

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

<i>In re</i>	:	
	:	Chapter 11
	:	
GULF COAST HEALTH CARE, LLC,	:	Case No. 21-11336 (KBO)
<i>et al.</i> , <sup>1</sup>	:	(Jointly Administered)
	:	
Debtors.	:	<b>Re: D.I. 106, 109</b>
	:	
	:	<b>Hearing Date: November 12, 2021 at 10:00 A.M.</b>
	:	<b>ET</b>

**LIMITED OBJECTION OF THE UNITED STATES TRUSTEE TO THE:**

**MOTION OF DEBTORS FOR ENTRY OF ORDER (I) EXTENDING TIME TO FILE  
SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL  
AFFAIRS AND (II) GRANTING RELATED RELIEF; AND**

**MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT  
TO BANKRUPTCY CODE SECTIONS 105(a), 501, 502, 503, AND  
1111(a), BANKRUPTCY RULES 2002 AND 3003(c)(3), AND LOCAL  
RULES 1009-2 AND 2002-1(e) (I) ESTABLISHING BAR DATES FOR  
FILING CLAIMS AGAINST THE DEBTORS AND (II) APPROVING  
FORM AND MANNER OF NOTICE THEREOF**

In support of his limited objection in response to the above-captioned debtors' and debtors' in possession (the "Debtors") (a) motion for entry of an order (i) extending the time to file schedules of assets and liabilities and Statements of Financial Affairs and (ii) granting related relief [D.I. 106] (the "Schedules Extension Motion"); and (b) motion for entry of an order pursuant to Bankruptcy Code sections 105(a), 501, 502, 503 and 1111(a), Bankruptcy Rules 2002 and 3003(c)(3), and Local Rules 1009-2 and 2002-1(e) (i) establishing bar dates for filing claims

---

<sup>1</sup> The last four digits of Gulf Coast Health Care, LLC's federal tax identification number are 9281. There are 62 Debtors in these chapter 11 cases, which cases 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://dm.epiq11.com/GulfCoastHealthCare>. The location of Gulf Coast Health Care, LLC's corporate headquarters and the Debtors' service address is 40 South Palafox Place, Suite 400, Pensacola, FL 32502.

against the Debtors and (ii) approving the form and manner of notice thereof [D.I. 109] (the “Bar Date Motion” and, together with the Schedules Extension Motion, the “Motions”), Andrew R. Vara, United States Trustee for Region Three (“U.S. Trustee”), through his counsel, avers:

### **INTRODUCTION**

1. This Court has jurisdiction over the above-captioned cases pursuant to 28 U.S.C. § 1334. This Court is authorized to hear and determine the Motions pursuant to 28 U.S.C. § 157(a, b), and the amended standing order of reference issued by the United States District Court for the District of Delaware dated February 29, 2012. Venue of the cases is proper in this District pursuant to 28 U.S.C. § 1408(1).

2. Under 28 U.S.C. § 586, the U.S. Trustee is generally charged with monitoring the federal bankruptcy system. *See United States Trustee v. Columbia Gas Sys., Inc. (In re Columbia Gas Sys., Inc.)*, 33 F.3d 294, 295-96 (3d Cir. 1994) (noting that U.S. Trustee has “public interest standing” under 11 U.S.C. § 307 which goes beyond mere pecuniary interest); *Morgenstern v. Revco D.S., Inc. (In re Revco D.S., Inc.)*, 898 F.2d 498, 500 (6<sup>th</sup> Cir. 1990) (describing the U.S. Trustee as a “watchdog”). Specifically, the U.S. Trustee is charged with “monitoring the progress of cases under title 11 and taking such actions as the United States trustee deems to be appropriate to prevent undue delay in such progress.” 28 U.S.C. § 586(a)(3)(G).

