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6 Proposed Attorneys for Chapter 11 Debtor and
Debtor In Possession

7 UNITED STATES BANKRUPTCY COURT
8 SOUTHERN DISTRICT OF CALIFORNIA
9

10 In re

Case No. 22-02384-11

11 BORREGO COMMUNITY HEALTH
FOUNDATION,

Chapter 11 Case

12 Debtor and Debtor In Possession.

**DEBTOR’S EX PARTE MOTION FOR
ENTRY OF AN ORDER EXTENDING
TIME FOR THE DEBTOR TO FILE
SCHEDULES OF ASSETS AND
LIABILITIES AND STATEMENT OF
FINANCIAL AFFAIRS**

DECLARATION OF ISAAC LEE

Judge: Honorable Laura S. Taylor

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19 **EX PARTE MOTION**

20 Borrego Community Health Foundation (“BCHF” or the “Debtor”), the debtor
21 and debtor in possession in the above-captioned chapter 11 bankruptcy case (the
22 “Case”), seeks entry of an order, substantially in the form attached hereto as **Exhibit**
23 **A**, on an *ex parte* basis (the “Motion”), pursuant to § 521(a) of title 11 of the United
24 States Code (the “Bankruptcy Code”)¹ and Rule 1007(c) of the Federal Rules of
25 Bankruptcy Procedure (the “Bankruptcy Rules”) extending time for the Debtor to file
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27 _____
28 ¹ All references to “§” or “sections” herein are to sections of the Bankruptcy Code, 11 U.S.C. § 101
et seq., as amended.



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1 its Schedules of Assets and Liabilities and Statement of Financial Affairs (the
2 “Required Documents”). In support of the Motion, the Debtor concurrently herewith
3 submits the Declaration of Isaac Lee, and incorporates by reference the previously
4 filed *Declaration of Isaac Lee, Chief Restructuring Officer, in Support of Debtor’s*
5 *Emergency First Day Motions* [Docket No. 7] (the “Lee Declaration”). In further
6 support of the Motion, the Debtor hereby states as follows:

7 **I.**

8 **JURISDICTION**

9 The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and
10 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of this
11 Case is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

12 **II.**

13 **STATEMENT OF FACTS**

14 **A. GENERAL BACKGROUND**

15 1. On September 12, 2022 (“Petition Date”), the Debtor filed a voluntary
16 petition for relief under chapter 11 of the Bankruptcy Code.

17 2. The Debtor is a nonprofit federally qualified health center (“FQHC”) that
18 provides health care services to low income and rural patients (collectively,
19 “Patients”) in San Diego and Riverside Counties through a system of eighteen clinics,
20 two pharmacies, and six mobile units. In 2021, BCHF provided approximately
21 386,000 patient care visits to over 94,000 patients. BCHF’s services include
22 comprehensive primary care, urgent care, behavioral health, dental services, specialty
23 care, transgender health, women’s health, prenatal care, veteran’s health, chiropractic
24 services, tele-health, and pharmacy.

25 3. FQHCs are federally designated entities that receive higher state
26 payments to provide health care services to poor and rural families and families with
27 incomes below 200% of the poverty level. As an FQHC, BCHF strives to deliver
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1 high quality, comprehensive, compassionate primary health care to people in the
2 surrounding area, regardless of ability to pay.

3 4. Additional background regarding the Debtor, including an overview of
4 the Debtor’s business and additional events leading up to this Case, is set forth in the
5 Lee Declaration.

6 5. Since the commencement of the Case, the Debtor has been operating its
7 business as debtor in possession pursuant to §§ 1107 and 1108 of the Bankruptcy
8 Code.

9 6. To date, no official committee or examiner has been appointed by the
10 Office of the United States Trustee in this Case.

11 **B. RELEVANT BACKGROUND TO MOTION**

12 7. The Debtor has dedicated the beginning of this Case to the critical tasks
13 of (i) ensuring payroll obligations are met, (ii) operating its business, and (iii)
14 complying with the Court’s orders and other chapter 11 requirements. Most
15 importantly, the Debtor’s management and staff must continue to provide high quality
16 patient care to thousands of patients.

17 8. The Debtor is in the process of preparing its Schedules of Assets and
18 Liabilities and Statement of Financial Affairs (the “Required Documents”), but given
19 the fact that the Debtor, its staff, and the Debtor’s advisors, have dedicated the
20 beginning of this Case to various matters critical to the Debtor’s operations and
21 administration of this Case, the Debtor requires additional time to prepare and file
22 their Required Documents. By way of example, since the Petition Date, the Debtor
23 has dedicated a substantial amount of time to reviewing the information necessary to
24 implement first-day motions related to employees’ wages, utilities, cash management,
25 and insurance.

