

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10443 (TMH)

Joint Administration Requested

DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO FILE (A) A CONSOLIDATED MASTER LIST OF CREDITORS AND (B) A CONSOLIDATED LIST OF THE DEBTORS' 40 LARGEST GENERAL UNSECURED CREDITORS, (II) AUTHORIZING THE DEBTORS TO REDACT PERSONALLY IDENTIFIABLE INFORMATION FOR CERTAIN INDIVIDUAL CREDITORS AND PARTIES IN INTEREST, (III) AUTHORIZING PROCEEDURES TO MAINTAIN AND PROTECT CONFIDENTIAL RESIDENT INFORMATION, AND (IV) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (each, a "Debtor" and, collectively, the "Debtors") seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"): (i) authorizing the Debtors to file (a) a consolidated list of creditors (the "Consolidated Creditor Matrix") in lieu of separate mailing matrices for each Debtor and (b) a consolidated list of the Debtors' forty (40) largest general unsecured creditors (the "Consolidated Top 40 List") in lieu of separate lists for each Debtor; (ii) authorizing the Debtors to redact certain personally identifiable information for the Debtors' current and former employees, independent contractors, vendors, and clients; (iii) authorizing the implementation of procedures to protect confidential information of current and former residents of the Debtors (collectively, the "Residents"); and (iv) granting related relief. In support of this motion (this "Motion"), the

¹ The last four digits of SC Healthcare Holding, LLC's tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors' proposed claims and noticing agent at www.kccllc.net/Petersen.



Debtors rely upon and incorporate by reference the *Declaration of David R. Campbell in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”),² filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. The Debtors confirm their consent, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief sought herein are sections 105(a), 107, and 521 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 1001-1(c), 1007-2, and 2002-1(f).

² Capitalized terms used but not otherwise defined in this Motion have the meanings ascribed to them in the First Day Declaration.

BACKGROUND

4. On the date hereof (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors comprise one of the largest nursing home operators in the United States and work in partnership with physicians, skilled nurses, and other health care providers in order to provide various healthcare and rehabilitation services for elderly citizens in Illinois, Missouri, and Iowa. Among other services, the Debtors provide assisted and supportive living, skilled nursing care, respite care, memory care, hospice, local medical transportation, radiology, and pharmacy services. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to these Chapter 11 Cases is set forth in the First Day Declaration.

5. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. To date, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) has not appointed an official committee in the Chapter 11 Cases and no request has been made for the appointment of a trustee or an examiner.

RELIEF REQUESTED

6. By this Motion, the Debtors seek entry of the Proposed Order (i) authorizing the Debtors to file (a) the Consolidated Creditor Matrix in lieu of separate mailing matrices for each Debtor and (b) the Consolidated Top 40 List in lieu of separate lists for each Debtor; (ii) authorizing the Debtors to redact certain personally identifiable information for the Debtors’ current and former employees, independent contractors, vendors, and clients; (iii) authorizing the

implementation of procedures to protect confidential information of the Residents; and (iv) granting related relief.

BASIS FOR THE RELIEF REQUESTED

A. The Court Should Authorize the Debtors to File a Consolidated Creditor Matrix in Lieu of Submitting Separate Mailing Matrices for Each Debtor

7. Section 521(a) of the Bankruptcy Code and Bankruptcy Rule 1007(a)(1) require a debtor in a voluntary chapter 11 case to file a list containing the name and complete address of each creditor. In addition, Local Rule 1007-2(a) provides that in a voluntary chapter 11 case, the debtor must file “a list containing the name and complete address of each creditor in such format as directed by the Clerk’s Office Procedures.” Del. Bankr. L.R. 1007-2(a).

