



SO ORDERED.

SIGNED January 5, 2017.


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
SECOND 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 in the Consent Order entered on December 7, 2016 [Docket No. 408] (the “First Conditional Distribution Consent Order”) to facilitate further good faith efforts by the parties to attempt to reach a global resolution of the BFB Motion and the Avoidance Complaint; and

WHEREAS, following additional settlement discussions, on December 21, 2016, the Debtors, BFB and the Committee entered into and agreed to be bound by a term sheet (the “Plan Term Sheet”), attached hereto as Exhibit “A”, which sets forth the salient terms of a proposed

consensual plan of liquidation of the Debtors' estates that the Debtors and the Committee will file with the Court and that will be supported by BFB, and which incorporates the terms of a global settlement with respect to the Alleged Secured Claim, the Avoidance Complaint, the BFB Motion and the Objection; and

WHEREAS, as a result of agreement on the Plan Term Sheet, the parties agreed to (i) further adjourn the hearing on the BFB *Motion for Distribution of Sale Proceeds* [Docket No. 311], until March 14, 2017, at 10:00 A.M., U.S. Western District Bankruptcy Court - Lafayette; and (ii) subject to the terms and conditions set forth herein and in the Plan Term Sheet conditionally disburse additional \$1,200,000 of the Sale Proceeds and/or cash to BFB and (iii) conditionally disburse to BFB an additional \$100,000 upon and from the Debtors' receipt of the Full Medicaid Payments ("FMP") due to the Debtor for the pre-Sale periods of July 2016 and August 2016 under various managed care agreements.

Stipulation

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

1. The Debtors and BFB acknowledge that the Debtors have conditionally transferred to BFB additional \$1.2 million and that the Debtors will conditionally transfer to BFB additional \$100,000 upon and from the Debtors' receipt of the FMP funds (collectively, the "Second Conditional Distribution") to hold as collateral security for BFB's Alleged Secured Claim.

2. In the event the plan of liquidation is not confirmed consistent with the Plan Term Sheet, unless the parties agree otherwise, not later than five (5) business days after the entry of a

final, non-appealable judgment in favor of the Committee¹ 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 (the "Judgment"), BFB shall, and hereby is ordered to, pay the Second 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 Second Conditional Distribution, BFB shall be required to return only its proportionate share of such lesser amount together with pre-judgment interest from the date of the Second Conditional Distribution plus post-judgment interest at same rate of interest currently earned by the Debtors' estates on the Sale Proceeds.

3. The Debtors' estates herein shall retain an interest in the Conditional Distribution as set forth herein until further order of the Court.

4. The parties hereby irrevocably and unconditionally consent 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.

¹ 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.

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

6. BFB shall be liable for all attorneys' fees and costs incurred by the Committee solely for the purpose of enforcing BFB's obligations herein should BFB 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.

8. Nothing contained herein shall be deemed to modify the First Conditional Distribution Consent Order, which shall remain in full force and effect until further order of the Court.

9. To the extent there is any conflict or inconsistency between the Plan Term Sheet and this Order, the Plan Term Sheet shall control.

STIPULATED, AGREED AND ACKNOWLEDGED BY:

/s/ William E. Steffes
William E. Steffes (LA Bar Roll No. 12426)
Steffes, Vingiello & McKenzie, LLC
13702 Coursey Blvd., Building 3
Baton Rouge, Louisiana 70817
Telephone: (225) 751-1751
Facsimile: (225) 751-1998
E-mail: bsteffes@steffeslaw.com
Counsel for Debtors

/s/ Andrew H. Sherman
Andrew H. Sherman (Bar Roll No. AS6061)
Admitted Pro Hac Vice
Email: asherman@sillscummis.com
SILLS CUMMIS & GROSS P.C.
One Riverfront Plaza
Newark, NJ 07102
Phone: (973) 643-7000
Co-Counsel for Committee
-and-

/s/ Sharon S. Whitlow
LONG LAW FIRM, L.L.P.
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

/s/ J. Eric Lockridge
J. Eric Lockridge (Bar Roll No. 30159)
Email: eric.lockridge@keanmiller.com
Wade R. Iverstine (Bar Roll No. 31793)
Email: wade.iverstine@keanmiller.com
KEAN MILLER LLP
400 Convention Street, Suite 700
P.O. Box 3513 (70821-3513)
Baton Rouge, LA 70802
Phone: (225) 387-0999
Co-Counsel for Committee

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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United States Bankruptcy Court
Western District of Louisiana

In re:
Progressive Acute Care, LLC
Debtor

Case No. 16-50740-RRS
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0536-4

User: mcomeaux
Form ID: pdf8

Page 1 of 2
Total Noticed: 37

Date Rcvd: Jan 06, 2017

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jan 08, 2017.

