

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et*

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

Hearing Date: N/A

Objection Deadline: N/A

**DEBTORS' MOTION FOR ORDER SHORTENING NOTICE  
WITH RESPECT TO DEBTORS' MOTION FOR ENTRY  
OF AN ORDER (I) AUTHORIZING THE DEBTORS TO (A) ENTER  
INTO THE NEW PREMIUM FINANCING AGREEMENT, AND (B) PROVIDE  
ADEQUATE PROTECTION THEREON; (II) AUTHORIZING THE BANKS  
TO HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS  
RELATED TO THE FOREGOING; AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (each, a “Debtor” and, collectively, the “Debtors”) respectfully submit this motion (this “Motion to Shorten”), pursuant to section 105 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), for an order, substantially in the form attached hereto as **Exhibit A**, (a) shortening the notice period required under Bankruptcy Rules 2002 and 9006 with respect to the *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to (A) Enter Into the New Premium Financing Agreement, and*

<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 [www.kccllc.net/Petersen](http://www.kccllc.net/Petersen).



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*(B) Provide Adequate Protection Thereon; (II) Authorizing the Banks to Honor and Process Check and Electronic Transfer Requests Related to the Foregoing; and (III) Granting Related Relief* (the “Insurance Finance Motion”),<sup>2</sup> filed contemporaneously herewith, so that the Insurance Finance Motion may be heard at the hearing on September 24, 2024 (the “Hearing”), and (b) providing that any objections to the Insurance Finance Motion must be filed and served so as to be received no later than one hour before the Hearing. In support of this Motion to Shorten, the Debtors respectfully represent as follows:

1. Bankruptcy Rule 2002(a) requires twenty-one days’ notice prior to the hearing for motions involving the use of estate property. *See* Fed. R. Bank. P. 2002(a). Further, Rule 4001(c)(2) provides that the Court may commence a final hearing on a motion to obtain credit no earlier than 14 days after service of the relevant motion. *See* Fed. R. Bankr. P. 4001(c)(2). Moreover, pursuant to Local Rule 9006-1(i), “unless the Fed. R. Bankr. P. or these Local Rules state otherwise, all motion papers shall be filed and served in accordance with Local Rule 2002-1(b) at least fourteen days prior to the hearing date.” Del. Bankr. L.R. 9006-1(i). However, Local Rule 9006-1(e) provides that such periods may be shortened by order of the Court upon written motion specifying the exigencies supporting shortened notice. *See* Del. Bank. L.R. 9006-1(e). The Debtors submit that there is sufficient cause to justify shortening the notice period for the hearing on the Insurance Finance Motion.

2. Foremost, the Debtors respectfully submit that they already have authority to enter into new premium finance agreements in accordance with the *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*

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

*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. 231]. However, AFCO Credit Corporation (“AFCO”) requested that the Debtors file the Insurance Finance Motion as a prerequisite to obtaining a new premium finance agreement and the Debtors agreed to do so to avoid risking unnecessary exposure to liability.

3. Accordingly, as more fully set forth in the Insurance Finance Motion, the Debtors are seeking another order (a) authorizing entry into a premium finance agreement (the “New Premium Financing Agreement”) with AFCO, and (b) granting AFCO a first priority secured interest in the gross unearned premiums which would be payable in the event of cancellation of the AFCO Policies and which further authorizes AFCO to cancel the AFCO Policies and obtain the return of any unearned premiums in the event of a default in the payment of any installment due. The insurance coverage made possible by the New Premium Financing Agreement is crucial to the operation of the Debtors’ businesses and cannot be obtained without the relief requested in the Insurance Finance Motion. Ensuring that the Debtors can maintain the insurance policies needed to operate their business in the ordinary course is essential for the Debtors to maximize the value of their assets for the benefit of all stakeholders.

4. Further, absent the relief requested in the Insurance Finance Motion, the Debtors will be forced to seek coverage of insurance premiums from a different premium financing company, thereby causing additional delay and exposure to liability for the time period during which there is no coverage. Maintenance of insurance coverage is essential to the continued operation of the Debtors’ businesses and is required under the United States Trustee’s

Operating Guidelines for Chapter 11 Cases, the laws of the various states in which the Debtors operate, certain of the Debtors' contracts, and the Debtors' various debt agreements. It is thus imperative that the Debtors ensure the continuation of their insurance coverage as soon as possible to forestall any risk to the Debtors' continued operation.

5. The Debtors submit that shortened notice is appropriate in this instance because maintenance of insurance coverage is vital to the Debtors' day-to-day business, and any lapse in their insurance coverage would jeopardize the Debtors' operations and be detrimental to the Debtors' estates and all parties in interest. The Debtors have carefully examined their ability to pay their insurance premiums in the ordinary course, and have made reasonable efforts to obtain unsecured credit for those payments, and are seeking the relief requested in the Insurance Finance Motion only after ultimately determining, post-petition, that such relief is necessary to prevent the deterioration of the Debtors' operations.

Based on the foregoing, the Debtors submit that cause exists to shorten the notice period for the hearing on the Insurance Finance Motion. Accordingly, the Debtors request that a hearing on the relief requested in the Insurance Finance Motion be scheduled for the Hearing, with objections or responses due no later than one hour before the Hearing. The Debtors will serve the Insurance Finance Motion by overnight delivery, fax, or email on the parties indicated therein.

**LOCAL RULE 9006-1(e) CERTIFICATION**

In accordance with Local Rule 9006-1(e), prior to filing this Motion to Shorten, counsel to the Debtors notified counsel to the U.S. Trustee and counsel to the Committee of the relief requested herein. Both parties have advised that they do not object to the relief sought herein.

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, approving the shortened notice for the Insurance Finance Motion as set forth herein and approving the form, manner, and sufficiency of notice with respect thereto.

*[Remainder of page intentionally left blank]*

Dated: September 19, 2024  
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &  
TAYLOR, LLP**

*/s/ Shella Borovinskaya*

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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***

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

Chapter 11

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Ref. Docket No. \_\_\_\_

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Upon the motion (the "Motion to Shorten")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") providing that the applicable notice period for the Insurance Finance Motion be shortened pursuant to Local Rule 9006-1(e); and it appearing that the relief requested in the Motion to Shorten is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having jurisdiction to consider the Motion to Shorten and the relief requested therein 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 consideration of the Motion to Shorten and the relief requested therein being a core proceeding

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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 due and proper notice of the Motion to Shorten having been provided under the particular circumstances, and it appearing that no other or further notice need be provided; and after due deliberation; and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion to Shorten is granted as set forth herein.
2. The hearing on the Insurance Finance Motion will be held on September 24, 2024 at 11:00 a.m. (ET) (the “Hearing”), and any response or objection to such relief shall be due no later than one hour before the Hearing.
3. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.