8. Local Rule 2002-1(f)(v) further requires each debtor in jointly administered cases to maintain a separate creditor mailing matrix. Local Rule 1001-1(c), however, permits modification of the Local Rules by the Court “in the interests of justice.” Furthermore, Local Rule 1007-2 provides that, “[i]n all . . . voluntary cases with multiple debtors and that are subject to the requirement Local Rule 2002-1(f) to retain a claims and noticing agent, the debtors may file consolidated lists of creditors for the lists required in Bankruptcy Rule 1007.” *Id.*

9. The Debtors do not presently maintain lists of the names and addresses of all their creditors on a Debtor-specific basis. Requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would be an unnecessarily burdensome task and may result in duplicate mailings. Further, the Debtors have hundreds of creditors, employees, and other parties-in-interest that will be provided with notice of the Chapter 11 Cases. This task would be especially burdensome given the demands on the Debtors’ staff resulting from the Chapter 11 Cases. The Debtors submit that permitting them to maintain a single, consolidated list of creditors, in lieu of filing a separate creditor matrix for each Debtor, is

warranted. Moreover, the Debtors believe that Local Rule 1007-2(a) authorizes them to file the Consolidated Creditor Matrix. However, by this Motion, the Debtors seek authority to file the Consolidated Creditor Matrix, identifying the Debtors' creditors in the format or formats currently maintained in the Debtors' ordinary course of business, out of an abundance of caution.

10. In addition, contemporaneous with the filing of this Motion, the Debtors are filing an application for an order authorizing the retention and employment of appointing Kurtzman Carson Consultants LLC ("KCC") as their claims and noticing agent. If the Debtors' request is granted, KCC will, among other things, complete the mailing of the applicable notices to the parties in the Consolidated Creditor Matrix as required by Bankruptcy Rule 2002. The Debtors believe that filing a Consolidated Creditor Matrix will enable KCC to provide notice efficiently to all entitled parties.

11. Courts in this district have also granted relief similar to the relief requested herein. *See, e.g., In re MVK FarmCo LLC, et al.*, No. 23-11721 (LSS) (Bankr. D. Del. Nov. 15, 2023) (authorizing a consolidated creditor matrix); *In re Am. Physician Partners, LLC*, No. 23-11469 (BLS) (Bankr. D. Del. Oct. 27, 2023) (same); *In re Yellow Corp.*, No. 2311069 (CTG) (Bankr. D. Del. Sept. 13, 2023) (same); *In re Proterra Inc., et al.*, Case No. 23-11120 (BLS) (Bankr. D. Del. Aug. 10, 2023) (same); *In re Lannett Co., Inc.*, No. 23-10559 (JKS) (Bankr. D. Del. May 5, 2023) (same).

12. The Debtors, working together with KCC, have already prepared a single, Consolidated Creditor Matrix in electronic format. The Debtors will make the Consolidated Creditor Matrix available in electronic form to any party in interest who so requests (or in nonelectronic form at such requesting party's sole cost and expense) in lieu of submitting a mailing matrix to the Clerk of the Court.

B. The Court Should Authorize the Debtors to File a Consolidated List of the Debtors' 40 Largest General Unsecured Creditors

13. Pursuant to Bankruptcy Rule 1007(d), a chapter 11 debtor must file with its voluntary petition a list setting forth the names, addresses, and claim amounts of the creditors, excluding insiders, that hold the 20 largest general unsecured claims in the debtor's case. *See* Fed. R. Bankr. P. 1007(d). Contemporaneously herewith, the Debtors filed the Consolidated Top 40 List, which includes the 40 largest general unsecured claims in the Chapter 11 Cases. This Consolidated Top 40 List is primarily used by the U.S. Trustee to evaluate the types and amounts of unsecured claims against a debtor and, thus, identify potential candidates to serve on an official committee of unsecured creditors appointed in a debtor's case pursuant to section 1102 of the Bankruptcy Code.

14. The Debtors submit that a single, consolidated list of their combined 40 largest general unsecured creditors in the Chapter 11 Cases is more reflective of the body of unsecured creditors that have the greatest stake in the Chapter 11 Cases. Indeed, the Debtors' significant unsecured creditors are captured on the Consolidated Top 40 List and such list will provide the U.S. Trustee with a sufficiently clear picture of the Debtors' unsecured creditor constituency. In addition, the Debtors operate as a single business enterprise and certain Debtors share many creditors. Therefore, the Debtors respectfully request authorization—to the extent not already authorized under Local Rule 1007-2(a)—to file a Consolidated Top 40 List. The Debtors believe that such relief is not only appropriate under the circumstances, but necessary for the efficient and orderly administration of the Chapter 11 Cases.

15. Courts in this district have approved relief similar to the relief requested herein with respect to filing a single, consolidated list of the largest unsecured creditors of a debtor and its debtor affiliates. *See, e.g., See, e.g., In re MVK FarmCo LLC, et al.*, No. 23-11721 (LSS) (Bankr.