db +Progressive Acute Care, LLC, Post Office Box 5309, Abita Springs, LA 70420-5309
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 70503-2451
aty +George C. Freeman, III, Barrasso Usdin Kupperman et al, 909 Poydras Street, Suite 2400,
New Orleans, LA 70112-4004
aty +William E. Steffes, Steffes, Vingiello & McKenzie, LLC, 13702 Coursey Blvd., Bldg. 3,
Baton Rouge, LA 70817-1372
cr +Business First Bancshares, Inc. d/b/a Business Fir, Long Law Firm,
4041 Essen Lane, Suite 500, Baton Rouge, LA 70809-7319
cr +CLECO Corporation, Wheelis & Rozanski, P.O. Box 13199, Alexandria, La 71315-3199
cr +DHP Iberia Rehab, L.L.C., 501 West St. Mary Blvd., Suite 210, Lafayette, LA 70506-4699
stkhld +Dan Kensinger, 575 Sioux Point Road, North Sioux City, SD 57049-5312
cr +De Leo Law Firm, 800 Ramon St., Mandeville, la 70448-5035
stkhld +DeAnna W Jensen Living Trust Dated Jan 26, 2012, D, 575 Sioux Point Road,
Norht Sioux City, SD 57049-5312
cr Doerle Food Services LLC, 103 Kol Drive, Broussard, La 70518
cr +Global Physicians Network, LLC, 504 Texas Street, Suite 200, Shreveport, LA 71101-3526
stkhld +Grant Shumaker, 575 Sioux Point, North Sioux City, SD 57049-5312
sp +Jack M. Stplier, Sullivan Stplier Knight, LC, 909 Poydras Street, Suite 2600,
New Orleans, LA 70112-1033
intp Louisiana Department of Health & Hospitals, c/o Kimberly Humbles, P. O. Box 3836,
Baton Rouge, LA 70821-3836
acc +Michael Freeman, TFG Consulting, 8550 United Plaza Blvd, Ste 702,
Baton Rouge, LA 70809-0200
cr +Mobile Imaging Services, LLC, Wheelis & Rozanski, P.O. Box 13199,
Alexandria, LA 71315-3199
cr +NES Louisiana, Inc., 39 Main Street, Tiburon, CA 94920-2507
cr +Official Committee of Unsecured Creditors for Prog, c/o Christopher Lehmann,
7000 Cardinal Place, Dublin, OH 43017-1091
cr +Parallon Business Solutions, LLC, c/o NeunerPate, 1001 W. Pinhook Rd., Suite 200,
Lafayette, LA 70503-2451
cr +Pharmacy Service of Winnfield, Incorporated, c/o Stephen Shelton, P.O. Box 1437,
Winnfield, LA 71483-1437
cr +Prime Alliance Bank, 1868 South 500 West, Woods Cross, UT 84010-7453
stkhld +Ray Sherman, 575 Sioux Point Road, North Sioux City, SD 57049-5312
cr +Richard Hylland, 3500 S Phillips Ave Ste 110, Sioux Falls, SD 57105-6864
fa +SOLIC Capital LLC, c/ Neil Luria, 1603 Orrington Ave Ste 1600, Evanston, IL 60201-5064
fa +SOLIC Captial Advisors, LLC, c/o Neil Luria, 1603 Orrington Ave Ste 1600,
Evanston, IL 60201-5064
cr +Shelton Property West Court Division, LLC, c/o Stephen Shelton, P.O. Box 1437,
Winnfield, LA 71483-1437
cr +Siemens Financial Services, Inc., 170 Wood Avenue South, Iselin, NJ 08830-2726
intp +Southern Textile Services, L.L.C., c/o Armistead M. Long,
Gordon Arata McCollam Duplantis & Eagan, 400 E. Kaliste Saloom Rd., Suite 4200,
Lafayette, LA 70508-8522
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 70508-8522
stkhld +Steve Meyer, 575 Sioux Point Road, North Sioux City, SD 57049-5312
stkhld +Steve Stokesbary, 575 Sioux Point Road, North Sioux City, SD 57049-5312
stkhld +Tom Jacobson, 575 Sioux Point Road, North Sioux City, SD 57049-5312
intp +Trent McMorris, Sr., Oscar L. Shoenfelt, III, 2109 Perkins Road,
Baton Rouge, LA 70808-1488
cr +Wells Fargo Vendor Financial Services, LLC, c/o Mark J. Chaney, III, 601 Poydras Street,
12th Floor, New Orleans, LA 70130-6029

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
cr +E-mail/Text: bankruptcynotices@tcfef.com Jan 06 2017 20:26:16 TCF Equipment Finance, Inc.,
Gregory A. Payer, 11100 Wayzata Blvd., Suite 801, Minnetonka, MN 55305-5503

