, 93 B.R. 934, 944 (Bankr. S.D. Tex.1988), where the court held: “There need be no showing of special or timely circumstances other than those which would support a sound business reason for the transaction. . . . By extension, and based on the above, [the Court] can find no reason to withhold the proceeds from the party who holds an undisputed secured claim to them, who stands to receive the proceeds at some point in the future, and who will not jeopardize the protections otherwise available to [the unsecured creditors] by taking these proceeds outside of a confirmed plan of reorganization”.

2.

Because the sale was approved pursuant to the business judgment-creditor protection standard and the disbursement of sale proceeds will not jeopardize the protections otherwise available to the unsecured creditors, the only impediment to the disbursement of sale proceeds would be a *bona fide* dispute to Business First’s secured claim. For the reasons set forth herein, the adversary complaint filed by the UCC fails to qualify as such a *bona fide* dispute.

3.

Finally, the Fifth Circuit has previously permitted the pre-plan disbursement of sale proceeds to creditors “if the best interest of the estate was served thereby, i.e., the transaction maximized or prevented diminution in the value of the estate's assets.” *In re San Jacinto Glass Indus., Inc.*, 93 B.R. 934, 943–44 (Bankr. S.D. Tex.1988); *In re Dania Corp.*, 400 F.2d 833 (5th Cir.1968), *cert. denied*, 393 U.S. 1118, 89 S.Ct. 994, 22 L.Ed.2d 122, *reh. denied*, 394 U.S. 994, 89 S.Ct. 1455, 22 L.Ed.2d 771 (1969). Business First’s claim is secured by sale proceeds, cash on hand, and the remaining accounts receivable. According to the Waterfall Analysis, these assets total \$11,881,655. If sale proceeds are not distributed in payment of Business First’s claim, the claim will continue to grow as a result of accruing interest and additional fees and costs, resulting in continuing diminution of the value of the estate.

II. LACK OF A *BONA FIDE* DISPUTE

4.

The UCC’s Complaint, as an effort to thwart the disbursement of the sale proceeds, fails to establish a *bona fide* dispute to Business First’s claim. In several instances, the adversary Complaint is invalid *on its face*.

A. UCC’s Claim for Revocation of 2013 Loan Transaction Is Untimely

5.

The Complaint attempts to state several causes of action, with the first being a revocatory action seeking to nullify the April 30, 2013 promissory notes and grants of security interests on which Business First’s claim is based. Louisiana Civil Code art. 2036 grants to an obligee the right to annul an act of the obligor “made or effected after the right of the obligee arose” and “that causes or increases the obligor’s insolvency.” The action to annul the transaction “must be brought

within one year from the time [the obligee] learned or should have learned of the act . . . **but never after three years from the date of that act or result.**” *Louisiana Civil Code art. 2041* (Emphasis added). The UCC’s Complaint seeks to annul the April 30, 2013 promissory notes by which the Debtors and PAC-Dauterive borrowed from Business First. On its face this revocatory action is untimely. For that reason, we need not address the other inadequacies of this cause of action.

B. Revocation of Dauterive Sale Payment Is Not Permitted

6.

The second cause of action asserted by the UCC’s Complaint is a revocatory action related to the payment of the Dauterive sale proceeds (“Dauterive Sale Payment”). The Complaint seeks to avoid the Dauterive Sale Payment as being a transfer “for the benefit of the Guarantors as creditors of the Operating Debtors [PAC]” and because it enabled “such creditors to receive more than they would receive if the Operating Debtors’ Chapter 11 Cases were cases under Chapter 7 of the Bankruptcy Code, the Sale Payment had not been made, and such creditors received payment of the debts owed by the Operating Debtors to the extent provided under the provisions of the Bankruptcy Code.” [ECF 331-2] While seemingly based in part on the incorrect premise that the guarantors of Debtors’ indebtedness to the lender are also creditors to the same extent as Business First and the Dauterive Sale Payment was made for their benefit, this convoluted cause of action is invalid.¹

7.

The Dauterive Sale Payment was generated by the sale of the PAC parent company’s

¹ The guarantors have each filed a proof of claim for \$1,000,000, which is the limit of each guarantor’s liability. To date, however, only \$82,010 has been collected from these guarantors, although actions by Business First are currently pending against all three guarantors. Business First filed suit against Messrs. Hulburt and Rissing in the U.S. Eastern District Court and against Mr. Thompson in the 22nd Judicial District Court, Parish of St. Tammany, Louisiana. Guarantor Wayne Thompson currently enjoys subrogation rights for \$82,010 as a co-debtor. Otherwise, the guarantors are not creditors of Debtors, and the Dauterive Sale Payment was not made for their benefit.

5

immovable property on which the Dauterive Hospital is located, the PAC-Dauterive equipment and operating company assets (e.g., contracts, licenses, etc.), and the assets of a related physicians group company. See *Exhibit B, Excerpts from Asset Purchase Agreement (Dauterive)*. The Dauterive Sale Payment applied to reduce the indebtedness of PAC (the parent company and the three other hospitals) and PAC-Dauterive, all five companies being co-borrowers on the April 30, 2013 promissory notes in favor of Business First. Had PAC followed the same path of PAC-Dauterive into a Chapter 7 (and likely a consolidated Chapter 7), the outcome for Business First would have been no different. As the only secured creditor in both the PAC-Dauterive Chapter 7 case and this case, Business First would have received the same payments had PAC's assets been liquidated in a Chapter 7. "A creditor who merely recovers its own collateral receives no more as a result than it would have received anyway had the funds been retained by the debtor, subject to the creditor's security interest." *In re El Paso Refinery, L P*, 171 F.3d 249, 254–55 (5th Cir.1999). "It is a commonplace that preference law exempts fully secured creditors from its grasp." *Matter of Missionary Baptist Found. of Am., Inc.*, 796 F.2d 752, 759 (5th Cir.1986).

8.