D. Del. Nov. 15, 2023) (authorizing a consolidated top thirty general unsecured creditors list); *In re Am. Physician Partners, LLC*, No. 23-11469 (BLS) (Bankr. D. Del. Oct. 27, 2023) (same); *In re Yellow Corp.*, No. 2311069 (CTG) (Bankr. D. Del. Sept. 13, 2023) (same); *In re Amyris, Inc.*, No. 23-11131 (TMH) (Bankr. D. Del. Aug. 11, 2023) (same); *In re Proterra Inc, et al.*, Case No. 23-11120 (BLS) (Bankr. D. Del. Aug. 10, 2023) (same); *In re Lannett Co., Inc.*, No. 23-10559 (JKS) (Bankr. D. Del. Aug. 11, 2023) (same); *In re PGX Holdings, Inc.*, No. 23-10718 (CTG) (Bankr. D. Del. July 19, 2023) (same).

C. The Court Should Authorize the Debtors to Redact Certain Personally Identifiable Information for Their Employees, Former Employees, and Clients

16. Although the public has a common law “right of access to judicial proceedings and records,” *Goldstein v. Forbes (In re Cendant Corp.)*, 260 F.3d 183, 192 (3d Cir. 2001), the Bankruptcy Code permits courts, in appropriate circumstances, to protect individuals from an undue risk of identity theft or other unlawful injury by limiting the public’s access, placing papers under seal, or otherwise entering orders to prohibit the dissemination of sensitive information. *See* 11 U.S.C. § 107(c); *see also Cendant*, 260 F.3d at 194 (noting the public’s right of access “is not absolute”) (citation and internal quotation marks omitted); *Leucadia, Inc. v. Applied Extrusion Tech, Inc.*, 998 F.2d 157, 165 (3d Cir. 1993) (“Although the right of access is firmly entrenched, so also is the correlative principle that the right is not absolute.”) (internal citation and quotation marks omitted).

17. Specially, section 107(c) of the Bankruptcy Code provides that the Court:

for cause, may protect an individual, with respect to the following types of information to the extent the court finds that disclosure of such information would create undue risk of identity theft or other unlawful injury to the individual or the individual’s property:

(A) Any means of identification . . . contained in a paper filed, or to be filed, in a case under [the Bankruptcy Code],

(B) Other information contained in a paper described in subparagraph (A).

Accordingly, per section 107(c) of the Bankruptcy Code, it is appropriate to authorize the Debtors to redact from any paper filed or to be filed with the Court in the Chapter 11 Cases,³ including the Consolidated Creditor Matrix and Schedules of Assets and Liabilities and Statements of Financial Affairs, the home addresses (and, where applicable, email addresses) of natural persons—including the Debtors’ current and former employees, independent contractors, vendors, and clients—because such information can be used to perpetrate identity theft and electronic mail scams or locate survivors of domestic violence, harassment, or stalking.⁴

18. The Debtors propose to provide, on a confidential basis, an unredacted version of the Consolidated Creditor Matrix and any other applicable filings to (a) the Court, the U.S. Trustee, counsel to an official committee of unsecured creditors appointed in the Chapter 11 Cases (if any), and (b) upon a request to the Debtors or to the Court that is reasonably related to the Chapter 11 Cases, any party in interest.

19. Courts in this district have also granted relief similar to the relief requested herein. *See, e.g., In re MVK FarmCo LLC, et al.*, No. 23-11721 (LSS) (Bankr. D. Del. Nov. 15, 2023) (authorizing the debtors to redact personally identifiable information of natural persons); *In re Am. Physician Partners, LLC*, No. 23-11469 (BLS) (Bankr. D. Del. Oct. 27, 2023) (same); *In re Yellow Corp.*, No. 2311069 (CTG) (Bankr. D. Del. Sept. 13, 2023) (same); *In re Amyris, Inc.*, No. 23-

³ By this Motion, the Debtors also seek authority to redact such information from certificates of service.