TOTAL: 1

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

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

***** BYPASSED RECIPIENTS (continued) *****

cr Sheridan Healthcare of Louisiana, Inc.
cr The Schumacher Group of Louisiana, Inc.
cr Winn Emergency Group, LLC

TOTALS: 14, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jan 08, 2017

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on January 6, 2017 at the address(es) listed below:

- Alan H. Goodman on behalf of Interested Party CHRISTUS Health alan.goodman@bswllp.com, kathy.moore@bswllp.com
- Andrew H. Sherman on behalf of Creditor Committee Official Committee of Unsecured Creditors for Progressive Acute Care, LLC asherman@sillscummis.com
- Armistead M. Long on behalf of Creditor Southern Textile Services, L.L.C. along@gordonarata.com, sroberts@gordonarata.com
- Barbara B. Parsons on behalf of Debtor Progressive Acute Care Avoyelles, LLC bparsons@steffeslaw.com, akujawa@steffeslaw.com; bparsons@ecf.courtdrive.com
- Bradley L. Drell on behalf of Creditor Pharmacy Service of Winnfield, Incorporated bdrell@goldweems.com, ddrago@goldweems.com; slouviere@goldweems.com
- Brandon A. Brown on behalf of Creditor De Lage Landen Financial Services, Inc. bbrown@stewartrobins.com, kheard@stewartrobins.com
- Gail Bowen McCulloch on behalf of U.S. Trustee Office of U. S. Trustee gail.mcculloch@usdoj.gov
- Henry C. Perret, Jr. on behalf of Creditor DHP Iberia Rehab, L.L.C. hperret@perretlaw.com
- J. Eric Lockridge on behalf of Creditor Committee Official Committee of Unsecured Creditors for Progressive Acute Care, LLC eric.lockridge@keanmiller.com, Brenda.seneca@keanmiller.com
- John M. Landis on behalf of Creditor Sheridan Healthcare of Louisiana, Inc. jlandis@stonepigman.com, boneil@stonepigman.com
- Joseph P. Hebert on behalf of Creditor Allen Emergency Group, LLC jphebert@liskow.com
- Kimberly L. Humbles on behalf of Interested Party Louisiana Department of Health & Hospitals kimberly.humbles@la.gov
- Mark J. Chaney, III on behalf of Creditor Wells Fargo Vendor Financial Services, LLC mchaney@mcglinchey.com, aparnell@mcglinchey.com
- Mark P. Seyler on behalf of Creditor NES Louisiana, Inc. mseyler@barkleythompson.com
- Michael H. Piper on behalf of Plaintiff Progressive Acute Care Avoyelles, LLC mpiper@steffeslaw.com, mpiper@ecf.courtdrive.com; schassaing@steffeslaw.com
- Noel Steffes Melancon on behalf of Debtor Progressive Acute Care, LLC nsteffes@steffeslaw.com
- Office of U. S. Trustee USTPRegion05.SH.ECF@usdoj.gov
- Randall L. Wilmore on behalf of Creditor Siemens Financial Services, Inc. rwilmore@goldweems.com, atam@goldweems.com
- Richard A. Aguilar on behalf of Creditor Wells Fargo Vendor Financial Services, LLC raguilar@mcglinchey.com, aparnell@mcglinchey.com
- Richard J. Reynolds on behalf of Creditor Global Physicians Network, LLC rreynolds@ahmgt.com
- Robin R. DeLeo on behalf of Creditor De Leo Law Firm Elaine@dreher-la.com
- Ronald J. Savoie on behalf of Creditor Doerle Food Services LLC ronnie@jlaw.net, bob@jlaw.net; konrad@jlaw.net; kincaid@jlaw.net; terry@jlaw.net
- Sharon S. Whitlow on behalf of Creditor Business First Bancshares, Inc. d/b/a Business First Bank ssw@longlaw.com, dawn@longlaw.com
- Stephen D. Wheelis on behalf of Creditor CLECO Corporation steve@wheelis-rozanski.com
- Steven E. Adams on behalf of Attorney Louisiana Department of Health and Hospitals sea2334@yahoo.com
- Thomas E. St. Germain on behalf of Stockholder DeAnna W Jensen Living Trust Dated Jan 26, 2012, Dr. Wade Jensen, Trustee ecf@weinlaw.com, wstgecfemail@gmail.com
- Thomas J. Lutkewitte on behalf of Creditor TCF Equipment Finance, Inc. tlutkewitte@favretlaw.com
- Victoria Viator Theriot on behalf of Creditor Parallon Business Solutions, LLC ttheriot@neunerpate.com
- William E. Steffes on behalf of Debtor Progressive Acute Care Avoyelles, LLC bsteffes@steffeslaw.com, akujawa@steffeslaw.com; bsteffes@ecf.courtdrive.com

TOTAL: 29