

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

IN RE:

CASE NO. 17-80881

SERENITY HOMECARE, LLC, ET AL ¹

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

**SERENITY HOMECARE, LLC, ET AL.
SECOND IMMATERIALLY MODIFIED FIRST AMENDED JOINT PLAN OF
REORGANIZATION
OCTOBER 22, 2018**

ARTICLE I
SUMMARY

This Joint Plan of Reorganization (the “Plan”) under Chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of Serenity Homecare, LLC, Antigua Investments, LLC, Central Louisiana Home Healthcare, LLC, Cupples Holdings, LLC, Hospice Care of Avoyelles Parish, LLC, Quality Home Health I, LLC and Quality Home Health, Inc. (the “Debtors”) from cash flow from operations of its businesses.

This Plan provides for numerous classes of claims as to each Debtor in this jointly administered case. Unsecured creditors holding allowed claims against all the Debtors will receive distributions, which the proponent of this Plan has valued at approximately 100 cents on the dollar. The timing of these distributions varies as to the various Debtors due to cash flow. Central

¹ Antigua Investments, LLC, Case No. 17-80882; Central Louisiana Home Healthcare, LLC, Case No. 17-80883; Cupples Holdings, LLC, Case No. 17-80884; Hospice Care of Avoyelles Parish, LLC, Case No. 17-80885; Quality Home Health I, LLC, Case No. 17-80886; and Quality Home Health, Inc., Case No. 17-80887.

Louisiana Home Healthcare, LLC's unsecured creditor dividend is dependent on the outcome of litigation. While a single Plan is being filed in these jointly administered cases, no substantive consolidation of any of the Debtors is provided in this Plan. This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claims. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

2.01 Class 1. Secured claim of Mid-Delta Health Systems, Inc. as to Serenity Homecare, LLC's membership interest in Quality Home Health I, LLC and in Quality Home Health I, LLC's agency license, Medicare provider number and accounts receivables in the approximate amount of \$280,814.54.

2.02 Class 2. Secured claim of the Internal Revenue Service as to Serenity Homecare, LLC, filed in the amount of \$1,076,531.06;

2.03 Class 3. Secured claim of the Internal Revenue Service as to Hospice Care of Avoyelles Parish, LLC, filed in the amount of \$268,473.25;

2.03A Class 3A. The secured claim of Regions Bank as to Hospice Care of Avoyelles Parish, LLC, which ranks behind the secured claim of the Internal Revenue Service on all movable assets of Hospice Care of Avoyelles Parish, LLC, generally, in the amount of \$12,932.34.

2.04 Class 4. Secured claim of the Internal Revenue Service as to Antigua Investments, LLC, filed in the amount of \$295,302.74;

2.05 Class 5. Secured claim of the Internal Revenue Service as to Central Louisiana Home Health, LLC, filed in the amount of \$4,762.59;

- 2.06 Class 6. Secured claim of Cottonport Bank as to Antigua Investments, LLC which is secured by the building and lot located at 401 16th Street, Alexandria, Louisiana 71301, in the amount of \$1,018,278.73;
- 2.07 Class 7. Secured claim of Red River Bank as to Cupples Holdings, LLC which is secured by various pieces of real property and rents generated by the same in the approximate amount of \$416,502.00;
- 2.08 Class 8. Secured claims of Bancorp South as to Cupples Holdings, LLC, and Hospice Care of Avoyelles Parish, LLC, which is secured by various pieces of real property and rents generated by real estate owned by Cupples Holdings, LLC in the approximate amounts of \$459,461.91 and \$90,141.68;
- 2.09 Class 9. Secured claims of Evangeline Bank as to Cupples Holdings, LLC which are secured by various pieces of real property and the rents generated by the same in the approximate amounts of \$204,361.00 and \$85,337.00;
- 2.10 Class 10. Unsecured claims against Serenity Homecare, LLC in the approximate amount of \$151,628.97;
- 2.11 Class 11. Unsecured claims against Quality Home Health I, LLC in the approximate amount of \$0.00;
- 2.12 Class 12. Unsecured claims against Hospice Care of Avoyelles Parish, LLC in the amount of \$313,275.53;
- 2.13 Class 13. General unsecured claims Hospice Care of Avoyelles Parish, LLC in the approximate amount of \$75,247.81;
- 2.14 Class 14. Unsecured claims against Antigua Investments, LLC in the approximate amount of \$100,065.17;
- 2.15 Class 15. Unsecured claims against Cupples Holdings, LLC in the amount of \$18,491.02;
- 2.16 Class 16. Unsecured claims against Central Louisiana Home Health, LLC in the amount of \$704,955.50;
- 2.17 Class 17. Unsecured insider claims (held by Thomas Cupples); and
- 2.18 Class 18. Equity interests in the Debtors.

