

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF LOUISIANA**

In re:	)	CHAPTER 11
	)	
LMCHH PCP, LLC, <sup>1</sup>	)	Case No. 17-10353
	)	(Jointly Administered)
Debtors.	)	
_____	)	SECTION B

**MOTION FOR AN ORDER AUTHORIZING FINAL  
DISTRIBUTION TO HOLDERS OF ALLOWED CLASS 5 CCG UNSECURED CLAIM  
AND CLASS 7 GENERAL UNSECURED CLAIMS UNDER THE CONFIRMED PLAN**

NOW INTO COURT, through undersigned counsel, comes Clifford Zucker, the Plan Administrator appointed under the *Debtors’ Joint Chapter 11 Plan of Reorganization as of November 29, 2017* [Dkt. No. 470, 512, 527] (the “Plan”)<sup>2</sup> in the Chapter 11 Bankruptcy cases of LMCHH PCP, LLC and Louisiana Medical Center and Heart Hospital, LLC, (collectively, the “Debtors”), who moves the Bankruptcy Court for entry of an order authorizing final distributions to the holders of the Allowed Class 5 CCG Unsecured Claim and Class 7 General Unsecured Claims under the Plan in accordance with the distribution spreadsheet attached hereto as Exhibit “A” (“Distribution Spreadsheet”), and in support thereof shows as follows:

**Jurisdiction and Venue**

1. Pursuant to 28 U.S.C. § § 157(b) and 1334, and Sections 105 and 1142 of the Bankruptcy Code, this Court has jurisdiction (i) to hear and determine this Motion, and (ii) over the persons and property affected hereby.

<sup>1</sup> The Debtors in these cases are LMCHH PCP, LLC (Bankr. Case No. 17-10353 -JAB) and Louisiana Medical Center and Heart Hospital, LLC (Case No. 17-10354 -JAB)). The last four digits of the taxpayer identification numbers for each of the Debtors follow in parenthesis: (i) LMCHH PCP LLC (8569); and (ii) Louisiana Medical Center and Heart Hospital, LLC (7298). The mailing address for the Debtors is 64030 Highway 434, Lacombe, LA 70445.

<sup>2</sup> Capitalized terms not defined herein are as defined in the Plan.

2. The subject matter of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. Venue of this proceeding and jurisdiction is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

**Facts and Procedural History**

4. On January 30, 2017, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

5. On October 2, 2017, this Court entered an order [Dkt No. 566] confirming the Plan. The Plan became effective on November 1, 2017. *See*, Dkt No. 608.

6. In accordance with Section 5.6 of the Plan, Clifford A. Zucker was appointed the Plan Administrator.

7. Sections 3.2(e) and (g) of the Plan provides, in part, the following treatment for the holders of Claims in Classes 5 (CCG Unsecured Claim) and 7 (General Unsecured Claims):

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(e) Class 5: CCG Unsecured Claim. In full satisfaction, release, discharge of and in exchange for the CCG Unsecured Claim, the Holder of the Allowed CCG Unsecured Claim, as of the Effective Date, shall receive a Pro Rata Unsecured Distribution based on a compromise and settlement wherein CCG and the Plan Proponents agree that, for purposes of this Plan, CCG holds an Allowed Claim in the amount of \$175,592,443.00 (the “CCG Unsecured Claim”).

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(g) Class 7: General Unsecured Claims. In full satisfaction, release, discharge of and in exchange for each General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata Unsecured Distribution on the later to occur of (x) the Effective Date or (y) the Allowance of such Class 7 General Unsecured Claim pursuant to Section 6.5 of the Plan....

