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**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

GENESIS HEALTHCARE, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 25-80185 (SGJ)
)
) (Jointly Administered)
)

DEBTORS' MOTION TO ENFORCE THE AUTOMATIC STAY

¹ The last four digits of Genesis Healthcare, Inc.'s federal tax identification number are 4755. There are 299 Debtors in these chapter 11 cases, which 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/Genesis>. The location of Genesis Healthcare, Inc.'s corporate headquarters and the Debtors' service address is 101 East State Street, Kennett Square, PA 19348.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT [HTTPS://ECF.TXNB.USCOURTS.GOV/](https://ecf.txnb.uscourts.gov/) NO MORE THAN TWENTY-FOUR (24) DAYS AFTER THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK AND FILED ON THE DOCKET NO MORE THAN TWENTY-FOUR (24) DAYS AFTER THE DATE THIS MOTION WAS FILED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON AUGUST 27, 2025, AT 9:30 A.M. (CT) AT THE EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE STREET, 14TH FLOOR, COURTROOM 1, DALLAS, TEXAS, 75242. YOU MAY PARTICIPATE IN THE HEARING EITHER IN PERSON OR BY AN AUDIO AND VIDEO CONNECTION.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT 1-650-479-3207. VIDEO COMMUNICATION WILL BE BY THE USE OF THE CISCO WEBEX PLATFORM. CONNECT VIA THE CISCO WEBEX APPLICATION OR CLICK THE LINK ON JUDGE JERNIGAN'S HOME PAGE. THE MEETING CODE IS 2304 154 2638. CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF ELECTRONIC HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE "ELECTRONIC APPEARANCE" LINK ON JUDGE JERNIGAN'S HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

Genesis Healthcare, Inc. ("Genesis") and certain of its affiliates and subsidiaries, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), hereby file this motion (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 thereof, the Debtors respectfully represent as follows:

RELIEF REQUESTED

1. The Debtors bring this Motion to put a stop to a knowing and egregious violation of the automatic stay by Carmelita Beckham, as Legal Guardian of Barbara Miles (the "Plaintiff") in the litigation styled *Carmelita Beckham, as Legal Guardian of Barbara Miles v. Fulton Center for Rehabilitation, LLC; ABC Corporations 1-5; and John Does 1-5*, Case No. 21-EV-003351 (the "State Court Action"). After the Debtors initiated the Bankruptcy Proceedings, the Plaintiff

filed a motion (the “Motion to Set Aside”) in the State Court Action seeking to reopen a case against the Debtor Defendants by “setting aside” a state court order from February 2025 that dismissed the Debtor Defendants following a settlement with the Plaintiff. As a result of the Plaintiff’s filing, the Debtor Defendants are now on the clock to file a responsive brief, and should the Motion to Set Aside prove successful, the Debtor Defendants will be reinstated as named defendants in the State Court Action. The Plaintiff made this filing despite multiple warnings from the Debtor Defendants’ local counsel that it would violate the automatic stay. Worse, the Plaintiff has refused to withdraw her motion, notwithstanding numerous demands and deadlines provided by proposed counsel to the Debtor Defendants.

2. Accordingly, the Debtor Defendants have no choice but to seek relief in this Court, including enforcement of the automatic stay, which prohibits the Plaintiff’s misconduct in the State Court Action, as well as an award of sanctions and attorneys’ fees as this Court deems just and proper.

JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Court”) has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas. 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.

4. The legal predicates for the relief requested herein are sections 105(a) and 362 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 9006 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 4001-1 of the *Local Bankruptcy*

Rules of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”), and Section 33 of the *Procedures for Complex Cases in the Northern District of Texas*, effective February 6, 2023 (the “Complex Case Procedures”).

BACKGROUND

I. The Chapter 11 Cases

5. Beginning on July 9, 2025 (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”) in this Court. 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.

6. On July 30, 2025, the Office of the United States Trustee for Region 6 (the “U.S. Trustee”) appointed the official committee of unsecured creditors (the “Committee”). *See* Docket Nos. 250, 262. To date, no trustee or examiner has been appointed in the Chapter 11 Cases.

7. 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 Louis E. Robichaux IV in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 18] (the “First Day Declaration”).

II. The State Court Action

8. On June 2, 2021, the Plaintiff filed the State Court Action in the State Court of Fulton County State of Georgia (the “State Court”).

