

**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**

**FIRST APPLICATION FOR INTERIM COMPENSATION OF  
KING, REINSCH, PROSSER & CO, LLP,  
CERTIFIED PUBLIC ACCOUNTANTS FOR DEBTORS**

David D. Schmit, CPA, and the firm of King, Reinsch, Prosser & Co., LLP (collectively “Applicants”), certified public accountants for Progressive Acute Care, LLC (“PAC”), Progressive Acute Care Avoyelles, LLC (“PAC Avoyelles”), Progressive Acute Care Oakdale, LLC (“PAC Oakdale”) and Progressive Acute Care Winn, LLC (“PAC Winn”) as debtors and debtors-in-possession (collectively, the “Debtors”), hereby file this *First Application for Interim Compensation* (“Application”) and respectfully represent:

1.

This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 157(b). Venue is properly before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2.

On May 31, 2016 (“Petition Date”), 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.

3.

This Court approved Applicants' retention by the Debtors by *Order* [P-438] entered January 30, 2017. Applicants were retained by the Debtors in connection with the preparation of the Debtors' consolidated federal and state income tax returns for the year ending December 31, 2016; and, providing related tax consulting services during the pendency of this jointly administered proceeding.

4.

This Application represents Applicants' first application for compensation. To date, no previous orders have been applied for or received by Applicants.

5.

Applicants seek an allowance of \$5,875.00 in accounting fees for services rendered and expenses incurred from November 21, 2016 through March 15, 2017. Applicants do not have any funds held in trust.

6.

Your Applicants show that the following factors under *In the Matter of First Colonel Corp. of America*, 544 F.2d 1291 (15<sup>th</sup> Cir. 1977), *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974); and, the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330* are to be considered in awarding fees in this case:

- a) **Time and Labor Required:** Your Applicants attach hereto an itemization of the time spent from November 21, 2016 through March 15, 2017.
- b) **Novelty and Difficulty of the Questions:** The questions posed during this case were not strange or complicated for an experienced Certified Public Accountant, but sometimes required immediate attention.
- c) **The Skill Requisite to Perform Services Properly:** The skills required were those of a Certified Public Accountant.

- d) **The Preclusion of Other Employment Due to Acceptance of the Case:** Applicants' efforts in representing the Debtors did not severely preclude other employment.
- e) **The Customary Fee:** The fees charged by your Applicants are customary in the area.
- f) **Whether the Fee is Fixed or Contingent:** The fees charged are not contingent in nature.
- g) **Time Limitations:** The time limitations imposed by the client, creditors, or other circumstances are addressed in (d) above.
- h) **The Amount Involved and the Results Obtained:** Applicants charged the amount for traditional services for the preparation of consolidated federal and state income tax returns in conjunction with the Chapter 11 Bankruptcy requirements.
- i) **The Experience, Reputation and Ability of Applicant:** These factors are expressed in (c) above.
- j) **The Undesirability of the Case:** This is not an undesirable case.
- k) **The Nature and Length of Professional Relationship:** The professional relationship with the client began prior to the Petition Date and has continued until the date of this Application.

7.

Applicants also request an Order that the compensation and reimbursement of costs and expenses requested herein be paid forthwith by the Debtors, and/or any disbursing agent(s) out of funds held by them and out of the Debtors' estates as a priority claim pursuant to 11 U.S.C. §507(a)(2).

8.

All services by Applicants were rendered to and on behalf of the Debtors and their estates and no other person.

**WHEREFORE,** your Applicants pray that this Application be granted and that:

(1) there be an Order made by this Court approving reasonable compensation for professional accounting fees to David D. Schmit, CPA and the firm of King, Reinsch, Prosser & Co., LLP in the sum of \$5,875.00 for services rendered from November 21, 2016 through March 15, 2017;

(2) the Order direct the Debtors and/or disbursing agent(s) to pay the balance of said fees and expenses forthwith out of the Debtors' funds held by them and out of the Debtors' estates as a priority administrative claim pursuant to 11 U.S.C. §507; and,

(3) Applicants be granted any and all other relief to which they may be entitled.

