

**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)

**AFFIDAVIT OF PUBLICATION OF NOTICE OF SALE, BIDDING PROCEDURES,
AUCTION, AND SALE HEARING IN THE NEW YORK TIMES**

This Affidavit of Publication includes the sworn statements verifying that the *Notice of Sale, Bidding Procedures, Auction, and Sale Hearing* was published and incorporated by reference herein as follows:

1. In *The New York Times* on May 25, 2024, attached hereto as **Exhibit A**.

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 will be made available on a website of the Debtors' claims and noticing agent at www.kccllc.net/Petersen.



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Exhibit A

INTERNATIONAL



A map of a construction project in Nantong, China, last summer. Beijing is trying to restore optimism among buyers.



A new development in Wuhan, China, this month. The housing crisis threatens one of the world's biggest economies.

China's Plan to Ease Housing Crisis Is Bold but Not Nearly Enough

FROM FIRST BUSINESS PAGE
managing a slowdown after three decades of double-digit growth before the housing crisis created a downturn that is spiraling out of their control.

Few experts believe that Beijing can transition to more sustainable growth without confronting all those empty apartments and the developers that overextended to build them. All told, trillions of dollars are owed to builders, painters, real estate agents, small companies and banks around the country.

After decades of promoting the biggest real estate boom the world has ever seen, and allowing it to become nearly one-third of China's economic growth, Beijing stepped in suddenly in 2020 to cut off the easy money that fueled the expansion, setting off a chain of bankruptcies that shocked a nation of home buyers.

It was the first test of Beijing's determination to wean China's economy off its decades-long dependence on building and construction to sustain the economy.

Now the government is confronting another test of its resolve. To stop the excesses of the past, it signaled over the last few years that no real estate company was too big to fail. But as dozens of big developers have gone bust, they have obliterated any confidence that remained in the housing market. Officials have since tried everything to restore optimism among buyers. Nothing has worked.

With few buyers, developers that are still standing are also on the brink of default. And they are intricately connected to local banks and the financial system that underpins the government in every village, town and city. One recent estimate, from the research firm Rhodium Group, put the real estate sector's entire domestic borrowings, including loans and bonds, at more than \$10 trillion, of which only a tiny portion have been recognized.

"Right now, not being able to sell homes looks like a risk, but it isn't. More developers going bankrupt is," said Dan Wang, chief economist at Hang Seng Bank. The first big developers to default, like China Evergrande, were problems hiding in plain sight.

Evergrande's initial default in December 2021 set off fears of China's own "Lehman moment," a reference to the 2008 collapse of Lehman Brothers, which set off a global financial meltdown. The fallout, however, was carefully



GILLES SABRIÉ FOR THE NEW YORK TIMES

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and quietly managed through policy support that let Evergrande finish building many apartments. By the time a judge ordered the company to be liquidated five months ago, Evergrande had effectively ceased being a viable business.

But China has tens of thousands

A vast number of empty apartments no one wants to buy.

of smaller developers around the country. The only way for officials to stop the free fall in the market, Ms. Wang said, is to bail out some midsize developers in cities where the crisis is more acute.

China's top leaders are instead refocusing the lens to address the millions of apartments that no one wants to buy, pledging to turn them into social housing at lower rents. They have committed \$41.5 billion to help fund loans for state-

owned companies to start buying unwanted property — altogether equivalent to eight billion square feet, of which a little more than four billion square feet is unsold apartments, according to the National Bureau of Statistics.

When Beijing's response was announced last week, shares in developers initially rallied. But some critics said the initiative had come too late. And most speculated that it would take a lot more money. Estimates ranged from \$280 billion to \$560 billion. Officials in Beijing began softening their approach last year. They directed banks to funnel loans and other financing to dozens of real estate companies they deemed good enough to be on a government "white list."

The support was not enough to stop housing prices from crashing.

Policymakers pulled other levers. They made their biggest cut ever to mortgage rates. They tried pilot programs to get residents to trade in old apartments

and buy new ones. They even offered cheap loans to some cities to test out the idea of buying unsold apartments.

In all, local authorities tried out more than 300 measures to increase sales and bolster real estate companies, according to Caixin, a Chinese economic news outlet.