ARTICLE III.
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, & PRIORITY TAX CLAIMS

- 3.01 Unclassified Claims. Under Section 1123(a)(1) of the Code, administrative expense claims, priority claims, and priority tax claims are not in classes. Priority claims other than tax claims will be paid in full on the effective date of this Plan.
- 3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under Section 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.
- 3.03 Priority Tax Claims. The Debtor will satisfy priority claims by paying an amount sufficient to pay the claims as filed with interest pursuant to 11 U.S.C. § 511 in equal monthly installments in an amount sufficient to retire the claim within sixty months from the petition date.¹ The first installment will commence sixty days from the effective date of this Plan, and the Debtor will make subsequent installments on or before the 30th day of each month following the month of the first installment.

The priority claims against Central Louisiana Home Health, LLC will receive their pro-rata portion paid out of proceeds of the litigation against the USA Department of Health & Human Service Center for Medicare Services.

- 3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. § 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV.
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

A. Treatment of Class 1

Serenity Homecare, LLC, will satisfy the secured claim of Mid-Delta Health Systems, Inc. in the approximate amount of \$280,814.54, which will be amortized over three (3) years at 4% interest with payments to be made monthly commencing on the effective date in the approximate amount of \$8,290.76.

B. Treatment of Classes 2, 3, 3A and 4

Serenity Homecare, LLC, Hospice Care of Avoyelles Parish, LLC and Antigua Investments, LLC, will satisfy the secured claims of the U.S. Internal Revenue Service by paying

¹ The statutory rate of interest for amounts owed to the Internal Revenue Service can be located in Sections 6621 and 6622 of the Internal Revenue Code. The statutory rate of interest for unpaid taxes owed to the Louisiana Department of Revenue is the rate provided in La. R.S. 47:1601(A)(2)(a)(v).

the U.S. Internal Revenue Service equal monthly installments in an amount sufficient to pay the claim as filed with interest at the statutory interest rate pursuant to Sections 6621 and 6622 of the Internal Revenue Code, and within 60 months from the petition date. The first installment will begin 60 days after the effective date of this Plan, and the Debtor will make subsequent installments on or before the 30th day of each month following the month of the first installment.

Serenity Homecare, LLC, Hospice Care of Avoyelles Parish, LLC and Antigua Investments, LLC will reimburse Mr. Thomas Cupples for any Trust Fund Recovery Penalties paid by Mr. Cupples related to these entities, whether voluntary or involuntary, and the Debtor may reduce the payments to the U.S. Internal Revenue Service to be made under this section to satisfy such reimbursement to prevent double recovery by the U.S. Internal Revenue Service.

Class 3A, Regions Bank, will retain their lien position behind the U.S. Internal Revenue Service, and will receive payment in full of their claims over approximately five (5) years with 5% interest, with payments to be made monthly commencing on January 31, 2019, in the amount of \$251.52 per month until paid in full.

C. Treatment of Class 5

Central Louisiana Home Health, LLC, will satisfy this claim from the proceeds of litigation against the USA Department of Health & Human Services Centers for Medicare Services.

D. Treatment of Class 6

Antigua Investments, LLC, will satisfy the secured claim of Cottonport Bank in the amount of \$1,018,278.73 which will be amortized over fifteen (15) years at 5.75% interest with payments to be made monthly in the amount of \$8,455.89 over sixty months with a final balloon payment of the remaining balance being due on the sixty-first month.