3. The U.S. Trustee has standing to be heard with respect to the Motions pursuant to 11 U.S.C. § 307.

### **GROUND/BASIS FOR RELIEF**

4. The filing of the Debtors’ liability schedules is an integral part of providing sufficient notice to pre-petition creditors of the Debtors’ bar dates under the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rule[s]”). The Debtors effectively propose to shorten the

notice period for filing proofs of claim – in contravention of Bankruptcy Rules 3003(c), 2007(a)(7) and 9006(c) – by filing their liability schedules *after* notice of the claims bar date is sent and providing creditors with ten (10) days’ – or, depending on whether they need more time to complete the task of filing those documents, perhaps no -- notice of what the Debtors believe the amount of the creditors’ claims are and whether such claims are contingent, unliquidated and/or disputed. Furthermore, the proposed timetable eliminates any opportunity of parties in interest to review the filed schedules to ensure that they have been prepared in good faith and to object to the proposed bar date if circumstances warrant.

5. Bankruptcy Rule 3003(c)(2, 3) provides the following with respect to the filing of proofs of claim:

(2) *Who Must File.* Any creditor or equity security holder whose claim or interest is not scheduled or scheduled as disputed, contingent, or unliquidated shall file a proof of claim or interest within the time prescribed by subdivision (c)(3) of this rule; any creditor who fails to do so shall not be treated as a creditor with respect to such claim for the purposes of voting and distribution.

(3) *Time for Filing.* The court shall fix and for cause shown may extend the time within which proofs of claim or interest may be filed. Notwithstanding the expiration of such time, a proof of claim may be filed to the extent and under the conditions stated in Rule 3002(c)(2), (c)(3), (c)(4), and (c)(6).

In short, Bankruptcy Rule 3003(c)(2, 3) contemplates that the Debtors’ liability schedules will have been filed prior to issuance of notice of a claims bar date.

6. Bankruptcy Rule 2002(a)(7) requires at least 21 days’ notice of “the time fixed for filing proofs of claims pursuant to [Bankruptcy] Rule 3003(c).” Bankruptcy Rule 9006(c) prevents this Court from shortening the 21-day notice period under Bankruptcy Rule 2002(a)(7).

7. Pursuant to the Schedules Extension Motion, the Debtors seek an extension of the deadline to file liability schedules through and including November 30, 2021, without prejudice to their rights to seek a further extension. Schedules Extension Mot. Ex. A (Proposed Order) ¶¶ 2, 3.

Under the Bar Date Motion, the Debtors seek to set a general bar date of December 10, 2021. Bar Date Mot. ¶ 1(a). Therefore, creditors are forced to wait until November 30, 2021 to determine whether they are obligated to file a proof of claim. Further, the Debtors seek to reserve the right to file their liability schedules *after* the proposed general bar date, potentially depriving creditors of notice of what the Debtors' books and records provide with respect to the amount and classification of their respective claims and, by extension, forcing each and every creditor to file a proof of claim.

8. Simply put, the Debtors' proposal is inconsistent with proper notice under the Bankruptcy Rules. This Court should permit the Debtors to send notice of a bar date which is at least twenty-one days after the date on which the liability schedules have been filed and parties in interest have had 2 – 3 days to review same (with their rights to seek relief from this Court being fully reserved) prior to the mailing of notice.

**CONCLUSION**

WHEREFORE the U.S. Trustee respectfully requests that this Court enter orders granting relief consistent with this limited objection.

Dated: November 8, 2021  
Wilmington, Delaware

Respectfully submitted,

**ANDREW R. VARA**  
**UNITED STATES TRUSTEE,**  
**REGIONS 3 and 9**

By: /s/ Joseph J. McMahon, Jr.  
Joseph J. McMahon, Jr.  
Trial Attorney  
Joseph F. Cudia  
Trial Attorney  
United States Department of Justice  
Office of the United States Trustee  
J. Caleb Boggs Federal Building  
844 King Street, Suite 2207, Lockbox 35  
Wilmington, DE 19801  
(302) 573-6491 (Phone)  
(302) 573-6497 (Fax)  
[joseph.mcmahon@usdoj.gov](mailto:joseph.mcmahon@usdoj.gov)  
[joseph.cudia@usdoj.gov](mailto:joseph.cudia@usdoj.gov)