

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10443 (THM)

Joint Administration Requested

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO USE THEIR BANK  
ACCOUNTS, (B) HONOR PREPETITION OBLIGATIONS RELATED THERETO,  
(C) MAINTAIN THE REFUND PROGRAMS, (D) PERFORM INTERCOMPANY  
TRANSACTIONS, (E) MAINTAIN EXISTING BUSINESS FORMS; AND  
(II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (each, a "Debtor" and collectively, the "Debtors") seek entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Interim Order"), and a final order, substantially in the form attached hereto as **Exhibit B** (the "Proposed Final Order"): (i) authorizing the Debtors to (a) continue to operate their existing bank accounts (the "Debtor Bank Accounts") and the residents' trust accounts (the "Resident Trust Accounts," together with the Debtor Bank Accounts, the "Bank Accounts"), (b) honor certain prepetition obligations related thereto, (c) maintain, administer, and modify their Refund Programs (as defined below), (d) continue to maintain business relationships with each other (the "Intercompany Transactions") consistent with historical practice, (e) maintain existing business forms in the ordinary course of business; and (ii) granting related relief. In support of this motion (this "Motion"), the Debtors reply upon and incorporate by reference the

<sup>1</sup> 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](http://www.kccllc.net/Petersen).



*Declaration of David R. Campbell in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”),<sup>2</sup> 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 requested herein are sections 105(a), 363, and 503(b) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Bankruptcy Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), and Local Rules 2015-2, 4001-3, and 9013-1(m).

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<sup>2</sup> 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.

## **THE CASH MANAGEMENT SYSTEM**

### **I. Overview.**

6. To facilitate the efficient operation of their businesses, the Debtors and their non-Debtor affiliates (collectively, the “Company”)<sup>3</sup> operate a company-wide accounting and cash concentration and disbursement system (the “Cash Management System”) to collect, transfer, and disburse funds generated by their operations. The Cash Management System has been in place for

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<sup>3</sup> The Company is comprised of the 141 Debtors and their approximately 27 non-Debtor affiliates.

more than four years and is essential to the stability of the Debtors' assets and business objectives, and to maximizing the value of their estates.

7. The Cash Management System is vital to the Debtors' ability to conduct their daily operations, including receiving revenue and paying their vendors, employees, and stakeholders. The Cash Management System provides significant benefits to the Debtors including, among other things, the ability to control corporate funds, to ensure the availability of funds when necessary, and to reduce costs and administrative expenses by facilitating the movement of funds and developing timely and accurate account balance information.

8. Any disruption to the Cash Management System would have an immediate adverse impact on and cause irreparable harm to the Debtors' businesses and would impair the Debtors' ability to successfully administer these Chapter 11 Cases. Being forced to change the Cash Management System would be a cumbersome process prone to error and the potential for misdirection of receipts. It would be time consuming, difficult, and costly for the Debtors to establish an entirely new system of accounts and a new cash management system. The attendant delays from revising cash management procedures and redirecting receipts would create unnecessary pressure on the Debtors and their employees while they work to meet the other administrative obligations imposed by chapter 11. The Debtors will maintain records of all transfers within the Cash Management System to the same extent they were recorded by the Debtors before the Petition Date. As a result, the Debtors will be able to document and record the transactions occurring within the Cash Management System for the benefit of all parties in interest.

9. Accordingly, to minimize the disruption caused by these Chapter 11 Cases, maximize the value of the Debtors' estates, and ensure the seamless operation of the Debtors' businesses and to realize the benefits of the Cash Management System, the Debtors should be

allowed to continue using the Cash Management System and should not be required to open new bank accounts. Thus, the Debtors request authority to continue to utilize their existing Cash Management System during the pendency of these Chapter 11 Cases, subject to the terms described herein.

## **II. The Debtor Bank Accounts and Resident Trust Accounts.**

### **A. Debtor Bank Accounts.**

10. As of the Petition Date, the Cash Management System includes a total of 211 Bank Accounts maintained by the Debtors. The Debtors hold their Bank Accounts at various entities (the "Cash Management Banks") across their organizational structure. As of the Petition Date, the Debtors have identified 203 active Bank Accounts at 8 Cash Management Banks. A list of the Bank Accounts and Cash Management Banks related thereto is included in Schedule 1 attached hereto. A general description of the Bank Accounts, transfers between such accounts, and their purpose in the Cash Management system is set forth below.

11. The Debtors estimate that their cash receipt collections average approximately \$16,249,431.00 per month in the twelve months prior to the Petition Date; however, this amount varies on a month-to-month basis. Because of the economic and operational scale of the Debtors' business and the disruption to the business that would result if they were forced to close their existing bank accounts and open new debtor-in-possession accounts, it is critical that the existing Cash Management System remain in place.

12. In the ordinary course of business, the Debtors incur periodic service charges in the form of bank fees, credit card fees, and other fees in connection with the maintenance of the Cash Management System (collectively, the "Bank Fees"), which average approximately \$112,282.00 per month. The Bank Fees for each month are paid in arrears and are automatically deducted from

the Debtors' Bank Accounts as they are assessed by their respective Cash Management Banks. The Debtors believe that they do not owe their Cash Management Banks any amount related to Bank Fees as of the Petition Date. Out of an abundance of caution and to maintain the integrity of their Cash Management System, it is necessary and appropriate for the Court to grant the Debtors authority to pay prepetition Bank Fees, in addition to any other Bank Fees for prepetition transactions that are charged postpetition, and to continue to pay the Bank Fees in the ordinary course of business.

13. The Debtors have also established a credit card program with Universal Premium (the "Universal Premium Cards") and Sam's Club (the "Sam's Club Card," together with the Universal Premium Cards, the "Credit Card Program"). With respect to the Universal Premium Cards, each facility with a van uses a credit card for gasoline purchases. There are multiple Universal Premium Cards, each with their own credit card number, which all tie back to a singular account. With respect to the Sam's Club Card, the Debtors utilize the card to make various food and housekeeping purchases when necessary. There are multiple Sam's Club Cards, but only one is currently in use. In addition, Mark Petersen, the direct or indirect owner of the Debtors, uses various credit cards held in his own name for certain business expenses including maintenance costs and information technology costs. In the ordinary course of business, those credit card charges relating to business expenses are then paid for from the various responsible Debtor entities.<sup>4</sup>

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<sup>4</sup> For the avoidance of doubt, the Debtors do not seek authority to reimburse Mr. Petersen for use of his personal credit card for business expenses, or authority for funding by means of Mr. Petersen's personal credit during the pendency of these Chapter 11 Cases.

**B. Resident Trust Accounts.**

14. The Debtors maintain the Resident Trust Account for their residents. The Resident Trust Accounts hold resident funds for their use personal items not supplied by the facility such as beauty and barber services, specialty food items, clothing, and personal hygiene items. The Resident Trust Accounts are funded in one of two ways: (i) with the remaining Medicaid funds that are distributed to the residents after costs of residency are deducted from those amounts by the Debtors; or (ii) with funds from the resident or the resident's family. As of the Petition Date, the Debtors have identified 74 active Resident Trust Accounts at 41 Cash Management Banks. A list of the Resident Trust Accounts and Cash Management Banks related thereto is included in **Schedule 2** attached hereto.

**III. Compliance with the Bankruptcy Code and U.S. Trustee Guidelines Compliance with Section 345 of the Bankruptcy Code and Certain of the U.S. Trustee Guidelines.**

15. Section 345 of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code requires the estate to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or "the deposit of securities of the kind specified in section 9303 of title 31," unless the Court "for cause" orders otherwise. 11 U.S.C. § 345(a)-(b).

16. To comply with section 345 of the Bankruptcy Code, the U.S. Trustee generally requires chapter 11 debtors to, among other things, deposit all estate funds into an account with an

authorized depository that agrees to comply with certain requirements set by the U.S. Trustee in accordance with the Region 3 Guidelines for Debtors-in-Possession (the “U.S. Trustee Guidelines”).