8. Section 1.80 defines “Pro Rata Unsecured Distribution” as

(a) with respect to the CCG Unsecured Claim, 50% of any Unsecured Distribution<sup>3</sup> and (b) with respect to a Claim in Classes 6, and 7, a Pro Rata proportion of 50% of any Unsecured Distribution that the particular Claim bears to the Total Allowed Unsecured Claims in such Classes.<sup>4</sup>

9. Upon his appointment, the Plan Administrator held \$15,605,065 in Cash.

10. Class 6 consisted of Unsecured Employee Claims. After the Effective Date of the Plan, on August 6, 2018, the Court entered a *Stipulated Order* [Dkt. No. 875], pursuant to which the Court approved a settlement with the remaining employees with WARN Act claims who did not originally settle with the Debtors. On or about August 8, 2018, these “Settling Employees” as that term is defined in the Stipulated Order were paid \$380,577. Upon entry of the Stipulated Order and payment to those “Settling Employees”, there were no remaining Class 6 Unsecured Employee Claims. Therefore, no distributions are owed to any holder of a Class 6 Claim.

11. On September 6, 2018, the Court entered an order [Dkt. No. 939], approving a Settlement Agreement between the Plan Administrator, First Financial Corporate Leasing, LLC (“First Financial”), Cardiovascular Care Group, Inc. (“CCG”), CCG of Louisiana, LLC (“CCG LA”) and MedCare Investment Fund V, LP. Pursuant to the Settlement Agreement, on or about September 14, 2018, the Plan Administrator paid First Financial \$450,000, which sum was credited against and allocated to the distribution otherwise payable to CCG. Additionally, the aggregate distribution to CCG and CCG La in connection with the Class 5 CCG Unsecured Claim is reduced by \$50,000. Finally, CCG and CCG La agreed to assign 20% of any

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<sup>3</sup> “Unsecured Distribution” is defined as “the total amount available for Distribution to Holders of Claims in Classes 5, 6, and 7.” See, Plan, Section 1.98. “Distribution” is defined as “a distribution of the Debtors’ Cash to the Record Holders of Allowed Claims, as set forth in Article VI of the Plan.” *Id.* at Section 1.30.

<sup>4</sup> As discussed herein, the “Pro Rata Distribution” to CCG and CCG LA on account of their Class 5 CCG Unsecured Claim changed due to the settlement with First Financial and there are no remaining Class 6 Unsecured Employee Claims on account of the “Settling Employees” settlement with the Debtors.

Distribution they are entitled to on account of their Class 5 CCG Unsecured Claim above \$1,450,000 but that assignment terminates if those funds plus the \$450,000 payment equals the amount of First Financial's claims which total \$2,496,879.40.

12. On or about October 18, 2018, the holders of the Class 5 CCG Unsecured Claim received \$1,450,000 which included \$450,000 paid to First Financial on behalf of CCG in accordance with the above-described Settlement Agreement. On or about June 23, 2020, the Plan Administrator made a second interim distribution to the holders of the Class 5 CCG Unsecured Claim in the amount of \$1,000,000 which included \$200,000 paid to First Financial on behalf of CCG in accordance with the above-described Settlement Agreement.

13. On May 21, 2019, the Plan Administrator filed a *Notice to Claimants of Plan Administrator's Intent to Make Initial Distribution to Holders of Allowed Unsecured Claims and List of Holders of Undeliverable Distributions* [Dkt. No. 1170], advising his intent to make an interim distribution and providing notice to certain holders of Class 7 General Unsecured Claims who failed to submit an IRS Form W-9 that unless they provided the required form, their Claims would be treated as "undeliverable Distributions".

14. Soon thereafter, on or about May 15, 2019, the Plan Administrator made an interim distribution to Class 7 (except those treated as "undeliverable Distributions"). The Plan Administrator made an interim distribution to the holders of Class 7 Claims in the amount of \$1,445,036. The Plan Administrator reserved \$17,912 from the first interim distribution for certain claims and those funds will be paid as part of the final Distribution.

15. Since that time, the Plan Administrator has resolved his objections to proofs of claim and prosecution of all Causes of Action, including causes of action under Chapter 5 of the Bankruptcy Code. The Plan Administrator recovered \$959,783 in connection with those Causes

of Action. The Plan Administrator has also settled certain claims it held against third parties, recovering an additional \$309,623.

