

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

**IN RE:**

**PROGRESSIVE ACUTE CARE, LLC**

**CASE NO. 16-50740**

**DEBTOR**

**CHAPTER 11**

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)**

1. Pursuant to 11 U.S.C. §329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept per the attached engagement letter.

Prior to the filing of this statement, I have received \$184,383.20, which includes the \$1,717.00 filing fee (less previous amounts billed and paid through the petition date).

Balance Due per attached engagement letter.

2. The source of the compensation paid to me was:

    X     Debtor(s)      \_\_\_\_\_ Other (specify)

3. The source of compensation to be paid to me is:

    X     Debtors(s)      \_\_\_\_\_ Other (specify)

4.   X   I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

       I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached (*as is set forth below*).

5. In return for the above-disclosed fee, I have agreed to render legal service for and in the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor(s) in determining whether to file a petition in bankruptcy.
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required.

- c. Representation of the debtor(s) at the meeting(s) of creditors and confirmation hearing(s), and any continued meetings or hearings, and, generally, in the bankruptcy case;

6. By agreement with the debtor(s), a copy of which is either set forth herein or attached hereto, the above-disclosed fee does not include the following services, for which, if I am to be retained, the debtors will be charged and will have to agree to pay fees and reimbursement of expenses as follows:

\*see attached engagement letter\*

**CERTIFICATE OF ATTORNEY**

**I HEREBY CERTIFY** that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor in this bankruptcy proceeding.

Date: May 31, 2016

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  
Facsimile: (225) 751-1998  
E-mail: [bparsons@steffeslaw.com](mailto:bparsons@steffeslaw.com)

*Proposed Attorneys for Debtor*

**CERTIFICATION OF DEBTOR**

**I HEREBY CERTIFY** that the above agreement with my attorney has been explained to me by my attorney and accurately reflects the services that my attorney has agreed to provide for the fees paid or promised as stated in this disclosure. Further, I agree that the description of those services that will not be provided by my attorney for the fees paid or promised in the disclosure is accurate and that I understand that if any of these excluded services become necessary, my attorney is under no duty to represent me unless I make further arrangements, as set forth by my attorney above, for the attorney to act on my behalf.

Progressive Acute Care, LLC, Debtor

DATE: May 31, 2016

By: /s/ Daniel Rissing  
Daniel Rissing, Authorized Representative

**Steffes, Vingiello & McKenzie, LLC**  
ATTORNEYS-AT-LAW

13702 COURSEY BLVD., BLDG. 3  
BATON ROUGE, LOUISIANA 70817  
TELEPHONE 225.751.1751  
FAX 225.751.1998

WILLIAM E. STEFFES\*  
ARTHUR A. VINGIELLO\*\*  
GARY K. McKENZIE\*\* †  
PATRICK S. GARRITY\*\*  
MICHAEL H. PIPER  
NOEL STEFFES MELANCON  
BARBARA B. PARSONS

NEW ORLEANS OFFICE  
333 Girod Street, Suite 302  
New Orleans, Louisiana 70130  
Telephone 504.299.8892  
Fax 225.751.1998

\* Also admitted to practice in Texas  
\*\* Board Certified Business Bankruptcy Specialist  
† Board Certified Consumer Bankruptcy Specialist

February 6, 2016

WRITER'S EMAIL: [bsteffes@steffeslaw.com](mailto:bsteffes@steffeslaw.com)

*Via Email to Daniel.Rissing@Progressiveacute.com and U.S. Mail*

Mr. Daniel Rissing, CEO  
Progressive Acute Care, LLC  
2210 7<sup>th</sup> Street  
Mandeville, LA 70471

Re: Progressive Acute Care, LLC, et al  
Chapter 11 Reorganization cases  
SVM #16-007

Dear Mr. Rissing:

