

UNITED STATES BANKRUPTCY COURT  
THE DISTRICT OF NEW HAMPSH

In Re. HGRL

§  
§  
§  
§Case No. 20-10892Debtor(s)☐ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 10/31/2021Petition Date: 10/19/2020Months Pending: 13Industry Classification: 

6	2	2	1
---	---	---	---

Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0**Supporting Documentation** (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☐ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☒ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☒ Description of the assets sold or transferred and the terms of the sale or transfer

Cynthia Baron

Signature of Responsible Party

11/18/2021

Date

Cynthia Baron

Printed Name of Responsible Party

80 Highland St, Laconia, NH 03246

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Debtor's Name HGRL

Case No. 20-10892

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$12,712,824	
b. Total receipts (net of transfers between accounts)	\$163,281	\$163,281
c. Total disbursements (net of transfers between accounts)	\$189,966	\$189,966
d. Cash balance end of month (a+b-c)	\$12,686,139	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$189,966	\$189,966

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$0
b. Accounts receivable over 90 days outstanding (net of allowance)	\$0
c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$0
d. Total current assets	\$0
e. Total assets	\$0
f. Postpetition payables (excluding taxes)	\$0
g. Postpetition payables past due (excluding taxes)	\$0
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$0
k. Prepetition secured debt	\$0
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$0
n. Total liabilities (debt) (j+k+l+m)	\$0
o. Ending equity/net worth (e-n)	\$0

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$12,646,181
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$12,646,181

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$36,257	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$103,112	
c. Gross profit (a-b)	\$-66,856	
d. Selling expenses	\$0	
e. General and administrative expenses	\$0	
f. Other expenses	\$-12,436	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$0	
k. Profit (loss)	\$-79,291	\$-85,917,519

Debtor's Name HGRL

Case No. 20-10892

**Part 5: Professional Fees and Expenses**

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$145,223	\$6,354,900	\$187,413	\$6,259,453
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	NIXON PEABODY LLP	Lead Counsel	\$112,019	\$2,201,271	\$100,830	\$2,144,586
ii	DELOITTE TRANSACTIONS	Financial Professional	\$9,172	\$1,758,791	\$64,944	\$1,736,195
iii	EPIQ CORP RESTRUCTURIN	Other	\$0	\$1,051,122	\$0	\$1,051,122
iv	SILLS CUMMIS AND GROSS	Co-Counsel	\$6,737	\$427,429	\$6,066	\$417,169
v	DRUMMOND WOODSUM AND	Co-Counsel	\$1,451	\$58,500	\$1,312	\$57,294
vi	CBIZ ACCOUNTING TAX AND	Financial Professional	\$15,846	\$333,295	\$14,261	\$328,595
vii	WILLIAM S GANNON PLLC	Special Counsel	\$0	\$10,668	\$0	\$10,668
viii	KAUFMAN HALL & ASSOCI	Financial Professional	\$0	\$450,000	\$0	\$450,000
ix	STEPHEN MILLER	Other	\$0	\$63,825	\$0	\$63,825
b.	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$553	\$234,035	\$553	\$186,033
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	DEVINE MILLIMET & BRAN	Local Counsel	\$0	\$400	\$0	\$400
ii	HALL, RENDER, KILLIAN	Local Counsel	\$553	\$5,489	\$553	\$5,489
iii	JACKSON LEWIS P.C.	Local Counsel	\$0	\$54,008	\$0	\$54,008
iv	ORR & RENO, PA RS, PLLC	Local Counsel	\$0	\$20,594	\$0	\$20,594
v	WADLEIGH, STARR & PETE	Other	\$0	\$2,739	\$0	\$2,739
vi	BAKER NEWMAN NOYES	Other	\$0	\$110,685	\$0	\$62,683
vii	HELMS & COMPANY, INC	Other	\$0	\$40,121	\$0	\$40,121
c.	All professional fees and expenses (debtor & committees)		\$145,776	\$6,588,936	\$187,966	\$6,445,486

**Part 6: Postpetition Taxes**

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$10
d. Postpetition employer payroll taxes paid	\$0	\$3,265,973
e. Postpetition property taxes paid	\$0	\$50,665
f. Postpetition other taxes accrued (local, state, and federal)	\$0	\$79,000
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$12,278

**Part 7: Questionnaire - During this reporting period:**

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐

Debtor's Name HGRL

Case No. 20-10892

- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
    - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
  - Casualty/property insurance? Yes ☒ No ☐
    - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
  - General liability insurance? Yes ☒ No ☐
    - If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