9. On December 4, 2024, Defendants Sunbridge Retirement Care Associates, LLC d/b/a Fox Glove Center and Genesis Healthcare, Inc. (together, the “Debtor Defendants”) entered into a settlement agreement with the Plaintiff (the “Settlement Agreement”).

10. On February 4, 2025, the State Court entered an order dismissing the Debtor Defendants from the State Court Action with prejudice, pursuant to O.C.G.A. § 9-11-60 (the “Dismissal Order”).

11. On July 23, 2025 at 2:23 p.m. (ET), the Debtor Defendants filed with the State Court the *Suggestion of Bankruptcy*, notifying the Plaintiff and the State Court of the commencement of the Debtor Defendants’ Chapter 11 Cases and the application of the automatic stay to the State Court Action pursuant to section 362 of the Bankruptcy Code.

12. After the Debtors filed the Suggestion of Bankruptcy, on July 23, 2025 at 5:23 p.m. (ET), the Plaintiff filed the *Motion to Set Aside Order Dismissing Defendants Sunbridge Retirement Care Associates, LLC d/b/a Fox Glove Center and Genesis Healthcare, Inc. with Prejudice* (the “Motion to Set Aside”) in the State Court Action.

13. In the Motion to Set Aside, the Plaintiff argues that the Settlement Agreement was purportedly induced by fraud and therefore, the Dismissal Order should be set aside and the Debtor Defendants should be reinstated as named defendants in the State Court Action.

III. The Debtors’ Communications with the Plaintiff

14. Prior to the Plaintiff’s filing of the Motion to Set Aside, counsel to the Debtor Defendants in the State Court Action and counsel to the Plaintiff communicated via e-mail and phone regarding the filing of the Debtor Defendants’ Chapter 11 Cases and the application of the automatic stay to the State Court Action. Nevertheless, counsel to the Plaintiff filed the Motion to

Set Aside in the State Court Action, despite receiving stay violation warnings from the Debtor Defendants' state court counsel.

15. On July 23, 2025 at 11:33 p.m. (ET), following the filing of the Motion to Set Aside, proposed counsel to the Debtor Defendants in the Chapter 11 Cases sent a letter to the Plaintiff, annexed hereto as **Exhibit B** (the "First Debtor Letter"). In the First Debtor Letter, proposed counsel to the Debtor Defendants advised Plaintiff that the Motion to Set Aside violated the automatic stay and requested that Plaintiff withdraw the Motion to Set Aside by July 24, 2025 at 5:00 p.m. (ET). The First Debtor Letter also conveyed the Debtors' intention to seek relief in this Court should the Motion to Set Aside not be withdrawn, given the continued and willful violations of the automatic stay.

16. On July 24, 2025 at 5:00 p.m. (ET), the Plaintiff's counsel sent a reply letter, annexed hereto as **Exhibit C** (the "Plaintiff Reply Letter"), noting their intention to purportedly hold the Motion to Set Aside "in abeyance" while they "evaluate[d] the matter more fully." The letter also stated that the Motion to Set Aside was somehow not a violation of the automatic stay because the Debtor Defendants had been previously dismissed from the matter (which the Motion to Set Aside seeks to unwind). The Motion to Set Aside was not withdrawn, let alone by the deadline set forth in the First Debtor Letter, and the Plaintiff did not take any steps to supposedly hold the Motion to Set Aside "in abeyance."

17. On July 25, 2025 at 2:46 p.m. (ET), proposed counsel to the Debtor Defendants in these Chapter 11 Cases sent an additional letter to the Plaintiff, annexed hereto as **Exhibit D** (the "Second Debtor Letter"). In this letter, proposed counsel to the Debtor Defendants noted that the Motion to Set Aside had not been withdrawn, and also that Plaintiff had made no action to apprise the State Court of the purported "abeyance" described in the Plaintiff Reply Letter. The

Second Debtor Letter made clear that the Motion to Set Aside constitutes a willful violation of the automatic stay, subject to possible sanctions and attorneys' fees. The Debtor Defendants demanded that Plaintiff's counsel withdraw the Motion to Set Aside by 12:00 p.m. (ET) on July 28, 2025. Despite multiple telephone conversations and emails between counsel, this deadline was also ignored by the Plaintiff.

18. As of this filing, the Motion to Set Aside has not been withdrawn and Plaintiff's counsel has not apprised the State Court of any intention to somehow hold the Motion to Set Aside in "abeyance."

19. As a result of the Plaintiff's refusal to withdraw the Motion to Set Aside, the Debtor Defendants now have an upcoming reply deadline and will be forced to participate in the State Court Action, barring which they will be reinstated and forced to participate as defendants in the State Court Action.

BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY

I. The Continuation of the State Court Action Against the Debtors is Objectively Barred by the Automatic Stay.

20. It is axiomatic that the automatic stay prohibits the continued prosecution of claims and causes of action against the Debtors outside of the bankruptcy court.

21. Bankruptcy Code section 362(a) immediately imposes an automatic stay upon commencement of a chapter 11 case and prohibits all entities from taking certain actions against the debtor, including "the **commencement or continuation** . . . of a **judicial**, administrative, or other action or proceeding **against the debtor that was or could have been commenced before** the commencement of the [debtor's chapter 11 case]" and "**any act to collect, assess, or recover a claim against the debtor** that arose **before** the commencement of the case under this title." 11 U.S.C. § 362(a) (emphasis added); *see also Campbell v. Countrywide Home Loans, Inc.*, 545 F.3d 348,

354–55 (5th Cir. 2008) (“When a bankruptcy petition is filed, an automatic stay operates as a self-executing injunction.”).²

22. The purpose of the automatic stay is to provide debtors with a “breathing spell from [their] creditors” and channel competing claims for a debtor’s assets into a single forum to provide a platform for the debtor’s reorganization. *Browning v. Navarro*, 743 F.2d 1069, 1083 (5th Cir. 1984) (citing S. Rep. No. 989, 95th Cong., 2d Sess. 54–55, *reprinted in* 1978 U.S. Code Cong. & Ad. News 5787, 5840–41; H.R. Rep. No. 595, 95th Cong., 1st Sess. 340, *reprinted in* 1978 U.S. Code Cong. & Ad. News 5963, 6297); *see also In re Timbers of Inwood Forest Assocs., Ltd.*, 793 F.2d 1380, 1409 (5th Cir. 1986), *on reh’g*, 808 F.2d 363 (5th Cir. 1987), *aff’d sub nom. United Sav. Ass’n of Tex. v. Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. 365 (1988).

23. Plaintiff’s Motion to Set Aside is a blatant violation of Bankruptcy Code section 362(a) and is precisely what the automatic stay is designed to prevent. The Motion to Set Aside seeks to reinstate the Debtor Defendants as **named defendants** in the State Court Action from which they were previously dismissed in February 2025, which would result in the continuation of a prepetition judicial proceeding against the Debtor Defendants in direct contravention of the automatic stay. There is no question that the supposed basis of the Motion to Set Aside—the purported fraudulent inducement of the Plaintiff into a December 2024 settlement—and the underlying claims concern prepetition conduct. By attempting to reinstate the Debtor Defendants as defendants in the State Court Action, the Plaintiff seeks to continue to prosecute the State Court Action against the Debtor Defendants and collect, assess, or recover a prepetition claim against

² *See also In re Envision Healthcare Corp.*, 655 B.R. 701, 711 (2023) (“Federal bankruptcy law says that the creation of an estate is automatic and immediate upon a bankruptcy filing. There is no metaphysical moment in time for state law to alter or modify any prepetition legal rights between the filing of the petition and creation of the estate. And the automatic stay begins at the same time the petition is filed to protect a debtor and its creditors. Congressional intent that these events occur simultaneously and instantaneously is supported by § 541(c)(1)(B), which ensures that state law cannot be used to deprive a debtor of property rights because of a bankruptcy filing.”).

them, in direct contravention of Bankruptcy Code section 362(a). Accordingly, the Motion to Set Aside and Plaintiff's actions in the State Court Action since the Petition Date constitute willful violations of Bankruptcy Code section 362(a) and should be prohibited.

II. The Dismissal Order Does Not Prevent the Application of the Automatic Stay to the Motion to Set Aside.

24. The Plaintiff appears to have adopted the position that the automatic stay did not bar the filing of the Motion to Set Aside because the Debtor Defendants were no longer named defendants in the State Court Action as a result of the Dismissal Order. In other words, the automatic stay does not become implicated until the Plaintiff's Motion to Set Aside successfully reinstates the Debtor Defendants in the State Court Action. Not so. This argument misconstrues the plain language of Bankruptcy Code section 362(a) as well as the purpose of the automatic stay.

