

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

IN RE:

CASE NO. 17-50799

**ACADIANA MANAGEMENT GROUP, L.L.C.,
ET AL.¹**

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

IUH'S OBJECTION TO THE DEBTORS' DISCLOSURE STATEMENT

COMES NOW undersigned counsel, on behalf of Indiana University Health Ball Memorial Hospital, Inc. ("**IUH Hospital**") and Indiana University Health Ball Memorial Physicians, Inc. ("**IUH Physicians**" and, together with IUH Hospital, "**IUH**"), and hereby objects to the Disclosure Statement (Docket No. 478) (the "**Disclosure Statement**") filed by Acadiana Management Group, LLC and the other debtors herein, including Central Indiana-AMG Specialty Hospital, LLC ("**Central Indiana-AMG**"), and relating the Plan of Liquidation filed by the Debtors, including Central Indiana-AMG (the "**Proposed Plan**"), as follows:

BACKGROUND

1. IUH Hospital filed a proof of claim (no. 10) in the Central Indiana-AMG bankruptcy case (the "**IUH Hospital Claim**") for pre-petitions amounts due IUH Hospital in the amount of \$1,487,453.33. The IUH Hospital Claim is based on an executory contract by and between IUH Hospital and Central Indiana-AMG, known as the Support Services Agreement, as

¹ AMG Hospital Company, L.L.C., Case No. 17-50800; AMG Hospital Company II, L.L.C., Case No. 17-50801; Albuquerque - AMG Specialty Hospital, L.L.C., Case No. 17-50802; Central Indiana - AMG Specialty Hospital, L.L.C., Case No. 17-50803; Tulsa - AMG Specialty Hospital, L.L.C., Case No. 17-50804; LTAC Hospital of Louisiana - Denham Springs, L.L.C., Case No. 17-50805; Las Vegas - AMG Specialty Hospital, L.L.C., Case No. 17-50806; LTAC Hospital of Greenwood, L.L.C., Case No. 17-50807; LTAC of Louisiana, L.L.C., Case No. 17-50808; Houma - AMG Specialty Hospital, L.L.C., Case No. 17-50809; LTAC Hospital of Edmond, L.L.C., Case No. 17-50810; LTAC Hospital of Wichita, L.L.C., Case No. 17-50811; AMG Realty I, L.L.C., Case No. 17-50812; CHFG Albuquerque, L.L.C., Case No. 17-50813; and AMG Realty Youngsville, L.L.C., Case No. 17-50814.

amended, supplemented and restated, from time to time (the “**IUH Hospital Agreement**”). A copy of the IUH Hospital Agreement is attached to the IUH Hospital Claim.

2. IUH Physicians also filed a proof of claim (no. 11) in the Central Indiana-AMG bankruptcy case (the “**IUH Physicians Claim**”) for pre-petition amounts due IUH Physicians in the amount of \$30,893.00. The IUH Physicians Claim is based on an executory contract by and between IUH Physicians and Central Indiana-AMG, known as the Professional Services Agreement, as amended, supplemented and restated, from time to time (the “**IUH Physicians’ Agreement**”). A copy of the IUH Physicians Agreement is attached to the IUH Physicians Claim.

3. Although not specifically listed, it appears that the Central Indiana-AMG intends to assume both the IUH Hospital Agreement and the IUH Physicians Agreement (collectively, the “**IUH Agreements**”) pursuant to the Proposed Plan. It further appears that the amount necessary to cure existing defaults in the IUH Agreements would be paid over five (5) years, as opposed to being paid at or near confirmation of the Proposed Plan (at page 38-39).

OBJECTION TO DISCLOSURE STATEMENT

4. The Proposed Plan establishes a Liquidation Trust and transfers to that Trust all Avoidance Actions (as defined in the Proposed Plan).

5. As stated by Judge Dodd in *In re Breaux*, 2005 WL 4677825, n. 19 (Aug. 2, 2005, M.D. La), “once an executory contract is assumed, pre-petition payments on the contract cannot be recovered as preferences, because in order to assume the contract, the trustee must cure most defaults” (citing *In re Kiwi Intern. Air Lines, Inc.*, 344 F.3d 311, 318-319 (3d Cir. 2003)).

6. Because the Proposed Plan provides for a “cure” over five years, IUH cannot determine whether the Liquidation Trust will have Avoidance Actions against IUH related to

payments made on the IUH Agreements, even though the IUH Agreements are assumed. Without this information, IUH does not have sufficient information to vote for or against the Proposed Plan.

Wherefore, IUH objects to the adequacy of the information in the Disclosure Statement, and requests that the Proposed Plan and Disclosure Statement disclose whether the Liquidation Trust will have Avoidance Actions against IUH after the IUH Agreements are assumed.

Dated this 21st of November, 2017.

Respectfully submitted,

/s/ Elizabeth J. Futrell

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**Attorneys for Indiana University Health Ball
Memorial Hospital, Inc. and Indiana University
Health Ball Memorial Physicians, Inc.**

CERTIFICATE OF SERVICE

I hereby certify that, on November 21 2017, a copy of the foregoing Objection (a) was served, by electronic filing through the Court's CM/ECF system, and (b) by U.S. Mail, postage prepaid, on the following:

1. Debtors, LTAC Hospital of Louisiana, LLC and AMG Realty Youngsville, LLC, 101 La Rue France, Ste. 500, Lafayette, LA 70508;
2. Office of the United States Trustee, Gail McCulloch, 300 Fannin Street, 3196 Federal Building, Shreveport, Louisiana 71101;
3. BOKF, NA dba Bank of Oklahoma, Rudy J. Cerone and Sarah Edwards, McGlinchey Stafford, PLLC, 601 Poydras Street, 12th Floor, New Orleans, LA 70130;
4. CHCT Louisiana, LLC, Jan M. Hayden and Lacey Rochester, BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ, P.C., 201 St. Charles Avenue, Suite 3600, New Orleans, Louisiana 70170;
5. CHCT Louisiana, LLC, Timothy M. Lupinacci, 420 20th Street North, Suite 1400, Birmingham, AL 35203; and
6. Counsel for the Unsecured Creditor Committee, Tristan Manthey and the law firm of Heller, Draper, Patrick, Horn & Dabney, LLC, 650 Poydras Street, Ste. 2500, New Orleans, LA 70130.

/s/ Elizabeth J. Futrell

Elizabeth J. Futrell