17. The Debtors believe that the Bank Accounts comply with section 345(b) of the Bankruptcy Code because such Bank Accounts are maintained at banks insured by federal agencies, such as the Federal Deposit Insurance Corporation (the “FDIC”). As of the Petition Date, each of the Bank Accounts is insured by the FDIC. Additionally, five Cash Management Banks are designated as authorized depositories by the U.S. Trustee pursuant to the U.S. Trustee Guidelines. Three Cash Management Banks are not designated as authorized depositories pursuant to the U.S. Trustee Guidelines (the “Non-Authorized Depository Banks”). Nevertheless, the Debtors believe that the Non-Authorized Depository Banks are well-capitalized and financially stable institutions, and the Debtors therefore request that the Court waive the U.S. Trustee Guidelines in this respect.

18. The Debtors believe they can maintain the Bank Accounts at the current Cash Management Banks without jeopardizing any parties in interest. Requiring the Debtors to transfer such Bank Accounts to new accounts or for the Bank Accounts to post a bond would place a needless administrative burden on the Debtors and likely impose unnecessary costs on the Debtors’ estates. Accordingly, the Debtors respectfully submit that cause exists to continue to allow the Debtors to utilize their existing Bank Accounts, subject to any reasonable changes the Debtors may implement to the Cash Management System.

#### **IV. Refund Programs**

19. In the ordinary course of business, the Debtors are required to make refunds to residents and third-party payors, including healthcare insurers, private pay sources, Medicare,

Medicaid, and other governmental and quasi-governmental agencies (collectively, the “Third-Party Payors”), when overpayments are identified (the “Refund Program Obligations”). The Debtors routinely issue refunds for reimbursement of overpayments made by or on behalf of residents resulting from the interaction between the Debtors’ billing procedures, resident medical insurance deductibles, and third-party payments, including payments made in connection with extended repayment plans with the applicable federal or state agencies overseeing Medicare and Medicaid (the “Refund Programs”).

20. When the Debtors discover or otherwise verify an overpayment from a resident or Third-Party Payor, the amount of the overpayment is entered into the Debtors’ billing system, which then administers refunds to the resident or Third-Party Payor, as appropriate. There is typically a significant lag between when the overpayment is recognized or determined, and when the overpayment is entered into the Debtors’ billing system. After the overpayment amount is entered into the billing system, the Debtors issue a check or other form of payment to the resident or Third-Party Payor in the amount of the overpayment.

21. At any given time, it is difficult to determine the amount of outstanding overpayments that have been made and identified, but for which a refund check has not yet been issued. Moreover, some refund checks issued to residents or Third-Party Payors before the Petition Date may not have been presented for payment or may not have cleared the Debtors’ banking system and, accordingly, have not been honored and paid as of the Petition Date. Nonetheless, the Debtors are required, under the laws of various states, to reimburse residents and Third-Party Payors as overpayments are identified. The Debtors therefore request authority to continue to issue and pay the Refund Program Obligations to residents and Third-Party Payors, including

refunds for overpayments made prepetition or resulting from prepetition services in the ordinary course of business.

**V. Intercompany Transactions.**

22. In the ordinary course of business, the Debtors maintain and engage in Intercompany Transactions resulting in intercompany receivables and payables (the “Intercompany Claims”).<sup>5</sup> The Intercompany Transactions cover several different categories, including, but not limited to: (i) intercompany accounts receivable and accounts payable; (ii) payment of lease obligations; (iii) payment of insurance obligations; (iv) payment of management fees from facilities to Petersen Health Care Management, LLC; (v) payment of staffing fees from facilities to Petersen Health Care Management, LLC, and (vi) the payment of facility expense allocation reimbursements. These Intercompany Transactions occur as part of the daily operation of the Cash Management System, and at any given time there may be Intercompany Claims owing between Debtors or between Debtors and non-debtor affiliates in connection with the receipt and disbursement of funds, including among the Debtors’ Bank Accounts, and there may be recognitions of offsets between Debtors or between Debtors and non-debtor affiliates. Each payment from a Debtor and each bookkeeping entry between Debtors and between Debtors and non-debtor affiliates on account of an Intercompany Transaction is an essential component of the Cash Management System.

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<sup>5</sup> Because the Debtors engage in Intercompany Transactions on a regular basis and such transactions are common among enterprises similar to the Debtors, the Debtors believe the Intercompany Transactions are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code and, thus, do not require the Court’s approval. Nonetheless, out of an abundance of caution, the Debtors are seeking express authority to engage in such transactions on a postpetition basis. The continued performance of the ordinary course Intercompany Transactions are integral to ensuring the Debtors’ ability to operate their businesses.

23. The Debtors track all Intercompany Transfers in Sage, their accounting software system, and can ascertain and trace the Intercompany Transactions. Such tracking of Intercompany Transfers is a particularly important component of the Debtors' operations, because certain of the Debtors have obtained mortgages via the United States Department of Housing and Urban Development ("HUD"), whose guidelines strongly limit the permissibility of commingling HUD and non-HUD funds as well as HUD funds across different projects.<sup>6</sup> During these Chapter 11 Cases, the Debtors will continue to closely monitor and record the Intercompany Transactions consistent with prepetition practice.

24. To ensure each individual Debtor will not permanently fund the operations of any affiliate, the Debtors respectfully request that, pursuant to sections 364(c)(1) and 503(b) of the Bankruptcy Code, all Intercompany Claims against any Debtor by another Debtor arising after the Petition Date and as a result of postpetition payments on account of ordinary course Intercompany Transactions be accorded administrative expense status. If Intercompany Claims are given administrative expense status, each entity utilizing funds flowing through the Cash Management System should continue to bear ultimate repayment responsibility for its ordinary course Intercompany Transactions, reducing the risk that these transactions would jeopardize the recoveries available to the Debtors' creditors. Moreover, the Debtors request the authority to continue the Intercompany Transactions in a manner consistent with historical practices to enable the Debtors to smoothly transition into chapter 11 and ensure certain of the Debtors' revenue streams are not impacted. For the avoidance of doubt, the Intercompany Claims shall be unsecured, and rank junior in priority to the DIP Liens, the DIP Superpriority Claims, and the 507(c) Claims (each as defined in the interim order approving the DIP facility (the "Interim DIP

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<sup>6</sup> See, e.g., "Reviewing Annual and Monthly Financial Reports Handbook (4370.1)," Section 2-21.J, available at [https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/hsg/43701](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg/43701).

Order)). The relief requested herein will ensure that each Debtor receiving payments from another Debtor will continue to bear ultimate repayment responsibility for its ordinary course Intercompany Transactions, reducing the risk that these transactions would jeopardize the recoveries available to the Debtors' creditors. For the avoidance of doubt, the Debtors do not seek authority to pay prepetition Intercompany Claims owed to non-Debtor affiliates.

**VI. Compliance with U.S. Trustee Guidelines as to Business Forms.**

25. The Debtors use a variety of preprinted business forms, including checks, letterhead, correspondence forms, invoices, and other business forms, in the ordinary course of business (collectively, the "Business Forms"). The Debtors also maintain books and records to document their financial results and a wide array of operating information, including their profits and expenses. To avoid potential distraction and unnecessary expense to their estates, the Debtors request authorization to continue using all Business Forms in existence before the Petition Date, without reference to the Debtors' status as chapter 11 debtors in possession, rather than requiring the Debtors to incur the expense and delay of ordering new Business Forms as required by the U.S. Trustee Guidelines. The Debtors submit that once they have exhausted their existing stock of Business Forms, they will ensure that any new Business Forms are clearly labelled "Debtor in Possession," and with respect to any Business Forms that exist or are generated electronically, the Debtors shall ensure that such electronic Business Forms are clearly labelled "Debtor in Possession."