If the Dauterive Sale Payment was not paid to Business First, then Business First would have a claim against PAC and PAC-Dauterive for the unpaid balance of the PAC loans. In both a PAC Chapter 7 and the Dauterive Chapter 7 case, Business First would be entitled to distribution of the Sale Payment (a portion in PAC and a portion in Chapter 7), leaving the current balance as stated in its proof of claim. In turn, Business First would have the same claim against the PAC assets and be entitled to collect the Sale Proceeds.

C. Declaratory Judgment As to “Other Deposit Accounts” Not Relevant

9.

Debtors’ Waterfall Analysis identifies the reconciled balances of its deposit accounts. In its Complaint, UCC seeks Declaratory Judgment as to the right of Business First to recover any deposit accounts at banks other than Business First. This portion of the Complaint does not establish any obstacle to the enforcement of Business First’s rights as to the deposit accounts at Business First, the Sale Proceeds, or the proceeds of the accounts receivable that serve as Business First’s collateral. All cash shown on the Waterfall Analysis is comprised of Sale Proceeds in the escrow account of Debtors’ counsel and deposit accounts at Business First. To the extent UCC contends there are additional deposit accounts Debtors have failed to disclose, that allegation raises concerns about the Debtors’ disclosure rather than the validity of Business First’s liens. Further, any cash on deposit is still subject to the security interests granted to Business First, which included all “accounts.”

D. Business First’s Claim Is Fully Secured

10.

Business First filed a proof of claim in this matter using the appraised value of the property at the time PAC filed its petition, namely \$21,805,364.00. During the hearing to approve the sale of assets, this Court heard a great deal of testimony regarding that appraised value and the current fair market value. As this Court recognized, the actual fair market value is the price agreed upon by a willing buyer and a willing seller. In this case, that price ultimately proved to be \$10,550,000.00. However, the assets recently sold by Debtors are not the whole of Business First’s collateral. Business First’s claim is also secured by the deposit accounts and accounts receivable of Debtors. According to the Waterfall Analysis, the deposit accounts currently total

approximately \$508,000, while additional pending accounts receivable total approximately \$809,000. The current total value of the collateral securing Business First's claim is about \$11.8 million, while Business First's claim is about \$10.3 million. The numbers are clear; Business First's claim is oversecured.

E. No Surcharge Should Apply to Business First's Claim

11.

UCC's Complaint also argues the costs associated with the sale of Debtors' assets should be surcharged to the Sale Proceeds. At this time, UCC does not have standing to assert this claim. "As a threshold matter, [creditors] must establish that they have standing to assert a surcharge claim under section 506(c). On its face, section 506(c) grants *a trustee* standing to request a surcharge, not creditors." *In re Conqueror Marine Logistics, LLC*, 518 B.R. 368, 371 (Bankr. W.D. La.2014); *Hartford Underwriters Insurance Company v. Union Planters Bank, N.A.*, 530 U.S. 1, 120 S.Ct. 1942, 147 L.Ed.2d 1 (2000).

12.

Even assuming the UCC had standing to assert this claim, the power to "surcharge" a secured creditor's collateral "is an exception to the general rule that administrative claims are payable from unencumbered estate property and not from a secured creditor's collateral." *In Re Conqueror Marine Logistics, LLC*, 518 B.R. 368, 370 (Bankr. W.D. La. 2014). "As a general rule, 'the administrative expenses of a bankruptcy are not to be charged against secured creditors' collateral,' but instead are to be charged against the estate, since the trustee represents the interests of the unsecured creditors, not secured creditors." *In re Gluth Bros. Const., Inc.*, 424 B.R. 379, 399 (Bankr. N.D. Ill.2009); *In re Chicago Lutheran Hosp. Ass'n*, 89 B.R. 719, 726-27 (Bankr.N.D.Ill.1988) (citing *In re Trim-X, Inc.*, 695 F.2d 296, 301 (7th Cir.1982)). To the extent

the UCC seeks to surcharge the Sale Proceeds for the administrative expenses of the estate, the UCC's Complaint fails to establish a *bona fide* dispute.

13.

The surcharge sought by UCC is broadly described as “the costs of the sale” of the Debtors’ assets. [ECF 331-2] A surcharge is permitted if the expenses primarily and directly benefited the secured creditor, and there is sufficient equity in the property. *In Re Conqueror Marine Logistics, LLC*, 518 B.R. 368, 370 (Bankr. W.D. La. 2014)(“Courts have held that a surcharge claim under 506(c) does not benefit the estate where the secured creditor's collateral has already been liquidated and there is no equity for the estate.”)

14.

Having failed to delineate what costs it thinks should be surcharged to the Sale Proceeds, the UCC has failed to provide the detail necessary to establish a *bona fide* dispute sufficient to block the distribution of Sale Proceeds. The sale of assets produced Sale Proceeds in excess of the value of Business First’s claim. Prior to the sale, Business First permitted use of its cash collateral in order to pay administrative expenses and to continue the operations of the PAC hospitals. The administrative expenses and even those expenses more closely tied to the sale of the property did not solely benefit Business First as is a requirement for any surcharge. Benefit was derived by the Debtors, critical vendors, unsecured creditors and their respective counsel. While Business First certainly derived a significant benefit from the sale of its collateral, it was not the only party to receive a benefit from that sale or from the activities that took place prior to the sale.

15.

As a result of the sale, the Sale Proceeds in excess of Business First’s claim (approximately \$200,000) go to the benefit of the unsecured creditors or payment of administrative expenses. If

the Sale Proceeds are applied to Business First's claim, an additional \$700,000 in accounts receivable will be available to the Estate.

16.

If the purpose of the surcharge is solely to leave additional funds to pay administrative claims and not to provide benefit to unsecured creditors, as appears to be the case, then the surcharge is not permitted. *In re Conqueror Marine Logistics, LLC*, 518 B.R. 368, 372 (Bankr. W.D. La.2014).

17.

Finally, if the Sale Proceeds are surcharged for costs associated with the sale of its collateral, such surcharges will not reduce Business First's claims, which may still be satisfied from the remaining collateral (e.g., cash deposit accounts and accounts receivable).

18.

