

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE:

Case No.: 24-55507-PMB

LAVIE CARE CENTERS, LLC, et. al.,¹

Chapter 11

Debtors.

_____/ Cases Jointly Administered

**RECOVERY CORP.’S SUPPLEMENT TO MOTION FOR
RECONSIDERATION AND REHEARING OF STRIKE ORDER**

Pursuant to Bankruptcy Code §502, Federal Rule of Bankruptcy Procedure 9024, incorporating Federal Rule of Civil Procedure 60, and other applicable law, Healthcare Negligence Settlement Recovery Corp. (“Recovery Corp.”), a creditor and party in interest in these above-captioned chapter 11 bankruptcy cases (collectively, the “Reorganizations”), hereby files this supplement to the

¹ 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, for which the Debtors have requested joint administration. 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’ proposed 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.



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Reconsideration Motion², seeking reconsideration or rehearing of the Strike Order³:

1. At hearing on October 8, 2024, this Court issued a bench ruling granting the Strike Motion⁴, upon its determination that Recovery Corp. lacked standing because it had not complied with the Florida Structured Settlement Act⁵.

2. On October 11, 2024, the Court entered the Strike Order, providing a clear path for the Florida Claimants⁶ to substitute on a timely basis in place of Recovery Corp.

3. Recovery Corp. has been fully compliant with the Strike Order's provisions that prevent the egregious forfeiture that the Debtors were seeking in order to short circuit the confirmation process.⁷ However, Recovery Corp. has also sought reconsideration, because while the Settlement Agreements⁸ are structured settlements, the Assignments⁹ are clearly unlike anything falling within the ambit of the Florida Structured Settlement Act.

² "Recovery Corp.'s Motion For Reconsideration And Rehearing Of Strike Order" (the "Reconsideration Motion") [Doc. 569], filed by Recovery Corp. on October 18, 2024

³ "Order Granting in Part Debtors' (I) Motion to Strike and Denying (II) Cross-Motion to Compel Discovery Responses" [Doc. 541], enter by this Court on October 11, 2024.

⁴ "Debtors' (A) Motion To Strike, (B) Cross-Motion To Compel, And (C) Opposition To Recovery Corp.'s Motion To Compel Discovery Requests" filed on September 27, 2024 [Doc. 464].

⁵ Florida Statutes §626.99296, et. seq.

⁶ See [Doc. 569 at FN 2].

⁷ See [Docs. 566 and 567].

⁸ The settlement documents negotiated by the Florida Claimants in their respective lawsuits (collectively, the "Florida Lawsuits") against the series of skilled nursing home facilities ("SNFs") formerly owned and/or operated by fifty (50) of the Debtors (collectively, the "Florida DivestCo Debtors").

⁹ A set of "Assignment of Claim and Corporate Proxy" (collectively, the "Assignments") that assigned the Settlement Agreements to Recovery Corp.

4. If this Court grants the Reconsideration Motion, it can still produce the same result that seems to have shaped its rationale at the October 8 hearing: This Court can estimate the claims as claims in the stated amount, held by the respective Florida Claimants, but not making a formal and binding decision regarding the application of the Florida Structured Settlement Act.

5. Recovery Corp. requests that this Court estimate the claims at issue under Bankruptcy Code §502, which produces the same result for purposes of confirmation issues without presenting unfair impediments to the prosecution of the Miami Action¹⁰. One could assume that in the Miami Action, the named defendants would use precedential doctrines to require 101 separate plaintiffs to bring hundreds of causes of actions, which of course would disserve all legitimate objectives for a fair, efficient, and economical result.

WHEREFORE, Recovery Corp. respectfully requests for the entry of an order by this Court:

- a. granting the Reconsideration Motion and this supplement;
- b. reconsidering the Strike Order to reflect that Recovery Corp. has standing to act on behalf of the Florida Claimants, or alternatively, estimating the claims at issue pursuant to Bankruptcy Code §502, or

¹⁰ Styled Healthcare Negligence Settlement Recovery Corp. v. 5405 Babcock Street Operations, LLC, et al., Case No. 2024-007342-CA pending before the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (the “Miami Court”).

- alternatively, granting rehearing of this Contested Matter; and
- c. providing for all such appropriate relief in light of all of the circumstances outlined above.

Dated this 23rd day of October, 2024.

/s/ John A. Anthony

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished on October 23, 2024, by either the Court's electronic noticing system or by U.S. mail to all parties receiving electronic noticing, all creditors, and the required parties in interest.

/s/ John A. Anthony

ATTORNEY