

IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

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In re:	)	
	)	Chapter 11
LAVIE CARE CENTERS, LLC, <i>et al.</i> <sup>1</sup>	)	
	)	Case No. 24-55507 (PMB)
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Related to Docket No. 104</b>

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**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO DEBTORS’ MOTION FOR ENTRY OF AN ORDER (I) APPROVING BIDDING PROCEDURES AND BID PROTECTIONS, (II) SCHEDULING CERTAIN DATES AND DEADLINES WITH RESPECT THERETO, (III) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (IV) ESTABLISHING NOTICE AND PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES, (V) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS, AND (VI) AUTHORIZING THE SALE OF ASSETS**

The Official Committee Unsecured Creditors (the “Committee”), by and through its undersigned proposed counsel, hereby submits this limited objection and reservation of rights (this “Limited Objection”) to the *Debtors’ Motion for Entry of an Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the*

<sup>1</sup> The last four digits of LaVie Care Centers, LLC’s federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/LaVie>. The location of LaVie Care Centers, LLC’s corporate headquarters and the Debtors’ service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.



*Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets* [Docket No. 104] (the “Bidding Procedures Motion”).<sup>2</sup> In support of this Limited Objection, the Committee respectfully states as follows:

### **INTRODUCTION**

The LaVie organization currently consists of more than 200 separate Debtors operating within a complex interdependent corporate structure which includes lessors, lessees, operators, management companies and many closed and operating senior nursing and assisted living facilities. Unofficially, unsecured debt is reported to be nearly \$500 million. The Official Committee of Unsecured Creditors, which has only recently been appointed, seeks to maintain the health, safety and welfare of current residents while preserving assets and claims which could lead to a recovery for its constituency. The Chapter 11 Cases present a complex set of facts unique to the businesses the Debtors operated. Indeed, as described in the First Day Declaration, the Debtors do not own any real property. *See* First Day Declaration at ¶ 13. Therefore, the underlying real property at the Debtors’ facilities is not being sold. The Committee believes that while a sale of the Debtors’ assets may be the only avenue for creditor recoveries in the Chapter 11 Cases, until the Debtors have provided certain critical information necessary to understand the specifics of the proposed sale process, the Committee objects and reserves all rights with respect to the Bidding Procedures Motion.

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<sup>2</sup> Capitalized terms used but otherwise not defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Motion.

### **BACKGROUND**

1. On June 2 and June 3, 2024 (the “Petition Dates”), LaVie Care Centers, LLC and more than 200 of its affiliates and subsidiaries (collectively, the “Debtors”) each filed a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the “Court”).

2. On June 3, 2024, the Debtors filed their “first day” motions, including each of the Certain First Day Motions, as well as the *Declaration of M. Benjamin Jones in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 17] (the “First Day Declaration”).

3. On June 10, 2024, the Debtors filed the Bidding Procedures Motion seeking approval of a sale and marketing process for the sale of all or any portion of their Assets.

4. On June 13, 2024, the United States Trustee appointed the Committee (*see* Docket No. 112) and on June 14, 2024, the Committee selected Troutman Pepper Hamilton Sanders LLP to serve as proposed counsel.

### **OBJECTION AND RESERVATION OF RIGHTS**

5. The Committee does not generally oppose the Debtors’ proposed Marketing Process or the Sale of their Assets. However, the Committee objects to the Bidding Procedures Motion as currently proposed because the Debtors have not yet provided the Committee with critical information it needs in order to determine whether the proposed Bidding Procedures should be approved.

6. Specifically, the Committee has yet to receive the confidential information memorandum that the Debtors described as containing “extensive information on the Assets” and

“significant diligence documentation.” *See* Bidding Procedures Motion, ¶ 8. The Debtors have also failed to provide the Committee with a list of potential buyers. Without access to such information, the Committee lacks key data, putting the Committee at a disadvantage in evaluating bids and serving in its capacity as a Consultation Party to maximize value for the estates and the Debtors’ creditors.

7. In addition, the Debtors have failed to identify Cure Amounts for the Executory Contracts and Unexpired Leases that a would-be buyer may wish to have assumed and assigned as part of a sale. Likewise, the Debtors have provided insufficient insight on the methodology for identifying the facilities and operations subject to the Omega Master Lease (on a facility-by-facility basis or as a whole). Such information is critical both to would-be bidders and to the Committee as a Consultation Party. By failing to provide such information, the Debtors risk chilling bidding and, again, hinder the Committee’s ability to evaluate bids.

8. Finally, there may be other sale procedure specific issues that will arise once the information requested above is received. To be clear, the Committee’s only goal is to ensure a full and robust sale process and will seek to resolve the forementioned issues prior to the hearing currently scheduled on June 27, 2024.

### **CONCLUSION**

**WHEREFORE**, the Committee respectfully requests that this Court adjourn the hearing on the Bidding Procedures Motion or deny the relief sought until the issues described in this Limited Objection are resolved. The Committee reserves all rights with respect to the Bidding Procedures motion.

Dated: June 24, 2024

**TROUTMAN PEPPER HAMILTON SANDERS LLP**

*/s/ Pierce E. Rigney*

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*Proposed Counsel for the Official Committee of  
Unsecured Creditors*

### CERTIFICATE OF SERVICE

I hereby certify that on June 24, 2024, all ECF participants registered in this case were served electronically with the *Objection and Reservation of Rights of The Official Committee of Unsecured Creditors to Debtors' Motion for Entry of an Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving The Form and Manner Of Notice Thereof, (IV) Establishing Notice and Procedures For The Assumption and Assignment of Contracts And Leases, (V) Authorizing The Assumption and Assignment of Assumed Contracts, and (VI) Authorizing The Sale of Assets* (the “**Objection**”) through the Court’s ECF system at their respective email addresses registered with the Court.

I further certify that on June 24, 2024, I caused a true and correct copy of the Response to be served by e-mail on the following entity:

LaVie Care Centers, LLC  
c/o Ankura Consulting Group, LLC  
485 Lexington Avenue, 10th Floor  
New York, NY 10017  
Attn: M. Benjamin Jones  
[ben.jones@ankura.com](mailto:ben.jones@ankura.com)

I further certify that on June 24, 2024, I caused a true and correct copy of the Response to be served by first class mail and Federal Express (next day delivery) to the following entities:

McDermott Will & Emery LLP  
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