Having apparently asserted this Complaint solely for the purpose of gaining leverage and hijacking the payment of Sale Proceeds to the only secured creditor, the UCC has failed to establish a *bona fide* dispute to Business First's claim.

III. THE DISTRIBUTION OF SALE PROCEEDS IS NOT A *SUB ROSA* PLAN

19.

The Motion seeks a distribution of a portion (not all) of the sale proceeds. The sale proceeds total \$10,550,000, while Business First's claim is approximately \$10.3 million. The claim of Business First, once paid, will leave more than \$200,000 in sale proceeds plus an additional estimated \$1.2 million in cash deposits and other pending receivables to be subsequently distributed under a plan. This Court previously determined "the proposed Sale Transaction has a proper business justification and is not calculated to evade the plan confirmation process," and,

10

therefore, the distribution of a portion of those sale proceeds to the secured creditor also cannot be considered a *sub rosa* plan. *In re Boston Generating, LLC*, 440 B.R. 302, 331 (Bankr. S.D.N.Y.2010).

IV. ADMINISTRATIVELY INSOLVENT

20.

Business First is not obligated to subsidize the UCC's attack on the validity of its own lien. To date Business First has fully cooperated with the Debtors and UCC, agreeing to four interim cash collateral orders that allowed Debtors to continue operations, continue the employment of the individuals who work in these community hospitals, and continue the availability of medical services in the rural communities served by these hospitals. This cooperation permitted uninterrupted employment for Debtors' employees and uninterrupted medical services for the communities these hospitals serve. In return, Business First is now being told it should fund the UCC's attack on Business First's secured, valid claim. Notably, UCC has failed to identify any deficiencies in the loan agreements or the grants of security.

21.

The *Fourth Interim Cash Collateral Order* expires on October 18, 2016, and Business First as of the filing of this Response has not agreed to extend this order or consented to a final order. As a result, upon expiration of that order on October 18, 2016, only an additional \$75,000 in administrative expenses will be carved out of Business First's cash collateral order. This would eliminate a significant amount of any additional administrative expenses for which Business First's cash collateral could be used. It also means, according to the Waterfall Analysis, the Estate is already administratively insolvent. To the extent that is the case, the priorities established in 11 U.S.C.A. §506 determine the distribution of the remaining funds. There is no authority, however,

for disgorging from a secured creditor the value of its collateral.

WHEREFORE, Business First respectfully requests that the Court grant its Motion for Distribution of Sale Proceeds.

Respectfully submitted:

LONG LAW FIRM, L.L.P.

BY: /s/ Sharon S. Whitlow
DAVID L. GUERRY (#14980)(Lead Atty)
SHARON S. WHITLOW (#21893)
MARK L. BARBRE (#30385)
4041 Essen Lane, Suite 500
Baton Rouge, Louisiana 70809
Telephone: (225) 922-5110
Facsimile: (225) 922-5105
Counsel for Business First Bank

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing *Response to Objection by the Official Committee of Unsecured Creditors to Motion to Compel Debtors to Distribute Sale Proceeds to Business First Bancshares, Inc.* was served by electronic mail or U.S. Postal Service on the 17th day of October, 2016, to the parties and individuals listed on the attached mailing matrix.