We are pleased that you have decided to engage this firm's services as special insolvency counsel to represent Progressive Acute Care, LLC ("PAC") and its related entities (collectively, the "PAC Entities"), namely, Progressive Acute Care Physician Services, LLC, Progressive Acute Care Dauterive, LLC, Progressive Acute Care Physician Services Dauterive, LLC, Progressive Acute Care Avoyelles, LLC, Progressive Acute Care Oakdale, LLC, Progressive Acute Care Winn, LLC, in their efforts to resolve their financial difficulties, including those obligations owed to Business First Bank ("Bank"). The Code of Professional Responsibility, applicable in Louisiana and virtually all other states, suggests that attorneys should enter into written agreements with their clients delineating the nature and scope of the representation and arrangements relating to the payment of fees. Although we have previously discussed this representation in detail, this letter is intended to comply with that ethical responsibility and also to make sure that you and we both understand our mutual responsibilities in connection with our representation.

**I. FEE ARRANGEMENT**

We will perform services in connection with our representation at the hourly rates shown on the rate table attached to this letter. We bill for services in minimum increments of six (6) minutes; it is our firm's practice to keep detailed contemporaneous records of time spent in the course of representation. Services and expenses incurred by or which primarily benefit only one of the PAC Entities will be billed to that PAC Entity only. Services and expenses which involve Bank obligations and/or will primarily benefit PAC or all of the PAC Entities will be billed to PAC. The PAC Entities will also be billed for

Mr. Daniel Rissing, CEO  
Progressive Acute Care, LLC  
February 6, 2016  
Page 2 of 7

all direct, allocable expenses incurred in the course of our representation, including, but not limited to, actual long distance telephone charges, copy charges at \$.15 per copy, court costs, deposition costs, express mail charges, courier costs, and other similar expenses. The PAC Entities will not be billed for overhead items such as secretarial time, word processing time, and things of that nature. We bill travel time at one-half (1/2) the quoted hourly rates. The hourly rates quoted below are those currently in effect and may be subject to adjustment in the future.

We request that an initial "evergreen" retainer be deposited with us on Monday, February 8, 2016, in the amount of \$50,000.00 by wire transfer as assurance of payment of future billings. Unless you instruct us to the contrary, we will allocate \$5,000.00 of the initial retainer to each of Progressive Acute Care Dauterive, LLC, Progressive Acute Care Avoyelles, LLC, Progressive Acute Care Oakdale, LLC, Progressive Acute Care Winn, LLC, and the \$30,000.00 balance to Progressive Acute Care, LLC, since we expect that most of our billings will be to that entity rather than the subsidiaries. Since we do not understand Progressive Acute Care Physician Services, LLC and Progressive Acute Care Physician Services Dauterive, LLC to be operating entities with their own separate liabilities and assets, we will not allocate any portion of the retainer to either of those entities. If that understanding is incorrect, please advise and let us discuss a reasonable allocation to those entities. We are including wire transfer instructions for our trust account with this letter for your convenience.

The retainers will be placed in our trust account and we will use it to pay the amounts due by each of the PAC Entities as shown on billing statements to be rendered to them each month as well as expenses to third parties incurred during our representation. As we send you those billings, we ask that each of the PAC Entities (a) replenish its allocated share of the initial retainer each month to its original amount and (b) pay any monthly billing amount in excess of the allocated portion of the initial retainer. We reserve the right to ask for increased retainers in the future if we believe that the amount of billings or the payment of monthly statements so warrant. Moreover, if Chapter 11 filings become necessary, we may request that each of the PAC Entities deposit an additional retainer in an amount to be agreed upon once such filings appear likely to assure adequate coverage for the additional fees and expenses which would be incurred in representing the PAC Entities during Chapter 11 cases.

All of our attorneys are available to assist the PAC Entities during the course of our representation. Although I am primarily responsible for these matters, to the extent possible, I will delegate work to other attorneys with lower hourly rates as a cost saving measure to the PAC Entities and to permit me to spend my time on the more important facets of our representation.

