

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

In re:

PROGRESSIVE ACUTE CARE, LLC, *et al.*

Debtors.¹

)
) Chapter 11
)
) Case No. 16-50740
)
) Jointly Administered
)

**EX PARTE MOTION TO LIMIT NOTICE RELATED TO APPROVAL OF
DISCLOSURE STATEMENT**

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 limiting notices related to approval of the Disclosure Statement as set forth below:

JURISDICTION AND VENUE

1.

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

¹ The Debtors in these jointly administered Chapter 11 cases, along with the last four digits of each Debtor’s federal identification number are: Progressive Acute Care, LLC (1719); Progressive Acute Care Avoyelles, LLC (7245); Progressive Acute Care Oakdale, LLC (7332); and Progressive Acute Care Winn, LLC (7149).

2.

Venue of these cases and this Motion is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3.

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”); and, these cases are being jointly administered under the above-captioned proceeding. 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.

4.

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.

5.

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.

6.

On March 14, 2017, the Debtors and the Committee filed their *Disclosure Statement Relating to Joint Chapter 11 Plan of Orderly Liquidation for Progressive Acute Care, LLC, et al.* (the “Disclosure Statement”) [Docket No. 466] and their *Joint Chapter 11 Plan of Orderly Liquidation for Progressive Acute Care, LLC, et al.* (the “Plan”) [Docket No. 465]. The Plan provides a mechanism to complete the administration of the Debtors’ chapter 11 estates now that substantially all of the Debtors’ assets have been sold.

7.

As general practice, this Court provides for service upon each creditor, equity security holder, the Assistant U.S. Trustee (Shreveport), and the Securities and Exchange Commission (if the debtor is a corporation) of any Order and Notice for Hearing on Disclosure Statement and Fixing Time for Filing Objections to Approval of Disclosure Statement entered by this Court (the “Disclosure Statement Notice”) to be accompanied by copies of the proposed Plan and proposed Disclosure Statement.

RELIEF REQUESTED

8.

Rule 3017(a) of the Federal Rules of Bankruptcy Procedure provides, in pertinent part:

“The plan and the disclosure statement shall be mailed with the notice of hearing only to the debtor, any trustee or committee appointed under the Code, the Securities and Exchange Commission and any party in interest who requests in writing a copy of the statement of plan.”

9.

The Debtors request, pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 2002, 3017(a) and 9007, that the Court permit the Debtors to serve a Disclosure Statement Notice in the form attached hereto as Exhibit A and copies of the Plan and Disclosure Statement only upon the Debtors, any trustee or committee appointed under the Bankruptcy Code, the Securities and Exchange Commission and any party in interest who has requested in writing from Debtors' counsel or noticing agent a copy of the Plan, as required by Rule 3017(a). The Debtors will serve a Disclosure Statement Notice in the form attached hereto as Exhibit A upon all creditors of the Debtors, which will provide notice of the hearing of the Disclosure Statement, the objection deadline, the opportunity to request a copy of the Plan and/or Disclosure Statement and the website address on which a copy of the Plan and Disclosure Statement will be maintained by the Debtors' noticing agent, Garden City Group, LLC.

10.

The Debtors consist of four (4) entities, and these cases involve nearly 2,000 creditors. The Debtors submit that service of copies of the proposed Plan and proposed Disclosure Statement to all creditors and parties-in-interest is unnecessary in these reorganization proceedings, burdensome to the Debtors, and would be extremely costly to the estates.

11.

In other chapter 11 cases, this Court and other courts have recognized the importance of the relief requested herein and have limited notice. See, e.g., *In re New Louisiana Holdings, LLC, et al.*, 14-50756 (Bankr. W.D. La. June 20, 2016); *In re Piccadilly, LLC, et al.*, 12-51127 (Bankr. W.D. La. Sept. 21, 2012); *In re Louisiana Riverboat Gaming Partnership, et al.*, 12-12013 (Bankr. W.D. La. July 31, 2012); *In re Harvest Oil & Gas, LLC, jointly administered with Saratoga*

Resources, Inc., The Harvest, Group, LLC, LOBO Operating Inc., and LOBO Resources, Inc., 09-50397 through 09-50401 (Bank. W.D. La. April 17, 2009); *In re Louisiana Riverboat Gaming Partnership, et al*, 08-10824 (Bankr. W.D. La. March 19, 2008); *In re Communications Corporation of America, et al.*, 06-50410 (Bankr. W.D. La. June 7, 2006); *In re OCA, Inc.*, 06-10179 (Bankr. E.D. La. March 15, 2006); *In re Entergy New Orleans, Inc.*, 05-17697 (Bankr. E.D. La. September 23, 2005); *In re Torch Offshore, Inc.*, 05-10137 (Bankr. E.D. La. Jan. 1, 2005); and *In re Fair Grounds Corp.*, 0316222 (Bankr. E.D. La. August 15, 2003).

