



**SO ORDERED.**

**SIGNED December 7, 2016.**

  
ROBERT SUMMERHAYS  
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE DIVISION

IN RE: PROGRESSIVE ACUTE CARE,  
LLC, *et al.*,  
  
Debtors.

CASE NO. 16-50740

CHAPTER 11

JOINTLY ADMINISTERED

**CONSENT ORDER REGARDING  
CONDITIONAL DISBURSEMENT OF FUNDS**

WHEREAS, Business First Bank (“BFB”) has asserted a secured claim in the amount of \$10,314,125.10 (the “Alleged Secured Claim”) against the estates of the above-referenced debtors (collectively, the “Debtors”); and

WHEREAS, on September 26, 2016, BFB filed a Motion for Distribution of Sale Proceeds [Docket No. 311] (the “BFB Motion”) seeking distribution of the proceeds of the Debtors’ sale of substantially all of their assets (“Sale Proceeds”) in full satisfaction of the Alleged Secured Claim; and

WHEREAS, on October 11, 2016, the Official Committee of Unsecured Creditors (the “Committee”) filed a Complaint for Annulment and/or Avoidance of Obligations and Liens, Avoidance of Preferential Transfers, Declaratory Judgment, Determination of Secured Claim, Disallowance of Claim, and Surcharge of Collateral against BFB, which is pending under adversary proceeding number 16-05023 (the “Avoidance Complaint”); and

WHEREAS, on October 11, 2016, the Committee filed an objection to the BFB Motion (“Objection”)[Docket No. 334]; and

WHEREAS, on October 17, 2016, BFB filed a reply to the Committee’s objection to the BFB Motion [Docket No. 356]; and

WHEREAS, following an initial settlement meeting among the Debtors, the Committee and BFB, the parties agreed to (i) adjourn the hearing on the BFB Motion to December 20, 2016, and (ii) conditionally disburse \$8.3 million of the Sale Proceeds to BFB subject to and on the terms set forth herein to facilitate further good faith efforts by the parties to attempt to reach a global resolution of the BFB Motion and the Avoidance Complaint;

**Stipulation**

NOW THEREFORE, in consideration of the cause of the foregoing, the undersigned parties (the “Parties”) hereby stipulate and agree as follows:

1. Within five (5) business days after the entry of this Consent Order, the Debtors shall conditionally transfer to BFB \$8.3 million (“Conditional Distribution”) to hold as collateral security for BFB’s Alleged Secured Claim, which BFB shall distribute to the participants in the pre-petition loans extended by BFB to the Debtors (each a “Participant” or collectively, the “Participants”) in the amounts listed on Exhibit A attached hereto.

2. Not later than five (5) business days after the entry of a final, non-appealable judgment in favor of the Committee<sup>1</sup> in connection with any cause of action asserted in the Avoidance Complaint or the Objection (as each may be amended or modified from time to time) that reduces the amount of the Sale Proceeds which BFB may be entitled to receive from the Debtors’ estates (“Judgment”), each and every Participant (jointly and severally) shall, and hereby is ordered to, pay its share of the Conditional Distribution (together with pre-judgment interest from the date of the Conditional Distribution plus post-judgment interest at the same rate of interest currently earned by the Debtors’ estates on the Sale Proceeds) to the Debtors’ estates or any liquidating trustee appointed pursuant to a confirmed plan of liquidation or a chapter 7 trustee, provided however, to the extent the Judgment is for less than the full amount of any Conditional Distribution, each Participant (jointly and severally) shall be required to return only its proportionate share of such lesser amount together with pre-judgment interest from the date of the Conditional Distribution plus post-judgment interest at same rate of interest currently earned by the Debtors’ estates on the Sale Proceeds.

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<sup>1</sup> Hereinafter, each reference to the “Committee” shall include any successor in interest to the Committee or the Debtors’ estates, including any liquidating trustee appointed pursuant to a confirmed plan of liquidation or a chapter 7 trustee, if any, that may be appointed in these cases.

3. The Debtors' estates herein shall retain an interest in the Conditional Distribution as set forth herein.

4. Each Participant hereby irrevocably and unconditionally consents to the personal and subject matter jurisdiction of the Bankruptcy Court for all purposes relating to the entry and enforcement of this Order and the determination of any disputes arising hereunder.

5. This Court shall retain jurisdiction over: (a) the Conditional Distribution and (b) the entry and enforcement of this Order and the determination of any disputes arising hereunder.

6. Each Participant shall be liable for all attorneys' fees and costs incurred by the Committee solely for the purpose of enforcing that Participant's obligations herein should the Participant fail to timely return its share of the Conditional Distribution if and as required herein.

7. Other than consenting to the jurisdiction of this Court as set forth herein, nothing herein will be deemed a waiver or limitation of any of the parties' rights, claims and/or defenses in connection with the BFB Motion or the Avoidance Complaint, all of which are expressly reserved and preserved.