Still, the number of unsold homes continued to reach new levels. Prices of new homes kept falling.

So at the end of April, Mr. Xi and his 23 top policymakers began to discuss the idea of taking some of those unwanted apartments off the market in a program not unlike the Troubled Asset Relief Program, which the U.S. government set up in the wake of the American housing market crash.

Last week, China's most senior official in charge of the economy, Vice Premier He Lifeng, convened an online gathering of officials from across the country and delivered the news: It was time to start buying apartments. Not long af-

ter, the central bank loosened rules for mortgages and the central bank promised to make billions of dollars available to help state-owned companies buy apartments.

The move underscored just how worried the government had become about the dysfunctions in the housing market.

Yet almost as soon as state media reported Mr. He's call on local

governments to buy unsold apartments, economists started asking questions.

Would local governments be expected to buy all the unsold apartments? What if they, in turn, could not find buyers? And there was the price tag: Economists calculated that such a program should be in the hundreds of billions of dollars, not tens of billions.

More worryingly, to some, the central bank had already quietly started an apartment buyback program for eight hard-hit cities, committing \$14 billion in cheap loans, of which only \$280 million had been used. Those governments did not appear to be interested in using the loans for the same reason that consumers did not want to buy houses in smaller cities.

One big difference now, said John Lam, the head of China property research at UBS, the Swiss bank, is political will. The country's most powerful leaders have said they stand behind a buyback plan. That will put political pressure on officials to act.

"The local government can acquire the apartments at a loss," Mr. Lam said.

Yet in places where the population is shrinking, which are some of the same cities and towns where developers expanded most aggressively, there will be little need for social housing projects.

The optimistic view is that Beijing has more planned.

"Beijing is headed in the right direction with regard to ending the epic housing crisis," Ting Lu, chief China economist at the Japanese bank Nomura, wrote in an email to clients.

The task, he added, was a daunting one that required "more patience when awaiting more draconian measures."

Sports Betting Company Drops Johnson From Ad

By TARIQ PANJA

LONDON — The script for the high-profile advertisement had been signed off, the star had been hired and the creative team at the Irish sports betting company Paddy Power was convinced it had scored a win ahead of a big sporting summer.

Even with his back turned, and even before the big reveal, the man in the No. 10 England soccer jersey would be instantly recognizable by his build and shock of light hair: Boris Johnson.

"I told you I would get us back in Europe," the script called for Mr. Johnson to say, a glib — and untrue — quip from a man who helped lead the Brexit campaign that resulted in Britain's exit from the European Union.

But the ad will never air.

Paddy Power, which is headquartered in Dublin, was forced to scrap the planned clip — intended to be the cornerstone of its advertising campaign for a busy summer that will include the European soccer championship and the Paris Olympics — after a backlash from its staff in Britain.

The decision was confirmed by two people familiar with the cam-

paign and its demise. They said a script for the ad had been provided to Mr. Johnson. A spokesman for Mr. Johnson did not respond to a request for comment.

The people asked not to be named to discuss the company's internal decisions, and because of the sensitivity of aligning the firm with Mr. Johnson, who led his Conservative Party to a large majority in the 2019 national election but whose tenure ended after a series of scandals engulfed his premiership.

Paddy Power's staff members in Britain, according to those people, said they were uncomfortable promoting a figure as divisive as Mr. Johnson, and particularly with language that poked fun at Brexit, an issue that polarized the country and damaged relationships with countries across the continent.

"We have been speaking to Boris Johnson's team about a number of opportunities, one of which was an idea for a cameo role in a TV advert," Paddy Power's parent company, the U.S.-headquartered Flutter Entertainment, said in a statement to The New York Times.

The company confirmed that Mr. Johnson's role in its Euro 2024 campaign, set to air in the coming weeks, had been scrapped but did not say why.

"We remain hopeful of working together in the near future," it added.

A British tabloid newspaper,



Paddy Power, an Irish company, scrapped an advertisement starring Boris Johnson after backlash from its staff in Britain.

The Sun on Sunday, broke the news that Mr. Johnson would front Paddy Power's Euro 2024 campaign earlier this month.

A gambling firm known for its publicity stunts, Paddy Power has never been afraid to push boundaries with its ads, which often draw significant attention, though not all of it has been positive.

