

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

<p>In re:</p> <p>SC HEALTHCARE HOLDING, LLC, <i>et al.</i>,</p> <p style="text-align: center;">Debtors.<sup>1</sup></p>	<p>Chapter 11</p> <p>Case No. 24-10443 (TMH)</p> <p>Jointly Administered</p> <p><b>Objection Deadline: June 20, 2024 at 4:00 p.m. (ET)</b>  <b>Hearing Date: June 27, 2024 at 10:00 a.m. (ET)</b></p>
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**MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
ENTRY OF AN ORDER EXTENDING THE CHALLENGE DEADLINE**

The official committee of unsecured creditors (the “Committee”) of SC Healthcare Holding, LLC and its affiliated debtors and debtors in possession (the “Debtors”) submits this motion (the “Motion”), pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9006(b) of the Federal Rules of Bankruptcy Procedure, for entry of an order substantially in the form attached hereto as **Exhibit A**, extending the Challenge Deadline<sup>2</sup> for an additional 60 days solely with respect to the Committee. In support of this Motion, the Committee respectfully states as follows:

<sup>1</sup> 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](http://www.kccllc.net/Petersen).

<sup>2</sup> Capitalized terms used but not defined herein have the meanings ascribed to such terms in the *Final order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Security Interests and Superpriority Administrative Expense Status, (III) Granting Adequate Protection to Certain Prepetition Secured Credit Parties, (IV) Modifying the Automatic Stay; (V) Authorizing the Debtors to Enter Into Agreements With JMB Capital Partners Lending, LLC, (VI) Authorizing Use of Cash Collateral, and (VII) Granting Related Relief* [Docket No. 313] (the “Final DIP Order”).



## **JURISDICTION AND VENUE**

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper in this District and before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief requested herein is section 105(a), 363, 1123, and 1141 of the Bankruptcy Code and Bankruptcy Rule 9019.

3. Under Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the Committee consents to the Court entering a final order in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

## **BACKGROUND**

### **A. The Debtors' Chapter 11 Cases**

4. On March 20, 2024 (“Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors continue to operate their businesses as debtors in possession. No trustee or examiner has been appointed in these cases.

5. On April 9, 2024, the United States Trustee appointed the Committee, which consists of the following members: (i) Select Rehabilitation, LLC.; (ii) Martin Brothers Distributing Company, Inc.; (iii) Omnicare Inc.; (iv) McKesson Corporation; (v) Onestaff Medical, LLC; (vi) Lawrence Recruiting Specialists, Inc.; and (vii) Darlena Moore, as Independent Administrator of the Estate of Linda I. Johnson. *See* [Docket No. 131].

**B. The Prepetition Claim and Lien Matters and the Challenge Period**

6. On May 14, 2024, the Court entered the Final DIP Order, which includes certain admissions, stipulations, acknowledgments, and agreements of the Debtors with respect to the Prepetition Secured Parties (as more specifically set forth and defined in the Final DIP Order, the “Prepetition Lien and Claim Matters”). Among other things, the Debtors stipulate (a) to the amount purportedly due and owing to each Prepetition Secured Party as of the Petition Date and (b) that the Prepetition Liens of the Prepetition Secured Parties are valid, perfected, enforceable, and non-avoidable first priority security interests and liens in certain real estate of the applicable Debtor and in accounts receivable of the applicable Debtors. (Final DIP Order ¶ R.)

7. The Final DIP Order further provides that the Prepetition Lien and Claim Matters are binding on third parties, including the Committee, unless, no later than July 8, 2024 (the “Challenge Deadline”), a party in interest has timely filed the appropriate pleadings commencing a proceeding challenging the Prepetition Lien and Claim Matters.<sup>3</sup> (Final DIP Order ¶ 18.)

8. As stipulated to in paragraph R of the Final DIP Order and described in the *Declaration of David R. Campbell in Support of Chapter 11 Petition and First Day Pleadings* [Docket No. 44] (the “First Day Declaration”), the Debtors’ prepetition capital structure – including specifically the prepetition secured debt – is extensive and complex. The Debtors are party to no fewer than 19 prepetition secured loan facilities with 13 Prepetition Secured Parties, under which approximately 80 Debtors are purportedly obligors. The Committee and its professionals have worked cooperatively with the Debtors’ professionals and counsel for each of the Prepetition Secured Parties to obtain all documents and information necessary for the Committee’s investigation of the Prepetition Lien and Claim Matters. The Committee is in the

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<sup>3</sup> The Final DIP Order provides that the Committee shall have standing to commence a Challenge without further order of the Court.

process of reviewing all of the materials and information provided, but as of the date of this Motion, the Committee does not have all relevant documents and information necessary to complete its review. Accordingly, the Committee requests that the Court extend the Challenge Deadline for an additional 60 days through and including September 6, 2024.

**RELIEF REQUESTED**

9. By this Motion, the Committee requests entry of an order extending the Challenge Deadline under the Final DIP Order through and including September 6, 2024, without prejudice to the Committee seeking further extensions of the Challenge Deadline.

