IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
LAVIE CARE CENTERS, LLC, *et al.*[1]	)	Case No. 24-55507-PMB
Debtors.	)	(Jointly Administered)

GUC TRUSTEE'S MOTION FOR LEAVE TO FILE ADVERSARY COMPLAINT AND SUPPORTING DOCUMENTS UNDER SEAL

Ryniker Consultants, LLC, in its capacity as the trustee (the "GUC Trustee") for the trust established on behalf of the above-captioned debtors and debtors-in-possession (the "Debtors") pursuant to the *Debtors' Modified Second Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization* [D.I. 730-1] (the "Plan") respectfully moves this Court for an order granting leave to file the adversary complaint (the "Complaint") and certain supporting documents under seal in the adversary proceeding to be commenced by the GUC Trustee (the "Motion"). In support of this Motion, the GUC Trustee states as follows:

I. INTRODUCTION

The GUC Trustee plans to initiate today an adversary proceeding pursuant to the Debtors' Modified Second Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization (the "Plan"), which was confirmed by order of this Court on December 5, 2024 (the "Confirmation Order"). As required by Article VI.H of the Plan, the GUC Trust "shall use

[1] The last four digits of LaVie Care Centers, LLC's federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://www.kccllc.net/LaVie. The location of LaVie Care Centers, LLC's corporate headquarters and the Debtors' service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.

best efforts to file the complaint under seal and to keep confidential all material documents in the case". The GUC Trustee now seeks leave to file the Complaint and its exhibits under seal in fulfillment of its obligations under the Plan and the Confirmation Order, to honor the GUC Trustee's obligations under the Stipulated and Agreed to Confidentiality Agreement and Protective Order entered by this Court on August 21, 2024 [Docket No. 334] (the "Protective Order"), and to protect the legitimate privacy interests of the parties and the integrity of this proceeding.

For the Court's convenience, a proposed order is included with this Motion.

II. PROCEDURAL HISTORY AND STATEMENT OF FACTS

On June 2, 2024 (the "Petition Date"), LaVie Care Centers, LLC and its 282 affiliated debtors and debtors-in-possession (collectively, the "Debtors") commenced voluntary cases under chapter 11 of the Bankruptcy Code in this Court. The Debtors continued to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

Prior to bankruptcy, Debtor LaVie Care Centers, LLC ("LVCC") operated senior-care housing facilities, including skilled nursing facilities, in Florida and throughout the country. At its height, LVCC had approximately 200 facilities, but only 43 remained when it filed for Chapter 11. The remainder—referred to in the Complaint as the "DivestCo Facility Debtors"—were transferred to new operators prior to LaVie's bankruptcy filing. LVCC owned no real property; its primary assets were the individual facility leases and licenses that enabled a facility to bill Medicare and Medicaid and generate revenues.

On June 13, 2024, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors (the "Committee") pursuant to Bankruptcy Code section 1102(a). On November 14, 2024, the Court held a combined hearing on adequacy of the Disclosure Statement and confirmation of the Plan. On November 22, 2024, the Court issued an oral ruling confirming the Plan. On December 5, 2024, the Court entered the Confirmation Order [Docket No. 735], which

confirmed the Plan [Docket No. 730] in its entirety and approved all documents contained in the Plan Supplement.

In addition, on August 21, 2024, this Court entered the Order Approving Stipulated and Agreed to Confidentiality Agreement and Protective Order [Docket No. 334] (the "Protective Order"), which governs the treatment of confidential information produced and exchanged among the parties in these Chapter 11 Cases. The Protective Order restricts the use and disclosure of documents and information designated as confidential, and imposes obligations on receiving parties—including the GUC Trustee—to maintain the confidentiality of such materials and to seek appropriate protective measures when filing documents containing protected information with the Court.

Under the confirmed Plan, the D&O Claims—defined as any and all Claims and/or Causes of Action that are or may be covered claims under a current insurance policy of the Debtors or FC Investors XXI, LLC ("FC21") against the current and former officers and directors of the Debtors, or the current and former members of the board of FC21—were expressly assigned to the GUC Trust and may be pursued by the GUC Trustee subject to certain limitations set forth in Article VI.H of the Plan (the "D&O Claim Limitations").

Among these limitations, the Plan provides that "(1) the GUC Trust shall use best efforts to file the complaint under seal and to keep confidential all material documents in the case". The Plan further provides that "(2) the total recovery by way of settlement or judgment in all such litigation may not exceed the aggregate total amounts that may be available under any current insurance policies of the Debtors or FC21, and any award of damages (inclusive of expenses) may be pursued only against any applicable insurers". Additionally, "(3) the litigation against the D&Os shall be limited to only claims and allegations covered by the insurers and against them solely and specifically in their capacity as current or former board members, directors, employees, agents, and/or officers of the Debtors or FC21".