⁴ This risk is not merely speculative as there have been examples in the past where non-interested parties have utilized the publicly available information in bankruptcy cases to track down, stalk or otherwise contact individuals involved in bankruptcy cases. In at least one chapter 11 case, the abusive former partner of a debtor’s employee exploited the publicly accessible creditor and employee information filed in the chapter 11 case to track the employee at the employee’s address that had not been publicly available until then, forcing the employee to change addresses again for safety reasons. This incident, which took place during the *Charming Charlie* chapter 11 proceedings in 2017, is described in the “creditor matrix motion” filed in *In re Charming Charlie Holdings Inc.*, No. 19-11534 (CSS) (Bankr. D. Del. July 11, 2019) [Docket No. 4].

11131 (TMH) (Bankr. D. Del. Aug. 11, 2023) (same); *In re Lannett Co., Inc.*, No. 23-10559 (JKS) (Bankr. D. Del. Aug. 11, 2023) (same); *In re Proterra Inc, et al.*, Case No. 23-11120 (BLS) (Bankr. D. Del. Aug. 10, 2023) (same); *In re PGX Holdings, Inc.*, No. 23-10718 (CTG) (Bankr. D. Del. July 19, 2023) (same).

20. For these reasons, the Debtors respectfully submit that cause exists to authorize the Debtors to redact, pursuant to 11 U.S.C. § 107(c)(1), personally identifiable information of the Debtors' current and former employees, independent contractors, vendors, and clients who are listed on the Consolidated Creditor Matrix or any other document filed with the Court. Absent such relief, the Debtors would unnecessarily render such individuals more susceptible to identity theft and could jeopardize the safety of these individuals who, unbeknownst to the Debtors, are survivors of domestic violence or stalking by publishing their home addresses without any advance notice or opportunity to opt out or take protective measures.

D. The Court Should Authorize the Implementation of Procedures to Protect Confidential Information of the Residents

1. The Proposed Privacy Procedures

21. As described in the First Day Declaration, the Debtors operate assisted living and memory care facilities that provide, among other things, senior living services to individuals. In the ordinary course of business, the Debtors have access to, and receive, "protected health information" and data relating to the Residents, which the Debtors are required to maintain on a confidential basis pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

22. As explained above, under section 521(a) of the Bankruptcy Code, a debtor is required to file a list of all of its creditors. *See* 11 U.S.C. § 521(a)(1)(A). Additionally, Bankruptcy Rule 1007(a)(1) requires a debtor to file "a list containing the name and address of each entity

included or to be included on Schedules D, E/F, G, and H.” Fed. R. Bankr. P. 1007(a)(1). Likewise, Local Rule 1007-1 requires a debtor to file “[r]equired lists, schedules, and statements of financial affairs[,]” and Local Rule 1007-2 requires a debtor to file, together with its voluntary petition, a list containing “the name and complete address” of each of its creditors. Del. Bankr. L.R. 1007-2(a). However, Local Rule 1001-1(c) authorizes the Court to modify the application of the Local Rules “in the interest of justice.” Del. Bankr. L.R. 1001-(c). Additionally, section 105(a) of the Bankruptcy Code allows bankruptcy courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

23. In an effort to comply with HIPAA and bankruptcy reporting requirements, the Debtors propose the following procedures to maintain the Residents’ confidentiality during the pendency of the Chapter 11 Cases (the “Privacy Procedures”):

- a. The Debtors shall omit any reference to current or former Residents from the Consolidated Creditor Matrix and from any other documents filed in the Chapter 11 Cases, including certificates of service, subject to subsection (d), below;
- b. The Debtors, with the assistance of their professionals, are authorized to prepare and maintain (i) a separate creditor matrix comprised of the Residents (the “Resident Matrix”) and (ii) separate schedules of claims that may be asserted against and by the Residents (the “Resident Schedules”) and shall make the confidential Resident Matrix and Resident Schedules, or any portion thereof, available to any party in interest only after the Court has entered an order authorizing the Debtors to do so;
- c. The Debtors are not required to file the Resident Matrix or the Resident Schedules in the format required by the Local Rules, but are permitted to file a redacted version of the Resident Schedules that redacts the name and address of the Residents and assigns a unique identification number to each of the Residents, provided, however, that the Resident Matrix and the Resident Schedules may be reviewed by (i) the Court; (ii) the U.S. Trustee; and (iii) any other party in interest that obtains an order directing the Debtors to disclose the Resident Matrix and/or Resident Schedules to such party;

