

**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

**THIRD 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 forty-five (45) 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, as amended [P-322], and substantially all assets of the Debtors were sold to certain assignees of Central Louisiana Hospital Group, LLC (“CLHG”) effective September 1, 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 December 28, 2016, and February 27, 2017, respectively.

RELIEF REQUESTED

5.

By this Motion, the Debtors seek a forty-five (45) 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.

On December 21, 2016, the Debtors, Business First and the Official Committee of Unsecured Creditors (the “Committee”) entered into and agreed to be bound by a term sheet, which sets forth the salient terms of a proposed consensual plan of liquidation of the Debtors’ estates that will be filed with the Court, and incorporates the terms of a global settlement with respect to the asserted secured claim of Business First and the Committee’s challenges thereto and the motion to compel a distribution filed by Business First in these cases. Thus, the Debtors seek additional time to prepare and obtain acceptance of a plan consistent with such term sheet.

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 forty-five (45) days each, until February 12, 2017 and April 13, 2017, respectively.

9.

Through counsel, the Debtors have been advised that neither the Committee nor Business First have any objection to the relief sought herein.

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 each of the Debtors may file a 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 forty-five (45) days each; and, for any and all other relief this Court deems necessary and proper.

Respectfully Submitted by:

/s/ Barbara B. Parsons

William E. Steffes, #12426

Barbara B. Parsons, #28714

STEFFES, VINGIELLO, MCKENZIE, LLC

13702 Coursey Boulevard, Building 3

Baton Rouge, LA 70817

Telephone: (225) 751-1751

Facsimile: (225) 751-1998

Email: bparsons@steffeslaw.com

Counsel for the Debtors