

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

Case No. 24 -10443 (TMH)

Jointly Administered

Ref. Docket No. 8

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER, (D) ENTER INTO NEW PREMIUM FINANCE AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (E) MAINTAIN THE SURETY BONDS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (each, a “Debtor” and, collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (i) authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy obligations related thereto in the ordinary course of business; (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (c) honor the terms of the Premium Finance Agreement and pay premiums thereunder; (d) enter into new premium finance agreements in the ordinary course of business; and

¹ The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of 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 is not provided herein. A complete list of such information will be made available on a website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/Petersen, or by contacting the undersigned proposed counsel for the Debtors.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.



(e) maintain the Surety Bonds; (ii) authorizing the banks and other financial institutions (collectively, the “Banks”) to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and it appearing that the relief requested in the Motion and provided for herein is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.
2. The Debtors are authorized, but not directed, to pay, in an aggregate amount of \$339,204.58 in prepetition obligations in connection with the Insurance Policies, the Premium Finance Agreement, and the Surety Bonds, including with respect to prepetition payments owed

to the Brokers in an amount not to exceed \$339,204.58 pending entry of a final order on the Motion.

3. The Debtors are authorized, but not directed, to maintain and continue the Insurance Policies without interruption and to pay any undisputed postpetition obligations related to the Insurance Policies (including any amounts owed to the Brokers) and including premiums, claims, deductibles, retrospective adjustments, administrative fees, and any other obligations that become payable, in accordance with and in the amounts consistent with the same practices and procedures as were in effect prior to the commencement of the Chapter 11 Cases, and enter into, renew, amend, supplement, extend, and/or purchase insurance policies (including through obtaining “tail” coverage) to the extent that the Debtors determine that such action is in the best interest of their estates in accordance with the ordinary course of business.

4. The Debtors are authorized, but not directed, to honor the terms of the Premium Finance Agreement and pay premiums thereunder, subject to paragraph 2 of this Interim Order, and to enter into, renew, amend, supplement, and/or extend premium financing agreements as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.

5. The Debtors are authorized, but not directed, to honor the terms of the Surety Bonds and pay premiums thereunder, subject to paragraph 2 of this Interim Order, and to enter into, renew, amend, supplement, and/or extend surety bonds as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.

6. The Banks on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all

such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or in the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

9. The final hearing (the “Final Hearing”) on the Motion shall be held on April 23, 2024, at 11:00 a.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 5:00 p.m., prevailing Eastern Time, on April 16, 2024. Objections must be filed and served on: (i) proposed counsel to the Debtors, (a) Winston & Strawn LLP, 35 W. Wacker Drive, Chicago, IL 60601, Attn: Daniel J. McGuire (dmcguire@winston.com) and Gregory M. Gartland (ggartland@winston.com), and 200 Park Avenue, New York, NY 10166, Attn: Carrie V. Hardman (chardman@winston.com), and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N. King St., Wilmington, DE 19801, Attn: Shella Borovinskaya (sborovinskaya@ycst.com) and Carol E. Cox (ccox@ycst.com); (ii) the Office of the United States Trustee for the District of Delaware, 844 King St., Suite 2207, Wilmington, DE 19801, Attn: Linda Richenderfer (linda.richenderfer@usdoj.gov) and Jon Lipshie (jon.lipshie@usdoj.gov); (iii) counsel to the DIP Lender, (a) Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, NY 10019, Attn: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com) and Emily Hong (emily.hong@nortonrosefulbright.com) and (b) Morris James LLP, 500 Delaware Ave., Suite 1500, Wilmington, DE 19801, Attn: Eric J. Monzo (emonzo@morrisjames.com); and (iv) counsel to any statutory committee appointed in these Chapter 11 Cases. If no objections are filed to the Motion, the Court may enter a final order without further notice or a hearing.

10. Notwithstanding the relief granted in this Interim Order, any payment made or to be made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with the Approved Budget and in accordance with the DIP Loan Documents (each as defined in the Interim DIP Order) and the Interim DIP Order.

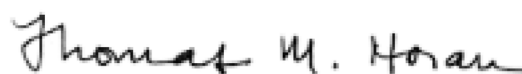
11. The requirements of Bankruptcy Rule 6003(b) are satisfied because the relief request set forth in this Interim Order is necessary to avoid immediate and irreparable harm to the estates.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: March 22nd, 2024
Wilmington, Delaware



THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE