

**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. 134

**ORDER (I) AUTHORIZING THE DEBTORS TO RETAIN
AND COMPENSATE PROFESSIONALS UTILIZED IN THE
ORDINARY COURSE OF BUSINESS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”): (a) authorizing the Debtors to retain and compensate professionals utilized in the ordinary course of business; and (b) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court being able to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper 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

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 www.kccllc.net/Petersen.

² Capitalized terms used but not defined herein have the meanings given to such terms in the Motion.



and no other notice need be provided; and this Court having reviewed the Motion and having held a hearing on the Motion, if any; and this Court having determined that the legal and factual bases set forth in the Motion 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 interest 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 as set forth herein.
2. Subject to the procedures (the “OCP Procedures”) set forth below, the Debtors are authorized, but not directed, to retain and compensate the OCPs identified in Exhibit C to the Motion in the ordinary course of business effective as of the Petition Date, without the need to file employment applications for each OCP.
3. The OCP Procedures are as follows:
 - a. Each OCP on the list attached as Exhibit C to the Motion (as may be amended or supplemented from time to time, the “OCP List”) shall file with the Court a declaration of disinterestedness (a “Declaration”) substantially in the form attached as Exhibit B to the Motion within 30 days after the later of (i) the date of entry of the Proposed Order or an order granting the Motion, (ii) the date on which such OCP begins providing services to the Debtors, and (iii) the date on which such OCP is added to the OCP List. Each OCP shall serve the Declaration upon: (a) the Debtors, 830 W. Trailcreek Drive, Peoria, IL 61614, Attn: David R. Campbell (dcampbell@getzlerhenrich.com); (b) proposed co-counsel to the Debtors, 200 Park Avenue, New York, New York 10166, Attn.: Carrie V. Hardman (chardman@winston.com) and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn.: Andrew L. Magaziner (amagaziner@ycst.com), Shella Borovinskaya (sborovinskaya@ycst.com), and Carol E. Cox (ccox@ycst.com); (c) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Richenderfer (Linda.Richenderfer@usdoj.gov) and Jon Lipshie (Jon.Lipshie@usdoj.gov); (d) counsel to any statutory committee appointed in the Chapter 11 Cases; and (e) counsel to the DIP Lender, Norton Rose

Fullbright 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 Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, DE 19801, Attn: Eric J. Monzo (emonzo@morrisjames.com) (collectively, the “Notice Parties”).

- b. The Notice Parties shall have fourteen (14) days after service of each OCP’s Declaration to object to the retention of such OCP (the “Objection Deadline”). The objecting party shall serve any such objection upon the Notice Parties and the respective OCP on or before the Objection Deadline. If any such objection cannot be resolved within fourteen (14) days of its receipt, the matter shall be scheduled for hearing before the Court at the next regularly scheduled omnibus hearing date that is no less than fourteen (14) days from that date, or on a date otherwise agreeable to the Court and the parties thereto.
- c. If no objection is received from any of the Notice Parties by the Objection Deadline, then retention of the OCP shall be deemed approved by the Court without hearing or further order, and the Debtors shall be authorized to retain and pay such OCP. The Debtors shall be authorized to retain such OCP as of the date such OCP commenced providing services to the Debtors and to pay such OCP as set forth below.
- d. The Debtors reserve the right to modify the OCP List as necessary to add or remove OCPs from time to time in their sole discretion. In the event an OCP is added to the OCPs List, the Debtors will file a notice with the Court (an “OCP Notice”) listing the additional OCPs that the Debtors intend to employ and will serve such notice on the Notice Parties. Additionally, each additional OCP listed in the OCP Notice shall serve a Declaration on the Notice Parties within the time periods specified in subsection (a) above. The Notice Parties shall have fourteen (14) days following the date of service of an OCP Notice to notify the Debtors’ counsel, in writing, of any objection to the proposed retention, file any such objection with the Court, and serve any such objection upon each of the Notice Parties so as to be actually received within fourteen (14) days of service of such OCP Notice.
- e. The Debtors shall be authorized to pay, without formal application to the Court by any OCP, 100% of fees and disbursements to each of the OCPs retained pursuant to these OCP Procedures (including the filing of a Declaration) upon the OCP’s submission to the Debtors of an appropriate invoice setting forth in reasonable detail the nature of the services rendered and expenses incurred after the Petition Date; *provided, however*, that while these Chapter 11 Cases are pending, the fees of each OCP set forth on Exhibit C to the Motion, excluding costs and disbursements, may not exceed \$50,000.00 per month on average over a rolling three-month period (the “OCP Cap”).

- f. To the extent that an OCP seeks compensation in which the amount sought for a particular month is in excess of the OCP Cap, unless excused by agreement of the U.S. Trustee and Official Committee of Unsecured Creditors, such OCP shall seek court approval for the entire month's compensation with the Court based upon an application for allowance of fees and expenses under sections 330 and 331 of the Bankruptcy Code (a "Fee Application"), pursuant to the same procedures that are established for the Retained Professionals (as defined in the Compensation Procedures [Docket No. 133-2]); *provided, however*, that the Debtors shall not be required to file an application to retain such OCP under section 327 of the Bankruptcy Code.
- g. At 3 month intervals (each, a "Quarter") during the pendency of the Chapter 11 Cases, the Debtors shall file a statement reflecting the fees and expenses paid to the OCP for the preceding 3-month period (each, a "Quarterly OCP Statement") and serve copies of the Quarterly OCP Statement on the Notice Parties; *provided* that the initial Quarter shall be the Petition Date through June 30, 2024, and shall be filed by July 30, 2024. The Quarterly OCP Statement shall include the following information: (i) the name of each OCP; (ii) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by each OCP during the reported Quarter; and (iii) a general description of services rendered by that OCP.

4. The Declaration, substantially in the form annexed to the Motion as Exhibit B, is approved.

5. Absent further order of this Court, the Debtors may not make any payments to any OCP unless and until such OCP is authorized to be retained under the OCP Procedures set forth in this Order.

6. Within thirty (30) days after the last day of each three-month period during the Chapter 11 Cases, the Debtors shall file with this Court and serve upon the Notice Parties a statement (the "OCP Statement") that includes the following information for each OCP: (a) the name of each OCP; (b) the aggregate amounts paid per month as compensation for services rendered and reimbursement of expenses incurred by such OCP during the statement period; and (c) a brief statement of the type of services rendered. The first OCP Statement is due on July 30, 2024, for the period from the Petition Date through and including June 30, 2024.

7. This Order shall not apply to any professional retained by the Debtors pursuant to a separate order of this Court.

8. Nothing in this Order shall preclude any OCP from seeking retention as an estate professional under sections 327 or 338 of the Bankruptcy Code, and nothing in this Order shall alter the requirements of sections 330 and 3341 of the Bankruptcy Code governing fee applications.

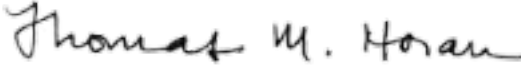
9. Nothing in this Order: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors, their estates, or any other party in interest with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay a claim.

10. The relief granted herein shall not apply to Debtors El Paso HCC, LLC; Flanagan HCC, LLC; Kewanee AL, LLC; Knoxville AL, LLC; Legacy Estates AL, LLC; Marigold HCC LLC; Monmouth AL LLC; Polo LLC; El Paso HCO, LLC; Flanagan HCO, LLC; CYE Kewanee HCO, LLC; CYE Knoxville HCO, LLC; Legacy HCO, LLC; Marigold HCO, LLC; CYE Monmouth HCO LLC; and Polo HCO, LLC in the event that the Court enters a final order granting either of the Motions filed by X-Caliber Capital Funding, LLC at Docket Nos. 59 and 60.

11. The Debtors are authorized to take any and all actions necessary or appropriate to implement this Order.

12. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: April 23rd, 2024
Wilmington, Delaware


THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE