

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:	§	
	§	
GAINESVILLE HOSPITAL DISTRICT	§	Case No. 17-40101
D/B/A NORTH TEXAS MEDICAL	§	
CENTER, ¹	§	Adv. No. 17-04072
	§	
DEBTOR.	§	Chapter 9
	§	

**DEBTOR’S MOTION FOR VALIDATION AND APPROVAL OF
COMPENSATION FOR SERVICES AND REIMBURSEMENT FOR EXPENSES OF
NORTON ROSE FULBRIGHT US LLP, DEBTOR’S COUNSEL**

TO THE HONORABLE BRENDA T. RHOADES,
UNITED STATES BANKRUPTCY JUDGE:

Norton Rose Fulbright US LLP (“NRF”), counsel to Gainesville Hospital District d/b/a North Texas Medical Center (the “District” or the “Debtor”), respectfully requests entry of an order validating and approving NRF’s fees for its professional services and reimbursement for its expenses for the time period June 1, 2017, through October 31, 2017 (the “Motion”). In support of this Motion, NRF submits the following:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. 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.
2. On January 17, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Texas (the “Bankruptcy Court”), thereby commencing the above-captioned municipal debt adjustment case (the “Case”). The Bankruptcy Court held a hearing on February 28, 2017 on the Debtor’s qualification under the Bankruptcy Code, and on March 1, 2017, the Bankruptcy Court entered its Order for Relief.

¹ The last four digits of the Debtor’s federal tax identification number are: 1664. The location of the Debtor’s principal place of business and the service address for the Debtor is: 1900 Hospital Blvd., Gainesville, TX 76240.

3. The Debtor filed its bond validation suit (the “Validation Petition”) in the form of an adversary proceeding entitled the Original Complaint/Petition for Expedited Declaratory Judgment [Adv. Case No. 17-04072, Dkt. No. 1], on July 28, 2017 (the “Validation Petition Date”).

4. The Validation Petition sought to establish and validate the Debtor’s authority to issue limited tax general obligation refunding bonds, from time to time in one or more series as may be necessary (the “Bonds”), pursuant to Chapter 1207 of the Texas Government Code, to restructure and refinance the Debtor’s general or special obligations identified in the Validation Petition (the “Validated Obligations”).

5. After a hearing on the Validation Petition on August 21, 2017, the Court entered the Declaratory Judgment (the “Judgment”) [Adv. Case No. 17-04072, Dkt. No. 22] on August 22, 2017, authorizing the Debtor to issue Bonds to restructure and refinance the Debtor’s Validated Obligations. The Judgment provides, in pertinent part:

(hhh) Upon a satisfactory showing to this Court that the amounts the District is obligated to pay in satisfaction of one or more of the Obligations which, in whole or in part, do not qualify for immediate refunding at the time this Court signs its final judgment prayed for herein, are at that time (1) due and owing in the amounts submitted, (2) sufficiently definite to qualify for refunding under the Refunding Law, and (3) that such amounts do not exceed the “not to exceed” amounts set forth in the Petition, such amounts, by a signed and entered order of this Court, will be deemed legally binding, incontestable liabilities of the District, the District may issue Bonds that meet the requirements of the parameters heretofore established).

6. In accordance with the Judgment, NRF submits this Motion for the court’s validation and approval of its fees and expenses for the time period June 1, 2017 to October 31, 2017 as Prepetition and Unpaid Postpetition Obligations.

7. NRF was retained as Debtor’s counsel on December 12, 2016 to assist the Debtor in connection with its restructuring and bankruptcy filing. NRF’s scope was subsequently expanded by the Debtor to include assisting it in connection with its compliance, oversight and oversight procedures, including, but not limited to, its pending investigation by the Office of the Inspector General. All services for which compensation is requested by NRF were performed for or on behalf of the Debtor.

8. NRF incurred a total of \$226,370.93 in fees on behalf of the Debtor in connection with legal services rendered from June 1, 2017 to July 31, 2017, and a total of \$142,480.19 in fees on behalf of the Debtor in connection with legal services rendered from August 1, 2017 to October 31, 2017. NRF additionally incurred a total of \$10,815.61 in expenses on behalf of the Debtor from June 1, 2017 to July 31, 2017, and a total of \$31,524.82 in expenses on behalf of the Debtor from August 1, 2017 to October 31, 2017.

9. NRF submits that the Debtor is obligated to pay to NRF a total of \$368,851.12 for professional services rendered and \$42,340.43 for reimbursement for its expenses during the time period June 1, 2017, through October 31, 2017, and that such amounts are currently due and owing.

