

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

<b>IN RE:</b>	*	<b>Chapter 11</b>
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<b>ACADIANA MANAGEMENT GROUP, L.L.C., ET AL</b>	*	<b>Case No. 17-50799</b>
	*	
	*	<b>(Jointly Administered)</b>
<b>DEBTORS<sup>1</sup></b>	*	

**OBJECTION TO DISCLOSURE STATEMENT  
RELATING TO CHAPTER 11 PLAN OF ORDERLY LIQUIDATION  
FOR ACADIANA MANAGEMENT GROUP, LLC, ET AL.**

**NOW INTO COURT**, through undersigned counsel, comes Sierra Home Medical Products, Inc. d/b/a THC of Nevada (“THC”), a creditor and party-in-interest in the captioned cases, and in response to the Disclosure Statement Relating to Chapter 11 Plan of Orderly Liquidation for Acadiana Management Group, LLC, et al. (the “Disclosure Statement”), respectfully avers as follows:

**I. Introduction**

1.

On November 17, 2017, Debtors filed their Disclosure Statement, with a proposed Chapter 11 Plan of Reorganization for Acadiana Management Group, LLC, et al. (the “Plan”) attached

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<sup>1</sup> 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.

thereto as Exhibit B. THC avers that the Disclosure Statement fails to provide adequate information for the creditors to properly evaluate the Plan for the reasons stated below.

**II. THC's Executory Contract with Las Vegas-AMG**

2.

Pursuant to that certain Pharmacy Agreement dated as of October 2, 2008, by and between Progressive Hospital, LLC and THC, as amended as of February 3, 2011, and the assignment of the Agreement to Las Vegas, AMG Specialty Hospital, L.L.C., the Debtor in Case No. 17-50806 ("Las Vegas-AMG"),<sup>2</sup> THC agreed to provide, among other things, pharmaceutical dispensing and distribution services and other supplies to Las Vegas-AMG in exchange for payment and other obligations to be performed by Las Vegas-AMG under the Agreement.

3.

The Agreement between THC and Las Vegas-AMG is an executory contract, as both parties have material obligations to be performed under the terms of the Agreement. Under the terms of the Agreement, THC has continued to provide post-petition services and supplies to Las Vegas-AMG in exchange for Las-Vegas-AMG's satisfying its postpetition obligations under the Agreement.

4.

As set forth in THC's Proof of Claim (Claims Register # 9) filed in this matter, THC's pre-petition claim for amounts owed under the Agreement equals \$214,776.10.

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<sup>2</sup> The pharmacy agreement, as amended and assigned to Las Vegas-AMG, shall be referred to herein as the Agreement.

5.

THC avers that the Disclosure Statement (and Plan) fails to properly address THC's executory Agreement with Las Vegas-AMG, and fails to specify how this Agreement will be treated under section 365 of the United States Bankruptcy Code (the "Bankruptcy Code").

**III. Disclosure Statement Deficiencies**

6.

The Disclosure Statement fails to address the Debtors' executory contracts at all, much less identify the executory contracts and explain how they will be treated under the Plan. While the Plan addresses executory contracts in generic terms, it also does not identify the Debtors' executory contracts or specifically provide how the executory contracts will be treated thereunder (including how all defaults will be cured under section 365 of the Bankruptcy Code, if the executory contracts are assumed).<sup>3</sup>

7.

In particular, THC avers that the Disclosure Statement (and Plan) must identify the Agreement as an executory contract and must detail how the Agreement will be treated under the Plan (and, if the Agreement is assumed, how the defaults under the Agreement will be cured and the other obligations under section 365 of the Bankruptcy Code will be satisfied).

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<sup>3</sup> Additionally, the lack of disclosure is magnified by Las Vegas-AMG's failure to address THC's executory Agreement in its schedules and statements.

8.

Further, the Disclosure Statement (and Plan) must clarify that THC is not a Critical Vendor under the Plan and that the payment of its pre-petition claim is not governed by the terms of the “previously granted Critical Vendor Motion” (as set forth for Class 6B of the Plan)<sup>4</sup>; instead, if the executory Agreement is assumed, the relationship between THC and Las Vegas-AMG will be governed by the terms of the Agreement, and the satisfaction of all defaults (including all payment defaults) under the Agreement will be governed by section 365 of the Bankruptcy Code.

**IV. Conclusion**

Based on the foregoing, THC respectfully requests that the Court sustain THC’s objections to the Disclosure Statement and direct the Debtors to revise the Disclosure Statement to include all the information referenced above.

**AKERMAN LLP**

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Products, Inc. d/b/a THC of Nevada**

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<sup>4</sup> In the amended motion filed by Debtors to pay certain critical vendors (Doc. # 298), THC is listed as a critical vendor. THC objected (Doc. #387) to the amended critical vendor motion based on its executory Agreement with Las Vegas-AMG and the requirements and obligations set forth under section 365 of the Bankruptcy Code. As a result of THC’s objection, the Final Order (Doc. #483) granting the amended critical vendor motion specifically provides “[n]otwithstanding anything in this Final Order to the contrary, the obligations of the Debtors under section 365 of the Bankruptcy Code (including the Debtors’ obligations to cure the payment and other defaults under any executory contracts it seeks to assume) remain and are unaffected by this Final Order, and all rights and arguments of any creditors and other parties in interest under section 365 of the Bankruptcy Code are hereby reserved.”

**CERTIFICATE OF SERVICE**

I hereby certify that on November 27, 2017, a copy of the above and foregoing pleading was filed electronically with the Clerk of Court using the CM/ECF system which will send a notice of electronic filing to the parties registered to receive notices in this case, including the following parties:

Counsel for Debtors and Plan Proponents:

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*/s/ Brent C. Wyatt*

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Brent C. Wyatt