E. Treatment of Class 7

Cupples Holdings, LLC, will satisfy the secured claim of Red River Bank in the approximate amount of \$421,321.67 which will bear 6.5% per annum interest and will be paid on a fifteen year amortization in equal monthly installments of \$3,670.00 over five years, with the balance of the claim being due on the sixtieth payment. The Debtor will execute all documents necessary to renew or modify the notes and security documents held by this creditor as necessary to conform to the modified plan.

F. Treatment of Class 8

Cupples Holdings, LLC, and Hospice Care of Avoyelles Parish, LLC, will satisfy the secured claims of Bancorp South, which are secured by real estate owned by Cupples Holdings, LLC. The first claim (the Cupples Holdings, LLC debt) in the approximate amount of \$459,461.91 shall bear of interest of 6.0% per annum with a thirteen year amortization but with a balloon payment five years from confirmation of this plan. The second claim (the Hospice Care of Avoyelles Parish, LLC debt) in the approximate amount of \$90,141.68 shall bear of interest of

6.0% per annum with a fifteen year amortization but with a balloon payment five years from confirmation of this plan. The total estimated payment is \$5,009.42 for both loans. Payments on the second claim may be made by either Cupples Holdings, LLC or Hospice Care of Avoyelles Parish, LLC, at the option of management of the Debtors. Both Cupples Holdings, LLC and Hospice Care of Avoyelles Parish are authorized to sign documents renewing these loans on the terms set forth in this Plan at the maturity of any note, at the option of the creditor.

G. Treatment of Class 9

Cupples Holdings, LLC, will satisfy the secured claim of Evangeline Bank in the approximate amount of \$211,544.28 and \$88,884.97 shall bear 6.5% single interest per annum and be paid in equal monthly installments on a fifteen year amortization in the approximate total amount of \$2,617.06 per month for five years, with the entire balance being due on the sixtieth payment. The Debtor will execute all documents necessary to renew or modify the notes and security documents held by this creditor as necessary to conform to the modified plan.

H. Treatment of Class 10

Serenity Homecare, LLC, will satisfy their unsecured claims in the approximate amount of \$151,628.97 in full, without interest, in cash, over a two (2) year period with payments to be made monthly commencing on the effective date in the amount of \$6,317.88.

I. Treatment of Class 11

The unsecured claims against Quality Home Health I, LLC, which the Debtor believes to be zero, will be paid in full twelve (12) months from the effective date.

J. Treatment of Class 12

Hospice Care of Avoyelles Parish, LLC, will satisfy the claims of the Department of Health and Human Services in full pursuant to the assumption of the Medicare provider agreement and by virtue of a payment arrangement made with the Department.

K. Treatment of Class 13

General unsecured claims against Hospice Care of Avoyelles Parish, LLC will receive payment in full of their claims over five (5) years, with payments to be made monthly commencing on January 31, 2019.

L. Treatment of Class 14

The unsecured claims of Antigua Investments, LLC will receive their pro-rata share of \$5,000 per month until paid in full, without interest, with payments commencing sixty (60) days from the effective date.

M. Treatment of Class 15

The unsecured claims of Cupples Holdings, LLC will receive their pro-rata share of \$1,000 per month until paid in full, without interest, with payments commencing sixty (60) days from the effective date.

N. Treatment of Class 16

The unsecured claims of the Debtor, Central Louisiana Home Health, LLC, will receive their pro-rata portion of proceeds of litigation after all secured and priority claims of Central Louisiana Home Health, LLC are paid.

O. Treatment of Class 17

All insider unsecured claims will be converted into equity shares in the reorganized Debtor.

P. Treatment of Class 18

The equity interests will be retained by the equity holders in the Debtors.

**ARTICLE V.
ALLOWANCE AND DISALLOWANCE OF CLAIMS**

- 5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.
- 5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.
- 5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

**ARTICLE VI.
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

- 6.01 Assumed Executory Contracts and Unexpired Leases. The Debtors will be conclusively deemed to have assumed all executory contracts and/or unexpired leases not expressly rejected before the date of the order confirming this Plan. A proof of claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than sixty (60) days after the date of the order confirming this Plan.