Respectfully submitted,

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)

*Counsel for Debtors*

**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**

**ITEMIZATION OF TIME OF KING, REINSCH, PROSSER & CO., LLP,  
CERTIFIED PUBLIC ACCOUNTANTS FOR DEBTORS**

SEE ATTACHED ITEMIZATION

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

<b>IN RE:</b>	<b>CASE NO. 16-50740</b>
<b>PROGRESSIVE ACUTE CARE, LLC, <i>et al.</i></b>	<b>CHAPTER 11</b>
<b>DEBTORS</b>	<b>JOINTLY ADMINISTERED</b>

**RECAP OF TIME OF KING, REINSCH, PROSSER, LLP,  
CERTIFIED PUBLIC ACCOUNTANTS FOR DEBTORS,  
FOR THE PERIOD OF NOVEMBER 21, 2016 THROUGH MARCH 15, 2017**

**ACCOUNTANT SERVICES:**

	<u>Hours</u>	<u>Services</u>
<u>Invoice No. 56018</u>	13.75	\$2,687.50
<u>Invoice No. 56116</u>	16.50	\$3,187.50
<b>TOTAL SERVICES</b>		<b><u>\$ 5,875.00</u></b>

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

<b>IN RE:</b>	<b>CASE NO. 16-50740</b>
<b>PROGRESSIVE ACUTE CARE, LLC, <i>et al.</i></b>	<b>CHAPTER 11</b>
<b>DEBTORS</b>	<b>JOINTLY ADMINISTERED</b>

**DECLARATION**

**STATE OF IOWA  
COUNTY OF WOODBURY**

I, David D. Schmit, CPA, named in the foregoing application, do hereby make solemn oath that I have read such application and that all of the allegations of fact contained therein are true and correct to the best of my knowledge, information and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 27<sup>th</sup> day of March, 2017.

/s/ David D. Schmit  
**DAVID D. SCHMIT**



522 4th Street, Suite 200  
Sioux City, IA 51101-1620  
712.258.5550  
Fax: 712.277.6705  
www.krpcpa.com

Invoice No. 56018  
Date 02/15/2017  
Client No. 3537

Progressive Acute Care  
c/o Barbara Parsons  
13702 Coursey Blvd., Building 3  
Baton Rouge, LA 70817

Please return top portion with remittance.

Amount enclosed \$ \_\_\_\_\_

---

**For Professional Services Rendered as Follows:**

Progress billing on 2016 federal and Louisiana income tax returns  
and related conferences through January 31, 2017

Partner	6.25 hrs at \$250	\$ 1,562.50
Staff	7.50 hrs at \$150	<u>1,125.00</u>
Current Amount Due		\$ <u>2,687.50</u>

DUE UPON RECEIPT: Interest at 1.25% monthly after 30 days.



**Bill Manager - Owner - Client Code**  
**For the Period: 01/01/1990 - 01/31/2017**

For the Period: 01/01/1990 - 01/31/2017

**3537.00 - Progressive Acute Care**

Owner:	Schmit, David (0016)
Secondary Partner:	Schmit, David (0016)
Bill Manager:	Schmit, David (0016)
Manager:	Schmit, David (0016)
Responsible Person:	Schmit, David (0016)
FYE	December