In 2010, a campaign featuring a blind soccer player appearing to kick a cat received hundreds of complaints. (Paddy Power said

the ad "featured an action that was so unlikely that it was absurd" and that the cat was unharmed.)

Two years later, it paid a fine of about \$100,000 to UEFA, European soccer's governing body, on behalf of a Danish soccer player who promoted the brand on his underwear after scoring a goal at the 2012 European championship. The promotion broke rules against players displaying advertising on clothing other than soccer uniforms.

In 2020 it issued an apology for using "derogatory and offensive" language after sharing a social media video in which a soccer fan made homophobic comments.

Including Mr. Johnson was apparently a step too far for some staff members at Paddy Power's offices in London.

The former Conservative leader's pairing with Paddy Power contrasts with some of the views his government espoused about gambling. While he was prime minister, the government called for the English soccer federation to cancel a multimillion-dollar sponsorship deal with a prominent betting company.

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In re
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Jointly Administered
Ref. Docket Nos. 264, 316, 322

NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE that, on May 1, 2024, the above-captioned debtors and debtors in possession (collectively, the "Debtors") in these chapter 11 cases, filed with the United States Bankruptcy Court for the District of Delaware (the "Court") a motion (Docket No. 264) (the "Motion") for the entry of an order (the "Bid Procedures Order") (i) approving (a) the Bidding Procedures, substantially in the form attached to the Bid Procedures Order as Exhibit 1; (b) authorizing the Debtors to designate one or more stalking horse bidders (the "Stalking Horse Bidders"); (c) setting the deadline for potential bidders to submit a proposal to purchase the Assets (the "Bid Deadline"); and authorizing and scheduling an auction (the "Auction"), and authorizing and scheduling hearings with respect to the approval of a proposed sale transaction (the applicable "Sale Hearing"); (d) authorizing and approving the form and manner of the Sale Notice; (e) authorizing and approving the Notice of Assumption, Assignment, and Sale regarding the Debtors' potential assumption and assignment of the Assigned Contracts and of the Debtors' calculation of the amount necessary to cure any defaults thereunder (the "Cure Costs"); and (f) authorizing and approving procedures for the assumption and assignment of the Assigned Contracts and the determination of Cure Costs with respect thereto (collectively, the "Assumption and Assignment Procedures"); (ii) authorizing the sale of all or substantially all of the Debtors' assets (the "Assets"), free and clear of all liens, claims, encumbrances, and other interests pursuant to section 363(f) of the Bankruptcy Code (collectively, the "Sale Transactions"); and (iii) granting related relief.

PLEASE TAKE FURTHER NOTICE that, on May 21, 2024, the Court entered the Bid Procedures Order authorizing the Debtors to solicit bids for the purchase of the Assets and, if one or more Qualified Bids are received within the requirements and timeframe specified by the Bidding Procedures, conduct the Auction to select the Successful Bidder. If held, the Auction will be governed by the Bidding Procedures approved pursuant to the Bid Procedures Order.

PLEASE TAKE FURTHER NOTICE of the following important dates and deadlines in connection with the Sale Process:

- **Stalking Horse Deadline:** Any party or entity wishing to serve as a Stalking Horse Bidder for the Assets or any subset thereof must be designated as a Stalking Horse Bidder no later than the Stalking Horse Deadline, June 14, 2024.

- **Bid Deadline:** Any person or entity interested in participating in the Auction must submit a Qualified Bid on or before June 23, 2024 at 6:00 p.m. (ET) 5:00 p.m. (CT) (the "Bid Deadline").
- **Auction:** An Auction, if necessary, has been scheduled for June 25, 2024 at 10:00 a.m. (ET) 9:00 a.m. (CT) to be held at the offices of Winston & Strawn LLP, 25 W. Wacker Drive, Chicago, IL 60601 or via zoom.

- **Contract and Sale Objection Deadline:** Objections to any proposed assumption or assignment of an Assigned Contract or to the Sale Transactions, including any objection to the sale of the Assets free and clear of all liens, claims, interests, and encumbrances (other than certain permitted post-closing liabilities, liens, or otherwise provided in the applicable purchase agreement), Subject to approval by the Court, if any party objects to such assignment, including any objection based on an alleged approval or consent right or anti-assignment provision contained in or applicable to any contract, lease, or other agreement (a "Consent Right"), then such party must file with the Court an objection identifying (i) the contract(s), lease(s), or other agreement(s), (ii) the basis for objecting to the assignment of such contract(s), lease(s), or other agreement(s), and (iii) all supporting documentation (each, an "Assignment Objection"), no later than the Contract and Sale Objection Deadline.

