

**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

Ref. Docket Nos. 739 & 740

**CERTIFICATION OF COUNSEL REGARDING ORDER PURSUANT  
TO SECTIONS 363(b) AND 503(c) OF THE BANKRUPTCY CODE  
APPROVING DEBTORS' KEY EMPLOYEE RETENTION PLAN**

On August 7, 2024, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Debtors' Motion for Order Pursuant to Sections 363(b) and 503(c) of the Bankruptcy Code Approving Debtors' (I) Key Employee Incentive Plan and (II) Key Employee Retention Plan* [Docket Nos. 739 (Redacted); 740 (Sealed)] (the "Motion")<sup>2</sup> with the United States Bankruptcy Court for the District of Delaware (the "Court"). A proposed order (the "Proposed Order") was attached to the Application as Exhibit A. The deadline to file objections or otherwise respond to the Motion was established as August 21, 2024 at 4:00 p.m. (ET) (the "Objection Deadline") and a hearing to consider the relief requested in the Motion was scheduled for August 28, 2024 (the "Hearing").

Prior to the Objection Deadline, the Official Committee of Unsecured Creditors (the "Committee") and the Office of the United States Trustee for the District of Delaware (the

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<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, 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>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Motion.



“U.S. Trustee”) each filed objections to the Motion [Docket Nos. 772 & 773] (together, the “Objections”).

Following discussions with the Committee and the U.S. Trustee, as reflected on the record at the Hearing, the Debtors, the Committee, and the U.S. Trustee agreed to a revised form of order (the “Revised Proposed KERP Order”), a copy of which is attached hereto as **Exhibit A**, which resolves the Objections to the KERP. The relief sought in connection with the KEIP is adjourned to 2:00 p.m. (ET) on September 16, 2024 (the “Adjourned Hearing”).<sup>3</sup> For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed KERP Order against the Proposed Order is attached hereto as **Exhibit B**.

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

*[Remainder of page intentionally left blank]*

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<sup>3</sup> To the extent that the Debtors, the Committee, and the U.S. Trustee reach a resolution in connection with the KEIP in advance of the Adjourned Hearing, the Debtors intend to submit a supplemental order under certification of counsel.

Dated: August 29, 2024  
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &  
TAYLOR, LLP**

*/s/ Shella Borovinskaya*

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*Counsel for the Debtors and Debtors in  
Possession*

**EXHIBIT A**

**Revised Proposed KERP 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

**Ref. Dkt. No. 739, 740**

**ORDER APPROVING DEBTORS' KEY EMPLOYEE RETENTION PLAN**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 105(a), 363(b), and 503(c) of the Bankruptcy Code, authorizing and approving the Debtors' KEIP and KERP, as more fully described 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 as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and due and proper notice of the Motion and the hearing thereon having been given as set forth in the Motion; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

held a hearing to consider the relief requested in the Motion (the “Hearing”), if any; and upon the applicable declarations and the record of the Hearing; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as to the KERP, as set forth herein.
2. The KERP is approved on the terms described in the Motion; *provided* that in the event of a conflict, the terms of this Order shall control.
3. The Debtors are authorized to take all actions necessary to implement the KERP on the terms and conditions set forth in the Motion or this Order, including, but not limited to, making payments pursuant to the terms of the KERP, subject to the following clarifying requirements:
  - a. Upon the occurrence of the closure of the four Sales (“Sale Close”), the Debtors shall distribute the KERP Payments.
  - b. Any KERP Participant who is terminated by the Debtors for reasons other than negligence, gross misconduct, or fraud, shall be entitled to the KERP Participant’s respective KERP Payment at Sale Close. Any KERP Participant that resigns prior to Sale Close will not be entitled to their respective KERP Payment. The Debtors are authorized, with Committee consent, to reallocate unused KERP Payments to the Debtors’ employees.
4. The Debtors are authorized to take all actions necessary to implement the KERP on the terms and conditions set forth in the Motion and in this Order, including, but not limited to, making payments pursuant to the terms of the KERP.
5. All amounts earned and payable under the KERP shall have administrative expense

priority under sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code for all purposes in these Chapter 11 Cases and in any other case under the Bankruptcy Code to which these Chapter 11 Cases may be converted.

6. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; or (e) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law.

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

8. This Court shall retain jurisdiction to hear and determine all matters arising or related to the implementation or interpretation of this Order.

9. The relief in the Motion with respect to the KEIP is continued to September 16, 2024 at 2:00 p.m. (Eastern Time).

**EXHIBIT B**

**Blackline**



**In re**

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

**Debtors.<sup>1</sup>**

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

Ref. Dkt. No. ~~\_\_\_\_\_~~ [739, 740](#)

**ORDER APPROVING DEBTORS' ~~KEY EMPLOYEE INCENTIVE PLAN AND KEY~~ EMPLOYEE RETENTION PLAN**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 105(a), 363(b), and 503(c) of the Bankruptcy Code, authorizing and approving the Debtors' KEIP and KERP, as more fully described 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 as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and due and proper notice of the Motion and the hearing thereon having been given as set forth in the Motion; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing to consider the relief requested in the Motion (the "Hearing"), if any; and

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

upon the applicable declarations and the record of the Hearing; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as to the KERP, as set forth herein.

~~2. The KEIP is approved on the terms described in the Motion; provided that in the event of a conflict, the terms of this Order shall control.~~

2. ~~3.~~ The KERP is approved on the terms described in the Motion; *provided* that in the event of a conflict, the terms of this Order shall control.

3. ~~4.~~ The Debtors are authorized to take all actions necessary to implement the ~~KEIP~~ ~~and the~~ KERP on the terms and conditions set forth in the Motion or this Order, including, but not limited to, making payments pursuant to the terms of the ~~KEIP~~ ~~and~~ KERP, subject to the following clarifying requirements:

a. Upon the occurrence of the closure of the four Sales (“Sale Close”), the Debtors shall distribute the KERP Payments.

b. Any KERP Participant who is terminated by the Debtors for reasons other than negligence, gross misconduct, or fraud, shall be entitled to the KERP Participant’s respective KERP Payment at Sale Close. Any KERP Participant that resigns prior to Sale Close will not be entitled to their respective KERP Payment. The Debtors are authorized, with Committee consent, to reallocate unused KERP Payments to the Debtors’ employees.

4. ~~5.~~ The Debtors are authorized to take all actions necessary to implement the ~~KEIP~~

~~and the~~ KERP on the terms and conditions set forth in the Motion [and in this Order](#), including, but not limited to, making payments pursuant to the terms of the ~~KEIP and the~~ KERP.

5. ~~6.~~ All amounts earned and payable under ~~the KEIP and~~ the KERP shall have administrative expense priority under sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code for all purposes in these Chapter 11 Cases and in any other case under the Bankruptcy Code to which these Chapter 11 Cases may be converted.

6. ~~7.~~ Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; or (e) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law.

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

8. ~~9.~~ This Court shall retain jurisdiction to hear and determine all matters arising or related to the implementation or interpretation of this Order.

9. [The relief in the Motion with respect to the KEIP is continued to September 16, 2024 at 2:00 p.m. \(Eastern Time\).](#)