

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

In re:

Central Oklahoma United Methodist
Retirement Facility, Inc.
d/b/a Epworth Villa,

Debtor.

Case No. 14-12995

Chapter 11

**TECHNICAL AND CLARIFYING REVISIONS TO
MODIFIED PLAN AND DISCLOSURE STATEMENT**

Central Oklahoma United Methodist Retirement Facility, Inc. d/b/a Epworth Villa, the debtor and debtor-in-possession in this chapter 11 case (“Epworth Villa”), hereby makes the following technical revisions to the *Second Modified Plan of Reorganization* (the “Modified Plan”) [Doc. #460] and the *Disclosure Statement to Accompany Debtor’s Second Modified Plan of Reorganization* (the “Disclosure Statement”) [Doc. #461]:

1. *To provide all disclosures suggested in the H&C Objection*, the Disclosure Statement is revised, on page 3, to insert in lieu of the current first paragraph on that page, the following:

On October 26, 2015, after notice and a hearing, the Court conducted a hearing on approval of the Disclosure Statement and the single filed objection, entitled *Objection of Holden & Carr to Amended Disclosure Statement and Corresponding Amended Plan of Reorganization* (“H&C”; the “H&C Objection”) [Doc. #500]. H&C was one of Epworth Villa’s trial counsel in the Oklahoma County Action in which the Hicks were awarded the Judgment which required the commencement of this Chapter 11 Case.

In the H&C Objection, allegations and arguments are made by H&C with which Epworth Villa strongly disagrees. However, for the purpose of providing full disclosure of H&C’s contentions only, and without admission by or prejudice to Epworth Villa, a copy of the full H&C Objection, with its exhibit, is attached to this Disclosure Statement as Exhibit “7.”

At the conclusion of the hearing, the Court entered its *Order Approving Disclosure Statement and Related Solicitation Materials and Procedures* (the

“Disclosure Statement Order”), which, among other things, approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of Epworth Villa’s creditors to make informed judgments as to whether to accept or reject the Plan. Such approval, however, does not constitute a determination by the Court as to the fairness or merits of the Plan.

Also, reference to Exhibit “7” is added to the list of Exhibits to the Disclosure Statement.

2. To make it clear¹ that ***the amount of the Hicks Claim on the Judgment will be determined on appeal (or, if required, re-trial)***, the following language is added on page 20, at the end of subparagraph (f), of the Disclosure Statement, and on page 12, at the end of subsection 4.06(a), of the Modified Plan:

The Allowed Amount of the Class 6 Claims arising from the Judgment in favor of the Hicks shall be subject to determination by final, non-appealable judgment of the trial or appellate court in the Oklahoma County Action.

Further, the reference in the Disclosure Statement, in the paragraph headed “Class 6 Claims” at page 30, is corrected to read “... footnote 2 of the Plan (see Section 4.06(a)).”

3. To make clear that ***Epworth Villa will control the prosecution of the appeal of the Hicks Judgment, to the exclusion of the Litigation Trustee***, the following language is added at the end of the definition of “Estate Claims,” on page 7 of the Disclosure Statement, and on page 5 of the Modified Plan, respectively:

The appellate proceedings relating to the Oklahoma County Action, and Epworth Villa’s rights to prosecute its appeal of the Hicks’ Judgment, are not Estate Claims, and Epworth Villa will retain complete control of prosecution of its appeal of the Judgment.

4. To make clear that ***there are no third party releases provided for in the Modified Plan, including with regard to Epworth Villa’s officers and directors***, the following language is

¹ “Clarifications” are not believed to be necessary, as Epworth Villa believes they are only restatements of provisions elsewhere in the Modified Plan and the Disclosure Statement. However, in a good faith effort to resolve issues and not to waste Estate resources arguing the points, Epworth Villa makes the agreed technical revisions listed herein.

added as a new subparagraph 12.03(d), on page 27 of the Disclosure Statement, and as a new subparagraph 10.01(d), on page 20 of the Modified Plan:

The Plan does not effect releases of any claim against any third parties, including Epworth Villa's directors and officers.

5. To make clear that *the Hicks are not the only the beneficiaries of the Litigation Trust (to the extent of their allowed claim, see paragraph 2 above), but rather they are the primary beneficiaries and Epworth Villa is the residual beneficiary*, the following language is added as the last sentence of section 9.07, at page 22 of the Disclosure Statement, and as the last sentence of section 6.06, at page 15 of the Modified Plan:

Epworth Villa holds the residual beneficial interest, after payment of Class 6 Claims and expenses, in all recoveries by the Litigation Trust.

Respectfully submitted,

CENTRAL OKLAHOMA UNITED METHODIST
RETIREMENT FACILITY, INC., d/b/a Epworth
Villa

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