WIP as of 01/31/2017  
Progress  
NetWIP

## Billing

Net Invoice	
App Retainer	
invoiced	

Last Invoice	04/25/2016
Fee	0.00

Reason Code  
Allocation  
Type of Bill

WIP - 00 - Progressive Acute Care -

# Memo

WIP - 00 - Progressive Acute Care -				Memo	Hours	Amount	Cumulative	Invoice
EXPEN BILL	703 COMPUTER CHARGES	Boyd,Sharo	01/30/2017	ProSystem tax software setup for Progressive Acute Care - 2016	1.00	150.00	150.00	
EXPEN BILL	703 COMPUTER CHARGES	Boyd,Sharo	01/31/2017	Depreciation software tax depreciation setup for Progressive Acute Care - 2016	1.00	150.00	300.00	
				<b>703 Totals</b>	<b>2.00</b>	<b>300.00</b>		
EXPEN BILL	708 TYPING-WORD PROCESS	Whitaker,A	11/23/2016	Prepare draft copy of 2016 tax year engagement letter	0.50	75.00	375.00	
EXPEN BILL	708 TYPING-WORD PROCESS	Easton,Mer	11/29/2016	Update draft copy of 2016 tax year engagement letter	0.25	37.50	412.50	
EXPEN BILL	708 TYPING-WORD PROCESS	Van Roekel	12/02/2016	Changes to 2016 engagement letter; scan to management	0.25	37.50	450.00	
EXPEN BILL	708 TYPING-WORD PROCESS	Easton,Mer	12/09/2016	Draft letters to Louisiana Department of Revenue in regards to wholly owned subsidiaries; Winn Parish Medical Center, Oakdale Community Hospital and Avoyelles Hospital	1.00	150.00	600.00	
EXPEN BILL	708 TYPING-WORD PROCESS	Whitaker,A	12/12/2016	Update draft letters to Louisiana Department of Revenue in regards to wholly owned subsidiaries	0.50	75.00	675.00	
				<b>708 Totals</b>	<b>2.50</b>	<b>375.00</b>		
EXPEN BILL	713 OTHER CHARGEABLE TI	Gilbertson	12/01/2016	Correspondence with attorney regarding engagement letter and billable rates for 2016 tax year	0.25	62.50	737.50	
EXPEN BILL	713 OTHER CHARGEABLE TI	Gilbertson	12/02/2016	Correspondence with management regarding court questions on engagement letter	0.25	62.50	800.00	
EXPEN BILL	713 OTHER CHARGEABLE TI	Gilbertson	12/09/2016	Email correspondence with bankruptcy attorney regarding engagement letter, other members we provide tax services for, Louisiana Department of Revenue letters	1.00	250.00	1050.00	
EXPEN BILL	713 OTHER CHARGEABLE TI	Gilbertson	12/12/2016	Correspondence with attorney about pending letters to Louisiana regarding sales and corporate taxes at Progressive Acute Care and wholly owned subsidiaries	0.25	62.50	1112.50	
				<b>713 Totals</b>	<b>1.75</b>	<b>437.50</b>		
TAX PREP	401 CORPORATE TAX RETUR	Gilbertson	01/13/2017	Reviewing with management the terms of the 2016 tax engagement	0.25	62.50	1175.00	
				<b>401 Totals</b>	<b>0.25</b>	<b>62.50</b>		
TAX PREP	402 PARTNERSHIP TAX RETU	Siegel,Lau	11/22/2016	Preparing 2016 tax engagement letter	0.50	75.00	1250.00	
TAX PREP	402 PARTNERSHIP TAX RETU	Schmit,Dav	12/15/2016	Reviewing and signing 2016 tax engagement letter	0.50	125.00	1375.00	
TAX PREP	402 PARTNERSHIP TAX RETU	Gilbertson	01/23/2017	Submitted documents to PAC attorneys to submit to bankruptcy court regarding 2016 tax year	0.50	125.00	1500.00	
				<b>402 Totals</b>	<b>1.50</b>	<b>2171.75</b>		

**Bill Manager: Schmit, David (0016) | Owner: Schmit, David (0016)**

WIP - 00 - Progressive Acute Care -				Memo	Hours	Amount	Cumulative	Invoice
TAX	TXPLN	501 INCOME TAX PLN/PROJE	Gilbertson	11/29/2016	Preliminary tax discussions with management and planning/projecting 2016 taxes	2.00	500.00	2000.00
				<b>501 Totals</b>				
TAX	TXPLN	504 CONF/CORRESPONDENC	Ashland, Lu	12/08/2016	Preparing letters to Louisiana Department of Revenue for Oakdale, Winn Parish, and Avoyelles in regards to income tax filing	2.50	375.00	2375.00
TAX	TXPLN	504 CONF/CORRESPONDENC	Gilbertson	12/09/2016	Reviewing Louisiana Department of Revenue letters regarding corporate taxes and sales tax for PAC and wholly owned subsidiaries	1.00	250.00	2625.00
TAX	TXPLN	504 CONF/CORRESPONDENC	Gilbertson	12/12/2016	Emails to management requesting info to complete the correspondence with Louisiana Department of Revenue	0.25	62.50	2687.50
				<b>504 Totals</b>				
				<b>00 - Progressive Acute Care</b>				
					<b>3.75</b>	<b>687.50</b>		
					<b>13.75</b>	<b>2687.50</b>		



522 4th Street, Suite 200  
Sioux City, IA 51101-1620  
712.258.5550  
Fax: 712.277.6705  
www.krpcpa.com

Invoice No. 56116  
Date 03/27/2017  
Client No. 3537

Progressive Acute Care  
c/o Barbara Parsons  
13702 Coursey Blvd., Building 3  
Baton Rouge, LA 70817

Please return top portion with remittance.