**STIPULATED, AGREED AND ACKNOWLEDGED BY:**

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-and-

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Bancshares, Inc.*

**IT IS SO ORDERED** that upon the Motion and the foregoing Stipulation of the Parties and good cause appearing therefore, due and proper notice having been given to all parties entitled to receive notice, the foregoing is approved.

**IT IS FURTHER ORDERED** that, without limiting the generality of the foregoing paragraph, the Court retains jurisdiction over the Conditional Distribution and all disputes arising from or relating to this Stipulation.

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**Exhibit A**

LENDER	AMOUNT OF DISTRIBUTION AND CLAWBACK LIABILITY (as of 12/02/16)
Business First Bank	\$ 3,179,701.12
First National Bankers Bank	\$ 1,980,589.01
ServisFirst Bank	\$ 3,139,709.87
Total	\$ 8,300,000.00

# Notice Recipients

District/Off: 0536-4  
Case: 16-50740

User: mcomeaux  
Form ID: pdf8

Date Created: 12/7/2016  
Total: 77

## Recipients submitted to the BNC (Bankruptcy Noticing Center) without an address:

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

TOTAL: 14

## Recipients of Notice of Electronic Filing:

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TOTAL: 27

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db Progressive Acute Care, LLC Post Office Box 5309 Abita Springs, LA 70420  
cr Global Physicians Network, LLC 504 Texas Street Suite 200 Shreveport, LA 71101  
intp Southern Textile Services, L.L.C. c/o Armistead M. Long Gordon Arata McCollam Duplantis &  
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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  
cr TCF Equipment Finance, Inc. Gregory A. Payer 11100 Wayzata Blvd., Suite 801 Minnetonka, MN  
55305  
cr NES Louisiana, Inc. 39 Main Street Tiburon, CA 94920  
cr Pharmacy Service of Winnfield, Incorporated c/o Stephen Shelton P.O. Box 1437 Winnfield, LA  
71483  
cr Shelton Property West Court Division, LLC c/o Stephen Shelton P.O. Box 1437 Winnfield, LA  
71483  
cr Doerle Food Services LLC 103 Kol Drive Broussard, La 70518  
cr CLECO Corporation Wheelis & Rozanski P.O. Box 13199 Alexandria, La 71315  
cr Mobile Imaging Services, LLC Wheelis & Rozanski P.O. Box 13199 Alexandria, LA 71315  
crcm Official Committee of Unsecured Creditors for Progressive Acute Care, LLC c/o Christopher  
Lehmann 7000 Cardinal Place Dublin, OH 43017  
intp Louisiana Department of Health & Hospitals c/o Kimberly Humbles P. O. Box 3836 Baton Rouge,  
LA 70821-3836



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cr	Richard Hylland	3500 S Phillips Ave Ste 110	Sioux Falls, SD 57105	
cr	De Leo Law Firm	800 Ramon St.	Mandeville, la 70448	
cr	Prime Alliance Bank	1868 South 500 West	Woods Cross, UT 84087	
cr	Siemens Financial Services, Inc.	170 Wood Avenue South	Iselin, NJ 08830	
fa	SOLIC Capital LLC	c/ Neil Luria	1603 Orrington Ave Ste 1600	Evanston, IL 60201
fa	SOLIC Captial Advisors, LLC	c/o Neil Luria	1603 Orrington Ave Ste 1600	Evanston, IL 60201
cr	Wells Fargo Vendor Financial Services, LLC	c/o Mark J. Chaney, III	601 Poydras Street	12th Floor New Orleans, LA 70130
cr	DHP Iberia Rehab, L.L.C.	501 West St. Mary Blvd., Suite 210	Lafayette, LA 70506	
cr	Business First Bancshares, Inc. d/b/a Business First Bank	Long Law Firm	4041 Essen Lane, Suite 500	Baton Rouge, LA 70809
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stkhld	Grant Shumaker	575 Sioux Point	North Sioux City, SD 57049	
stkhld	Steve Meyer	575 Sioux Point Road	North Sioux City, SD 57049	
stkhld	Steve Stokesbary	575 Sioux Point Road	North Sioux City, SD 57049	
stkhld	Ray Sherman	575 Sioux Point Road	North Sioux City, SD 57049	
stkhld	Dan Kensinger	575 Sioux Point Road	North Sioux City, SD 57049	
stkhld	DeAnna W Jensen Living Trust Dated Jan 26, 2012, Dr. Wade Jensen, Trustee		575 Sioux Point Road	North Sioux City, SD 57049
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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	
aty	George C. Freeman, III	Barrasso Usdin Kupperman et al	909 Poydras Street, Suite 2400	New Orleans, LA 70112

TOTAL: 36