**RELIEF REQUESTED**

26. By this Motion, the Debtors seek entry of the Proposed Interim and Final Order, pursuant to sections 105(a), 345, 363(c)(1), and 503(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004(h) and Local Rule 2015-2 (i) authorizing, but not directing, the Debtors to (a)

continue to operate their Cash Management System, including maintaining their Bank Accounts, Refund Programs, and Business Forms in accordance with the Interim DIP Order, (b) honor certain prepetition obligations related thereto, and (c) continue to engage in Intercompany Transactions; (ii) granting administrative expense priority status to postpetition Intercompany Claims, which priority shall rank junior to the DIP Liens and the DIP Superpriority Claims; and (iii) granting related relief. Without the requested relief, the Debtors submit that they would be unable to conduct their business operations effectively and efficiently, which would cause significant harm, not only to the Debtors and their estates, but also the residents they serve.

### **BASIS FOR RELIEF**

#### **I. Maintaining the Existing Cash Management System is Essential to the Debtors' Operations and Restructuring Efforts.**

27. The U.S. Trustee Guidelines require debtors in possession to, among other things: (a) close all existing bank accounts and open new debtor in possession bank accounts; (b) establish one debtor in possession bank account for all estate monies required for payment of taxes, including payroll taxes; and (c) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor, including checks that bear the designation "debtor in possession" and reference the bankruptcy case number. *See* U.S. Trustee Guidelines.

28. These requirements are intended to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent the inadvertent payment of prepetition claims. Considering, however, that the Debtors' business and financial affairs are complex and require the collection, disbursement, and movement of funds through the Debtors' Bank Accounts, enforcement of these provisions of the U.S. Trustee Guidelines during these Chapter 11 Cases would severely disrupt the Debtors' operations. Accordingly, the Debtors

respectfully request that the Court allow them to operate each of the prepetition Bank Accounts as they were maintained in the ordinary course of business before the Petition Date.

29. Continuation of the Cash Management System is permitted pursuant to section 363 of the Bankruptcy Code, which authorizes the debtor in possession to “use property of the estate in the ordinary course without notice or a hearing.” 11 U.S.C. § 363(c)(1). Bankruptcy courts routinely treat requests for authority to continue utilizing existing cash management systems as a relatively “simple matter.” *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). Additionally, courts in this district have noted that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 997 F.2d 1039 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (noting that maintaining an existing cash management system allows debtors “to administer more efficiently and effectively its financial operations and assets”).

30. Here, requiring the Debtors to adopt a new, segmented cash management system during these Chapter 11 Cases would be expensive, burdensome, and unnecessarily disruptive to the Debtors’ operations. Importantly, the Cash Management System provides the Debtors with the ability to quickly track and report the location and amount of funds, which, in turn, allows management to track and control such funds, ensure cash availability, and reduce administrative costs through a centralized method of coordinating the collection and movement of funds. Any disruption of the Cash Management System could have a negative effect on the Debtors’

restructuring efforts. Indeed, absent the relief requested herein, requiring the Debtors to adopt a new, segmented cash management system would needlessly jeopardize the Debtors' business enterprises. By contrast, maintaining the current Cash Management System will facilitate the Debtors' transition into chapter 11 by, among other things, minimizing delays in paying postpetition debts and eliminating administrative inefficiencies. Finally, maintaining the current Cash Management System will allow the Debtors' treasury employees to focus on their daily responsibilities.

31. The Debtors respectfully submit that parties in interest will not be harmed by their continued use of the present Cash Management System, including maintenance of the Bank Accounts and performance of the Intercompany Transactions, because the Debtors have appropriate mechanisms to ensure that unauthorized payments will not be made on account of prepetition obligations. Specifically, with the assistance of their advisors, the Debtors have implemented internal control procedures that prohibit payments on account of prepetition debts without the prior approval of the Debtors' treasury department. In light of such protective measures, the Debtors submit that maintaining the Cash Management System is in the best interest of the Debtors' estates and creditors.

32. Accordingly, the Debtors respectfully request that the Court authorize the continued use of the existing Cash Management System to facilitate the Debtors' transition into chapter 11. Specifically, the Debtors respectfully request that the Court authorize the Cash Management Banks to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption in the ordinary course of business. In this regard, the Cash Management Banks should be authorized to receive, process, honor, and pay any and all checks, credit card payments, ACH transfers and other instructions, and

drafts payable through, drawn, or directed on such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto. Notwithstanding the foregoing, any check, draft, or other notification that the Debtors advise the Cash Management Banks to have been drawn, issued, or otherwise presented before the Petition Date may be honored by the Cash Management Banks only to the extent authorized by order of the Court. If the Debtors' ability to conduct transactions by these methods is impaired, the Debtors may be unable to perform under certain contracts, and payments to vendors could be delayed, resulting in unnecessary disruption to their business operations and the incurrence of additional costs.

33. The Debtors further request that the Court authorize the Cash Management Banks to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated before or subsequent to the Petition Date. The Debtors also request that, to the extent a bank honors a prepetition check or other item drawn on any account either (a) at the direction of the Debtors, (b) in a good-faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake made despite implementation of reasonable customary item handling procedures, such bank will not be deemed liable to the Debtors, their estates, or any other party on account of such prepetition check or other item honored postpetition. The Debtors respectfully submit that such relief is reasonable and appropriate because the Cash Management Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise.

**II. The Court Should Authorize the Debtors to Pay Prepetition Amounts Owed on Account of the Cash Management System, Including Bank Fees, Refund Program Obligations, and Intercompany Claims.**

34. The Debtors' funds move through the Cash Management System as described above and, at any given time, there may be prepetition amounts outstanding on account of the Cash Management System such as Bank Fees, Refund Program Obligations, and Intercompany Claims. Any non-payment of prepetition amounts owed could cause serious disruptions to the Debtors' estates. As such, the Debtors respectfully request that the Court authorize the Debtors to pay any prepetition amounts owed in connection with the Cash Management System.

35. The Debtors' continued use of the Cash Management System, including payment of Bank Fees, Refund Program Obligations, and Intercompany Claims, will facilitate their transition into chapter 11 by, among other things, avoiding administrative inefficiencies and expenses and minimizing delays in the payment of postpetition amounts due. As described above, the Debtors pay Bank Fees to the Cash Management Bank to facilitate the use of the Bank Accounts. Non-payment of these fees could cause disruption to their Cash Management System. Any non-payment of prepetition amounts due in connection with the Cash Management System would severely disrupt the Debtors' operations to the detriment of the Debtors and their estates. Similarly, as described above, the Debtors in the ordinary course of business engage in the payment of Refund Program Obligations which is a required under the laws of various states as such Refund Program Obligations are identified. Any interruption of the payment of Refund Program Obligations could potentially violate state regulations and severely disrupt the Debtors' operations. If the Refund Program Obligations are not honored, the Debtors may face legal sanctions or be liable for fines in the jurisdictions in which they operate. As described above, the Debtors in the ordinary course of business engage in Intercompany Transactions among themselves, which are

an essential component of the Debtors' operations and Cash Management System. Any interruption of the Intercompany Transactions, or non-payment of prepetition amounts due in connection with the Cash Management System, would severely disrupt the Debtors' operations to the detriment of the Debtors and their estates.

36. Accordingly, the Debtors respectfully submit that a sound business purpose exists to authorize payment of prepetition amounts due in connection with the Cash Management System, including Bank Fees, Refund Program Obligations, and Intercompany Claims.

**III. The Court Should Authorize the Debtors to Continue Engaging in Intercompany Transactions in the Ordinary Course.**

37. The Debtors' funds move through the Cash Management System as described above. At any given time, there may be Intercompany Claims owed by one Debtor to another Debtor. Intercompany Transactions are made between and among Debtors in the ordinary course as part of the Cash Management System. The Debtors track all fund transfers in their accounting system and can ascertain, trace, and account for all Intercompany Transactions previously described. The Debtors, moreover, will continue to maintain records of such Intercompany Transactions. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls would be disrupted to the Debtors' and each of their estates' detriment. Accordingly, the Debtors respectfully submit that the continued performance of Intercompany Transactions is in the best interest of the Debtors' estates and their creditors and, therefore, the Debtors should be permitted to continue such performance.