- d. If KCC serves any document upon any person listed on the Resident Matrix, KCC is authorized to note in the applicable certificate of service that the parties included in such service included individuals listed on the Resident Matrix; and
- e. To the extent that any Resident discloses his or her own health information in any pleading, proof of claim, notice, or other publicly available document, the Debtors and their professionals shall, to the extent required by the Bankruptcy Code, Bankruptcy Rules, Local Rules, or any other applicable law, rule, or court other, include protected health information about the Resident in any subsequent pleading, notice, document, list, or other public disclosure made in connection with the Chapter 11 Cases, and such disclosure shall not be deemed to be an “impermissible disclosure” within the meaning of HIPAA or any regulation promulgated thereunder; provided, however, such disclosure by the Debtors shall be only the information disclosed by the respective Resident.

2. Basis for the Privacy Procedures

24. HIPAA and its implementing regulations (the “HIPAA Rules”) impose stringent standards on health care providers and establish significant penalties for any HIPAA covered health care provider that impermissibly uses or discloses protected health information. *See* 42 U.S.C. § 1302d, *et. seq.* and 45 C.F.R. § 164.502.

25. In the event that the Debtors qualify as health care providers that transmit health information with a covered transaction, they are considered to be “covered entities” under 45 C.F.R. § 160.103. The HIPAA Rules prohibit the Debtors from using or disclosing, except in limited circumstances, protected health information. 45 C.F.R. § 164.502. The HIPAA Rules define “protected health information” as “individually identifiable health information” transmitted or maintained by HIPAA covered entities. 45 C.F.R. § 160.103. Further, the HIPAA Rules define “individually identifiable information” as any information relating to the individual’s “past, present or future physical or mental health or condition, the provision of health care to the individual, or the past, present, or future payment for the provision of health care to the individual”

that also “identifies the individual or for which there is a reasonable basis to believe that the information can be used to identify the individual.” 42 U.S.C. § 1302d(6) and 45 C.F.R. § 160.103.

26. The Debtors could be subjected to significant monetary penalties for the unauthorized or impermissible use or disclosure of protected health information. 45 C.F.R. § 160.402.⁵ Such penalties can be imposed even if a person “did not know and, by exercising reasonable diligence, would not have known” that a violation occurred. 45 C.F.R. § 160.404(b)(2)(i).

27. Under the HIPAA Rules, the Debtors must obtain the authorization of the individuals who are the subject of any protected health information or a court order to disclose information under the Bankruptcy Code, specifically with respect to the Debtors’ obligation to file a list of all creditors under section 521(a)(1)(A) of the Bankruptcy Code, Bankruptcy Rule 1007(a)(1), and Local Rule 1007-2, and the duty to file schedules of all assets and liabilities under section 521(a)(1)(B)(i) of the Bankruptcy Code, Bankruptcy Rule 1007(b), and Local Rule 1007-1. The Debtors, therefore, respectfully request that such protected health information be protected through the Privacy Procedures proposed herein pursuant to section 107(c) of the Bankruptcy Code, which allows the Court, for cause, to protect an individual if disclosure would create an undue risk of unlawful injury. *See* 11 U.S.C. § 107(c); *see also* Bankruptcy Rule 9018 (allowing a bankruptcy court to protect governmental matters that are made confidential by statute or regulation).

28. The Court may also approve the Privacy Procedures under section 105(a) of the Bankruptcy Code, which authorizes a bankruptcy court to “issue any order, process, or judgment

⁵ Under 45 C.F.R. § 160.404, monetary penalties of up to \$50,000.00 could be imposed for each violation, up to an aggregate of \$1,500,000 for identical violations occurring during a calendar year. *See* 45 C.F.R. § 160.404(b)(2)(i)(A)–(B).

that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].”
11 U.S.C. § 105(a).

29. The Debtors respectfully submit that the Debtors, their estates, and the Residents will suffer immediate and irreparable harm if the relief requested herein is not granted. As described herein, the Debtors’ obligation to maintain patient confidentiality under HIPAA conflicts with the disclosure requirements otherwise required under the Bankruptcy Code and the Bankruptcy Rules. Absent the relief requested in this Motion, the Debtors may be required to disclose the Residents’ confidential information in violation of HIPAA—which may also subject the Residents, all of whom are elderly, to threats of identity theft and other predatory actions—and may be subjected to significant monetary penalties as a result thereof.