10. NRF further submits that such amounts are sufficiently definite to qualify for refunding under Article 717k-3 of Vernon's Annotated Texas Civil Statutes ("717k-3"), which was later codified under Chapter 1207, Texas Government Code (together with its predecessor statute, 717k-3, the "Refunding Law").

11. NRF further submits that such amounts classified as Prepetition and Unpaid Postpetition Obligations do not exceed the "not to exceed" amounts set forth for such category in the Judgment.

12. NRF has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity in connection with the matters covered by this Motion during the relevant period. There is no agreement or understanding between NRF and any other person other than the partners of NRF for the sharing of compensation to be received for services rendered in this case.

13. NRF reserves the right to amend the amounts listed in this Motion, or file supplements or amendments thereto, in the event that additional professional services were rendered or costs incurred during the applicable period or otherwise that were not included in this Motion or any other application, if expenses incurred or payments received which were either not processed in advance of this Motion or inadvertently not requested or taken into account, or for any other reason. In the event such amendments or supplements are required, NRF reserves the right to seek such additional fees or expenses in any fee application.

WHEREFORE, NRF respectfully requests that the Court (a) grant its Motion for validation and approval of compensation for its services in the amount of \$368,851.12 and reimbursement for its expenses in the amount of \$42,340.43 for the time period June 1, 2017, through October 31, 2017 as Prepetition and Unpaid Postpetition Obligations and (b) order that such amounts are deemed legally binding, incontestable liabilities of the District and that the District may issue Bonds to satisfy the Prepetition and Unpaid Postpetition Obligations that meet the requirements of the parameters established in the Judgment.

Dated: November 27, 2017
Dallas, Texas

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

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**COUNSEL FOR THE DEBTOR AND
DEBTOR-IN-POSSESSION**

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing Application was served upon the counsel and parties of record, electronically through the Bankruptcy Court's Electronic Case Filing System on those parties that have consented to such service.

/s/ William R. Greendyke

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**DECLARATION OF SCOTT M. KORTMEYER IN SUPPORT OF DEBTOR’S
MOTION FOR VALIDATION AND APPROVAL OF COMPENSATION
FOR SERVICES AND REIMBURSEMENT FOR EXPENSES OF
NORTON ROSE FULBRIGHT US LLP, DEBTOR’S COUNSEL**

I, Scott M. Kortmeyer, hereby declare the following under penalty of perjury:

1. I am over 21 years of age and am competent to make this declaration under penalty of perjury (the “Declaration”). I am a Partner with Norton Rose Fulbright US LLP (“NRF”).
2. This Declaration is made in connection with the *Debtor’s Motion for Validation and Approval of Compensation for Services and Reimbursement of Expenses of Norton Rose Fulbright US LLP, Debtor’s Counsel* (the “Motion”), dated November 27, 2017, for compensation and reimbursement of expenses for the period commencing June 1, 2017 through and including October 31, 2017.
3. I declare that I have read the Motion.
4. I declare that NRF was retained as Debtor’s counsel on December 12, 2016 to assist the Debtor in connection with its restructuring and bankruptcy filing and that NRF’s scope was subsequently expanded by the Debtor to include assisting it in connection with its compliance,

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oversight and oversight procedures, including, but not limited to, its pending investigation by the Office of the Inspector General.

5. I declare that the professional services rendered and expenses incurred during the time period June 1, 2017 through October 31, 2017 are summarized as follows:

Month Incurred	Professional Services	Expenses
June 1 – June 30, 2017	\$111,811.12	\$2,028.83
July 1 – July 31, 2017	\$114,559.81	\$8,786.78
August 1 – August 31, 2017	\$89,641.00	\$8,417.09
September 1 – September 30, 2017	\$38,228.75	\$11,563.91
October 1 – October 31, 2017	\$14,610.44	\$11,543.82
TOTALS	\$368,851.12	\$42,340.43

6. I declare that to the best of my knowledge, information, and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought is in amounts sufficiently definite to qualify for refunding under Article 717k-3 of Vernon’s Annotated Texas Civil Statutes, which was later codified under Chapter 1207, Texas Government Code.

7. I declare that to the best of my knowledge, information, and belief, formed after reasonable inquiry, the compensation and expense reimbursement classified as Prepetition and Unpaid Postpetition Obligations do not exceed the “not to exceed” amounts set forth for such category in the Judgment.²

8. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge. If I were called to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of the Debtor.

² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

FURTHER AFFIANT SAYETH NAUGHT.

Signed: /s/ Scott M. Kortmeyer
Scott M. Kortmeyer