12.

WHEREFORE, the Debtors request entry of an order permitting the Debtors to provide copies of the Plan and Disclosure Statement only upon the Debtors, any trustee or committee appointed under the Bankruptcy Code, the Securities and Exchange Commission and any party in interest who has requested in writing from Debtors' counsel or noticing agent a copy of the Plan, in the form attached hereto as Exhibit A.

Respectfully Submitted by:

/s/ Barbara B. Parsons

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United States Bankruptcy Court
Western District of Louisiana
Judge: Robert Summerhays, Presiding

IN RE: Progressive Acute Care, LLC, *et al.*
Debtors

Chapter: 11
Case Number: 16-50740

**ORDER AND NOTICE FOR HEARING ON DISCLOSURE STATEMENT
AND FIXING TIME FOR FILING OBJECTIONS TO
APPROVAL OF DISCLOSURE STATEMENT**

TO: Debtors, Creditors, Equity Security Holders (or Stockholders) and Parties in Interest, including the U.S. Trustee:

IT IS ORDERED AND NOTICE IS HEREBY GIVEN that a hearing will be held before this Court at **214 Jefferson Street, 1st Floor Courtroom, Lafayette, Louisiana** on _____, **2017** at : **M.** on:

1. the adequacy of the disclosure statement and any objections or modifications thereto,
2. the fixing of a time within which the holders of claims and interests may accept or reject the Plan, and
3. the fixing of a date for the hearing on confirmation of the Plan.

IT IS FURTHER ORDERED that objections, if any, to the proposed disclosure statement or modifications thereto, shall be in writing and filed with the Clerk of Court at least seven (7) full business days before the hearing and served on the debtors, the trustee if any, the creditors' committee, the Assistant U.S. Trustee (Shreveport), and the proponent of the Plan if applicable, and such other entity as may be designated by the Court. Any objections not filed and served may be deemed waived.

IT IS FURTHER ORDERED that the debtors-in-possession, through their attorneys or noticing agent, shall forthwith serve copies of (i) this Order and Notice for Hearing, upon each creditor and equity security holder, the Assistant U.S. Trustee (Shreveport), and the Securities and Exchange Commission (if debtor is a corporation); and, (ii) **the proposed disclosure statement and the proposed Plan** upon the Debtors, any committee appointed under the Bankruptcy Code, the Assistant U.S. Trustee (Shreveport), the Securities and Exchange Commission (if debtor is a corporation) and all parties requesting notice in writing of the disclosure statement or plan; these documents to be served at least twenty-eight (28) days prior to the above scheduled hearing.

PLEASE TAKE FURTHER NOTICE that a copy of the Disclosure Statement and Plan is available at the dedicated website for these cases: <http://cases.gcginc.com/ProgressiveAcuteCare>; or, can be downloaded from PACER through this Court's official website at www.lawb.uscourts.gov. To receive a copy of the Disclosure Statement and/or Plan via first class U.S. Mail, you should send written request to Progressive Acute Care, LLC, c/o GCG, P.O. Box 10198, Dublin, Ohio 43017-3198. Alternatively, you may request a copy of the Disclosure Statement and/or Plan by emailing your request to the Debtor's noticing agent at PGVDocs@gardencitygroup.com.

IT IS FINALLY ORDERED that the debtors-in-possession, through their attorneys or noticing agent, shall file an affidavit of Mailing with the Clerk of Court no later than three (3) business days after mailing this Order and Notice, the proposed disclosure statement, and the proposed Plan. The affidavit shall show what was served on whom and their addresses. **WITHOUT A FILED AFFIDAVIT OF MAILING, THE COURT MAY DECLINE TO CONDUCT ANY HEARING ON THE DISCLOSURE STATEMENT.**

NOTICE IS HEREBY GIVEN that at any disclosure statement hearing scheduled in this order or subsequently, or at any Plan confirmation hearing, the Court may, in its discretion, consider dismissal of this case or its conversion to a Chapter 7 liquidation case under 11 U.S.C. §1112(b) upon the request of any interested party made before or at the hearing.

SIGNED IN Lafayette, Louisiana this ____ **day of** _____, **2017**

/s/ Robert Summerhays
UNITED STATES BANKRUPTCY JUDGE