16. Since the Effective Date the Plan Administrator has paid administrative, priority and secured claims totaling \$1,724,019 and \$3,845,751 for WARN Act related claims and legal fees.<sup>5</sup>

17. Taking into account the foregoing and the expenses and fees of the Plan Administrator and his counsel, the Plan Administrator has \$2,956,863 available for final distribution to holders of Allowed Classes 5 and 7 Claims.

18. In total, the Plan Administrator held \$6,869,811 to distribute to holders of Allowed Class 5 and Class 7 Claims. In accordance with the Plan, the holders of the Class 5 CCG Unsecured Claim are entitled to approximately 50%, or \$3,384,905, as adjusted per the Settlement Agreement with First Financial. Since the holders of the Class 5 CCG Unsecured Claim have already received \$2,450,000, they are entitled to \$934,905 of the final distribution and \$186,981 of that amount is to be paid to First Financial under the Settlement Agreement.<sup>6</sup> Holders of Claims in Class 7 are entitled to \$2,021,957 of the final distribution

19. Attached hereto as Exhibit A is a breakdown of the Cash and how it will be distributed. Additionally, the Plan Administrator is prepared to make a final distribution in accordance with the Plan and the Distribution Spreadsheet attached hereto as Exhibit B which identifies the Allowed amount of all Unsecured Claims.

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<sup>5</sup> The Plan Administrator has reserved funds for United States Trustee fees.

<sup>6</sup> Baker Donelson has obtained a judgment against CCG and therefore, any amounts owed to CCG shall be placed into the registry of the state court until the parties reach a resolution or the state court determines if the Distribution to CCG should instead be turned over to Baker Donelson.

20. To the extent any Cash remains following the payment of the final Distribution and wind down fees and expenses, the remaining Cash will be treated in accordance with Section 6.8 of the Plan which provides:

If after making the Final Distribution, and after payment of all fees and expenses, including all outstanding U.S. Trustee fees, the Estate has any remaining Cash, and the amount of such Cash is less than \$50,000, fifty percent (50%) of such Cash shall be donated to a charity of the Plan Administrator's choosing while CCG shall be entitled to receive of the other fifty percent (50%) of such cash its distribution unless such sum is less than \$1,000.00 in which case it will be donated to a charity of the Plan Administrator's choosing.

### **Relief Requested**

21. By this Motion, the Plan Administrator requests entry of an order authorizing him to make a final distribution of the remaining Unsecured Distribution in the amount of \$2,956,863 in accordance with the Plan and the Distribution Spreadsheet.

### **Law and Argument**

22. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that: "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

23. Section 1142 of the Bankruptcy Code provides, in part:

(a) Notwithstanding any otherwise applicable nonbankruptcy law, rule, or regulation relating to financial condition, the debtor and any entity organized or to be organized for the purpose of carrying out the plan shall carry out the plan and shall comply with any orders of the court.

(b) The court may direct the debtor...to perform any other act, including the satisfaction of any lien, that is necessary for the consummation of the plan.

11 U.S.C. §1142.

24. Under the Plan, the Court retained jurisdiction to "ensure that Distributions to Holders of Allowed Claims are accomplished as provided in this Plan." See Plan, Section 10.1(d).

25. The Distribution Spreadsheet identifies the Allowed amount of all Unsecured Claims. The Distribution Spreadsheet further identifies the amounts that each holder of an Allowed Unsecured Claim (a) received in the interim distribution and (b) is entitled to receive under the Plan for this final distribution. **IF A HOLDER OF AN ALLOWED CLAIM DISPUTES THE AMOUNT SET FORTH IN THE DISTRIBUTION SPREADSHEET, THE CLAIMANT SHOULD FILE AN OBJECTION TO THE MOTION.**

**WHEREFORE**, the Plan Administrator respectfully requests that the Court enter an order authorizing the Plan Administrator to make a final distribution of the remaining Unsecured Distribution in the amount of \$2,956,863 in accordance with the Plan and the Distribution Spreadsheet, and such other and further relief as is just and equitable.

**Dated: November 29, 2021**

Respectfully submitted,

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