We understand that we will be working with advisors to the PAC Entities employed by SOLIC Capital Advisors, LLC in order to determine the best paths to be taken by the

Mr. Daniel Rissing, CEO  
Progressive Acute Care, LLC  
February 6, 2016  
Page 3 of 7

PAC Entities to maximize the value of the businesses for the benefit of creditors and possibly equity interests.

## **II. SCOPE OF OUR REPRESENTATION**

Our primary responsibility is to act as special insolvency counsel to the PAC Entities in an effort to resolve the current financial difficulties they are facing, which may include Chapter 11 reorganization proceedings. We will assist you in compiling information necessary and useful to identify and hopefully resolve the PAC Entities' problems. Subject to the caveats set forth below, we will draft any pleadings, contracts, or other documents that may be needed during the course of our representation and, of course, will appear at any hearings, creditor meetings, conferences, etc., on behalf of the PAC Entities. Initially, we will draft the initial pleadings that would be necessary to commence voluntary Chapter 11 cases on behalf of any or all of the PAC Entities should Chapter 11 filings become necessary to avoid creditor action. In addition, we intend to provide the PAC Entities with a separate bullet point initial overall "game plan" once we have had sufficient time to gain an understanding of all of the issues by reviewing documents and financial information and conferring with management and the independent consultants who have been engaged by the PAC Entities. We will do our best to estimate approximate costs, time frames, and milestones as part of the overall "game plan" analysis.

We are not being engaged to handle or over see any transactional legal matters that arise as a result of pending sales of one or more of the operating entities or the parent company or their respective assets. We understand that the PAC Entities intend to engage another law firm that specializes in health care or hospital transactional matters for that purpose.

In addition to the documentation you have supplied us, it will be essential that you promptly forward to us copies of any lawsuits, demand letters, etc. that you receive during the course of our representation. It is also imperative that you retain the services of a qualified tax professional who can provide you with detailed, accurate information as to the tax consequences of potential restructure, plans of reorganization, and other tax matters which may arise.

We know of no conflicts that prevent us from representing the PAC Entities. However, if and when Chapter 11 cases are filed, it will be necessary to obtain court approval for our firm to represent multiple PAC Entities that may become debtors-in-possession. Depending upon the amount, if any, of intercompany debt, the ownership structure, and the overall debt structure of the PAC Entities, the Court may conclude that conflicts exist which would prevent us from representing entities other than PAC. If that occurs, we will continue to represent PAC and recommend other competent counsel to represent any PAC Entity which the Court finds we cannot represent under Bankruptcy Laws.

### **III. EMAILS AND DOCUMENT RETENTION ISSUES**

Like many businesses these days, we use email extensively to communicate with our clients and others. In general, we will forward you copies of any emails we send or receive that relate to your case; you should retain those emails in your files since, although our policy is to retain emails for at least three (3) years as mentioned below, we cannot guarantee that all emails will in fact be available and accessible if needed later.

We will communicate with you at [daniel.rissing@progressiveacute.com](mailto:daniel.rissing@progressiveacute.com). We also will communicate with other contacts with the PAC Entities at the email addresses they furnish to us. Please be reminded that you and others with the PAC Entities should only provide us with email addresses that only you and they can access in order to maintain the attorney-client privilege and confidentiality of our communications with you.

At the conclusion of this matter, we will retain your paper legal files for a period of three (3) years after we close our file. At the expiration of the 3 year period, we will destroy the paper copies of those files unless you notify us in writing that you wish to take possession of them. We reserve the right to charge administrative fees and costs associated with researching, retrieving, copying and delivering such files. We also will retain electronic copies of your files which are in that format, including emails, for at least three (3) years after the engagement terminates.

### **IV. SUMMARY**

We hope that this letter adequately summarizes the terms of our engagement, the fee arrangement, and the scope of our representation of the PAC Entities. We have not made and do not make any warranties or representations concerning the success of our efforts nor can we predict a favorable outcome as to the matters undertaken. Nonetheless, we are hopeful that our services will prove to be economically beneficial to the PAC Entities.