25. If the Motion to Set Aside were permitted to proceed in the State Court Action, the Debtor Defendants will be dragged into the State Court to litigate the Plaintiff's claims and, at a minimum, will be forced to expend resources to respond to and defend against the Motion to Set Aside in the State Court. The Debtor Defendants' resources and time will be needlessly wasted and the underlying policy of the automatic stay—to consolidate the collections efforts of creditors in the Bankruptcy Court and prevent the Debtors from having to litigate in a variety of different forums—will be thwarted. Absent relief from this Court, the automatic stay remains in effect and prevents Plaintiff from filing and/or prosecuting the Motion to Set Aside against the Debtor Defendants in the State Court Action.

26. Finally, the Plaintiff's actions do not fall under any of the enumerated exceptions to the automatic stay under Bankruptcy Code section 362(b). Accordingly, for the foregoing reasons, the Debtors respectfully request that this Court enter an order confirming and enforcing

the applicability of the automatic stay to the State Court Action and granting any other relief the Bankruptcy Court considers appropriate.

III. The Debtors Seek a Finding of Civil Contempt and Related Damages.

27. The Debtors request that the Court issue an order under Bankruptcy Code section 105(a) finding the Plaintiff in civil contempt, and awarding an appropriate award of damages, including costs and attorneys' fees incurred by the Debtors, given the Plaintiff's continued attempts to prosecute the State Court Action against the Debtor Defendants in violation of the automatic stay. The Court has authority to fashion appropriate remedies for violations of the automatic stay. *See* 11 U.S.C. §§ 105(a), 362(k). The Fifth Circuit has established a three-part test for establishing an actionable violation of the Automatic Stay: (a) the creditor must have known of the existence of the stay; (b) the creditor's acts must have been intentional; and (c) the creditor's acts have violated the stay. *See Young v. Repine (In re Repine)*, 536 F.3d 512, 519 (5th Cir. 2008). "Specific intent to violate the stay is not required; [rather,] only acts which violate the stay need be intentionally committed." *In re MD Promenade, Inc.*, Case No. 08-34113 (SGJ), 2009 WL 80203, at *13 (Bankr. N.D. Tex. Jan. 8, 2009) (citing *In re San Angelo Pro Hockey Club, Inc.*, 292 B.R. 118 (Bankr. N.D. Tex. 2003)).

28. All three factors have been satisfied here. *First*, the Plaintiff had actual knowledge of the existence of the stay. The Plaintiff filed the Motion to Set Aside **after** the filing of the *Suggestion of Bankruptcy* in the State Court Action on July 23, 2025, and **after** receiving numerous warnings from the Debtor Defendants' counsel. *Second*, the Plaintiff has continued to knowingly, intentionally, and willfully violate the automatic stay by refusing to withdraw the Motion to Set Aside, despite the Debtor Defendants' best efforts (including multiple letters, emails and telephone calls) to inform Plaintiff of the potential consequences and implications of such actions. *Finally*, the Plaintiff's actions have violated the automatic stay for the reasons set forth above.

Accordingly, though the Debtors do not seek this lightly, they believe that a finding of contempt and an accompanying award of sanctions and attorneys' fees is warranted here.

RESERVATION OF RIGHTS

29. Nothing in the Motion should be construed as a waiver of any claims, causes of action, or defenses of the Debtors, including the Debtor Defendants, with respect to the Plaintiff and her asserted claims in the State Court Action or otherwise.

NOTICE

30. The Debtors will provide notice of the Motion to (a) the Complex Service List (as defined in the Creditor Matrix Order [Docket No. 54]) and (b) counsel to the Plaintiff. The Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

31. 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: August 1, 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ Marcus A. Helt

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

CERTIFICATE OF SERVICE

I hereby certify that on this date a true and correct copy of the foregoing was served by the Court's CM/ECF system on all counsel of record registered in these Chapter 11 Cases through CM/ECF. The Debtors' claims and noticing agent will be filing a supplemental certificate of service on the docket to reflect any additional service of the foregoing.

Dated: August 1, 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ Marcus A. Helt

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*Proposed Counsel for the Debtors
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EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

GENESIS HEALTHCARE, INC., *et al.*,¹

Debtors.