The Complaint alleges that the Debtors' former owners, officers, managers, and directors breached their fiduciary duties by executing a pre-bankruptcy raid of the Debtors' valuable assets.

Specifically, it alleges that from January 2020 through June 2024, Defendants siphoned almost all of the Debtors' assets while the Debtors were insolvent, leaving behind empty shell Debtors and unfairly shielding assets from creditors. The Complaint further alleges that Defendants orchestrated the divestment of over 90 facility-level senior-housing healthcare operations to insiders, former insiders, and closely related parties at valuations far below market price, depriving LaVie of fair market value consideration in arm's-length transactions. The Complaint also alleges that Defendants caused the Debtors to make improper distributions of millions of dollars to insiders or related parties under the guise of "loan repayments," siphoning still more cash for themselves.

The Complaint and its supporting exhibits contain sensitive and confidential information, including detailed descriptions of internal corporate governance documents and board resolutions, financial data regarding the Debtors' operations and asset valuations. Significantly, the factual allegations set forth in the Complaint are largely based on, and reflect the substance of, documents and information that were produced to the GUC Trustee and its predecessors pursuant to the Protective Order. These materials include internal board resolutions, corporate governance records, transaction documents, financial statements, and intercompany communications that were designated as confidential under the Protective Order. Public filing of the Complaint without sealing would effectively disclose the substance of these protected materials in violation of the GUC Trustee's obligations under the Protective Order.

III. ARGUMENT AND CITATIONS OF AUTHORITY

The GUC Trustee's request to seal rests on three independent but reinforcing bases: (A) the mandatory "best efforts" sealing obligation imposed by Article VI.H of the Plan, as incorporated into and confirmed by the Confirmation Order; (B) the GUC Trustee's obligations under the Protective Order to maintain the confidentiality of protected materials that form the factual foundation of the Complaint; and (C) the independent good-cause standard applicable to sealing motions in this Circuit.

A. The Plan and Confirmation Order Require Best Efforts to File Under Seal

The GUC Trustee's obligation to seek the sealing of the Complaint and material documents arises directly from the Plan, which this Court confirmed and which is binding on all parties in interest. Article VI.H of the Plan expressly provides that "the GUC Trust shall use best efforts to file the complaint under seal and to keep confidential all material documents in the case." This provision was an integral component of the D&O Claims assignment, negotiated at arm's length among the Debtors, the Committee, the Plan Sponsor, and other major stakeholders as part of the comprehensive Plan settlement. The Confirmation Order confirms the Plan in its entirety, approves all documents contained in the Plan Supplement, and provides that the terms of the Plan "are incorporated by reference into and are an integral part of this Confirmation Order" [Docket No. 735, ¶ 5]. The Plan and Confirmation Order are binding on all parties in interest. Accordingly, the sealing requirement in Article VI.H constitutes a binding obligation enforceable by the Court, and this Motion fulfills that obligation.

B. The Protective Order Requires Confidential Treatment of Source Materials

Sealing is independently warranted to comply with the GUC Trustee's obligations under the Protective Order [Docket No. 334]. The factual allegations in the Complaint are largely derived from documents and information produced pursuant to the Protective Order, including internal board resolutions, corporate governance records, transaction documents, financial data, and intercompany communications—all of which were designated as confidential. The Protective Order restricts the disclosure and use of such materials and requires parties to seek appropriate protective measures when filing documents containing protected information with the Court. See, Docket No. 334, at par. 15, p. 8. Filing the Complaint on the public docket without sealing would effectively disclose the substance of these protected materials, in contravention of the GUC Trustee's confidentiality obligations. This Motion is therefore necessary to ensure compliance with the Protective Order.

C. Good Cause Independently Supports Sealing

Independent of the Plan and Protective Order requirements, good cause exists to seal the Complaint and its exhibits. This Court has discretion to enter orders to protect sensitive information or information that would otherwise result in harm from public disclosure where the moving party has shown good cause. "Such good cause is established by the moving party when disclosure will cause the party to suffer a clearly defined and serious injury." *D. H. Pace Co., Inc. v. Aaron Overhead Door Atlanta LLC*, 2019 WL 12536142, at *1 (N.D. Ga. Sept. 9, 2019) (internal quotations omitted). "[A] showing of good cause[] requires 'balanc[ing] the asserted right of access against the other party's interest in keeping the information confidential.'" *Romero v. Drummond Co., Inc.*, 480 F.3d 1234, 1246 (11th Cir. 2007).

In making its determination of good cause, courts consider "whether allowing access would impair court functions or harm legitimate privacy interests, the degree of and likelihood of injury if made public, the reliability of the information, whether there will be an opportunity to respond to the information, whether the information concerns public officials or public concerns, and the availability of a less onerous alternative to sealing the documents". *D. H. Pace*, 2019 WL 12536142, at *2 (quoting *Romero*, 480 F.3d at 1246). Such a showing of good cause furthers the "common-law right of access to judicial proceedings," while allowing for the reality that "[t]his right of access is not absolute." *Romero*, 480 F.3d at 1245.