26 9. Further, the Debtor operates a large and sophisticated nonprofit health
27 care system, which requires a substantial amount of time to prepare the Required
28 Documents. Consequently, the Debtor requires more time to fully analyze its assets

1 and liabilities with the assistance and advice of counsel in order to prepare full and
2 accurate Required Documents, while still providing medical services to its patients
3 and operating its facilities.

4 10. Based on the current circumstances, if the Debtor is forced to file the
5 Required Documents by the current deadline, it is highly likely that the Debtor would
6 have to later supplement, revise and make substantial amendments to the Required
7 Documents. Doing so will only increase the Debtor’s administrative expenses and
8 cause confusion to third parties, as well as complicate the Debtor’s case
9 administration efforts. Further, if the Debtor is forced to file the Required Documents
10 by the current deadline, it will distract the Debtor’s staff from essential operational
11 issues, divert the Debtor’s professionals from other tasks that are also time sensitive,
12 and possibly cause the Debtor and its professionals to later expend substantial time
13 and resources to prepare amendments at the expense of the estate. Consequently, the
14 Debtor requests a 30-day extension of the deadline to file the Required Documents,
15 continuing the deadline from September 26, 2022 through and including October 26,
16 2022. The Debtor respectfully submits that an extension of time for the Debtor to
17 prepare the Required Documents is warranted and appropriate. Furthermore, the
18 Debtor respectfully submits that none of its creditors will be prejudiced by the
19 extension of time requested herein.

20 **III.**
21 **DISCUSSION**

22 Section 521(a) provides that the Debtor file “a schedule of assets and liabilities;
23 (ii) a schedule of current income and current expenditures; [and] (iii) a statement of
24 the debtor’s financial affairs. . . .” Rule 1007(c) of the Federal Rules of Bankruptcy
25 Procedure (the “Bankruptcy Rules”) provides that, “(i)n a voluntary case, the
26 schedules, statements and other documents . . . shall be filed with the petition or within
27 14 days thereafter” Bankruptcy Rule 1007(c) further states that “any extension
28 of time to file schedules, statements, and other documents . . . may be granted only on

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1 motion for cause shown and on notice to the United States trustee, any committee
2 elected under § 705 or appointed under § 1102 of the Code, trustee, examiner, or other
3 party as the court may direct.”

4 As discussed above and in the accompanying Declaration of Isaac Lee, the
5 Debtor has devoted, and continues to devote, substantially all of its time to critical
6 tasks related to patient care, operating its business, and administering this Case. As
7 such, the Debtor requires more time to fully analyze its assets and liabilities with the
8 assistance and advice of its professionals in order to prepare full and accurate
9 Required Documents. The Declarations also provide adequate support for the 30-
10 day extension of time to file the Required Documents. Importantly, the Debtor also
11 does not believe that any creditor or party in interest will be prejudiced by the
12 extension of time requested herein.

13 **IV.**
14 **CONCLUSION**

15 **WHEREFORE**, for all the foregoing reasons and such additional reasons as
16 may be advanced at or prior to the hearing on this Motion, the Debtor respectfully
17 requests that this Court enter an order extending the deadline by which the Debtor
18 must file the Required Documents through and including October 26, 2022.

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20 Dated: September 20, 2022

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SAMUEL R. MAIZEL
TANIA M. MOYRON

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23 By: */s/ Tania M. Moyron*
24 Tania M. Moyron

25 Proposed Attorneys for the Chapter 11
26 Debtor and Debtor In Possession
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DECLARATION OF ISAAC LEE

I, Isaac Lee, hereby state and declare as follows:

1. I am the Chief Restructuring Officer (“CRO”) of Borrego Community Health Foundation (“BCHF” or the “Debtor”).

2. I am a Managing Director at Ankura with more than 20 years of operational and financial restructuring experience. I have advised numerous companies on turnaround plan development and evaluation, liquidity improvement initiatives, asset dispositions, liability management and bankruptcy filing preparation. I have also assisted in managing and administering companies during chapter 11 cases. Additionally, I have prior experience with health care providers, including a nine surgical center system and senior level responsibilities on two prior engagements where Ankura has been involved as Chief Restructuring Officer.

3. I received my MBA from the Tuck School at Dartmouth College and my BS in Business Administration from the University of Southern California.