Amount enclosed \$ \_\_\_\_\_

---

**For Professional Services Rendered as Follows:**

Progress billing on 2016 federal and Louisiana income tax returns and related conferences from February 1, 2017 through March 15, 2017

Partner	7.00 hrs at \$250	\$ 1,750.00
Manager	0.25 hrs at \$200	50.00
Staff	9.25 hrs at \$150	<u>1,387.50</u>

Current Amount Due \$ 3,187.50

DUE UPON RECEIPT: Interest at 1.25% monthly after 30 days.

# Billing Worksheet

Bill Manager - Owner - Client Code

For the Period: 01/01/1990 - 03/15/2017

Bill Manager: Schmit, David (0016) | Owner: Schmit, David (0016)

## 3537.00 - Progressive Acute Care

c/o Wayne Thompson  
2210 7th Street  
Mandeville, LA 70471

Owner: Schmit, David (0016)  
Secondary Partner: Schmit, David (0016)  
Bill Manager: Schmit, David (0016)  
Manager: Schmit, David (0016)  
Responsible Person: Schmit, David (0016)  
FYE December

WIP as of 03/15/2017  
Progress  
NetWIP

3187.50  
0.00  
3187.50

Billing

Eng Desc

Last Invoice 02/15/2017

Fee 0.00

### WIP - 00 - Progressive Acute Care -

### Memo

Hours Amount Cumulative Invoice

EXPEN BILL	708 TYPING-WORD PROCESS	Whitaker,A	03/06/2017	Drafting responses to the Louisiana Department of Revenue	0.75	112.50	112.50	
EXPEN BILL	708 TYPING-WORD PROCESS	Jaminet,St	03/07/2017	Drafting responses to the Louisiana Department of Revenue	0.75	112.50	225.00	
				<b>708 Totals</b>	<b>1.50</b>	<b>225.00</b>		
EXPEN BILL	713 OTHER CHARGEABLE TI	Whitaker,A	02/14/2017	Preparation of 2016 tax documents for submission to the courts	2.75	412.50	637.50	
				<b>713 Totals</b>	<b>2.75</b>	<b>412.50</b>		
TAX	PREP	Gilbertson	02/10/2017	Discussions with management regarding potential tax implications of events occurring during 2016	0.50	125.00	762.50	
TAX	PREP	Schmit,Dav	02/15/2017	2016 tax return planning discussions	1.50	375.00	1137.50	
TAX	PREP	Gilbertson	02/23/2017	Discussions with management about consolidating trial balance vs financial statements not reconciling to each other for 2016	0.25	62.50	1200.00	
TAX	PREP	Schmit,Dav	02/28/2017	2016 tax return and planning how to move forward	1.00	250.00	1450.00	
TAX	PREP	Zobel,Robe	03/08/2017	Prepare extension for 2016 tax return	0.25	50.00	1500.00	
TAX	PREP	Ashland,Lu	03/10/2017	In house meetings to discuss tax return and delays occurring	0.50	75.00	1575.00	
TAX	PREP	Ashland,Lu	03/11/2017	Reconciling balance sheets to income statements for each respective hospital. Reconciling trial balances provided to consolidated trial balance and corresponding with management regarding errors noted.	3.75	562.50	2137.50	
TAX	PREP	Ashland,Lu	03/13/2017	In house meetings to discuss trial balance errors and correspondence with management regarding errors and how to proceed	0.75	112.50	2250.00	
TAX	PREP	Schmit,Dav	03/15/2017	Verifying filing of 2016 extension	0.50	125.00	2375.00	
TAX	PREP	Schmit,Dav	03/15/2017	2016 tax return and updating on progress and pending matters	1.00	250.00	2625.00	
				<b>402 Totals</b>	<b>10.00</b>	<b>1987.50</b>		
TAX	TXPLN	Gilbertson	02/23/2017	Research regarding notices from the Louisiana Department of Revenue	0.25	62.50	2687.50	
TAX	TXPLN	Gilbertson	03/05/2017	Preparation of and correspondence with Louisiana Department of Revenue	1.00	250.00	2937.50	
TAX	TXPLN	Gilbertson	03/06/2017	Preparation of and correspondence with Louisiana Department of Revenue	1.00	250.00	3187.50	
				<b>504 Totals</b>	<b>2.25</b>	<b>562.50</b>		
				<b>00 - Progressive Acute Care</b>	<b>16.50</b>	<b>3187.50</b>		