Courts have found that harm caused by public disclosure exists when the material contains commercially sensitive business information. *See Smart Profitability Sols., LLC v. Double Check Risk Sols., LLC*, 2018 WL 6380886, at *18 (N.D. Ga. Aug. 2, 2018) (sealing customer names and information on documents filed in support of motion to extend temporary restraining order and for preliminary injunction).

Here, the balance of interests weighs strongly in favor of sealing the Complaint and its exhibits. First, as set forth in Section A above, the GUC Trustee is required by the confirmed Plan and the Confirmation Order to use best efforts to file the Complaint under seal. Failure to seek

sealing could constitute a breach of the Plan's terms and jeopardize the GUC Trust's authority to pursue the D&O Claims.

Second, as set forth in Section B above, the Complaint's factual allegations are substantially derived from materials produced under the Protective Order, and public disclosure would violate the GUC Trustee's confidentiality obligations under that order.

Third, the public's interest in access to the proceedings will not be materially impaired by sealing at this stage of the litigation. Even with the Complaint sealed, the docket will reflect the existence and nature of this adversary proceeding, and the parties' filings in due course will be publicly accessible to the extent they do not contain the specific confidential information at issue.

Last, no less onerous alternative to sealing exists that would adequately protect the interests at stake. Given the confirmed Plan's and Confirmation Order's explicit directive, the GUC Trustee's obligations under the Protective Order, and the pervasive nature of the confidential and protected information throughout the Complaint and its supporting documents, redaction alone would be insufficient to protect the GUC Trust's interests, comply with the Protective Order, and would render the filings unintelligible.

IV. CONCLUSION

For the foregoing reasons, the GUC Trustee respectfully requests that the Court grant this Motion for Leave to File Adversary Complaint and Supporting Documents Under Seal and enter the attached Proposed Order permitting the GUC Trustee to file the Complaint and all supporting exhibits under seal in the forthcoming adversary proceeding.

Respectfully submitted,

Ryniker Consultants, LLC, Trustee for the Official Committee of Unsecured Creditors of LaVie Care Centers, LLC, et al.

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CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of May, 2026, I electronically filed the foregoing *GUC TRUSTEE'S MOTION FOR LEAVE TO FILE ADVERSARY COMPLAINT AND SUPPORTING DOCUMENTS UNDER SEAL* with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all parties who have entered an appearance in the action and who are registered to receive electronic notice.

/s/ Alan Dabdoub
Alan Dabdoub

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
LAVIE CARE CENTERS, LLC, *et al.*[1]	)	Case No. 24-55507-PMB
Debtors.	)	(Jointly Administered)

ORDER GRANTING GUC TRUSTEE'S MOTION FOR LEAVE TO FILE ADVERSARY COMPLAINT AND SUPPORTING DOCUMENTS UNDER SEAL

THIS COURT, having reviewed and considered the GUC Trustee's Motion for Leave to File Adversary Complaint and Supporting Documents Under Seal (the "Motion to Seal"), and all evidence in the record, including (a) the provisions of the Debtors' Modified Second Amended

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Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization [Docket No. 730] (the "Plan"), as confirmed by the Findings of Fact, Conclusions of Law, and Order Approving on Final Basis and Confirming Debtors' Modified Second Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization entered by this Court on December 5, 2024 [Docket No. 735] (the "Confirmation Order"), and (b) the Order Approving Stipulated and Agreed to Confidentiality Agreement and Protective Order [Docket No. 334] (the "Protective Order"), and good cause appearing therefor, it is hereby:

ORDERED that the Motion to Seal is **GRANTED**;

ORDERED that the GUC Trustee is permitted to file under seal the following documents:

1. The Adversary Complaint and all exhibits attached thereto; and
2. Any other documents filed in support of or in connection with the Adversary Complaint that contain confidential information, including but not limited to valuation analyses, internal corporate documents, and any documents or information produced or obtained pursuant to the Protective Order;

ORDERED that the sealed documents shall be accessible only to the Court, the parties to this adversary proceeding and their counsel of record, and such other persons as the Court may authorize upon application;

ORDERED that any party seeking to unseal or obtain access to the sealed documents shall file a motion with this Court on notice to all parties, and the Court shall determine whether good cause exists for continued sealing or whether the documents or portions thereof should be unsealed;

ORDERED that nothing in this Order shall preclude any party from seeking modification or dissolution of this sealing order upon a showing of changed circumstances or other good cause; and

ORDERED that this Order is consistent with and implements the requirements of Article VI.H of the Plan, as confirmed by the Confirmation Order, which provides that "the GUC Trust

shall use best efforts to file the complaint under seal and to keep confidential all material documents in the case"; and

END OF DOCUMENT

Ryniker Consultants, LLC, Trustee for the Official Committee of Unsecured Creditors of LaVie Care Centers, LLC, et al.

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