**IV. The Court Should Authorize the Debtors to Continue Using the Business Forms.**

38. To avoid disruption of the Cash Management System and unnecessary expense, the Debtors request that they be authorized to continue to use their Business Forms, substantially in the form existing immediately before the Petition Date, without reference to their status as debtors

in possession. The Debtors submit that parties in interest will not be prejudiced by this relief. Parties doing business with the Debtors undoubtedly will be aware of their status as debtors in possession and, thus, changing forms is unnecessary and unduly burdensome. Moreover, the Debtors submit that once they have exhausted their existing stock of Business Forms, they will ensure that any new Business Forms are clearly labelled “Debtor in Possession,” and with respect to any Business Forms that exist or are generated electronically, the Debtors shall ensure that such electronic Business Forms are clearly labelled “Debtor in Possession,” all pursuant to the U.S. Trustee Guidelines.

**V. Cause Exists to Suspend Section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines to the Cash Management System.**

39. As discussed above, section 345(a) of the Bankruptcy Code authorizes deposits of money as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” For deposits or investments that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345 of the Bankruptcy Code requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or “the deposit of securities of the kind specified in section 9303 of title 31,” unless the court “for cause” orders otherwise. 11 U.S.C. § 345(a)–(b).

40. A court may relieve a debtor-in-possession of the restrictions imposed by section 345(b) for “cause.” See 11 U.S.C. § 345(b). In determining whether “cause” exists for waiver of the investment, deposit and reporting requirements of section 345(b), the Court should consider the “totality of the circumstances,” utilizing the following factors:

- (a) the sophistication of the debtor’s business;

- (b) the size of the debtor's business operations;
- (c) the amount of the investments involved;
- (d) the bank ratings (Moody's and Standard and Poor's) of the financial institutions where debtor-in-possession funds are held;
- (e) the complexity of the case;
- (f) the safeguards in place within the debtor's own business of insuring the safety of the funds;
- (g) the debtor's ability to reorganize in the face of a failure of one or more of the financial institutions;
- (h) the benefit to the debtor;
- (i) the harm, if any, to the estate; and
- (j) the reasonableness of the debtor's request for relief from section 345(b) requirements in light of the overall circumstances of the case.

*In re Serv. Merchandise Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

41. The Debtors believe that the Bank Accounts comply with section 345 of the Bankruptcy Code. Out of an abundance of caution, to the extent the Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code, the Debtors submit that cause exists to suspend the U.S. Trustee Guidelines for an interim period of 45 days (the next business day after 45 days expires), without prejudice to the Debtors ability to seek further extensions, to the extent applicable to the Cash Management System.

**VI. Processing of Checks and Electronic Fund Transfers Should be Authorized.**

42. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral and debtor in possession financing. Under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. The Debtors do not

believe that checks or wire transfer requests, other than those relating to authorized payments, will be honored inadvertently. The Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

**THE REQUIREMENTS OF BANKRUPTCY RULE 6003(b) ARE SATISFIED**

43. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. For the reasons discussed above, authorizing the Debtors to continue to operate their Cash Management System, honor certain prepetition obligations related thereto, maintain existing Business Forms in the ordinary course of business, continue to perform Intercompany Transactions consistent with historical practice is integral to the Debtors’ ability to transition their operations into these Chapter 11 Cases smoothly. Failure to receive such authorization and other relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Debtors’ operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the Debtors to operate their business in the ordinary course, preserve the going concern value of the Debtors’ operations, and maximize the value of their estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

**WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(h)**

44. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) or otherwise waiving such notice requirements. The Debtors further seek a waiver of any stay of the

effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” As set forth above, allowing the Debtors to maintain their current Cash Management System is necessary to prevent irreparable harm to the Debtors’ business operations. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the fourteen (14) day stay imposed by Bankruptcy Rule 6004(h).

### **DIP ORDERS CONTROL**

45. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Loan Documents (as defined in the Interim DIP Order), or any subsequent or final DIP order entered by the Court. For the avoidance of doubt, the DIP orders control.

### **RESERVATION OF RIGHTS**

46. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other

encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

**NOTICE**

47. 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) the Banks; and (j) 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.

WHEREFORE, the Debtors respectfully request that this Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: March 21, 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 Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re**

**SC HEALTHCARE HOLDING, LLC *et al.*,**

**Debtors.<sup>1</sup>**

Chapter 11

Case No. 24-10443 (THM)

Jointly Administered

Ref. Dkt. No. \_\_\_\_

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO USE THEIR BANK ACCOUNTS, (B) HONOR PREPETITION OBLIGATIONS RELATED THERETO, (C) MAINTAIN THE REFUND PROGRAMS, (D) PERFORM INTERCOMPANY TRANSACTIONS, (E) MAINTAIN EXISTING BUSINESS FORMS; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”), (i) authorizing the Debtors to (a) continue to operate the Bank Accounts, (b) honor certain prepetition obligations related thereto, (c) maintain, administer, and modify their Refund Programs, (d) continue to maintain the Intercompany Transactions consistent with historical practice, (e) maintain existing business forms in the ordinary course of business; and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and that this Court may

<sup>1</sup> 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](http://www.kccllc.net/Petersen).

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and it appearing that the relief requested in the Motion and provided for herein is in the best interests of the Debtors, their estates, and their creditors; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.
2. Except to the extent set forth herein, the Debtors are authorized, but not directed, to: (a) continue operating their Bank Accounts and associated Cash Management System in the ordinary course of business and consistent with the Debtors' historical practice, substantially as described in the Motion, *provided*, that the DIP Bank Account (as defined in the DIP Loan Documents) shall be funded, maintained and used by the Debtors solely in accordance with the Interim DIP Order and the DIP Loan Documents; (b) honor their prepetition obligations related to the Cash Management System in the ordinary course of business and consistent with the Debtors' historical practice; (c) maintain, administer, and modify their Refund Programs; (d) continue to

perform Intercompany Transactions consistent with historical practice; and (e) maintain existing Business Forms as set forth herein.

3. In connection with the ongoing utilization of the Cash Management System, the Debtors shall continue to maintain records with respect to all transfers, including Intercompany Transactions, so that all of the Debtors' transactions may be readily ascertainable, traced, recorded properly, and distinguished between prepetition and postpetition transfers.

4. The Debtors are authorized, but not directed, to: (a) designate, maintain, close, and continue to use on an interim basis their existing Bank Accounts, including, but not limited to, the Bank Accounts identified in Schedule 1 attached to the Motion and the Resident Trust Accounts identified in Schedule 2 attached to the Motion, in the names and with the account numbers existing immediately before the Petition Date; (b) deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits; (c) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts; and (d) only open new debtor in possession bank accounts at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or banks that are willing to execute one.

5. The Debtors shall cap the total aggregated balance held in each Non-Authorized Depository Bank to no more than \$250,000.

6. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date; *provided* that once the Debtors have exhausted their existing stock of Business Forms, they shall ensure that any new Business Forms are clearly labeled "Debtor in Possession." To the extent the Debtors print any new checks or use any

electronic Business Forms, they will include the designation “Debtor in Possession” and the corresponding bankruptcy number on all such checks.

7. The Cash Management Banks are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

8. To the extent any of the Debtor Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee’s requirements or guidelines, the Debtors shall have thirty (30) days from the date of this Interim Order to comply with section 345 of the Bankruptcy Code and any of the U.S. Trustee’s requirements or guidelines. The Debtors or the U.S. Trustee may seek further relief from the Court to the extent necessary. For banks at which the Debtors hold accounts that are not a party to a Uniform Depository Agreement with the Office of the U.S. Trustee for the District of Delaware, the Debtors shall use their good-faith efforts to cause the banks to execute a Uniform Depository Agreement within fifteen (15) days of the date of this Interim Order. The U.S. Trustee’s rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

9. The Debtors are authorized to open any new bank accounts and close any of the Bank Accounts as the Debtors may deem necessary and appropriate; provided, however, that prior to opening any new bank accounts or closing any of the Bank Accounts, the Debtors give notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware and

any statutory committees appointed in these chapter 11 cases; *provided, further*, however, that the Debtors shall open any such new Bank Account at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement.

10. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors in the ordinary course of business after the date hereof, which account shall be deemed a “Bank Account,” and to the bank at which such account is opened, which bank shall be deemed a “Cash Management Bank.”

11. Subject to the terms set forth herein, any bank, including the Cash Management Banks, may rely upon the representations of the Debtors with respect to whether any check, draft, wire, payment, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and no bank that honors any such prepetition payment drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtors, (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake made despite implementation of reasonable customary handling procedures, shall be deemed to be nor shall be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Interim Order.

12. All banks maintaining any of the Bank Accounts that are provided with notice of this Interim Order shall not honor or pay any bank payments drawn on the Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

13. The Debtors' Cash Management Banks are authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for all checks drawn on the Debtors' account; *provided* that no checks issued against the Debtor prior to the commencement of these Chapter 11 Cases shall be honored except as authorized by order of this Court and directed by the Debtors.

14. The Cash Management Banks are authorized, without further order of this Court, to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

15. Any banks, including the Cash Management Banks, are further authorized to honor the Debtors' direction with respect to the opening and closing of any Bank Account and accept and hold the Debtors' funds in accordance with the Debtors' instructions; *provided* that the Cash Management Banks shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

16. The Debtors are authorized, but not directed, to continue to issue and pay the Refund Program Obligations to residents and Third-Party Payors, including refunds for overpayments made prepetition or resulting from prepetition services in the ordinary course of business, in an amount not to exceed \$40,000.00 on an interim basis. The Debtors are further authorized to modify any Refund Program in their business judgement without further application to this Court; *provided, however*, that the issuance and payment of Refund Program Obligations

shall not exceed \$40,000.00 under the Refund Programs in the aggregate (whether such Programs are modified or not) on an interim basis.

17. The Debtors are authorized to continue engaging in Intercompany Transactions in connection with the Cash Management System in the ordinary course of business and in accordance with the Interim DIP Order and the DIP Loan Documents.

18. Nothing contained in the Motion or this Interim Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of the Debtor that did not exist as of the Petition Date or (b) alter or impair the validity, priority, enforceability, or perfection of any security interest or lien, in favor of any person or entity, that existed as of the Petition Date.

19. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

20. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts that are authorized to be paid under an order of this Court.

21. Notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

22. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

23. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Loan Documents, or any subsequent or final DIP order entered by the Court. For the avoidance of doubt, the DIP orders control.

24. For Cash Management Banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, as soon as possible after the date of entry of this Order the Debtors shall (a) contact each Cash Management Bank, (b) provide the Cash Management Bank with each of the Debtors' employer identification numbers and

(c) identify each of their Bank Accounts held at such Cash Management Banks as being held by a debtor in possession in a bankruptcy case, and provide the case number.

25. For Cash Management Banks at which the Debtors hold accounts that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the Cash Management Banks to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee within thirty (30) days of the date of this Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned Cash Management Banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

26. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2024, at \_\_: \_\_ .m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 5:00 p.m., prevailing Eastern Time, on \_\_\_\_\_, 2024. Objections must be filed and served on: (i) proposed counsel to the Debtors, (a) Winston & Strawn LLP, 35 W. Wacker Drive, Chicago, IL 60601, Attn: Daniel J. McGuire (dmcguire@winston.com) and Gregory M. Gartland (ggartland@winston.com), and 200 Park Avenue, New York, NY 10166, Attn: Carrie V. Hardman (chardman@winston.com), and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N. King St., Wilmington, DE 19801, Attn: Shella Borovinskaya (sborovinskaya@ycst.com) and Carol E. Cox (ccox@ycst.com); (ii) the Office of the United States Trustee for the District of Delaware, 844 King St., Suite 2207, Wilmington, DE 19801, Attn: Linda Richenderfer (linda.richenderfer@usdoj.gov) and Jon Lipshie (Jon.Lipshie@usdoj.gov); (iii) counsel to the DIP Lender Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, NY 10019, Attn: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com) and Emily Hong (emily.hong@nortonrosefulbright.com); and (iv) counsel to any statutory committee

appointed in these Chapter 11 Cases. If no objections are filed to the Motion, the Court may enter a Final Order without further notice or a hearing.

27. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief request set forth in this Interim Order is necessary to avoid immediate and irreparable harm to the estates.

28. As soon as practicable after entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on the Cash Management Banks.

29. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

30. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

31. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

**EXHIBIT B**

**Proposed Final Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re**

**SC HEALTHCARE HOLDING, LLC *et al.*,**

**Debtors.<sup>1</sup>**

Chapter 11

Case No. 24-10443 (THM)

Jointly Administered

Ref. Dkt. Nos. \_\_\_\_ & \_\_\_\_

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO USE  
THEIR BANK ACCOUNTS, (B) HONOR PREPETITION OBLIGATIONS RELATED  
THERETO, (C) MAINTAIN THE REFUND PROGRAMS, (D) PERFORM  
INTERCOMPANY TRANSACTIONS, (E) MAINTAIN EXISTING BUSINESS FORMS;  
AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), (i) authorizing the Debtors to (a) continue to operate the Bank Accounts, (b) honor certain prepetition obligations related thereto, (c) maintain, administer, and modify their Refund Programs, (d) continue to maintain the Intercompany Transactions consistent with historical practice, (e) maintain existing business forms in the ordinary course of business; and (ii) granting related relief, including without limitation, scheduling a final hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29,

<sup>1</sup> 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](http://www.kccllc.net/Petersen).

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and it appearing that the relief requested in the Motion and provided for herein is in the best interests of the Debtors, their estates, and their creditors; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on a final basis as set forth in this Final Order.
2. Except to the extent set forth herein, the Debtors are authorized, but not directed, to: (a) continue operating their Bank Accounts and associated Cash Management System in the ordinary course of business and consistent with the Debtors' historical practice, substantially as described in the Motion; (b) honor their prepetition obligations related to the Cash Management System in the ordinary course of business and consistent with the Debtors' historical practice; (c) maintain existing Business Forms as set forth herein; and (d) continue to perform Intercompany Transactions consistent with historical practice.

3. In connection with the ongoing utilization of the Cash Management System, the Debtors shall continue to maintain records with respect to all transfers, including Intercompany Transactions, so that all of the Debtors' transactions may be readily ascertainable, traced, recorded properly, and distinguished between prepetition and postpetition transfers.

4. The Debtors are authorized, but not directed, to: (a) designate, maintain, close, and continue to use on a final basis their existing Bank Accounts, including, but not limited to, the Debtor Bank Accounts identified in Schedule 1 attached to the Motion and the Resident Trust Accounts identified in Schedule 2 attached to the Motion, in the names and with the account numbers existing immediately before the Petition Date; (b) deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits; (c) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts; and (d) only open new debtor in possession bank accounts at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or banks that are willing to execute one.

5. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date; *provided* that once the Debtors have exhausted their existing stock of Business Forms, they shall ensure that any new Business Forms are clearly labeled "Debtor in Possession." To the extent the Debtors print any new checks or use any electronic Business Forms, they will include the designation "Debtor in Possession" and the corresponding bankruptcy number on all such checks.

6. The Cash Management Banks are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business, and to receive, process, honor, and pay, to the

extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

7. To the extent any of the Debtor Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines, the Debtors shall have thirty (30) days from the date of this Interim Order to comply with section 345 of the Bankruptcy Code and any of the U.S. Trustee's requirements or guidelines. The Debtors or the U.S. Trustee may seek further relief from the Court to the extent necessary. For banks at which the Debtors hold accounts that are not a party to a Uniform Depository Agreement with the Office of the U.S. Trustee for the District of Delaware, the Debtors shall use their good-faith efforts to cause the banks to execute a Uniform Depository Agreement within fifteen (15) days of the date of this Interim Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

8. The Debtors are authorized to open any new bank accounts and close any of the Bank Accounts as the Debtors may deem necessary and appropriate; provided, however, that prior to opening any new bank accounts or closing any of the Bank Accounts, the Debtors give notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware and any statutory committees appointed in these chapter 11 cases; *provided, further*, however, that the Debtors shall open any such new Bank Account at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement.

