

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

In re:) Chapter 11
)
) Case No. 21-11336 (KBO)
GULF COAST HEALTH CARE, LLC, *et al.*,¹)
) (Jointly Administered)
)
Debtors.)
)

**MOTION FOR LEAVE TO FILE SUPPLEMENT TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OBJECTIONS TO THE DIP AND MOTA MOTIONS**

The Official Committee of Unsecured Creditors (the “Committee”) of Gulf Coast Health Care, LLC and its affiliated debtors and debtors-in-possession (the “Debtors”) hereby files this motion (the “Motion for Leave”) for entry of an order, substantially in the form attached hereto as **Exhibit 1** (the “Proposed Order”), granting the Committee leave to file the *Supplement to the Official Committee of Unsecured Creditors Objections to the DIP and MOTA Motions* (the “Supplement”), a copy of which is attached hereto as **Exhibit 2**. In support of the Motion for Leave, the Committee respectfully states as follows:

Jurisdiction and Venue

1. The Court has 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 February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Committee confirms its consent pursuant to Rule 9013-1(f) of

1 There are 62 Debtors in these chapter 11 cases (the “Chapter 11 Cases”). A complete list of the Debtors and
the last four digits of their federal tax identification numbers can be found on the website of the Debtors’ claims and
noticing agent at <https://dm.epiq11.com/GulfCoastHealthCare>. The Debtors’ corporate headquarters and service
address is 9511 Holsberry Lane, Suite B11, Pensacola, FL 32534.

the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware to the entry of a final order by the Court in connection with this Motion for Leave 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.

General Background

2. On October 14, 2021, the Debtors filed the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (Docket No. 14) (the “DIP Motion”).

3. On November 3, 2021, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Authorizing Transfer of the Management, Operations, and Related Assets of the Omega Facilities Free and Clear of All Liens, Claims, Encumbrances, and Interests; (II) Approving Procedures for the Debtors’ Future Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (III) Approving Rejection and Termination of the Master Lease, and the Allowance of the Omega Rejection Damages Claim in Connection Therewith; (IV) Approving Form of Management and Operations Transfer Agreement; and (V) Granting Related Relief* (Docket No. 166) (the “MOTA Motion”).

4. In response, the Committee filed the *Omnibus Objection of the Official Committee of Unsecured Creditors to the Debtors’ DIP Financing and RSA Motions* (Docket No. 226) (the “DIP/RSA Objection”) on November 11, 2021 and the *Objection of the Official Committee*

of Unsecured Creditors to the Debtors' MOTA Motion (Docket No. 273) (the "MOTA Objection") on November 17, 2021.

5. On November 21, 2021, the Debtors filed their reply in support of the DIP Motion and the MOTA Motion (Docket No. 316).

Discovery

6. On November 4, 2021, the Committee served its first set of document requests to the Debtors (the "First RFP"). On November 11, 2021, the Debtors served their responses and objections to the First RFP. On November 15, 2021, the Committee served its second set of document requests to the Debtors.

7. The Debtors have been producing documents to the Committee on a rolling basis.

8. By agreement, on November 19, 2021, the Committee deposed the Debtors' Chief Restructuring Officer Ben Jones.

Relief Requested and Basis Therefor

9. Although the Debtors' responses to discovery have been limited to date,² the Committee has nevertheless learned certain information critical for the Court to consider in connection with the DIP Motion and MOTA Motion. As provided in further detail in the Supplement, this newly learned information relates to substantial payments made to insider "service providers," the Debtors' lack of an investigation into potentially valuable claims against certain insiders, further issues related to the DIP Facility, and an alternative to the Chapter 11 Cases. The Committee believes that these issues are central to the Court's determinations on the DIP Motion and MOTA Motion, and that the Supplement is both brief and appropriately tailored to provide the Court aid in adjudicating the controversies before it.

² The Committee has sent a "meet and confer" letter to the Debtors regarding their responses to the document requests.

Conclusion

WHEREFORE, for the reasons set forth herein, the Committee respectfully requests that this Court (i) grant the Motion for Leave and (ii) grant such other and further relief as the Court deems just and equitable.

Dated: November 22, 2021

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