/s/ Sharon S. Whitlow
Sharon S. Whitlow

Party	Address 1	Address 2	Address 3	City	State	Zip	Email
ABBOTT DIABETES CARE SALES CORPORATION	C/O KOHNER, MAIN KILLAS, SC	4550 N. PORT WASHINGTON ROAD		MI	48106	53212	kmhsc@knhsc.com
ABBOTT NUTRITION DIV. ABBOTT LABORATORIES, INC.	C/O KOHNER, MAIN KILLAS, SC	4650 N. PORT WASHINGTON ROAD		WI	53212	53212	kmhsc@knhsc.com
ACADIANA AMBUULANCE SERVICE	ATTN: SCOTT M GUIDRY	2916 N UNIVERSITY AVE		LA	70507	70507	scott.guidry@acadias.com
ACADIANA TUMOR REGISTRY	ATTN LEE GUIDRY	1204 JOHNSON STREET		LA	70503	70503	lguidry@bellsouth.net
ADVANCED RADIOGRAPHICS, INC.	ATTN HARRY WELLS	1113 RIDGE ROAD		LA	70529	70529	mwelless@bellsouth.net
ADVANCED RADIOGRAPHICS, INC.	ATTN KENNETH W. DEBEAN	PO BOX 4325		LA	70502	70502	kwdebean@kwdejean.com
ALICE DARLENE LEBLANC	703 ORANGE GROVE			LA	70568	70568	
ALLEN EMERGENCY GROUP, LLC	PO BOX 82368			LA	70598	70598	
ALLEN JENNINS CONTRACTOR, INC.	ATTN ALLEN JENKINS	1509 MORGAN STREET		LA	71360	71360	ajenry79769@suddenlinkemail.com
ARGON MEDICAL DEVICES, INC.	ATTN: BELYNDA DANIEL	1446 FLAT CREEK ROAD		TX	75751	75751	Belynda.Daniel@argonmedical.com
ARQUINTLEIGH, INC.	ATTN PAUL MASON	2349 W LAKE ST STE 250		IL	60101	60101	paul.mason@getinge.com
ARROW INTERNATIONAL	ATTN LOREEN MONSER	PO BOX 12800		NC	27709	27709	loreen.monser@belieflex.com
ASSOCIATED DESIGN GROUP, INC.	ATTN KENNETH W. DEBEAN	PO BOX 4325		LA	70502	70502	kwdejean@kwdejean.com
ASSOCIATED DIRECTORIES, LLC	ATTN JAMES VINCENT	7021 MONROE HWY		LA	71405	70598	jamesv@tdpafish.com
AVOYELES EMERGENCY GROUP, LLC	PO BOX 82368			LA	70598	70598	
AVOYELES OFFICE SUPPLY, INC.	ATTN DAN WRIGHT	221 N. MAIN STREET		LA	71351	71351	dan@avoylesofficesupply.com
BALDWIN HASPEL BURKE & MAVER LLC	ATTN THOMAS J. CORTAZZO ESQ	ENERGY CENTRE, SUITE 3600		LA	70163	70163	tcortazzo@bhmilaw.com
BARKLEY & THOMPSON LC	ATTN MARK P STYLER ESQ	1515 POYDRAS STREET SUITE 2230		LA	70112	70112	tcortazzo@bhmilaw.com
BELUS SELECT	ATTN SHAWNA PLUMB	ACCOUNTS RECEIVABLE		TX	78738	78738	msyler@barhleythompson.com
BLUE CROSS & BLUE SHIELD OF LOUISIANA	ATTN ALLISON N. PHAM	PO BOX 98729		LA	70898	70898	shawna@imprintall.com
BREAZEALE SACHSE & WILSON LLP	ATTN: ALAN H GOODMAN ESQ	909 POYDRAS STREET		LA	70112	70112	allison.pham@dcbsla.com; Gfrger@bradley@bcbda.com
BUSINESS FIRST BANK	ATTN: ROBERT BOND	500 LAUREL ST STE 100		LA	70801	70801	alan.goodman@bvsflp.com
CARDINAL HEALTH	ATTN CHRISTOPHER LEHMANN	7000 CARDINAL PLACE		OH	43017	43017	christopher.lehmann@cardinalhealth.com
CENTRAL LOUISIANA MEDICAL SUPPLY	ATTN BRYAN MAVEUX	PO BOX 248		LA	71351	71351	CLMS1999@aol.com
CHARLES J MOORE JR	4212 SARAH STREET			AL	36695	36695	moorec1@gmail.com
CINOS	ATTN NANCY SWANSON	575 SIOUX POINT ROAD		SD	57049	57049	nancy.swanson@cinosa.net
COMPUTER PROGRAMS & SYSTEMS, INC. (CPSI)	ATTN JAMES B BRITAIN	6600 WALL STREET		LA	70563	70563	Bo.Britain@gmail.com
DANIELLE LOUIS	333 ARMENTOR STREET			LA	70560	70560	danielle@psl.com
DARTALE, INC.	ATTN HARRY WELLS	1121 RIDGE ROAD		LA	70529	70529	rwellser@bellsouth.net
DATAFILE, INC.	ATTN KENNETH W. DEBEAN	PO BOX 4325		LA	70502	70502	kwdejean@kwdejean.com
DELTA PATHOLOGY	ATTN DEBBIE RHODES	3000 KNIGHT STREET, BUILDING 5		LA	71105	71105	Dabbie.rhodes@pathologyresource.net
DHP IBERIA REHAB, LLC	ATTN HENRY C. PERRET, JR.	PERRET DOISE, LLC		LA	70505	70505	hperret@perretlaw.com; cwarrelle@perretlaw.com
DHP IBERIA REHAB, LLC	PO DRAWER 51782			LA	70586	70586	
DONNA DESHOTEL	112 PROGRESS ROAD			LA	70563	70563	
DR MARK B CHARBONNET	ACADIANA ONCOLOGY			LA	01581	01581	acaoncs510@gmail.com
EQUINICALWORKS	ATTN MARK SPEYER	2 TECHNOLOGY DRIVE		MA	01581	01581	mark.speyer@equinicalworks.com
EXECUTIVE OFFICELINX D/B/A OFFICELINX	ATTN TAMMY CORRETT	107 MELVYN DRIVE		LA	71203	71203	tcorbett@shpopofficelinx.com
FAVRET DEMAREST RUSSO LUTKEMITTE & SCHAUMBURG	ATTN THOMAS J LUTKEMITTE ESQ	3515 POYDRAS STREET, SUITE 1400		LA	70112	70112	tlutkewitte@favretlaw.com
FAVRET DEMAREST RUSSO LUTKEMITTE & SCHAUMBURG	ATTN CONOR T LUTKEMITTE ESQ	4515 POYDRAS STREET, SUITE 1400		LA	31792	31792	clutkewitte@favretlaw.com
FLOWERS BAKING CO. OF BATON ROUGE	C/O SANDRA STAFFORD	132 N. BROAD STREET		GA	31792	31792	Sandra_stafford@flocorp.com
FUTURA MOBILITY, LLC	ATTN KANDIS L KOVALSKY	WIER & PARTNERS, LLP		PA	19107	19107	
GINA PRINCE	2802 KRAMER DRIVE			LA	70568	70568	gina@prnc@hormail.com
GLOBAL PHYSICIANS NETWORK LLC	ATTN RICHARD J REYNOLDS ESQ	504 TEXAS STREET		LA	71101	71101	freyndld@almhsc.com
GOLD WEENS BRUSSE SUES & RUNDLE	ATTN BRADLEY L DRELL ESQ	P. O. BOX 6138		LA	71307	71307	brhell@goldweens.com
GORDON ABAITA MCCOLLAM DUPLANTIS & EAGAN LLC	ATTN ARMISTEAD M LONG ESQ	400 E KALISTE SALOOM RD		LA	70508	70508	aliong@gordonaba.com
HEALTH STREAM, INC.	ATTN BRUCE VANDERWER	209 10TH AVENUE, SUITE 450		TN	37203	37203	bruce.vanderver@healthstream.com
HEESMER NURSING HOME	ATTN SARAH MCGILONE	3707 HWY 114		LA	71341	71341	hnh@kricke.net
IBERIA EMERGENCY GROUP, LLC	PO BOX 82368			LA	70598	70598	
IBERIA PHYSICIANS SERVICES, LLC	PO BOX 82368			GA	30360	30360	chjackson@immucor.com
IMMUCOR, INC.	ATTN CHERYL JACKSON	2935 AMWILLER ROAD STE C		AL	35222	35222	
INTEGRATED MEDICAL SYSTEMS INTERNATIONAL, INC.	ATTN KELIE UPCHURCH	3316 2ND AVE NORTH		MO	64105	64105	ronnie@jkw.net
IPRS CORPORATION	1055 BROADWAY BOULEVARD, 11TH FLOOR			LA	70810	70810	Jprecht@davidsonmeaux.com
JACKSON & JACKSON PLLC	ATTN RONALD J SAVOIE ESQ	111 FOUNDERS DRIVE		LA	70501	70501	wfr-ledet@kshinling.com
JORDAN T PRECHT	810 S. BUGHAVAN			LA	70802	70802	bordeaux@bellsouth.net
KEAN MILLER LLP	ATTN J ERIC LOCKRIDGE ESQ	400 CONVENTION STREET, SUITE 700		LA	71351	71351	eric.lockridge@keanmiller.com
KEVIN J BORDOLON MD	4239 HWY 1192 STE 200	PO BOX 3513		LA	71351	71351	bordeaux@bellsouth.net
LA CREDENTIALS, LLC	ATTN LARRY WELLS	PO BOX 92200		NM	87139	87139	accounts@payable@nmhsc.com

