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Application for Limited Admission pending

Proposed Attorneys for Debtors

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:

REGIONAL CARE SERVICES CORP., ☐
CASA GRANDE COMMUNITY HOSPITAL ☐
D/B/A CASA GRANDE REGIONAL MEDICAL
CENTER,
REGIONAL CARE PHYSICIANS GROUP, ☐
INC., and
CASA GRANDE REGIONAL RETIREMENT ☐
COMMUNITY, INC.

Debtors.

Chapter 11 Proceedings

Case Nos. 4:14-bk-01383-EWH
4:14-bk-01384-EWH
4:14-bk-01385-EWH
4:14-bk-01386-EWH
(Joint Administration)

**VERIFIED STATEMENT OF
MICHAEL MCGRATH IN
SUPPORT OF APPLICATION FOR
APPROVAL OF EMPLOYMENT OF
MESCH, CLARK & ROTHSCHILD,
P.C., AS ATTORNEYS FOR THE
DEBTORS**

This Filing Applies to:

☒ All Debtors
☐ Specified Debtor(s)

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

I, MICHAEL MCGRATH, declare pursuant to Rule 2014(a), *Federal Rules of
Bankruptcy Procedure*, under penalty of perjury, as follows:

1 1. I am a partner at Mesch, Clark & Rothschild, P.C. (“MC&R”), which
2 maintains its offices at 259 N. Meyer Avenue, Tucson, Arizona 85701. MC&R is a
3 corporation made up of the following lawyer employees:

4 Lowell E. Rothschild, Douglas H. Clark Jr., J. Emery Barker,
5 Melvin C. Cohen, Richard Davis, Michael McGrath,
6 Frederick J. Petersen, Michael J. Crawford, Scott H. Gan, Gary
7 J. Cohen, Mark D. Rubin, Patrick J. Lopez,
8 Sara C. Derrick, Paul A. Loucks, David J. Hindman,
9 Thom K. Cope, Kasey C. Nye, Susan N. Goodman,
 Cassandra Meynard, Isaac D. Rothschild, and
 Kristen L. Wendler

10 All are licensed to practice before this Court.

11 2. I submit this Verified Statement in support of the Application of the Debtors
12 to employ MC&R as counsel pursuant to §327 of the United States Bankruptcy Code and to
13 comply with Rules 2014(a) and 2016(b), *Federal Rules of Bankruptcy Procedure*.

14 3. It is my belief that MCR is disinterested and does not hold or represent any
15 material interest adverse to the Estate.

16 4. On December 17, 2013, the Debtors hired MC&R to represent it in a financial
17 consultation, which was anticipated to include preparation of and filing of a bankruptcy
18 proceeding. That engagement has been ongoing up to and including the bankruptcy filing.
19 MC&R has been paid in full for its pre-petition services on this matter.

20 5. MC&R previously represented Casa Grande Community Hospital d/b/a Casa
21 Grande Regional Medical Center, and at times, certain affiliates on numerous matters over a
22 period from 1997 to date. The representation related to general business, financial and
23 employment matters. Except for the present financial restructure consultation and Chapter
24 11 reorganization, all of the matters have been completed. At the time of the filing of these
25 Chapter 11 reorganization cases, MC&R was not owed any money by the Debtors.
26

1 6. None of the individual members of the firm, nor the firm itself, has any
2 connection with the Debtors, their creditors or any other parties in interest, their respective
3 attorneys and accountants, the United States Trustee, or any person employed in the office
4 of the United States Trustee, other than as set forth below in this Verified Statement.

5 a) MC&R represents an employee of Casa Grande Community Hospital d/b/a
6 Casa Grande Regional Medical Center in a personal matter that has nothing to
7 do with the Debtors and has no relation to these cases.

8 b) MC&R has no client relationship with: any of the secured creditors in these
9 Estates, Banner Health, the prospective purchaser, The City of Casa Grande,
10 any of the parties to the litigation with the Debtors, or any other party with a
11 material relationship to this matter.

12 c) MC&R has conducted a review of its records and compared them with the top
13 50 creditors of the Debtors, including all creditors holdings claims greater than
14 \$10,000. That review reflects that MC&R previously represented Great
15 Western Bank, a creditor to these Estates, but MC&R's representation
16 involved unrelated matters and was concluded and closed in 2012.

17 d) MC&R represents the Medicine Shoppe, who has an unrelated business
18 relationship with creditor, Cardinal Health, which in no way impacts its
19 representation as proposed counsel for the Debtors.

20 7. The Debtors paid MC&R an initial pre-petition retainer of \$58,342.00, which
21 has been diminished by pre-filing services. It has received an additional \$91,658.00 retainer
22 and continues to hold these monies for this bankruptcy proceeding. MC&R has also
23 received reimbursement for the filing fees it has paid for the initiation for these cases.

24 8. The Debtor(s) has/have paid or promised to pay Affiant for services rendered
25 or to be rendered in connection with these cases pursuant to a retainer agreement, which
26 provides for the reimbursement of costs and the payment of fees between \$125 and \$550 per

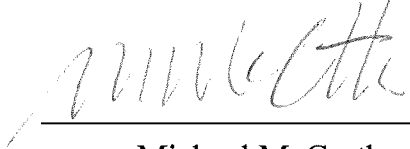
1 hour. All attorneys, paralegals and legal assistants will be paid at their normal hourly rates,
2 which may be adjusted periodically in the future.

3 9. The source of compensation will be from the operation of Debtors companies.

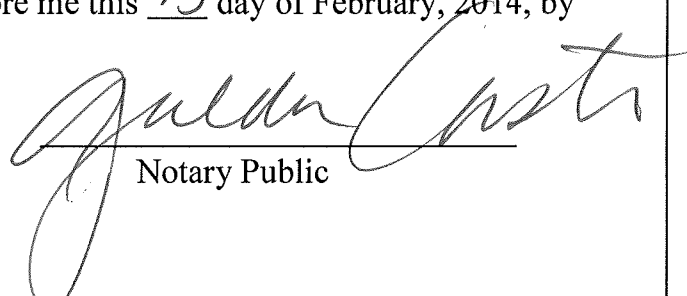
4 10. Affiant has not shared nor agreed to share such compensation with anyone
5 except members of his professional corporation.

6 11. No agreement or understanding exists between Affiant and any other person
7 for a division of compensation.

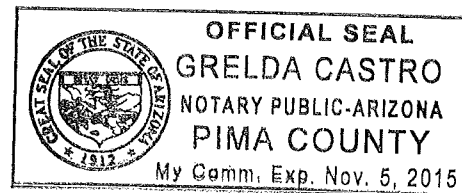
8 12. No agreement prohibited by U.S.C. Title 18 §155 has been made.

9
10 
11 Michael McGrath

12 SUBSCRIBED AND SWORN to before me this 13 day of February, 2014, by
13 Michael McGrath.

14 
15 Notary Public

16 My Commission Expires:
17



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