

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

In re:)	Chapter 11
)	
GULF COAST HEALTH CARE, LLC, <i>et al.</i> , ¹)	Case No. 21-11336 (KBO)
)	
Debtors.)	Jointly Administered
)	
)	Related Docket No. 492
)	

**MOTION OF DEBTORS FOR ENTRY OF
ORDER (I) SHORTENING NOTICE PERIOD FOR ZURICH
ACCOMMODATIONS MOTION AND (II) GRANTING RELATED RELIEF**

Gulf Coast Health Care, LLC (“**Gulf Coast**”) and certain of its affiliates and subsidiaries, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), hereby move (the “**Motion**”) for entry of an order substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), granting the relief described below. In support of the Motion, the Debtors respectfully represent as follows:

RELIEF REQUESTED

1. By the Motion, the Debtors respectfully request entry of the Proposed Order (i) shortening by three days the 21-day period for notice with respect to the hearing on the Zurich Accommodations Motion (as defined herein); (ii) setting December 20, 2021 at 3:00 p.m. (ET) as the hearing (the “**Hearing**”) to consider the relief requested in the Zurich Accommodations Motion; and (iii) setting December 13, 2021 at 4:00 p.m. (ET) as the deadline to file responses and objections, if any, to the Zurich Accommodations Motion.

1 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 9511 Holsberry Lane, Suite B11, Pensacola, FL 32534.

JURISDICTION AND VENUE

2. The Court has jurisdiction to consider the Motion 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 is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The legal predicates for the relief requested herein are section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 9006(c)(1) 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**”).

4. The Debtors confirm their consent, pursuant to Local Rule 9013-1(f), to the entry of a final order by the Court in connection with the Motion in the event 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.

BACKGROUND

I. The Chapter 11 Cases

5. On October 14, 2021 (the “**Petition Date**”), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Chapter 11 Cases are being jointly administered.

6. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

7. On October 25, 2021, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed an Official Committee of Unsecured Creditors in the Chapter 11 Cases (the “**Committee**”) pursuant to Bankruptcy Code section 1102(a) [Docket No. 111]. No trustee or examiner has been appointed in the Chapter 11 Cases.

8. Additional information regarding the Debtors and these Chapter 11 Cases, including the Debtors’ business operations, capital structure, financial condition, and the reasons for and objectives of these Chapter 11 Cases, is set forth in the *Declaration of M. Benjamin Jones in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 16] (the “**First Day Declaration**”).

9. On December 2, 2021, the Debtors filed the *Motion of Debtors for Entry of Order Pursuant to Bankruptcy Code Sections 105(a) and 363(b) and Bankruptcy Rule 6004 Approving Certain Accommodations Required by Zurich American Insurance Company in Connection with Renewal of Certain Insurance Policies* [Docket No. 492] (the “**Zurich Accommodations Motion**”).²

BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY

10. Bankruptcy Rule 2002(a)(2) requires twenty-one (21) days’ notice be provided for “a proposed use, sale, or lease of property of the estate other than in the ordinary course of business . . .” Fed. R. Bankr. P. 2002(a)(2). Additionally, Local Rule 9006-1(c)(ii) requires that, “[w]here a motion is filed and served in accordance with Local Rule 9006-1(c)(i) less than twenty-one days prior to the hearing date, the deadline for objection(s) shall be seven (7) days before the hearing date” and, “[t]o the extent a motion is filed and served . . . at least twenty-one (21) days prior to the hearing date . . . the movant may establish any objection deadline that is no

² Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the Zurich Accommodations Motion.

earlier than fourteen (14) days after the date of service and no later than seven (7) days before the hearing date.” Del. Bankr. L.R. 9006-1(c)(ii). However, Bankruptcy Rule 9006(c)(1) and Local Rule 9006-1(e) provide that the Bankruptcy Court may shorten the time periods established by the Local Rules or the Bankruptcy Rules “for cause shown” or for “exigencies justifying shortened notice.” Fed. R. Bankr. P. 9006(c); Del. Bankr. L.R. 9006-1(e).

11. The Debtors respectfully submit that sufficient cause exists here to shorten the notice period with respect to the Zurich Accommodations Motion and that shortening such period is in the best interests of the Debtors’ estates, their creditors, and all parties-in-interest. As set forth in the Zurich Accommodations Motion, the Debtors’ workers’ compensation and automobile liability policies (together, the “**Policies**”) require annual renewal and currently are set to expire on December 31, 2021. The Debtors believe that uninterrupted coverage with respect to the Policies is necessary to comply with applicable law and the U.S. Trustee Guidelines as well as to ensure the continued operation of the Debtors’ business during the pendency of the Chapter 11 Cases. However, Zurich has agreed to renew the Policies *only* if the Debtors accept, and if this Court approves, certain accommodations (the “**Accommodations**”) relating to Zurich’s administration of the Policies. Because Zurich has indicated that it is unwilling to renew the Policies without the approval of the Accommodations, and there are unlikely to be other insurance options available to the Debtors prior to the Policies’ expiration on December 31, 2021, the Debtors submit that the Zurich Accommodations Motion must be heard as soon as possible to ensure the timely renewal of the Policies and uninterrupted coverage for the Debtors. The Court already has reserved time for the Hearing and the Debtors submit that no party will be unfairly prejudiced by the relief sought in the Motion. For the foregoing reasons,

the Debtors respectfully submit that allowing the Zurich Accommodations Motion to be considered on shortened notice is reasonable and appropriate under the circumstances.

COMPLIANCE WITH LOCAL RULE 9006-1(e)

12. Consistent with its obligations under Local Rule 9006-1(e), the Debtors have notified the U.S. Trustee and counsel to the Committee via e-mail of the relief requested in the Motion, and neither party is taking a position with respect to the Motion.

NOTICE

13. The Debtors will provide notice of the Motion to: (a) the U.S. Trustee; (b) counsel to the Committee; (c) the Internal Revenue Service; (d) the Securities and Exchange Commission; (e) the United States Attorney for the District of Delaware; (f) the Centers for Medicare & Medicaid Services; (g) counsel for the Omega Entities; (h) counsel for New Ark Capital, LLC; (i) counsel for Barrow Street Capital LLC and its affiliates; (j) counsel for Eagle Arc Partners LLC (f/k/a BM Eagle Holdings); (k) Zurich; and (l) all parties entitled to notice pursuant to Local Rule 2002-1(b). The Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

14. No previous request for the relief sought herein has been made to this or any other court.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: Wilmington, Delaware
December 2, 2021

MCDERMOTT WILL & EMERY LLP

/s/ David R. Hurst

David R. Hurst (I.D. No. 3743)
1007 North Orange Street, 10th Floor
Wilmington, Delaware 19801
Telephone: (302) 485-3900
Facsimile: (302) 351-8711
Email: dhurst@mwe.com

- and -

Daniel M. Simon (admitted *pro hac vice*)
Emily C. Keil (admitted *pro hac vice*)
444 West Lake Street, Suite 4000
Chicago, Illinois 60606
Telephone: (312) 372-2000
Facsimile: (312) 984-7700
Email: dmsimon@mwe.com
ekeil@mwe.com

Counsel for Debtors and Debtors-in-Possession