LA CREDITALS, LLC
 FRESHARE BLOOD CENTERS
 USKROW & LEWIS
 LONG LAW FIRM
 LONGS PRODUCTS
 LOUISIANA HOSP ASSOC MALPRACTICE & GEN LABRY TRST
 LOUISIANA HOSP ASSOC MALPRACTICE & GEN LABRY TRST
 MAINE STANDARDS COMPANY, LLC
 MAESTIC MEDICAL SOLUTIONS, LLC
 MBA MEDICAL, INC.
 MCGINCHY STAFFORD PLLC
 MCGINCHY STAFFORD PLLC
 MED ONE CAPITAL FUNDING
 METLIFE
 MICHAEL ALVAREZ, MD
 MICHAEL BUTTS
 MINDRAY LEASING SERVICES
 MOWAD PROPERTIES OF OAKDALE, LLC
 NEUNEPRATE
 NEUNEPRATE
 OFFICE OF THE UNITED STATES TRUSTEE
 OMEGA DIAGNOSTICS
 OMEGA DIAGNOSTICS
 ORGANOGENESIS, INC.
 PERRER DOISE LLC
 PRIME ALLIANCE BANK INC
 PROGRESSIVE ACUTE CARE AVOYELLES, LLC
 PROGRESSIVE ACUTE CARE OAKDALE, LLC
 PROGRESSIVE ACUTE CARE WINN, LLC
 PROGRESSIVE ACUTE CARE LLC
 SAFE SITTER, INC.
 SAMUEL CARTMIGLIA JR
 SECURE PATIENT DELIVERY, LLC
 SETH ROSENZWEIG, MD
 SHERIDAN HEALTHCARE OF LOUISIANA, INC.
 SHERIDAN HEALTHCARE OF LOUISIANA, INC.
 SIEMENS FINANCIAL SERVICES, LLC
 SILLS CUMMIS & GROSS PC
 SILLS CUMMIS & GROSS PC
 SIMPLEX GRINNELL
 SIMPSON SECURITY SYSTEMS, INC.
 SOUND & COMMUNICATION SYSTEMS, INC.
 SPECTRACORP
 SSRM ENTERPRISES, LLC
 STATE AND LOCAL TAX SOLUTIONS
 STEPHEN H. NORMAN, INC., AP/PC
 STEWART ROBBINS & BROWN LLC
 STONE PIGMAN WALTHER WITTMANN LLC
 SULLIVAN STOLLER, LLC
 SYNERGY CARE, INC.
 SYSMEX AMERICA, INC.
 TELEREX MEDICAL
 TERRA R BOURDEAUX
 THE DE LEO LAW FIRM LLC
 THE SCHUMAKER GROUP OF LOUISIANA, INC.
 THE SSI GROUP, INC.
 THEODORE G EDWARDS IV
 THERAPY CENTER OF AVOYELLES, LLC
 THOMAS J. DAVIS, JR., MD
 TRENT MC MORRIS SR
 ULTIMATE MEDICAL SERVICES, INC.
 ATTN JODY BELKOFFER
 ATTN NORBERT CRAFTS
 ATTN JOSEPH P HERBERT ESQ
 ATTN SHARON S. WHITLOW
 ATTN ALICE DELANEY
 C/O WATSON, BLANCE, WILSON & POSNER
 C/O WATSON, BLANCE, WILSON & POSNER
 221 US ROUTE 1
 ATTN SCOTT M. MANSFIELD
 ATTN LAURA MARQUEZ
 ATTN MARK J CHANEY III ESQ
 ATTN RICHARD A AGUILAR ESQ
 ATTN DAVID H LEIGH, ESQ
 ATTN ROGER ELDER
 204D E MAIN STREET
 1189 BODCAU STATION ROAD
 ATTN JANELLE GORSKI
 214 MOWAD DRIVE
 ATTN CLIF A LAOURE ESQ
 ATTN VICTORIA V THERIOT ESQ
 900 FANNIN STREET
 ATTN DEBBIE RHODES
 ATTN TROY D. RABURN
 ATTN JANNETTE EMOND
 ATTN HENRY C PERRER JR ESQ
 ATTN KAYE FRELAND
 4231 HWY 1192
 PO BOX 5309
 PO BOX 5309
 ATTN SHARON LINDSAY
 705 PALFREY PARKWAY
 ATTN TIM LEGENDRE
 810 S. BUCHANAN
 1613 N. HARRISON PARKWAY, SUITE 200
 ATTN GEORGE C. FREEMAN, III
 C/O RANDALL L WILMORE
 ATTN ANDREW H SHEMMAN ESQ
 ATTN BORIS I MANKOVITSKY ESQ
 ATTN MARK BUSHEE
 ATTN AMY RAY
 ATTN MICHAEL BAUMBACH
 8131 LINDON B. JOHNSON, SUITE 360
 C/O JAMES E. SUTTEDH, III
 ATTN ERICA WANER
 ATTN STEPHEN H. NORMAN, MD
 ATTN BRANDON A BROWN ESQ
 ATTN JOHN M LANDIS ESQ
 909 POYDRAS STREET, SUITE 2600
 ATTN TODD BROUSSARD, CFO
 ATTN HELEN REITZ
 ATTN LOREEN MONSER
 1051 PERCY DRIVE
 ATTN ROBIN R DE LEO ESQ
 PO BOX 82368
 ATTN CHERYL RAMSEY, AR MANAGER
 810 S. BUCHANAN
 ATTN MITZI LOGAN
 105 NORTH HOSPITAL DRIVE
 C/O OSCAR L SHOENFELT III
 ATTN KEVIN FIX
 PO BOX 92200
 8910 LINWOOD AVE.
 822 HARDING ST
 ONE UNITED PLAZA, SUITE 500
 2590 BROADWAY AVENUE
 ATTN ROBERT W. ROBISON, JR.
 ATTN BENJAMIN L BOURDEAUX
 TAYLOR, PORTER, BROOKS & PHILLIPS, 450 LAUREL STREET, 9TH FLOOR
 1509 KUEBEL STREET
 601 POYDRAS STREET