30. The Debtors believe that the relief requested herein appropriately balances the need to maintain confidential information under the HIPAA Rules with the need for adequate disclosure in the Chapter 11 Cases. Given the nature of any information that may reveal even the identity of the Residents, confidentiality in this context is of paramount importance. Moreover, similar relief has been granted by courts in this jurisdiction and others. *See, e.g., In re Gulf Coast Health Care, LLC*, Case No. 21-11336 (KBO) (Bankr. D. Del. Nov. 10, 2021); *In re Promise Healthcare Group, LLC*, Case No. 18-12491 (CSS) (Bankr. D. Del. Nov. 6, 2018); *In re EBH TOPCO, LLC*, Case No. 18-11212 (BLS) (Bankr. D. Del. May 24, 2018); *see also In re Amsterdam House Continuing Care Retirement Community, Inc.*, Case No. 21-71095 (AST) (Bankr. E.D.N.Y. June 17, 2021); *In re 4 West Holdings, Inc.*, Case No. 18-30777 (HDH) (Bankr.N.D. Tex. Mar. 9, 2018).

COMPLIANCE WITH LOCAL RULE 9018-1(d)

31. Under the circumstances, and given the nature of the relief requested herein, the Debtors have not been able to confer with the individuals whose information is requested to be

sealed and, accordingly, the Debtors submit that there is cause to excuse the Debtors from the meet and confer obligations under Local Rule 9018-1(d).

NOTICE

32. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the U.S. Trustee; (b) the holders of the forty (40) largest unsecured claims against the Debtors (on a consolidated basis); (c) the office of the attorney general for each of the states in which the Debtors operate; (d) United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Department of Justice; (g) the Prepetition Lenders; (h) the DIP Lender; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors respectfully request that this Court enter the Proposed Order granting the relief requested herein and providing such other and further relief as is just and proper.

Dated: March 20, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Shella Borovinskaya

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*Proposed Counsel for the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

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(Jointly Administered)

Ref. Docket No. ____

**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF AN ORDER
(I) AUTHORIZING THE DEBTORS TO FILE (A) A CONSOLIDATED
MASTER LIST OF CREDITORS AND (B) A CONSOLIDATED LIST OF
THE DEBTORS' 40 LARGEST GENERAL UNSECURED CREDITORS,
(II) AUTHORIZING THE DEBTORS TO REDACT PERSONALLY
IDENTIFIABLE INFORMATION FOR CERTAIN INDIVIDUAL
CREDITORS AND PARTIES IN INTEREST, (III) AUTHORIZING
PROCEUDRES TO MAINTAIN AND PROTECT CONDIGNENTIAL
RESIDENT INFORMATION, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (each, a "Debtor" and collectively, the "Debtors") for entry of an order (this "Order"): (i) authorizing the Debtors to file (a) a Consolidated Creditor Matrix in lieu of submitting separate mailing matrices for each Debtor and (b) a Consolidated Top 40 List of the Debtors' forty (40) largest general unsecured creditors in lieu of filing separate lists for each Debtor; (ii) authorizing the Debtors to redact certain personally identifiable information for the Debtors' current and former employees, independent contractors, vendors, and clients; (iii) authorizing the

¹ The last four digits of SC Healthcare Holding, LLC's tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors' proposed claims and noticing agent at www.kccllc.net/Petersen.

² Capitalized terms used but not otherwise defined herein shall have the same meaning as ascribed to them in the Motion.

implementation of procedures to protect confidential information of Residents; and (iv) granting related relief; and upon the First Day Declaration; and upon the statements of counsel made in support of the relief requested in the Motion at the hearing before this Court; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that venue of the Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Debtors having consented to this Court entering an order in the event this matter is deemed a non-core proceeding; and it appearing that proper and adequate notice of the Motion has been given under the circumstances and in accordance with the Bankruptcy Rules and Local Rules and that no other or further notice is necessary; and after due deliberation thereon; and this Court having found that the relief herein is in the best interests of the Debtors' estates; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The requirements of Local Rules 1007-2(a) and 2002-1(f)(v) that separate mailing matrices be submitted for each Debtor are waived, and the Debtors are authorized to submit the Consolidated Creditor Matrix; *provided, however*, that if any one of the Chapter 11 Cases is converted to a case under chapter 7 of the Bankruptcy Code, the applicable Debtor under the converted case shall file its own creditor mailing matrix unless this Court orders otherwise.
3. The Debtors shall make the Consolidated Creditor Matrix available in readable electronic format (or in non-electronic format at such requesting party's sole cost and expense) upon reasonable request by parties in interest.