)
)
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)
)

Chapter 11

Case No. 25-80185 (SGJ)

(Jointly Administered)

Related to Docket No. ____

ORDER ENFORCING THE AUTOMATIC STAY

Upon the motion (the “Motion”)² of the Debtors for entry of an order (this “Order”), (i) enforcing the automatic stay with respect to the State Court Action, (ii) finding the Plaintiff to be in civil contempt and awarding appropriate damages, including all attorneys’ fees and costs

¹ The last four digits of Genesis Healthcare, Inc.’s federal tax identification number are 4755. There are 299 Debtors in these chapter 11 cases, which 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/Genesis>. The location of Genesis Healthcare, Inc.’s corporate headquarters and the Debtors’ service address is 101 East State Street, Kennett Square, PA 19348.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

with respect to the same, and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Motion having been given under the particular circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted as set forth herein.
2. Pursuant to Bankruptcy Code section 362(a), the automatic stay applies to the State Court Action to the extent the Plaintiff seeks other and further relief against the Debtor Defendants, including, but not limited to, the reinstatement of the Debtor Defendants as defendants in the State Court Action. As such, any further acts or proceedings in the State Court Action against the Debtor Defendants are void *ab initio*.

3. The Plaintiff is hereby restrained and enjoined from continuing any and all actions in the State Court Action with respect to the Debtor Defendants, including but not limited to, prosecuting the Motion to Set Aside or seeking any further relief against the Debtor Defendants.

4. Within two business days following entry of this Order, the Plaintiff shall withdraw the Motion to Set Aside with prejudice.

5. The Plaintiff shall pay all reasonable costs and expenses incurred by the Debtor Defendants in connection with the Motion to Set Aside, the Motion, and this Order.

6. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 9014(a), the Local Rules, and the Complex Case Procedures are satisfied by such notice.

7. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. The Debtors are authorized to take all actions necessary to implement the relief granted in this Order.

9. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

END OF ORDER

Prepared and presented by:

/s/ Marcus A. Helt

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

EXHIBIT B

First Debtor Letter



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July 23, 2025

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Re: *Carmelita Beckham, as Legal Guardian of Barbara Miles v. Fulton Center for Rehabilitation, LLC; ABC Corporations 1-5; and John Does 1-5*, Case No. 21-EV-003351 (the “State Court Action”)

URGENT – IMMEDIATE ACTION REQUIRED

Counsel:

We write regarding your client, Ms. Carmelita Beckham (“Ms. Beckham”), and her willful violation of the automatic stay that has been in effect since Genesis Healthcare, Inc. (“Genesis”), Sunbridge Retirement Care Associates, LLC (“Sunbridge” and, together with Genesis, the “Debtor Defendants”), and certain of their affiliates and subsidiaries (collectively, the “Debtors”) commenced voluntary chapter 11 bankruptcy cases beginning on July 9, 2025 (the “Petition Date”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”).

Earlier this afternoon, the Debtor Defendants filed the *Suggestion of Bankruptcy*, notifying you and the State Court of Fulton County in the State of Georgia (the “State Court”) that the Debtor Defendants’ filing of voluntary chapter 11 petitions on the Petition Date automatically stayed the State Court Action by virtue of section 362 of title 11 of the United States Code (the “Bankruptcy Code”).¹ This was reiterated to you on multiple occasions via written correspondence by counsel

¹ The commencement of a bankruptcy case results in the imposition of an automatic stay that acts as an injunction against all parties from taking certain actions against debtors. Federal law prohibits you from “the commencement or *continuation* . . . of a judicial, administrative, or other action against the debtor that was or could have been commenced before the commencement of the [bankruptcy] case.” 11 U.S.C. § 362(a)(1) (emphasis added); see, e.g., *In re Gaime*, 17 F.4th 1349, 1353 (11th Cir. 2021) (holding the filing of a motion in state court action constituted continuation of the action in violation of the automatic stay).

Penn Law Group
July 23, 2025
Page 2

to the Debtor Defendants in the State Court Action, who specifically warned you that any further action in the State Court Action would violate the automatic stay.

Notwithstanding the fact that you and your client are clearly on notice of the automatic stay and its effects, we learned that earlier this evening, you filed a *Motion to Set Aside Order Dismissing Defendants Sunbridge Retirement Care Associates, LLC d/b/a Fox Glove Center and Genesis Healthcare, Inc. with Prejudice* (the “Motion”) in the State Court Action. In doing so, you are in violation of the automatic stay, which has been in place since the Petition Date and will remain in place absent relief from the Bankruptcy Court. Moreover, this violation was willful given repeated reminders you received of the force and effect of the automatic stay.