 601 POYDRAS STREET
 RAY, QUINNEY & NEBEKER, PC
 1095 AVENUE OF THE AMERICAS
 390 UNION BOULEVARD, SUITE 600
 1001 W PINKHOOK RD
 1001 W PINKHOOK RD
 SUITE 3196
 3000 KNIGHT STREET, BUILDING 5
 2915 MISSOURI AVE
 150 DAN RD
 1301 CAMELLIA BLVD
 1888 SOUTH 500 WEST
 SUITE 200
 STE 200
 SUITE 220
 SUITE 400
 2439 MANHATTAN BOULEVARD, SUITE 248
 2439 MANHATTAN BOULEVARD, SUITE 207
 909 POYDRAS STREET, SUITE 2400
 GOLD, YERGENS, BRUSER, SUES & RUND PO BOX 6118
 ONE RIVERFRONT PLAZA
 ONE RIVERFRONT PLAZA
 50 TECHNOLOGY DRIVE
 PO BOX 12418
 113 BANKS AVENUE
 SUDDUTH & ASSOCIATES
 14400 MET CALF AVENUE
 63 ROSALINE ROAD
 620 FLORIDA ST., SUITE 100
 546 CARONDELET STREET
 1127 W. BROAD STREET, SUITE 850
 577 APTAKSIS ROAD
 PO BOX 12600
 800 RAMON ST
 4721 MORRISON DRIVE
 PO BOX 1170
 2109 PERKINS ROAD
 6004 HWY 90 EAST
 ALBUQUERQUE NM
 SHREVEPORT LA
 LAFAYETTE LA
 BATON ROUGE LA
 ALEXANDRIA LA
 BATON ROUGE LA
 BATON ROUGE LA
 CUMBERLAND ME
 BATON ROUGE LA
 HARAHAN LA
 NEW ORLEANS LA
 NEW ORLEANS LA
 SALT LAKE CITY UT
 NEW YORK NY
 NEW IBERIA LA
 HAUGHTON LA
 LAKEWOOD CO
 OAKDALE LA
 LAFAYETTE LA
 LAFAYETTE LA
 SHREVEPORT LA
 SHREVEPORT LA
 CANTON MA
 LAFAYETTE LA
 WOODS CROSS UT
 MARKSVILLE LA
 ABITA SPRINGS LA
 ABITA SPRINGS LA
 INDIANAPOLIS IN
 YOUNGSHVILLE LA
 HAVREY LA
 LAFAYETTE LA
 SUNRISE FL
 NEW ORLEANS LA
 ALEXANDRIA LA
 NEWARK NJ
 NEWARK NJ
 WESTMINSTER MA
 ALEXANDRIA LA
 LAFAYETTE LA
 DALLAS TX
 LAKE CHARLES LA
 OVERLAND PARK KS
 ALEXANDRIA LA
 BATON ROUGE LA
 NEW ORLEANS LA
 NEW ORLEANS LA
 LAKE CHARLES LA
 LINCOLNSHIRE IL
 RTP NC
 ST. MARTINVILLE LA
 MANDREVILLE LA
 LAFAYETTE LA
 MOBILE AL
 LAFAYETTE LA
 MARKSVILLE LA
 BATON ROUGE LA
 LAKE CHARLES LA
 87199
 71106
 70503
 70809
 71302
 70802
 70802
 04110
 70801
 70123
 70130
 70130
 84111
 10036
 70560
 71037
 80228
 71463
 70503
 70503
 71101
 71105
 71109
 02021
 70505
 84087
 71351
 70420
 70420
 70420
 46250
 70592
 70508
 70501
 33323
 70112
 71307
 07102
 07102
 01441
 71315
 70506
 75251
 70625
 66223
 71302
 70801
 70130
 70112
 70601
 60059
 27709
 70582
 70448
 70598
 36609
 70501
 71351
 71463
 70808
 70615
 accountpsyable@nmsc.com
 jphbert@iskrow.com
 ssw@longlaw.com
 alicedelaney219@yahoo.com
 robinson@wbpmlaw.com
 ar@mainstandards.com
 scott.mansfield@taylorporter.com
 admin@mbamedical.com
 mdniam@mcglinchey.com
 rgulian@mcglinchey.com
 dlegh@qr.com
 relder1@metlife.com
 malvaerzmd@cox.net
 michealhdouan@bellcourth.net
 jgorst@heartdndbc.com
 dlacou@neunerprate.com
 thteriot@neunerprate.com
 Debbie.rhodes@pathologyresource.net
 jemond@organo.com
 kfelehan@primemjllanetbank.com
 safesitter@safesitter.org
 scantim@ia@gmail.com
 tm@splic.com
 jfrt@sp@biztosokozsok.com
 nwillmore@goldweems.com
 asherman@sills-cummis.com
 bmankovetsky@sills-cummis.com
 bankruptcy@simplegrinnell.com
 mbaumont@scs-sound.com
 vedwardt@spectracorp.com
 james@saallegal
 ewagner@saltsolutions.biz
 shnorman@mac.com
 bborwn@stewartrobbs.com
 jhandis@stonepigman.com
 jstodier@sullivanstoller.com
 throussard@synergy.com
 reeth@syrmex.com
 loreen.monser@relelex.com
 terra_bourdreaux@yahoo.com
 Cheryl.Ramsey@sfgroup.com
 therrpccenters@bellsouth.net
 T2129060@sdl.com
 info@shoenfelthlaw.com
 kfix@umsonline.net