**Part 8: Individual Chapter 11 Debtors (Only)**

- |  |   |
|--|---|
| a. Gross income (receipts) from salary and wages   | \$0   |
| b. Gross income (receipts) from self-employment  | \$0   |
| c. Gross income from all other sources   | \$0   |
| d. Total income in the reporting period (a+b+c)  | \$0   |
| e. Payroll deductions  | \$0   |
| f. Self-employment related expenses  | \$0   |
| g. Living expenses   | \$0   |
| h. All other expenses  | \$0   |
| i. Total expenses in the reporting period (e+f+g+h)  | \$0   |
| j. Difference between total income and total expenses (d-i)                                    | \$0   |
| k. List the total amount of all postpetition debts that are past due                           | \$0   |
| l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? | Yes <input type="radio"/> No <input checked="" type="radio"/>                           |
| m. If yes, have you made all Domestic Support Obligation payments?                             | Yes <input type="radio"/> No <input type="radio"/> N/A <input checked="" type="radio"/> |


Debtor's Name HGRL

Case No. 20-10892

**Privacy Act Statement**

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: [http://www.justice.gov/ust/eo/rules\\_regulations/index.htm](http://www.justice.gov/ust/eo/rules_regulations/index.htm). Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

**I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.**

Cynthia Baron   
 \_\_\_\_\_  
 Signature of Responsible Party  
 \_\_\_\_\_  
 Chairperson of the Wind-Down Committee  
 \_\_\_\_\_  
 Title

Cynthia Baron  
 \_\_\_\_\_  
 Printed Name of Responsible Party  
 \_\_\_\_\_  
 11/18/2021  
 \_\_\_\_\_  
 Date

Debtor's Name **HGRL**

(in US Dollars)

(Unaudited)

Case No. **20-10892****PART- 2  
BALANCE SHEET**

Condensed & Consolidated Balance Sheet <sup>[1][2]</sup>	<b>BOOK VALUE AT END OF CURRENT REPORTING MONTH</b>	
	31-Oct-21	
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$	12,641,391
Patient Accounts Receivable (Gross)		0
Allowance for Uncollectibles		-
Accounts Receivable, Net of Contractual Allowance and Bad Debt <sup>[3]</sup>		0
Other Receivables		(12,110,515)
Inventory		(44,346)
Current Portion of Deferred System Development Costs		-
Other Prepaid Expense		1,070,385
<b>Total Current Assets</b>	<b>\$</b>	<b>1,556,914</b>
<b>Assets Whose Use is Limited:</b>		
Under Mortgage Indenture		11,645,116
Under Workers Comp Trust Agreement		59,483
Under Deferred Compensation Plan		-
By Donors or Grantors for Specific Purposes		-
By Donors For Capital Improvements		-
By Donors For Permanent Endowment Funds		-
<b>Total Assets Whose Use is Limited</b>	<b>\$</b>	<b>11,704,599</b>
Long Term Investments <sup>[3]</sup>		-
Property, Plant and Equipment, Net <sup>[3]</sup>		(0)
Other Assets		196,764
Deferred System Development Costs, Less Current Portion		-
<b>Total Assets</b>	<b>\$</b>	<b>13,458,278</b>
<b>LIABILITIES AND NET (DEFICIT) ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payables <sup>[4]</sup>		1,024,845
Other Current Liabilities and Accrued Expenses		8,797,441
<b>Total Current Liabilities</b>	<b>\$</b>	<b>9,822,286</b>
<b>Liabilities Subject to Compromise <sup>[5]</sup></b>		<b>130,682,876</b>
<b>Long-Term Debt:</b>		
Note Payable - NHDHHS DRF Notes		442,207
Note Payable - OB-GYN Notes		-
Mortgage Payable		-
<b>Total Long-Term Debt, Net of Current Portion</b>	<b>\$</b>	<b>442,207</b>
<b>Other Long Term Liabilities:</b>		
Workers Comp and Other Liabilities		-
Accrued Pension/Retirement Costs		-
<b>Total Long-Term Liabilities</b>		<b>442,207</b>
<b>Total Liabilities</b>	<b>\$</b>	<b>140,947,369</b>
<b>LRGHealthcare Net (Deficit) Assets:</b>		
Without Donor Restrictions		(127,486,898)
Net Income		(79,291)
Temporarily Restricted Net Assets		-
Permanently Restricted Net Assets		-
<b>Total LRGHealthcare Net (Deficit) Assets</b>	<b>\$</b>	<b>(127,566,189)</b>
Noncontrolling Interest in Controlling Subsidiary		77,098
<b>Total Liabilities and Net (Deficit) Assets</b>	<b>\$</b>	<b>13,458,278</b>

**Footnote(s):**

[1] Numbers may not foot due to rounding.

[2] The debtor continues to make adjusting entries related to the current reporting period and both Income Statement and Balance Sheet items may change related to those adjustments. Any significant changes will be explained on future MOR submissions.

[3] Pursuant to the Final Order (A) (I) Approving the Sale of Substantially all of the Debtor's Estate Free and Clear of All Interests, (II) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief (Docket No. 405), the Sale was effective May 1, 2021. As such, there were no Accounts Receivable, Long-Term Investments and Property, Plant and Equipment in the current reporting period.