4. The Debtors are authorized to submit a Consolidated Top 40 List identifying their top forty (40) largest general unsecured creditors in the Chapter 11 Cases in lieu of each Debtor filing a list of its 20 largest unsecured creditors.

5. The Debtors are authorized, with respect to natural persons, to redact the home addresses and email addresses, and any other personally identifiable information, with the exception of names, of the Debtors' current and former employees, independent contractors, vendors, and clients on the publicly viewable version of the Consolidated Creditor Matrix and any other paper filed or to be filed with the Court in the Chapter 11 Cases; *provided, however*, that the Debtors shall provide an unredacted version of the Consolidated Creditor Matrix to (a) this Court, (b) the U.S. Trustee, (c) counsel to the official committee of unsecured creditors appointed in the Chapter 11 Cases (if any), and (d) in the Debtors' sole discretion, other parties in interest upon request to the Debtors (email is sufficient), or to this Court that is reasonably related to the Chapter 11 Cases, or as otherwise ordered by this Court; *provided* that any receiving party shall not transfer or otherwise provide such unredacted document to any person or entity not party to the request.

6. Subject to the Court's approval of the Debtors' retention of Kurtzman Carson Consultants LLC ("KCC") in the Chapter 11 Cases, when serving any notice on the Debtors' current and former employees, independent contractors, vendors, and clients, KCC, and where applicable, the Clerk of this Court, shall use the residential address of a current and former employee, independent contractor, vendor, or client unless (a) the Debtors' books and records reflect a non-residential address for such party or (b) such party has requested to receive notice at another address.

7. The Debtors, with the assistance of KCC, shall make available the redacted version of the Consolidated Creditor Matrix in electronic form to any entity who so requests and in nonelectronic form at such requesting entity's sole cost and expense.

8. The Debtors shall omit any reference to the Residents from the Consolidated Creditor Matrix and from any certificate of service, subject to paragraph 5 of this Order.

9. The Debtors, with the assistance of their professionals, are authorized to prepare and maintain the Resident Matrix and the Resident Schedules and shall make the confidential Resident Matrix and Resident Schedules, or any portion thereof, available to any party in interest only after this Court has entered an order authorizing the Debtors to do so.

10. The Debtors are not required to file the Resident Matrix and the Resident Schedules in the format required by the Local Rules, but are permitted to file a redacted version of the Resident Schedules that redacts the name and address of the Resident and assigns a unique identification number to each of the Residents, *provided, however*, that the Resident Matrix and the Resident Schedules may be reviewed by (a) this Court; (b) the U.S. Trustee; (c) counsel to the official committee of unsecured creditors appointed in the Chapter 11 Cases (if any), and (d) any other party in interest that obtains an order directing the Debtors to disclose the Resident Matrix and Resident Schedules to such party.

11. If KCC serves any document upon any person listed on the Resident Matrix, KCC is authorized to note in the applicable certificate of service that the parties included in such service include the individuals listed on the Resident Matrix.

12. To the extent that any Resident discloses his or her health information in any pleading, proof of claim, notice, or other publicly available document, the Debtors or their professionals shall, to the extent required by the Bankruptcy Code, Bankruptcy Rules, or any other

applicable law, rule, or court order, include protected health information about the Resident in any subsequent pleading, notice, document, list, or other public disclosure made in connection with the Chapter 11 Cases, and such use or disclosure shall not be deemed to be an “impermissible disclosure” within the meaning of the HIPAA Rules.

13. The Debtors’ compliance with the foregoing Privacy Procedures shall constitute compliance with section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and Local Rules 1007-1 and 1007-2.

14. The Debtors are authorized to take all actions they deem necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

15. Nothing in this Order shall affect the rights or obligations of any patient care ombudsman or long-term care ombudsman appointed in the Chapter 11 Cases pursuant to 11 U.S.C. § 333, as applicable.

16. Notwithstanding any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order, the terms and conditions of this Order shall be immediately enforceable upon its entry.

17. This Court shall retain jurisdiction over any and all matters arising from the interpretation, implementation, or enforcement of this Order.