9. The relief granted in this Final Order is extended to any new bank account opened by the Debtors in the ordinary course of business after the date hereof, which account shall be deemed a “Bank Account,” and to the bank at which such account is opened, which bank shall be deemed a “Cash Management Bank” (together with the Debtors’ current Cash Management Banks, the “Cash Management Banks”).

10. Subject to the terms set forth herein, any bank, including the Cash Management Banks, may rely upon the representations of the Debtors with respect to whether any check, draft, wire, payment, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and no bank that honors any such prepetition payment drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors, (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake made despite implementation of reasonable customary handling procedures, shall be deemed to be nor shall be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Final Order.

11. All banks maintaining any of the Bank Accounts that are provided with notice of this Final Order shall not honor or pay any bank payments drawn on the Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

12. The Debtors’ Cash Management Banks are authorized to debit the Debtors’ accounts in the ordinary course of business without the need for further order of this Court for all checks drawn on the Debtors’ account; provided that no checks issued against the Debtor prior to

the commencement of these Chapter 11 Cases shall be honored except as authorized by order of this Court and directed by the Debtors.

13. The Cash Management Banks are authorized, without further order of this Court, to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

14. Any banks, including the Cash Management Banks, are further authorized to honor the Debtors' direction with respect to the opening and closing of any Bank Account and accept and hold the Debtors' funds in accordance with the Debtors' instructions; *provided* that the Cash Management Banks shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

15. The Debtors are authorized, but not directed, to continue to issue and pay the Refund Program Obligations to residents and Third-Party Payors, including refunds for overpayments made prepetition or resulting from prepetition services in the ordinary course of business, in an amount not to exceed \$75,000.00. The Debtors are further authorized to modify any Refund Program in their business judgment without further application to this Court; *provided, however*, that the issuance and payment of Refund Program Obligations shall not exceed \$75,000.00 under the Refund Programs in the aggregate (whether such Programs are modified or not).

16. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests

that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts that are authorized to be paid under an order of this Court.

17. Nothing contained in the Motion or this Final Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of the Debtor that did not exist as of the Petition Date or (b) alter or impair the validity, priority, enforceability, or perfection of any security interest or lien, in favor of any person or entity, that existed as of the Petition Date.

18. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

19. Notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

20. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the

validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

21. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts that are authorized to be paid under an order of this Court.

22. Notwithstanding any other provision of this Order, any payment that is or will be made under the authority that this Court has granted in this Order and the authority itself are subject to the provisions of (a) any order authorizing or otherwise governing the Debtors' use of cash collateral and/or postpetition borrowing, (b) any contract, agreement, instrument, or other document governing the Debtors' use of cash collateral and/or postpetition borrowing, and (c) any budget governing the Debtors' use of cash collateral and/or postpetition borrowing.

23. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

24. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

25. As soon as practicable after entry of this Final Order, the Debtors shall serve a copy of this Final Order on each Cash Management Bank.

26. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

**Schedule 1****Bank Accounts**

<b>Account Entity/Facility<sup>1</sup></b>	<b>Bank</b>	<b>Last 4 Acct #</b>	<b>3.20.24 Balance (\$)</b>
* ALEDO HCO LLC	PNC Bank	2837	6,531.29
* ALEDO HCO LLC	PNC Bank	2255	-
ALEDO HCO LLC	PNC Bank	3709	-
* ARCOLA HOC LLC	PNC Bank	2896	-
* ARCOLA HOC LLC	PNC Bank	2327	-
ARCOLA HOC LLC	PNC Bank	3768	-
* ASPEN HCO LLC	PNC Bank	2941	-
* ASPEN HCO LLC	PNC Bank	2386	-
ASPEN HCO LLC	PNC Bank	3813	-
CYE KEWANEE HCO LLC	BankUnited	5542	-
CYE KEWANEE HCO LLC	BankUnited	5550	-
CYE KNOXVILLE HCO LLC	BankUnited	7219	-
CYE KNOXVILLE HCO LLC	BankUnited	7227	-
CYE MONMOUTH HCO LLC	BankUnited	5593	-
CYE MONMOUTH HCO LLC	BankUnited	5607	-
EL PASO HCO LLC	BankUnited	5887	-
EL PASO HCO LLC	BankUnited	5860	-
EL PASO HCO LLC	BankUnited	5895	-
FLANAGAN HCO LLC	BankUnited	5976	-
FLANAGAN HCO LLC	BankUnited	5968	-
FLANAGAN HCO LLC	BankUnited	5992	-
LEGACY HCO LLC	BankUnited	6980	-
LEGACY HCO LLC	BankUnited	6948	-
LEGACY HCO LLC	BankUnited	7111	-
MARIGOLD HCO LLC	BankUnited	6808	-
MARIGOLD HCO LLC	BankUnited	6751	-
MARIGOLD HCO LLC	BankUnited	6824	-
POLO HCO LLC	BankUnited	7286	-
POLO HCO LLC	BankUnited	7251	-
POLO HCO LLC	BankUnited	7294	-
XCH LLC	BankUnited	3650	-
* BEMENT HCO LLC	PNC Bank	3004	-
* BEMENT HCO LLC	PNC Bank	2431	-
BEMENT HCO LLC	PNC Bank	3872	-
* BETTYS GARDEN HCO LLC	PNC Bank	3207	-
BETTYS GARDEN HCO LLC	PNC Bank	4074	-
* CASEY HCO LLC	PNC Bank	3063	35,397.69
* CASEY HCO LLC	PNC Bank	2503	-
CASEY HCO LLC	PNC Bank	3944	-
* COLLINSVILLE HCO LLC	PNC Bank	3135	-
* COLLINSVILLE HCO LLC	PNC Bank	2562	-
COLLINSVILLE HCO LLC	PNC Bank	4007	(532.78)

<sup>1</sup> Entities with a "\*" are swept daily.

<b>Account Entity/Facility<sup>1</sup></b>	<b>Bank</b>	<b>Last 4 Acct #</b>	<b>3.20.24 Balance (\$)</b>
* CYE BRADFORD HCO LLC	PNC Bank	3194	-
CYE BRADFORD HCO LLC	PNC Bank	4066	-
* CYE BUSHNELL HCO LLC	PNC Bank	3258	-
CYE BUSHNELL HCO LLC	PNC Bank	4138	-
* CYE SULLIVAN HCO LLC	PNC Bank	3311	10,521.64
* CYE SULLIVAN HCO LLC	PNC Bank	2634	-
CYE SULLIVAN HCO LLC	PNC Bank	4197	-
* CYE WALCOTT HCO LLC	PNC Bank	3389	-
CYE WALCOTT HCO LLC	PNC Bank	2298	-
* VILLAGE KEWANEE HCO LLC	PNC Bank	2909	-
VILLAGE KEWANEE HCO LLC	PNC Bank	3776	-
* DECATUR HCO LLC	PNC Bank	3442	2,193.47
* DECATUR HCO LLC	PNC Bank	2693	-
DECATUR HCO LLC	PNC Bank	2351	(119.85)
* EASTVIEW HCO LLC	PNC Bank	3506	-
* EASTVIEW HCO LLC	PNC Bank	2757	-
EASTVIEW HCO LLC	PNC Bank	2415	-
* EFFINGHAM HCO LLC	PNC Bank	3565	28,528.24
* EFFINGHAM HCO LLC	PNC Bank	2829	-
EFFINGHAM HCO LLC	PNC Bank	2474	-
PETERSEN FARMER CITY LLC	CIBC	5902	24,238.99
* PETERSEN HEALTH CARE FARMER CITY LLC	PNC Bank	3936	1,040.00
* PETERSEN HEALTH CARE FARMER CITY LLC	PNC Bank	3186	-
PETERSEN HEALTH CARE FARMER CITY LLC	PNC Bank	2853	-
* HAVANA HCO LLC	PNC Bank	3637	-
* HAVANA HCO LLC	PNC Bank	2888	-
HAVANA HCO LLC	PNC Bank	2546	-
* PETERSEN MANAGEMENT CO LLC	Huntington	9920	4,190.07
PETERSEN MANAGEMENT CO LLC	Huntington	9959	23,983.87
PETERSEN HEALTH CARE II INC	Huntington	4391	-
PETERSEN HEALTH CARE II INC	Huntington	9797	2,877.89
PETERSEN HEALTH CARE ILLINI LLC	CIBC	5910	24,790.53
* KEWANEE HCO LLC	PNC Bank	3696	-
* KEWANEE HCO LLC	PNC Bank	2933	-
KEWANEE HCO LLC	PNC Bank	2618	-
* LEBANON HCO LLC	PNC Bank	3741	-
* LEBANON HCO LLC	PNC Bank	2992	-
LEBANON HCO LLC	PNC Bank	2677	-
* MCLEANSBORO HCO LLC	PNC Bank	3805	-
* MCLEANSBORO HCO LLC	PNC Bank	3055	-
MCLEANSBORO HCO LLC	PNC Bank	2722	(1,914.97)
MIDWEST HEALTH OPERATIONS LLC	CIBC	4691	53,676.30
* MIDWEST HEALTH OPERATIONS LLC	PNC Bank	2589	-
* NORTH AURORA HCO LLC	PNC Bank	3864	-
* NORTH AURORA HCO LLC	PNC Bank	3127	-