ARTICLE VII.
MEANS FOR IMPLEMENTATION

- 7.01 Means of Implementation. The Debtor will make payments as called for under this Plan. The Debtors, except Central Louisiana Home Healthcare, LLC, will use income from operation of its business to make monthly payments under the Plan for the secured claim and priority tax claims. The Internal Revenue Service will calculate the amount of the monthly payments upon Confirmation of the Plan and will provide the Debtor written documentation regarding the monthly payments. The Debtor will make distributions for administrative claims, and will then make all other distributions. The debts of Central Louisiana Home Healthcare, LLC will be paid from the proceeds of litigation against the Department of Health & Human Services over funds that should not have been recouped by Medicare (the "Litigation"). Any compromise of the Litigation where unsecured creditors are paid less than the full amount of their claims without interest will be brought before the bankruptcy court by a motion to compromise under Federal Rule of Bankruptcy Procedure 9019 and a proposed modification to the plan that solely addresses creditors of Central Louisiana Home Healthcare, LLC, and the jurisdiction of the bankruptcy court is specifically reserved for any such compromise motion and plan modification.
- 7.02 Commencement of Payments. Unless otherwise provided, all payments to secured and unsecured creditors, other than the IRS, will begin on the effective date. Payments to the United States of America, Internal Revenue Service, will begin 30 days from the effective date of the plan to allow the IRS to calculate the amounts of the payments and relay that information to the Reorganized Debtors.

ARTICLE VIII.
GENERAL PROVISIONS

- 8.01(A). Definitions and Rules of Construction. The definitions and rules of construction set forth in Sections 101 and 102 of the Code will apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:
1. The Debtor and/or Debtor-in-Possession is Serenity Homecare, LLC, Antigua Investments, LLC, Central Louisiana Home Healthcare, LLC, Cupples Holdings, LLC, Hospice Care of Avoyelles Parish, LLC, Quality Home Health I, LLC and Quality Home Health, Inc.
 2. Administrative expense: any claim entitled to priority under Section 507(a)(2) of the Bankruptcy Code incurred by the Debtor post-petition in the ordinary course of Debtor's business and court approved professional fees.
 3. Bar Date: The date by which all proofs of claim must be filed; which was fixed in accordance with the order of this Court styled "Notice of Commencement of Case Under Chapter 11 of the Bankruptcy Code, Meeting of Creditors and Fixing of Dates," that being the date first fixed for the hearing on the disclosure statement.

4. Code: The United States Bankruptcy Code, being Title 11 of the United States Code as enacted in 1978, and thereafter amended.
5. Court: The United States Bankruptcy Court for the Western District of Louisiana, Alexandria Division.
6. Confirmation: Entry by the Court of an order confirming the plan at or after a hearing pursuant to Section 1129 of the Code.
7. Creditor: Any person having a claim against the Debtor.
8. Final Confirmation: The date upon which the order entered by the Court confirming the plan becomes final and unappealable.
9. Plan: This Plan of Reorganization, including any modifications or corrections.

8.01(B). Certain General Terms and Conditions. The following general terms and conditions apply to this Plan:

1. Claims: Various types of claims are defined in this Plan. This Plan is intended to deal with all claims, against the Debtor of whatever character, whether or not disputed, contingent, or liquidated, and whether or not allowed by the Court pursuant to Section 502(a) of the Code. However, only those claims allowed pursuant to Section 502(a) of the Code will receive payments afforded by the Plan. Payments to be made in satisfaction of claims will be made as soon as practicable after the effective date.
2. Disbursing Agent: The Debtor will be the disbursing agent under the Plan.
3. Preserved Liens: To the extent required under Section 1124(2), or 1129(b)(2)(a) of the Code to preserve the rights of the creditor having a secured claim dealt with pursuant to either section, the lien or encumbrance of that creditor will, to the extent valid, be preserved. Otherwise, the transfers and conveyances contemplated by this Plan will be free and clear of liens, encumbrances and claims.
4. Time for Filing Claims: All creditors other than creditors having administrative expense claims, including creditors having damage claims, will be required to file proofs of claim if necessary by the bar date. Holders of claims for administrative expenses need not file a proof of claim and will be paid in full by the debtor in the ordinary course of business when they are due and payable.
5. Modifications to Plan: This Plan may be modified upon application of the debtor or corrected prior to Confirmation without notice and hearing and without additional disclosure pursuant to Section 1125 of the Code, provided that, after notice to the creditors, the Court finds that such modification does not materially or

adversely affect any creditor or a class of creditors who has not accepted the modification in writing.

