

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, <sup>1</sup>	§	Adv. No. 17-04072
	§	
DEBTOR.	§	Chapter 9
	§	

---

**DEBTOR’S SECOND 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 November 1, 2017, through June 30, 2018 (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

---

<sup>1</sup> 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.

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.

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, the Debtor filed the *Motion for Validation and Approval of Compensation for Services and Reimbursement for Expenses of Norton Rose*

*Fulbright US LLP, Debtor's Counsel* [Adv. Case No. 17-04072, Dkt. No. 25] (the "First NRF Fee Motion") on November 27, 2017, requesting validation of and approval of NRF's fees and expenses for the time period June 1, 2017 to October 31, 2017 as Prepetition and Unpaid Postpetition Obligations.

7. On December 5, 2017, the Court entered its order granting the First NRF Fee Motion [Adv. Case No. 17-04072, Dkt. No. 33].

8. In accordance with the Judgment, NRF now submits this Motion for the court's validation and approval of its fees and expenses for the time period November 1, 2017 to June 30, 2018 as Prepetition and Unpaid Postpetition Obligations.

9. 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.

10. The professional services rendered and expenses incurred during the time period November 1, 2017 through June 30, 2018 are summarized as follows:

<b>Month Incurred</b>	<b>Professional Services</b>	<b>Expenses</b>
November 1 – November 30, 2017	\$13,213.25	\$502.08
December 1 – December 31, 2017	\$11,929.75	\$593.50
January 1 – January 31, 2018	\$14,477.63	\$13.65
February 1 – February 28, 2018	\$10,167.06	\$0.00
March 1 – March 31, 2018	\$19,045.31	\$300.76
April 1 – April 30, 2018	\$20,971.63	\$483.15
May 1 – May 31, 2018	\$16,497.44	\$2,866.07
June 1 – June 30, 2018	\$37,480.75	\$469.09
<b>TOTALS</b>	<b>\$143,782.82</b>	<b>\$5,228.30</b>

11. NRF submits that the Debtor is obligated to pay to NRF a total of \$143,782.82 for professional services rendered and \$5,228.30 for reimbursement for its expenses during the time period November 1, 2017 through June 30, 2018, and that such amounts are currently due and owing.

12. 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”).

13. 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.

14. 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.

WHEREFORE, NRF respectfully requests that the Court (a) grant its Motion for validation and approval of compensation for its services in the amount of \$143,782.82 and reimbursement for its expenses in the amount of \$5,228.30 for the time period November 1, 2017, through June 30, 2018 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, including the costs of issuance related to such Bonds, that meet the requirements of the parameters established in the Judgment.

Dated: July 11, 2018  
Dallas, Texas

Respectfully submitted,

**NORTON ROSE FULBRIGHT US LLP**

By: /s/ William R. Greendyke,  
William R. Greendyke (SBT 08390450)  
Julie Goodrich Harrison (SBT 24092434)  
1301 McKinney Street, Suite 5100  
Houston, Texas 77010-3095  
Telephone: (713) 651-5151  
Facsimile: (713) 651-5246  
william.greendyke@nortonrosefulbright.com  
julie.harrison@nortonrosefulbright.com

AND

Ryan E. Manns (SBT 24041391)  
2200 Ross Avenue, Suite 3600  
Dallas, Texas 75201-7932  
Telephone: (214) 855-8000  
Facsimile: (214) 855-8200  
ryan.manns@nortonrosefulbright.com

**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/ Julie Goodrich Harrison*

**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, <sup>1</sup>	§	Adv. No. 17-04072
	§	
DEBTOR.	§	Chapter 9
	§	

---

**DECLARATION OF RYAN E. MANNS IN SUPPORT OF DEBTOR'S  
SECOND MOTION FOR VALIDATION AND APPROVAL OF COMPENSATION  
FOR SERVICES AND REIMBURSEMENT FOR EXPENSES OF  
NORTON ROSE FULBRIGHT US LLP, DEBTOR'S COUNSEL**

I, Ryan E. Manns, 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 Second 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 July 11, 2018, for compensation and reimbursement of expenses for the period commencing November 1, 2017 through and including June 30, 2018.

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

---

<sup>1</sup> 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.



compliance, 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 November 1, 2017 through June 30, 2018 are summarized as follows:

<b>Month Incurred</b>	<b>Professional Services</b>	<b>Expenses</b>
November 1 – November 30, 2017	\$13,213.25	\$502.08
December 1 – December 31, 2017	\$11,929.75	\$593.50
January 1 – January 31, 2018	\$14,477.63	\$13.65
February 1 – February 28, 2018	\$10,167.06	\$0.00
March 1 – March 31, 2018	\$19,045.31	\$300.76
April 1 – April 30, 2018	\$20,971.63	\$483.15
May 1 – May 31, 2018	\$16,497.44	\$2,866.07
June 1 – June 30, 2018	\$37,480.75	\$469.09
<b>TOTALS</b>	<b>\$143,782.82</b>	<b>\$5,228.30</b>

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.<sup>2</sup>

---

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

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.

**FURTHER AFFIANT SAYETH NAUGHT.**

Signed: /s/ Ryan E. Manns  
Ryan E. Manns

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, <sup>1</sup>	§	Adv. No. 17-04072
	§	
DEBTOR.	§	Chapter 9
	§	

---

**ORDER GRANTING DEBTORS’ SECOND 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:

Having considered the *Debtor’s Second Motion for Validation and Approval of Compensation for Services and Reimbursement for Expenses of Norton Rose Fulbright US LLP, Debtor’s Counsel* [Dkt. No. 41] (the “Motion”), which was filed on July 12, 2018, the Court finds that: (a) jurisdiction over the matters in the Motion is proper pursuant to 28 U.S.C. §§ 1334, 157; (b) venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (c) proper and adequate notice of the Motion has been provided and no further notice is needed; (d) the relief sought in the Motion is in the best interests of the Debtor, its creditors, and all parties-in-interest; and (e) good and sufficient cause exists for granting the relief requested in the Motion. Accordingly, it is hereby ordered that:

1. Norton Rose Fulbright US LLP’s fees for professional services in the amount of \$143,782.82 and reimbursement for expenses in the amount of \$5,228.30 for the time period November 1, 2017 through May 31, 2018 (the “NRF Amounts”) are validated and approved.

2. The NRF Amounts are hereby deemed legally binding, incontestable liabilities of the District, and the District may issue Bonds to satisfy the Prepetition and Unpaid Postpetition Obligations that meet the requirements of the parameters established in the Judgment.<sup>2</sup>

---

<sup>1</sup> 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.

IT IS SO ORDERED.

---

HONORABLE BRENDA T. RHOADES,  
UNITED STATES BANKRUPTCY JUDGE

---

<sup>2</sup> All terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.