Termination by either you or us after any reorganization case has been filed will require court approval. Termination either by you or by this firm will not affect any obligation to pay for legal services rendered or to reimburse the firm for costs incurred through the effective date of any such termination.

We will consider all communications between members of this firm, you, and your employees to be privileged. We suggest you instruct company employees to treat communications with this office as confidential and that you notify us if we are not to discuss any particular matter with any particular employee.

Mr. Daniel Rissing, CEO  
Progressive Acute Care, LLC  
February 6, 2016  
Page 5 of 7

If you find the description and terms of our representation as outlined above acceptable, please so indicate by signing below. However, before signing, please review it and make sure that you understand all of the consequences of such signature. We have provided an extra copy of this letter for your files. Your indication of consent below will constitute an agreement to our representation on the terms and conditions outlined above. In order to assure application of the attorney-client and work product privileges for our prior communications, the engagement will be retroactive to January 21, 2016, the date we were first contacted by Hector Lopez, PAC's in house counsel. We look forward to representing the PAC Entities in these matters, and if you have any questions regarding any of the terms of our representation, please feel free to contact me at your convenience.

Very truly yours,



William E. Steffes

WES/adk

### ACKNOWLEDGMENT

I, Daniel Rissing, the duly authorized CEO of Progressive Acute Care, LLC, for itself and as the general manager of the other PACE Entities named above confirm, that I have read the above and foregoing, and as the duly authorized representative of said companies, do hereby agree to the retention of William E. Steffes and the law firm of Steffes, Vingello & McKenzie, LLC, under the terms and conditions set forth above.

DATED: February <sup>2/6/2016</sup>\_\_\_\_, 2016

Progressive Acute Care, LLC



By: Daniel Rissing, CEO  
Authorized Representative

DATED: February <sup>2/6/2016</sup>\_\_\_\_, 2016

Progressive Acute Care Physician Services, LLC



By: Daniel Rissing, CEO of General Manager  
Authorized Representative

Mr. Daniel Rissing, CEO  
Progressive Acute Care, LLC  
February 6, 2016  
Page 6 of 7

DATED: February 26, 2016

Progressive Acute Care Dauterive, LLC

Daniel Rissing

By: Daniel Rissing, CEO of General Manager  
Authorized Representative

2/6/2016  
DATED: February \_\_\_\_, 2016

Progressive Acute Care Physician  
Services Dauterive, LLC

Daniel Rissing

By: Daniel Rissing, CEO of General Manager  
Authorized Representative

2/6/2016  
DATED: February \_\_\_\_, 2016

Progressive Acute Care Avoyelles, LLC

Daniel Rissing

By: Daniel Rissing, CEO of General Manager  
Authorized Representative

2/6/2016  
DATED: February \_\_\_\_, 2016

Progressive Acute Care Oakdale, LLC

Daniel Rissing

By: Daniel Rissing, CEO of General Manager  
Authorized Representative

2/6/2016  
DATED: February \_\_\_\_, 2016

Progressive Acute Care Winn, LLC

Daniel Rissing

By: Daniel Rissing, CEO of General Manager  
Authorized Representative



**STEFFES, VINGIELLO & McKENZIE, LLC STAFF RATE TABLE**

WILLIAM E. STEFFES	\$400.00 per hour
ARTHUR A. VINGIELLO	\$375.00 per hour
GARY K. McKENZIE	\$375.00 per hour
MICHAEL H. PIPER	\$375.00 per hour
PATRICK S. GARRITY	\$375.00 per hour
NOEL STEFFES MELANCON	\$300.00 per hour
BARBARA B. PARSONS	\$300.00 per hour
PARALEGAL	\$90.00 per hour
LAW CLERKS	\$90.00 per hour