4. I am knowledgeable and familiar with the Debtor’s day-to-day operations, business and financial affairs, restructuring efforts and the circumstances leading to the commencement of this chapter 11 case (the “Case”). Except as otherwise indicated herein, this Declaration is based upon my personal knowledge, my review of relevant documents, information provided to me by employees of the Debtor or the Debtor’s legal and financial advisors, or my opinion based upon my experience, knowledge, and information concerning the Debtor. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

5. I make this declaration in support of the *Debtor’s Ex Parte Motion for an Order Extending Time for Debtor to File Schedules of Assets and Liabilities and Statement of Financial Affairs* (the “Motion”, unless otherwise defined herein, capitalized terms shall have the same meaning as in the Motion). I incorporate by reference into this Declaration my *Declaration of Isaac Lee, Chief Restructuring*

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1 *Officer, in Support of Debtor’s Emergency First Day Motions* [Docket No. 7] (the
2 “Lee Declaration”). The Lee Declaration also supports the Motion.

3 6. On September 12, 2022 (the “Petition Date”), the Debtor, filed a
4 Voluntary Petition for relief under chapter 11 of the Bankruptcy Code.

5 7. Since the Petition Date, the Debtor has operated its business and
6 managed its affairs as debtor in possession pursuant to Sections 1107 and 1108 of the
7 Bankruptcy Code.

8 8. Since the Petition Date, the Debtor has dedicated a substantial amount of
9 time reviewing the information necessary to, among other things, implement a motion
10 for authority to pay certain employees’ wages, a motion to establish adequate
11 assurance of payment to utility companies, a motion for authority to continue utilizing
12 the Debtor’s cash management systems, and a motion to maintain worker’s
13 compensation, other insurance, and pay related premiums. I, together with my staff,
14 have assisted the Debtor’s in connection with all of these tasks.

15 9. I, together with my staff, have assisted the Debtor during the beginning
16 of this Case with the critical tasks of ensuring payroll obligations are met, that the
17 Debtor has sufficient funds and authority to use funds in order to operate their
18 business, and that the Debtor is in compliance with all of the Court’s orders and
19 requirements.

20 10. I am also the primary person assisting the Debtor with preparing their
21 Required Documents, which the Debtor has started to prepare. But, given the fact
22 that the Debtor, my staff, and I have dedicated the beginning of this Case to various
23 matters critical to the Debtor’s operations and administration of this Case, we require
24 additional time to prepare and file the Required Documents. Moreover, because the
25 Debtor operates a large and sophisticated nonprofit health care system, it takes a
26 substantial amount of time to prepare the Required Documents.

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1 11. I do not believe that any party in interest will be prejudiced by the
2 extension of time requested herein. To the contrary, I believe they will be benefitted
3 by a more efficient administration of this Case.

4 12. For all of these reasons, the Debtor requests a thirty (30) day extension
5 of time to file the Required Documents.
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1 I declare under penalty of perjury that, to the best of my knowledge and after
2 reasonable inquiry, the foregoing is true and correct.

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4 Dated: September 20, 2022

BORREGO COMMUNITY HEALTH
FOUNDATION

6 By: Isaac Lee
7 Isaac Lee
8 Chief Restructuring Officer

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EXHIBIT “A”
(Proposed Order)

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CSD 1001A [07/01/18]

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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA
325 West F Street, San Diego, California 92101-6991

In Re
BORREGO COMMUNITY HEALTH FOUNDATION,
Debtor and Debtor In Possession

Debtor.

BANKRUPTCY NO. 22-02384-11

Date of Hearing:
Time of Hearing:
Name of Judge: Honorable Laura S. Taylor

ORDER ON

**DEBTOR'S EX PARTE MOTION FOR ENTRY OF AN ORDER EXTENDING TIME FOR THE DEBTOR TO
FILE SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENT OF FINANCIAL AFFAIRS**

The court orders as set forth on the continuation pages attached and numbered 2 through 2 with
exhibits, if any, for a total of 2 pages. Motion/Application Docket Entry No. _____.

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DATED:

Judge, United States Bankruptcy Court

The Court having considered the Debtor's Ex Parte Motion for Entry of an Order Extending Time for the Debtor to File Schedules of Assets and Liabilities and Statement of Financial Affairs ("Motion") filed by Borrego Community Health Foundation ("Debtor"), the Debtor and debtor in possession herein, and the files and records in this Case; the Court having found that good and sufficient cause exists for granting the Motion; it appearing that the relief requested is in the best interest of the Debtor's estate, its creditors, and other parties in interest; and it appearing that notice of the Motion was adequate and proper under the circumstances of the Case and that no further or other notice need be given,

IT IS HEREBY ORDERED that:

1. The Motion is granted as set forth herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.
2. The deadline for the Debtor to file the Required Documents is extended through and including October 26, 2022.
3. The terms and conditions of this Order shall be immediately effective upon entry of this Order.
4. The Debtor is authorized and directed to take all actions necessary to implement the relief granted in this Order.
5. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.