**BASIS FOR RELIEF**

10. An extension of the Challenge Deadline is necessary and warranted here to ensure that the Committee has adequate time to complete its investigation of the Prepetition Lien and Claim Matters. Bankruptcy Rule 9006(b)(1) governs a request for extension of time to object to claims and provides, in relevant part:

[W]hen an act is required or allowed to be done at or within a specified period . . . by order of court, the court for cause shown may at any time in its discretion . . . order the period enlarged if the request therefore is made before expiration of the period originally prescribed or as extended by a previous order . . . .

Fed. R. Bankr. P. 9006(b)(1). Additionally, section 105(a) of the Bankruptcy Code provides that the Court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions” of the Bankruptcy Code. 11 U.S.C. §105(a); *see also In re Peregrine Sys. Inc.*, 311 B.R. 679, 690 (D. Del. 2004) (“Section 105 specifically codifies what are traditionally called ‘inherent powers’ to give the bankruptcy courts the necessary ability to manage the cases on their dockets.”)

11. The Committee submits that cause exists to extend the Challenge Deadline. Since the entry of the Final DIP Order, counsel for the Committee has worked diligently to obtain all

relevant Prepetition Loan Documents in order to review and analyze the Prepetition Claim and Lien Matters as to each of the Prepetition Secured Parties. While counsel for each of the Prepetition Secured Parties have generally been cooperative, the Committee has not yet received all of the documents and information necessary to complete its investigation. Moreover, as detailed in the First Day Declaration, the Debtors' prepetition secured debt is extensive and complex, comprised of at least 19 loan facilities with 13 Prepetition Secured Parties. Thus, because the Committee is still gathering information from the Prepetition Secured Parties and the extent of the documents and information that must be reviewed for all of the Prepetition Secured Parties, an extension of the Challenge Deadline for 60 days is warranted.

12. Moreover, the Prepetition Secured Parties will not be prejudiced by the extension of the Challenge Deadline. The additional time will allow the Committee to complete its investigation and, where necessary, negotiate and possibly reach a resolution with the Prepetition Secured Parties without the need for costly, time-consuming litigation.

13. Simultaneously with filing this Motion, the Committee is reaching out to each of the Prepetition Secured Parties and/or their respective counsel to seek their consent to an extension of the Challenge Deadline. Due to the upcoming Challenge Deadline and the June 27, 2024 omnibus hearing date in these cases, the Committee files this Motion to ensure that this matter can be addressed by the Court, if necessary, prior to the Challenge Deadline.

### **CONCLUSION**

14. WHEREFORE, the Committee respectfully requests that the Court enter an order extending the Challenge Deadline through and including September 6, 2024, and granting such other relief as may be just and proper.

Dated: June 13, 2024  
Wilmington, Delaware

Respectfully submitted,

**GREENBERG TRAUIG, LLP**

*/s/ Dennis A. Meloro*

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**EXHIBIT A**

Proposed Order

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

In re:

SC HEALTHCARE HOLDING, LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

**Re: Docket No. \_\_\_\_**

**ORDER EXTENDING THE CHALLENGE DEADLINE**

Upon the *Motion of the Official Committee of Unsecured Creditors for Entry of an Order Extending the Challenge Deadline* (the "Motion");<sup>2</sup> and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); 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 relief requested in the Motion is in the best interests of the Debtors' and their estates; and this Court having found that the Committee provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the Court having reviewed the Motion and 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 the Court; and after due deliberation and sufficient cause appearing therefore, it is

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such term in the Motion.



**HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.
2. The Challenge Deadline is extended through and including September 6, 2024, solely with respect to the Committee.
3. The relief granted herein is without prejudice to the rights of the Committee to seek further extensions of the Challenge Deadline.
4. The Court retains jurisdiction as to all matters relating to or arising from the implementation, enforcement, or interpretation of this Order.

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

In re:

SC HEALTHCARE HOLDING, LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

**Objection Deadline: June 20, 2024 at 4:00 p.m. (ET)**

**Hearing Date: June 27, 2024 at 10:00 a.m. (ET)**

**NOTICE OF MOTION OF THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR ENTRY OF AN ORDER  
EXTENDING THE CHALLENGE DEADLINE**

**PLEASE TAKE NOTICE** that, on June 13, 2024 the Official Committee of Unsecured Creditors (the “Committee”) filed the *Motion of the Official Committee of Unsecured Creditors for Entry of an Order Extending the Challenge Deadline* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

**PLEASE TAKE FURTHER NOTICE** that, any responses or objections to the Motion must be in writing and filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **June 20, 2024 at 4:00 p.m.** (prevailing Eastern Time).

**PLEASE TAKE FURTHER NOTICE** that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before The Honorable Thomas M. Horan, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on **June 27, 2024 at 10:00 a.m.** (prevailing Eastern Time).

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**PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE COMMITTEE IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Dated: June 13, 2024  
Wilmington, Delaware

Respectfully submitted,

**GREENBERG TRAURIG, LLP**

*/s/ Dennis A. Meloro*

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