<b>Account Entity/Facility<sup>1</sup></b>	<b>Bank</b>	<b>Last 4 Acct #</b>	<b>3.20.24 Balance (\$)</b>
NORTH AURORA HCO LLC	PNC Bank	2781	(6,666.95)
* PETERSEN HEALTH BUSINESS LLC	PNC Bank	3573	-
* PETERSEN HEALTH BUSINESS LLC	PNC Bank	2706	-
PETERSEN HEALTH BUSINESS LLC	PNC Bank	2482	(22,812.72)
PETERSEN HEALTH CARE INC	CIBC	4609	222,420.78
PETERSEN HEALTH CARE INC	CIBC	0304	21,433.36
PETERSEN HEALTH CARE II INC	PNC Bank	3071	-
PETERSEN HEALTH CARE II INC	PNC Bank	2263	-
PETERSEN HEALTH CARE II INC	PNC Bank	3952	-
PETERSEN HEALTH CARE MANAGEMENT LLC	CIBC	5113	57,746.12
* PETERSEN HEALTH NETWORK, LLC	CIBC	3898	7,747.65
* PETERSEN HEALTH NETWORK, LLC	CIBC	0538	1,460.26
PETERSEN HEALTH NETWORK, LLC	CIBC	2852	92,597.76
PETERSEN HEALTH NETWORK LLC	PNC Bank	3645	3,493.70
PETERSEN HEALTH NETWORK LLC	PNC Bank	2765	24,739.48
PETERSEN HEALTH NETWORK LLC	PNC Bank	2554	-
* PETERSEN HEALTH PROPERTIES LLC	CIBC	0820	21,071.91
* CAPITAL FUNDING LLC	CIBC	1868	19,264.73
PETERSEN HEALTH PROPERTIES LLC	CIBC	9142	140,102.27
* PETERSEN HEALTH QUALITY LLC	CIBC	1842	4,548.10
PETERSEN HEALTH QUALITY LLC	CIBC	9134	11,200.25
* PETERSEN HEALTH QUALITY LLC	PNC Bank	2511	-
PETERSEN HEALTH SYSTEMS INC	CIBC	5986	139,915.54
* CAPITAL FUNDING LLC	CIBC	1800	-
PETERSEN HEALTH & WELLNESS LLC	CIBC	9126	8,647.79
* PETERSEN HEALTH & WELLNESS LLC	PNC Bank	2458	-
* PIPER HCO LLC	PNC Bank	3995	-
* PIPER HCO LLC	PNC Bank	3231	-
PIPER HCO LLC	PNC Bank	2917	-
* PLEASANT VIEW HCO LLC	PNC Bank	4058	5,912.48
* PLEASANT VIEW HCO LLC	PNC Bank	3303	-
PLEASANT VIEW HCO LLC	PNC Bank	2976	-
* PRAIRIE CITY HCO LLC	PNC Bank	4111	-
* PRAIRIE CITY HCO LLC	PNC Bank	3362	-
PRAIRIE CITY HCO LLC	PNC Bank	3039	-
PRAIRIE ROSE HEALTH CARE LLC	CIBC	5944	107,208.92
* ROBINGS HCO LLC	PNC Bank	4189	26,579.70
* ROBINGS HCO LLC	PNC Bank	3434	-
ROBINGS HCO LLC	PNC Bank	3098	-
PETERSEN HEALTH CARE- ROSEVILLE LLC	CIBC	2027	64,970.01
* ROSICLARE HCO LLC	PNC Bank	2271	-
* ROSICLARE HCO LLC	PNC Bank	3493	-
ROSICLARE HCO LLC	PNC Bank	3151	-
* ROYAL HCO LLC	PNC Bank	2343	-
* ROYAL HCO LLC	PNC Bank	3557	-
ROYAL HCO LLC	PNC Bank	3215	-

<b>Account Entity/Facility<sup>1</sup></b>	<b>Bank</b>	<b>Last 4 Acct #</b>	<b>3.20.24 Balance (\$)</b>
* SABL LLC	CIBC	1337	-
* SABL LLC	PNC Bank	2626	-
SABL LLC	PNC Bank	2685	38,582.80
* SHANGRI LA HCO LLC	PNC Bank	2407	-
* SHANGRI LA HCO LLC	PNC Bank	3629	-
SHANGRI LA HCO LLC	PNC Bank	3274	-
* SHELBYVILLE HCO LLC	PNC Bank	2466	-
* SHELBYVILLE HCO LLC	PNC Bank	3688	-
SHELBYVILLE HCO LLC	PNC Bank	3346	-
* SULLIVAN HCO LLC	PNC Bank	2538	-
* SULLIVAN HCO LLC	PNC Bank	3733	-
SULLIVAN HCO LLC	PNC Bank	3418	-
* SWANSEA HCO LLC	PNC Bank	2597	-
* SWANSEA HCO LLC	PNC Bank	3792	-
SWANSEA HCO LLC	PNC Bank	3477	-
* TARKIO HCO LLC	PNC Bank	2669	-
* TARKIO HCO LLC	PNC Bank	3856	-
TARKIO HCO LLC	PNC Bank	3522	-
* TUSCOLA HCO LLC	PNC Bank	2714	9,327.20
* TUSCOLA HCO LLC	PNC Bank	3928	-
TUSCOLA HCO LLC	PNC Bank	3581	-
* TWIN HCO LLC	PNC Bank	2773	5,563.35
* TWIN HCO LLC	PNC Bank	3987	-
TWIN HCO LLC	PNC Bank	3653	-
* VANDALIA HCO LLC	PNC Bank	2845	13,179.93
* VANDALIA HCO LLC	PNC Bank	4031	-
VANDALIA HCO LLC	PNC Bank	3717	(1,090.13)
* WATSEKA HCO LLC	PNC Bank	2968	10,818.08
* WATSEKA HCO LLC	PNC Bank	4103	-
WATSEKA HCO LLC	PNC Bank	3821	-
* WESTSIDE HCO LLC	PNC Bank	3012	-
* WESTSIDE HCO LLC	PNC Bank	4162	-
WESTSIDE HCO LLC	PNC Bank	3899	(2,250.15)
XCH LLC	PNC Bank	3426	-
XCH LLC	PNC Bank	3485	67.93
CVT	First Midwest Bank & Trust	9083	200.00
CYE Girard HCO, LLC	Hickory Point Bank	4578	29,910.73
CYE Kewanee HCO, LLC	PNC Bank	2925	
CYE Knoxville HCO, LLC	PNC Bank	2984	
CYE Monmouth HCO, LLC	PNC Bank	3047	
El Paso HCO, LLC	PNC Bank	3119	
Flanagan HCO, LLC	PNC Bank	3178	
JLP Systems INC dba New Horizons Day Care	People's	6199	400.00
JLP Systems INC dba New Horizons Day Care	CIBC	5994	33,165.80