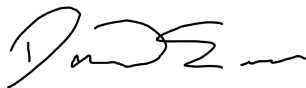
Please be advised that any action taken in violation of the automatic stay is void and without effect. *See Borg-Warner Acceptance Corp. v. Hall*, 685 F.2d 1306, 1308 (11th Cir. 1982) (citing *Kalb v. Feuerstein*, 308 U.S. 433 (1940)). Furthermore, violations of the automatic stay are enforced through proceedings in the Bankruptcy Court, and violators typically are found in contempt of court. *See Jove Eng’g, Inc. v. IRS*, 92 F.3d 1539 (11th Cir. 1996).

We ask that you withdraw your Motion by **no later than 5:00 pm (prevailing Eastern time) on Thursday, July 24, 2025**. If not, we intend to advise the State Court of your actions immediately and will seek appropriate redress from the Bankruptcy Court on an expedited basis.

The Debtors reserve all of their rights under the Bankruptcy Code or otherwise, including recovering all costs and fees incurred related to the Motion from you or your client. This letter serves as the third and final reminder of the force and effect of the automatic stay. Accordingly, there is no question that further violations of the stay would be willful, and the Debtors assume and expect that neither you nor your client will not make any further attempts to proceed in violation of the stay.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Daniel Simon

cc: Marcus Helt
Nathan Bull
Emily Keil

EXHIBIT C

Plaintiff Reply Letter



PENN LAW
— L L C —

July 24, 2025

VIA EMAIL ONLY: dsimon@mwe.com

Daniel Simon, Esq.
McDermott Will & Emery LLP
1180 Peachtree Street NE, Suite 3350
Atlanta, GA 30309

Re: *Beckham v. Fulton Center for Rehabilitation, LLC*
Case No. 21-EV003351

Dear Mr. Simon,

Thank you for your July 23, 2025 correspondence.

As you are aware, the Genesis Defendants were dismissed with prejudice from this matter on February 4, 2025, at which point they ceased to be parties to the litigation. While we respectfully disagree with your position that Plaintiff's Motion to Set Aside the dismissal order violates the automatic stay, we are in the process of retaining local bankruptcy counsel in Texas to evaluate the matter more fully.

In the meantime, and out of an abundance of caution, we are holding the Motion to Set Aside in abeyance. We believe this approach reflects a spirit of cooperation and should eliminate the need for any emergency or expedited relief.

Please don't hesitate to contact me if you would like to discuss further. You can reach me directly at (404) 947-8583.

Sincerely,

PENN LAW LLC

A handwritten signature in black ink, appearing to read 'Kevin M. Ketner'.

Kevin M. Ketner
kevin@pennlawgroup.com

EXHIBIT D

Second Debtor Letter



mwe.com

Nathan Bull
Attorney at Law
nbull@mwe.com
+1 305 358 3500

July 25, 2025

Darren W. Penn (darren@pennlawgroup.com)
William L. Ballard (bill@pennlawgroup.com)
Kevin M. Ketner (kevin@pennlawgroup.com)
Penn Law Group
4200 Northside Parkway, N.W.
Building One, Suite 100
Atlanta, GA 30327
(Via email only)

Re: *Carmelita Beckham, as Legal Guardian of Barbara Miles v. Fulton Center for Rehabilitation, LLC; ABC Corporations 1-5; and John Does 1-5*, Case No. 21-EV-003351 (the “State Court Action”)

URGENT – IMMEDIATE ACTION REQUIRED

Counsel:

We write in furtherance to our letter dated July 23, 2025 (the “July 23 Letter”)¹ and in response to your letter dated July 24, 2025 (the “Response”). Though the Response indicates that you intend to hold the Motion “in abeyance,” the Motion remains on the docket of the State Court Action and, to our knowledge, no action has been taken by you or your client to apprise the State Court of any such “abeyance.” To the contrary, it is our understanding that the Debtor Defendants now have a response deadline of August 25, 2025 and the State Court may rule on the Motion after that date.

The filing of the Motion constitutes a flagrant and willful violation of the automatic stay. We again ask that you withdraw your Motion by **no later than 12:00 pm (prevailing Eastern time) on Monday, July 28, 2025**. If not withdrawn by that deadline, we intend to advise the State Court of your actions immediately and will take all necessary legal actions on an expedited basis to seek appropriate redress in the Bankruptcy Court.

The Debtor Defendants reserve all of their rights under the Bankruptcy Code or otherwise, including recovering all costs and fees incurred related to the Motion from you or your client and seeking sanctions as a result of your continued and willful violations of the automatic stay.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the July 23 Letter.

Penn Law Group
July 25, 2025
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Bull", with a stylized flourish at the end.

Nathan Bull

cc: Daniel Simon
Marcus Helt
Emily Keil