6. **Substantial Consummation:** This Plan will be substantially consummated upon the commencement of those distributions to be made pursuant to this Plan.
- 8.02 **Effective Date of Plan.** The effective date of this Plan is the thirtieth business day following the date of the entry of the order of Confirmation of this Plan. But if a stay of the Confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the Confirmation order is in effect, provided that the Confirmation order has not been vacated.
- 8.03 **Severability.** If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.
- 8.04 **Binding Effect.** The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 8.05 **Captions.** The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
- 8.06 **Default of Plan Payments – Internal Revenue Service.** If the reorganized Debtor substantially defaults on the plan payments due to the Internal Revenue Service, the outstanding balance is immediately due and payable. Payment will be for the entire amount owed to the Internal Revenue Service under the Plan. The Internal Revenue Service may collect these unpaid tax liabilities through the administrative collection provisions of the Internal Revenue Code.
- 8.07 **Default of Plan Payments – Louisiana Department of Revenue.** Notwithstanding anything in the Plan to the contrary, the Bankruptcy Court will not retain jurisdiction with respect to pre-petition tax claims except for (i) resolving the amount of any state tax claim arising prior to Confirmation; and (ii) enforcing the discharge provision of the Plan.

A failure by the reorganized Debtor to make a payment due under the confirmed plan or due on any tax for any post-Confirmation tax period while making the installment payments due pursuant to the terms of the Plan to the Louisiana Department of Revenue will be an Event of Default. Failure to declare a default does not constitute a waiver by the Louisiana Department of Revenue of its right to declare that the Debtor is in default.

The Louisiana Department of Revenue will give the Debtor written notice of the Event of Default at the address listed on the Debtor's Chapter 11 Petition or the Debtor's most recent filed tax return, with a copy to the Debtor's counsel. The Debtor may cure such default within fourteen (14) days from the receipt of such notice. If the reorganized Debtor fails to cure the default within fourteen (14) days after receipt of written notice of default, then the

Louisiana Department of Revenue may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies allowed under state law or any other applicable non-bankruptcy law; and / or (c) seek such relief as may be available in the Court, meaning any Louisiana court of proper jurisdiction and venue or any other court of proper jurisdiction and venue.

Notwithstanding anything to the contrary in the Plan or Confirmation Order, no other Person (as defined by 11 U.S.C. §101(41)) that is legally responsible with the Debtor to the Louisiana Department of Revenue for any allowed claim entitled to priority pursuant to 11 U.S.C. §507(a)(8)(C) will be released post-Confirmation from any liability they may have to the Louisiana Department of Revenue; such other Person(s) will remain personally liable for any unpaid balance to the same extent to which Louisiana law could have imposed personal liability had the Debtor not filed for Chapter 11 relief.

- 8.08 Retention of Causes of Action. The Reorganized Debtor will retain all causes of action belonging to the Debtor in Possession, and, particularly, the litigation against the United States of America, Center for Medicare Services by Central Louisiana Home Health, LLC.

ARTICLE IX.
DISCHARGE

- 9.01 Discharge. On the Confirmation of the Plan, the Debtor will be discharged from any debt that arose before Confirmation of the Plan, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B).

Respectfully submitted:

GOLD, WEEMS, BRUSER, SUES & RUNDELL
(A Professional Law Corporation)

BY: /s/ Bradley L. Drell

Bradley L. Drell (Bar Roll #24387)

B. Gene Taylor, III (Bar Roll #33407)

P. O. Box 6118

Alexandria, LA 71307-6118

T: (318) 445-6471

F: (318) 445-6476

Email: bdrell@goldweems.com

**ATTORNEYS FOR DEBTORS-IN-POSSESSION,
SERENITY HOMECARE, LLC, ANTIGUA
INVESTMENTS, LLC, CENTRAL LOUISIANA HOME
HEALTHCARE, LLC, CUPPLES HOLDINGS, LLC,
HOSPICE OF AVOYELLES PARISH, LLC, QUALITY
HOME HEALTH I, LLC and QUALITY HOME
HEALTH, INC.**