[4] The amount for the current reporting period represents post-petition accounts payable and patient refund payable, and the pre-petition accounts payable is included in the Liabilities Subject to Compromise.

[5] The amounts included in the Liabilities Subject to Compromise are preliminary and subject to change as additional information becomes available.

Debtor's Name **HGRL**Case No. **20-10892**

**PART- 3**  
**SCHEDULE OF ASSETS SOLD OR TRANSFERRED**

Item No.	Question	Current Month	Cumulative	FN
a	Total cash sales price for assets sold/transferred outside the ordinary course of business	\$ -	\$ 12,646,181	[1]
b	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$ -	\$ -	
c	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$ -	\$ 12,646,181	[1]

**Footnote(s):**

[1] Pursuant to the Final Order (A) (I) Approving the Sale of Substantially all of the Debtor's Estate Free and Clear of All Interests, (II) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief (Docket No. 405), the Sale was effective May 1, 2021. The Debtor received the net proceeds from Concord on April 30, 2021, the deposit release on May 3, 2021 and the adjustments of net proceeds net of wire fee on June 7, 2021, totaling \$12,646,181.

Debtor's Name **HGRL**  
 (in US Dollars)  
 (Unaudited)

Case No. **20-10892**

**PART- 4**  
**STATEMENT OF OPERATIONS**  
(Income Statement)

Condensed & Consolidated Income Statement <sup>[1] [2]</sup>

	<b>Month</b>
	31-Oct-21
<b>Patient Revenue</b>	
Inpatient	\$ -
Outpatient	-
Physician Practice	-
<b>Total Patient Revenue</b> <sup>[3]</sup>	<b>\$ -</b>
<b>Deductions From Revenue</b>	
Contractual Allowances	-
Bad Debt	-
DSH Payment	-
<b>Total Deductions</b>	<b>\$ -</b>
<b>Net Patient Revenue</b>	<b>\$ -</b>
Other Operating Revenue	36,257
<b>Total Operating Revenue</b>	<b>\$ 36,257</b>
<b>Operating Expenses</b>	
Salaries & Wages	\$ -
Benefits	29,585
Contract Labor	-
Purchased Services	88,395
Chargeable Medical Supplies	-
Drugs & Pharmaceuticals	(11,615)
Non-Chargeable Supplies	(12,720)
Lease and Rental	-
Maintenance & Repairs	-
Utilities	-
Insurance	7,758
Other Expenses	1,710
Interest	-
Depreciation	-
Amortization	-
Restructuring Items	-
Taxes	-
NH MET	-
<b>Total Operating Expenses</b>	<b>\$ 103,112</b>
<b>Operating Income</b>	<b>\$ (66,856)</b>
Interest and Dividend Income	946
Contributions	-
Investment in Subsidiary	(13,382)
Non-Op Gain/Loss	-
<b>Non-Operating Income Before Reorganization Items</b>	<b>\$ (12,436)</b>
<b>Total Income</b>	<b>\$ (79,291)</b>

**Footnote(s):**

[1] Numbers may not foot due to rounding.

[2] The debtor continues to make adjusting entries related to the current reporting period and both Income Statement and Balance Sheet items may change related to those adjustments. Any significant changes will be explained on future MOR submissions.

[3] Pursuant to the Final Order (A) (I) Approving the Sale of Substantially all of the Debtor's Estate Free and Clear of All Interests, (II) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief (Docket No. 405), the Sale was effective May 1, 2021. As such, there was no patient revenue in the current reporting period.



Debtor's Name **HGRL**  
(in US Dollars)

Case No. **20-10892**

**SUPPLEMENT-1**  
**SUMMARY OF UNPAID POST-PETITION DEBTS**

NUMBER OF DAYS PAST DUE						
	Current <sup>[1]</sup>	1-30	31-60 <sup>[2]</sup>	61-90 <sup>[2]</sup>	Over 90	Total
Combined	\$ 988,312	\$ -	\$ 3,436	\$ 21,012	\$ 12,085	\$ 1,024,845

**Explain how and when the Debtor intends to pay any past-due post-petition debts.**

[1] 'Current' represents invoices included in Accounts Payable that were not due as of August 31, 2021. Included in the 'Current' classification are also (1) invoices related to vendors on prepayment terms (with payments made via ACH that have accounts payable amounts not cleared from the AP Aging Report due to process requirements that restrict accounts payable clearing until goods / services are received and invoice amounts are matched in the system), (2) invoices related to prepayment service contracts that span pre-and post-petition periods, and the AP Aging Report only captures the post-petition portion of the contract, which has not been paid, and the due date for the invoice was in the pre-petition period, (3) invoices that are currently being contested, (4) invoices currently being held from payment until they are matched to the corresponding PO and shipping slip, and (5) invoices related to professional fees that cannot be paid until the 21-day objection period has passed.

[2] Included in AP classified as '31-60', '61-90' and 'Over 90' are invoices related to 10% holdback of professional fees.