ULTIMATE SAFETY, INC.
WALLER LANDSEN DORTCH & DAVIS, LLP
WHEELIS & ROZANSKI
WINN EMERGENCY GROUP, LLC
XEROX CORP
ZEBRA TECHNOLOGIES INTERNATIONAL, INC

ATTN: SPERRI, LEWIS
ATTN: JOHN C. TISHLER, ESQ.
ATTN: STEPHEN D. WHEELIS, ESQ.
PO BOX 82388
ATTN: JO ADAMS
ATTN: KATHLEEN ZELAWSKI

21222 GATHERING OAK, SUITE 408
511 UNION STREET, SUITE 2700
PO BOX 13199
1303 RIDGEVIEW DRIVE-450
3 OVERLOOK POINT

SAN ANTONIO TX
NASHVILLE TN
ALEXANDRIA LA
LEXINGTON LA
LEWISVILLE TX
LINCOLNSHIRE IL

78260
37219
71315
70598
75057
60069
Sherril@bomgrammedical.com
john.tishler@wallertw.com
stoye@wheelis-rozanski.com
vinnessa.adams@xerox.com
kzabawski@zebra.com

Progressive Acute Care, LLC ("PAC")

Sources & Uses

As of: October 13, 2016

DRAFT

Subject to Continuing Review and Material Change

PAC Sources & Uses

October 15th to December 15th

SOURCES OF CASH

Cash

Sale Proceeds

Pay-off of Seller Note	\$10,063,570
Purchase Deposit	\$500,000
Subtotal - Sale Proceeds (CASH)	\$10,563,570

Reconciled "Book" Balances

Avoyelles	\$61,042
Winn Parish	(\$41,984)
Oakdale	\$25,113
Corporate	\$464,653
Subtotal - Book Balances (CASH)	\$508,824

Future Receipts

Blue Cross Refund	\$44,373
Entergy Refund	\$24,500
Estimated July FMP Payments	\$190,566
Estimated August FMP Payments	\$190,566
Estimated 2015 CMS Cost Report Refunds	\$359,256
Subtotal - Estimated Future Receipts	\$809,261

TOTAL SOURCES OF CASH

\$11,881,655

USE OF PROCEEDS

Total Estimated Secured Bank Debt (As of Sept 16, 2016) (\$10,314,125)

Outstanding Post-Petition Account Payables (As of 10-13-2016)

Avoyelles	(\$302,997)
Oakdale	(\$82,246)
Winn Parish	(\$202,603)
Corporate	(\$6,142)
Subtotal - Post-Petition Accounts Payables	(\$593,987)

Invoices that required claim adjudication & review

Avoyelles	(72,908)
Oakdale	(89,992)
Winn Parish	(22,457)
Contingency for Late Arriving Post-Petition Invoices	(\$50,000)
Subtotal - Invoices that require further review	(235,356)

Outstanding Bankruptcy Administration Expenses (Through September 30)

UCC Counsel (Kean Miller & Sills Cummis)	(\$129,033)
Debtors' Counsel (SVM)	(\$100,970)
Debtors' Financial Advisor (SOLIC)	(\$46,628)
SOLIC Sale transaction Fee	(\$346,480)
Claims Agent (Garden City Group)	(\$21,383)
Estimated Q3 U.S. Trustee Filing Fee	(\$25,000)
Subtotal - Estimated Bankruptcy Administrative Expenses	(\$669,494)

Estimated Professional Fees & Wind-down Expenses (October 1 - December 15)

UCC Counsel (Kean Miller & Sills Cummis)	(\$117,500)
Debtors' Counsel (SVM)	(\$100,000)
SOLIC cash reconciliation, budget/waterfall reconciliation & court hearing participation	(\$25,000)
Claims Agent (Garden City Group)	(\$30,000)
LBK Filings home office + three hospitals	(\$32,750)
Tax Return Preparation (PAC)	(\$25,000)
Aplix exchange server	(\$6,000)
Wayne Thompson & Donna Varnado	(\$33,750)
SOLIC Capital Advisors - Retainer Refund	\$75,175
SVM - Retainer Refund	\$47,095
Subtotal - Estimated Professional Fees & Wind-down Expenses (October 1 - December 15)	(\$247,731)

TOTAL USES OF CASH

(\$12,060,693)

NET PROCEEDS

(\$179,038)



ASSET PURCHASE AGREEMENT

BY AND AMONG

**HOSPITAL SERVICE DISTRICT NO.1 OF IBERIA PARISH
D/B/A IBERIA MEDICAL CENTER
A POLITICAL SUBDIVISION OF THE STATE OF LOUISIANA**

AND

**PROGRESSIVE ACUTE CARE, L.L.C.
PROGRESSIVE ACUTE CARE DAUTERIVE, L.L.C.
AND
PROGRESSIVE ACUTE CARE PHYSICIAN SERVICES DAUTERIVE, L.L.C.**

DATED DECEMBER 10, 2015



(f) If, prior to the Effective Time, any part or portion of the Property is destroyed, condemned, lost or damaged, (1) to an extent that does not result in a Material Loss, or (2) to an extent that would be a Material Loss and Buyer fails to terminate this Agreement, Buyer and Seller Group shall consummate the transactions contemplated in this Agreement, subject to the other terms and conditions of this Agreement, and, at the Effective Time, Seller Group shall deliver possession of the Assets to Buyer in such physical condition as the same may then exist; provided that, in such event, Seller Group will, at Buyer's election in its sole discretion, either (a) reduce the Purchase Price by an amount equal to the Aggregate Damage (or the Loss Consultant's estimate thereof, if applicable) at Closing, or (b) assign to Buyer the right to receive any net insurance or condemnation proceeds received for the condemnation or property loss or damage to the Property, but not any proceeds for business interruption or other kinds of insurance that may be payable with respect to any period prior to the Effective Time with respect to such damage, loss or destruction.