<b>Account Entity/Facility<sup>1</sup></b>	<b>Bank</b>	<b>Last 4 Acct #</b>	<b>3.20.24 Balance (\$)</b>
Legacy Estates HCO, LLC	PNC Bank	3323	
Marigold HCO, LLC	PNC Bank	3282	
Petersen Health & Wellness, LLC	CIBC	1818	-
Petersen Health Care VII, LLC	CIBC	5928	2,290.47
Petersen Health Care VII, LLC	PNC Bank	2394	-
Petersen Health Care VII, LLC	PNC Bank	3266	-
Petersen Health Care VII, LLC	PNC Bank	4146	-
Petersen Health Enterprises, Inc	CIBC	1743	3.98
Petersen Health Enterprises, Inc	PNC Bank	2423	-
Petersen Health Enterprises, Inc	PNC Bank	2642	-
Petersen Health Enterprises, Inc	PNC Bank	3514	-
Petersen Health Group, LLC	CIBC	6868	-
Petersen Health Group, LLC	CIBC	8930	-
Petersen Health Group, LLC	PNC Bank	2335	-
Petersen Health Group, LLC	PNC Bank	3143	-
Petersen Health Group, LLC	PNC Bank	4015	-
Petersen Health Quality, LLC	CIBC	1850	-
PHCM, LLC	Better Banks	3800	24,132.32
PMT	Huntington	9962	0.67
PMT 2	CIBC	6401	61.78
PMT 3	CIBC	0066	47.78
PETERSEN HEALTH CARE II INC	CIBC	3023	11,715.20
* PETERSEN MANAGEMENT CO LLC	CIBC	1601	-
* PETERSEN MANAGEMENT CO LLC	CIBC	9212	-
PETERSEN MANAGEMENT CO LLC	CIBC	3015	135,923.89
Polo HCO, LLC	PNC Bank	3354	

**Schedule 2****Resident Trust Accounts**

Listed Entity/Facility	Bank	Last 4 Acct #
Aledo Rehab & Health Care Center	BankOrion	4979
Arcola Health Care Center	First Mid Bank & Trust	2104
Aspen Rehab & Health Care	TBK Bank	0833
Aspen Rehab & Health Care	TBK Bank	1846
Batavia Rehabilitation & Health Care	First State Bank	3223
Bement Health care Center	State Bank of Bement	146-2
Benton Rehabilitation & Health Care	First Financial Bank	0203
Bloomington Rehabilitation & HCC	Commerce Bank	3894
Casey Health Care Center	First Neighbor Bank NA	9341
Charleston Rehab & Health Care Center	First Mid Bank & Trust	4548
Charleston Rehab & Health Care Center	First Mid Bank & Trust	2077
Cisne Rehabilitation & Health Care	TrustBank	192-1
Collinsville Rehabilitation	PNC Bank	4706
Cornerstone Rehabilitation & HCC	PNC Bank	0755
Countryview Care Center of Macomb	Morton Community Bank	8898
Countryview Terrace	Flora Bank & Trust	Each resident has their own account
Cumberland Rehab & Health Care Center	First Neighbor Bank NA	2717
Decatur HCO, LLC	Regions Bank	9190
Decatur Rehabilitation & Healthcare Center	Regions Bank	9190
Eastside Health & Rehab Center	Farmers State Bank	2009
Eastview Terrace	First Mid Bank & Trust	2998
Eastview Terrace	First Mid Bank & Trust	6755
Effingham Rehabilitation & Health Care Center	First Mid Bank & Trust	3218
Effingham Rehabilitation & Health Care Center	First Mid Bank & Trust	3170
El Paso Health Care Center	Heartland Bank	9790
El Paso Health Care Center	Heartland Bank	2933
Enfield Rehab & Health Care Center	First Bank	0562
Farmer City	Heartland Bank	1559
Flanagan Rehabilitation & Health Care Center	Flanagan State Bank	2059
Flora Gardens Care Center	First Community Bank, Xenia-Flora	1374
Flora Rehabilitation & Health Care	Flora Savings Bank	0947

Listed Entity/Facility	Bank	Last 4 Acct #
Fondulac Rehabilitation & Health Care Center	Hometown Community Banks	4201
Havana Health Care Center	TBK Bank	1298
Illini Heritage Rehab & Healthcare	Busey Bank	9095
Jonesboro Rehab & Health Care Center	Anna-Jonesboro National Bank	9938
Kewanee Care	Peoples National Bank	0851
Lebanon Care Center	Regions Bank	8147
Marigold Rehabilitation & Health Care	Midwest Bank	3753
McLeansboro Rehabilitation & Health Care	Peoples National Bank	2341
McLeansboro Rehabilitation & Health Care	Peoples National Bank	6255
Mt Vernon Health Care Center	Peoples National Bank	4452
Newman Rehabilitation & Health Care	First Neighbor Bank NA	2010
Nokomis Rehabilitation & Health Care	Nokomis Saving Bank	2999
Nokomis Rehabilitation & Health Care	Regions Bank-Taylorville	3182
North Aurora Care Center	PNC Bank	1723
Ozark Care Center	Central Bank	9531
Palm Terrace of Mattoon	First Mid Bank & Trust	2357
Piper City Rehabilitation & Living Center	Vermillion Valley Bank	2551
Pleasant View Rehabilitation & Health Care Center	TBK Bank	9573
Pleasant View Rehabilitation & Health Care Center	TBK Bank	9325
Polo Rehabilitation & Health Care	First State Bank Shannon-Polo	9701
Prairie City Rehab & Health Care	Farmers and Merchants State Bank of Bushnell	0-532
Prairie City Rehab & Health Care	Farmers and Merchants State Bank of Bushnell	2-828
Prairie Rose Care Center	First National Pana	5702
Robings Manor	CNB Bank & Trust, NA	0112
Robings Manor	CNB Bank & Trust, NA	5212
Rochelle Gardens	First State Bank	4404
Rochelle Rehabilitation & Health Care Center	First State Bank	4396
Rock Falls Rehabilitation & Health Care	Midland States Bank	7123
Rock River Gardens	Midland States Bank	1184
Roseville Rehabilitation Health Care	Morton Community Bank	9732
Rosiclare Rehabilitation & Health Care Center	Banterra Bank	8072
Royal Oaks Care Center	Peoples National Bank of Kewanee	0945
Sandwich Rehabilitation & Health Care Center	First National Bank of Omaha Sandwich	3448
Shangri-la Rehab & Living Center	Central Bank of the Midwest	4987

Listed Entity/Facility	Bank	Last 4 Acct #
Shawnee Rose Care Center	Legence Bank	7433
Shawnee Rose Care Center	Legence Bank	0137
Shelbyville Rehabilitation & HCC	First Federl Savings & Loan	3803
South Elgin Rehabilitation & Health Care Center	Associated Bank	5223
Sullivan Rehabilitation & HCC Resident Trust Acct	First Mid Bank & Trust	8771
Sunset Manor Nursing Home	TBK Bank	0041
Swansea HCO, LLC	Regions Bank	7176
Swansea Rehabilitation & Health Care Center	Regions Bank	8396
Tarkio Rehab & Healthcare	Farmers State Bank	8878
Timbercreek Rehab & Health Care	Pekin Community Bank	9299
Toulon Rehabilitation & Health Care Center	State Bank of Toulon	1262
Tuscola Health Care Center	First Mid Bank & Trust	3739
Twin Lakes Health Care Center	First Mid Bank & Trust	1412
Vandalia Rehabilitation & Health Care Center	The Peoples State Bank of Newton Vandalia Branch	1555
Watseka Rehab & Health CC	Prospect Bank	1260
Westside Rehab Care Center	Banterra Bank	0751
Westside Rehab Care Center	First Financial Bank NA	1962
Whispering Oaks Care Center	Banterra Bank	8137
White Oak Rehab & Health Care	Peoples National Bank	0695
Willow Rose Rehab and Health Care Center	Royal Banks of Missouri	5864