- **PLEASE TAKE FURTHER NOTICE THAT IF A PARTY FILES AN ASSIGNMENT OBJECTION IN A MANNER THAT IS CONSISTENT WITH THE REQUIREMENTS SET FORTH ABOVE, AND THE PARTIES ARE UNABLE TO CONSENSUALLY RESOLVE THE DISPUTE PRIOR TO THE SALE HEARING, SUCH OBJECTION WILL BE HEARD BY THE COURT AT THE SALE HEARING OR AT A TIME TO BE DETERMINED BY THE DEBTORS AND THE OBJECTING PARTY.**

PLEASE TAKE FURTHER NOTICE that any person failing to timely file an Assignment Objection will be (i) forever barred from objecting to the transfer, sale, assumption, and/or assignment of the Debtors' right, title, and interest in, and under the assets to be sold, assumed, and/or assigned in connection with a Sale Transaction, free and clear of all liens, claims, interests, and encumbrances, including Consent Rights (other than certain permitted liens), regardless of whether such consent must be in writing pursuant to the terms of any contract, lease, or other agreement.

PLEASE TAKE FURTHER NOTICE that if any person files an Assignment Objection in accordance herewith, the Debtors and other parties in interest will have the opportunity to object to any alleged rights asserted by such person by filing a response to the Assignment Objection (and serving such response on the objecting party) at any time prior to the Sale Hearing. Upon the filing of such response to such objection, any rights asserted will be deemed to be disputed and the Debtors will be entitled to assert that a bona fide dispute exists as to such rights asserted. Nothing herein will be deemed a waiver of any rights of the Debtors or any other parties in interest to contest any rights asserted by any person in such objections, and all such rights of the Debtors are expressly preserved.

PLEASE TAKE FURTHER NOTICE that any party interested in submitting a bid should contact the Debtors' proposed investment banker, Walker & Dunlop Investment Sales, LLC (Attn: Mark Myers (myers@walkeranddunlop.com)). Copies of the Motion, the Bid Procedures Order, and the Bidding Procedures may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Kurtzman Carson Consultants LLC, located at www.kcccllc.net/Petersen.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures, the Debtors reserve the right, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and (except to the extent set forth herein) in consultation with the Consultation Parties, to modify the Bidding Procedures; waive terms and conditions set forth herein with respect to all Potential Bidders (as defined below); extend the deadlines set forth herein; announce at the Auction modified or additional procedures for conducting the Auction after the assumptions set forth herein; provided, that the Debtors shall not be authorized to make material modifications to the Bidding Procedures with respect to the Assets without further order of the Court. The Debtors may provide reasonable accommodations to any Potential Bidder(s) with respect to such terms, conditions, and deadlines of the bidding and Auction process to promote further bids on the Debtors' Assets, in each case, to the extent not materially inconsistent with the Bidding Procedures and the Bid Procedures Order, as applicable. All parties reserve their rights to seek Court relief with regard to the Auction, the Bidding Procedures, and any related items (including, if necessary, to seek an extension of the Bid Deadline). In addition, the Debtors reserve their right to cancel the Bidding Procedures and the Auction with respect to any of the Assets if the Debtors determine, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, to proceed with a private sale of such assets.

PLEASE TAKE FURTHER NOTICE THAT FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BID PROCEDURES ORDER, OR ANY OTHER ORDER OF THE COURT IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID.

PLEASE TAKE FURTHER NOTICE THAT THE FAILURE OF ANY PERSON OR ENTITY TO FILE AN OBJECTION IN ACCORDANCE WITH THE BIDDING PROCEDURES, THE BID PROCEDURES ORDER, OR ANY OTHER ORDER OF THE COURT IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID.

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Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion, Bid Procedures Order, and the Bidding Procedures, as applicable. Any summary of the Bid Procedures Order or the Bidding Procedures contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.