2.6 Prorations Between Buyer and Seller Group.

(a) Pre-Paid Rents. As reflected in Section 2.1, the Purchase Price is reduced by, among other matters, an amount equal to Pre-Paid Rent.

(b) Tenant Deposits. As reflected in Section 2.1, the Purchase is reduced by, among other matters, an amount equal to the Lease Deposits.

(c) Property Taxes. Seller Group shall be responsible for all real (including immovable) and personal (including movable) property, ad valorem, and other governmental taxes and assessments against the Property for the year in which the Closing occurs; *provided that* Buyer shall file for tax-exemption for the Property promptly following the Closing and *provided further that* Seller Group's obligation with respect to paying the real and personal property taxes due with respect to 2015 shall be satisfied by reducing the Purchase Price by an amount equal to the real and personal property taxes due, if not already paid by Seller Group.

(d) Utility Charges and Transition. Seller Group shall be entitled to the return of all deposits on utilities and Buyer shall be responsible for its own deposits. Buyer shall make timely application and deposits to have all utilities transferred into its name as of the Closing Date. In the event the utility companies fail to make such transfer effective as of the Closing Date, then Buyer agrees to reimburse Seller Group the per diem amount of any utility expenses which Buyer is liable for, within ten (10) days of presentation of utility company invoices.

(e) Tenant Improvement Allowances. Seller Group covenants there are no outstanding tenant improvement allowances that have been unused or unclaimed to date.

2.7 Personal Property Adjustment.

(a) Attached as Schedule 2.7 is the detailed property, plant and equipment report for the Hospital and Group Practice (the "Preclosing Personal Property Statement"). Schedule 2.7 also includes the applicable net book value of each item reflected thereon.

(b) Prior to the Closing, Buyer shall have the right, but not the obligation, to conduct (whether directly or by its designated agent) at its sole expense an inventory of the equipment, furnishings and moveable property that are similar in nature to those included in the Preclosing Personal Property Statement. Such inventory shall be performed on such date(s) as may be mutually agreed by Buyer and Seller Group and shall be conducted in a manner that will not disrupt or interfere with the business or

operations of the Hospital or Group Practice or the delivery of care to patients of the Hospital or Group Practice. Seller Group shall be entitled to participate in the planning and to observe the conduct of such inventory. Buyer shall promptly provide Seller Group with the results of Buyer's inventory of equipment, furnishings and moveable property (the "Closing Personal Property Statement").

(c) In the event that any single item with a net book value as reflected on the Preclosing Personal Property Statement in excess of \$5,000 or any combination of items with an aggregate net book value as reflected on the Preclosing Personal Property Statement in excess of \$25,000 (other than any Excluded Assets) is (i) not reflected on the Closing Personal Property Statement or (ii) otherwise not present at the Hospital or Group Practice two (2) days prior to the Closing, the Purchase Price shall be reduced by an amount (the "Personal Property Adjustment") equal to the aggregate net book value of such missing equipment, furnishings, and/or moveable property.

3. CLOSING

3.1 Closing. Subject to the satisfaction or waiver by the appropriate party of all the conditions precedent to Closing specified in Sections 7 and 8 hereof, the consummation of the sale and purchase of the Assets and the other transactions contemplated by and described in this Agreement (the "Closing") shall take place on December 30, 2015 or at such other date and at such location as the parties may mutually designate in writing (the "Closing Date").

3.2 Action of Seller Group at Closing. At the Closing and unless otherwise waived in writing by Buyer, Seller Group shall deliver to Buyer the following: (a) Acts of Cash Sale with full warranty of title substantially in the form attached as Exhibit 3.2(a) (the "Deed") executed by PAC conveying the Real Property to Buyer; (b) a General Bill of Sale and Assignment, substantially in the form attached as Exhibit 3.2(b) (the "Bill of Sale"), executed by Seller Group; (c) an Assignment and Assumption Agreement, substantially in the form attached as Exhibit 3.2(c) (the "Assignment and Assumption Agreement"), executed by Seller Group; (d) certificates of titles to any vehicles included within the Assets duly endorsed in favor of Buyer; (e) a Non-Compete Agreement, substantially in the form attached as Exhibit 3.2(e), executed by Seller Group (the "Non-Compete Agreement"); (f) a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code") stating that each PAC, PAC-D and PAC-PSD, as applicable, are not a "foreign person" as defined in Section 1445 of the Code; (g) possession and lien affidavits, substantially in the form attached hereto as Exhibit 3.2(g), executed by Seller Group; (h) certificates of an authorized representative for Seller Group (the "Authorized Representative") certifying that the conditions in Sections 7.1 and 7.2 have been satisfied; (i) copies of resolutions duly adopted by PAC, PAC-D and PAC-PSD, authorizing and approving the respective performance of the transactions contemplated hereby and the execution, delivery and performance of this Agreement and the documents described herein to which it is a party, certified as true and of full force as of Closing by the appropriate authorized representatives for each PAC, PAC-D and PAC-PSD, respectively; (j) certificates of good standing for each PAC, PAC-D, and PAC-PSD from the States of Louisiana and South Carolina, as applicable, dated within three (3) days of the Closing Date; (k) a settlement statement in form and substance satisfactory to the parties (the "Settlement Statement") executed by Seller Group; (l) Uniform Commercial Code termination statements for any and all financing statements filed with respect to the Assets (which financing statements do not correspond to an Assumed Liability or Assumed Contract); (m) intentionally deleted; (n) any documents reasonably required by WFG Title Insurance Company (the "Title Company") to enable the Title Company to issue the Title Policy; (o) terminations of assumed or fictitious name registrations and name change amendments, if any, as reasonably necessary for Buyer to use the name "Dauterive Hospital" or "Legacy Medical Group" and derivatives thereof after Closing; and (p) such other instruments and documents as Buyer reasonably