

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 Nos. 8 & 83

**CERTIFICATION OF COUNSEL REGARDING *REVISED*
PROPOSED FINAL 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**

On March 20, 2024, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of an 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* [Docket No.

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, whose cases are being jointly administered, 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 is available on a website of the Debtors’ claims and noticing agent at <http://www.kccllc.net/Petersen>.



8] (the “Motion”). A proposed form of order approving the Motion on a final basis was attached to the Motion as Exhibit B (the “Proposed Final Order”).

On March 22, 2024, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered an order approving the Motion on an interim basis [Docket No. 83] (the “Interim Order”). Pursuant to the Interim Order, any objections or responses to entry of the Proposed Final Order were to be filed and served by April 16, 2024 at 5:00 p.m. (ET) (as may have been extended by the Debtors for any party, the “Objection Deadline”).

Prior to the Objection Deadline, the Debtors received informal responses from the Hartford Insurance Company (“Hartford”) and the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), and the Official Committee of Unsecured Creditors (the “Committee”) filed the *Reservation of Rights of the Official Committee of Unsecured Creditors to Certain of the Debtors’ Second Day Motions* [Docket No. 176], all of which have been resolved through a revised form of order (the “Revised Proposed Order”), a copy of which is attached hereto as **Exhibit A**. For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed Order against the Proposed Final Order is attached hereto as **Exhibit B**.

WHEREFORE, as the Debtors did not receive any objections or responses other than that described herein, and Hartford, the U.S. Trustee, and the Committee do not object to entry of the Revised Proposed Order, the Debtors respectfully request that the Court enter the Revised Proposed Order without further notice or hearing at the Court’s earliest convenience.

[Remainder of page intentionally left blank]

Dated: April 23, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Shella Borovinskaya

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*Proposed Counsel for the Debtors and
Debtors in Possession*

EXHIBIT A

Revised Proposed Order

**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 Nos. 8 & 83

**FINAL 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 a final order (this "Final 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 (e) maintain the

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

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)(2); and the Debtors consenting to entry of a final order by this Court under Article III of the United States Constitution; 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 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 previously entered that certain *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* [Docket No. 83]; 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 a final basis as set forth in this Final Order.

2. The Debtors are authorized, but not directed, to pay, 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 in an aggregate amount, inclusive of the amount of payments approved by the Interim Order.

3. The Debtors are authorized, but not directed, to maintain and continue the Insurance Policies without interruption and 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; and

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 Final 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 Final 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. Hartford Fire Insurance Company shall have no obligation to issue or execute any new Surety Bond or related instrument to or on behalf of the Debtors and shall have no obligation to renew, alter, amend, or increase the amount of any existing Surety Bond or related instrument that was previously issued to or on behalf of the Debtors, their non-debtor affiliates, or any future affiliates of the Debtors.

7. 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.

8. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final 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 Final 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.

9. 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.

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

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

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

EXHIBIT B

Blackline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

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Debtors.¹

Chapter 11

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Ref. ~~Dkt.~~ Docket Nos. —8 & —83

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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 a final order (this “Final 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

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thereunder; (d) enter into new premium finance agreements in the ordinary course of business; and (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)(2); and the Debtors consenting to entry of a final order by this Court under Article III of the United States Constitution; 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 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 previously entered that certain *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* [Docket No. [183](#)]; 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 a final basis as set forth in this Final Order.
2. The Debtors are authorized, but not directed, to pay, 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 in an aggregate amount, inclusive of the amount of payments approved by the Interim Order.
3. The Debtors are authorized, but not directed, to maintain and continue the Insurance Policies without interruption and 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; and
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 Final 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 Final 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. Hartford Fire Insurance Company shall have no obligation to issue or execute any new Surety Bond or related instrument to or on behalf of the Debtors and shall have no obligation to renew, alter, amend, or increase the amount of any existing Surety Bond or related instrument that was previously issued to or on behalf of the Debtors, their non-debtor affiliates, or any future affiliates of the Debtors.

7. ~~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.

8. ~~7.~~Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final 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 Final 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.

9. ~~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.

10. ~~9.~~ Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

11. ~~10.~~ The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

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