

SO ORDERED: December 30, 2014.



*James M. Carr*  
 James M. Carr  
 United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT  
 FOR THE SOUTHERN DISTRICT OF INDIANA  
 INDIANAPOLIS DIVISION**

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In re:	: Chapter 11
	: :
Monroe Hospital, LLC, <sup>1</sup>	: Case No. 14-07417-JMC-11
	: :
Debtor.	: Honorable James M. Carr
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**ORDER GRANTING MOTION OF THE DEBTOR AND DEBTOR IN POSSESSION  
 FOR ENTRY OF AN ORDER (I) APPROVING THE PROPOSED DISCLOSURE  
 STATEMENT, (II) ESTABLISHING SOLICITATION AND VOTING PROCEDURES,  
 (III) SCHEDULING A CONFIRMATION HEARING, AND (IV) ESTABLISHING  
 NOTICE AND OBJECTION DEADLINE AND PROCEDURES FOR CONFIRMATION  
OF THE PROPOSED PLAN**

Upon consideration of the *Motion of the Debtor and Debtor In Possession for Entry of an Order (I) Approving the Proposed Disclosure Statement, (II) Establishing Solicitation Procedures, (III) Scheduling a Confirmation Hearing, and (IV) Establishing Notice and Objection Deadline and Procedures for Confirmation of the Proposed Plan* (the “Motion”)<sup>2</sup> filed by Monroe Hospital, LLC (the “Debtor”) subject to sections 105, 502, 1125, 1126 and 1128 of title 11 of the United States Code (the “Bankruptcy Code”) and rules 2002, 3003, 3016, 3017,

<sup>1</sup> The last four digits of the Debtor’s taxpayer identification number are (9733).

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

3018, 302, 9013 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and due and proper notice of the Motion having been given; and no other or further notice being required; and this Court having jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having considered the Motion and all responses to the Motion, if any; and after due deliberation thereon; the Bankruptcy Court hereby finds and determines the following:

**Jurisdiction and Venue**

- A. Consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b).
- B. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
- C. The Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334.

**The Disclosure Statement**

- D. The Proposed Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code (as approved, the “Disclosure Statement”). No further information is necessary.

**Balloting and Voting Procedures**

- E. The Procedures set forth below for the solicitation and tabulation of votes to accept or reject the Plan provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

***Ballots***

- F. The ballots substantially in the forms annexed to the Motion as Exhibits A-1 and

A-2 (collectively, the “Ballots”), including all voting instructions provided therein, are consistent with Official Form No. 14, address the particular needs of these chapter 11 cases, and provide adequate information and instructions for each individual entitled to vote to accept or reject the Proposed Plan. No further information or instructions are necessary.

***Parties Entitled to Vote***

G. Pursuant to the Proposed Plan, allowed claims in Class 1 (MPT Secured Claim) and Class 2 (General Unsecured Claims) are impaired and are entitled to receive distributions under the Proposed Plan. Accordingly, holders of allowed claims in such classes are entitled to vote (collectively, the “Voting Classes”).

***Parties Not Entitled to Vote***

H. Pursuant to the Proposed Plan, claims in Class 3 (MPT Deficiency Claim) and Class 4 (Equity Interest) will not receive or retain any property under the Plan. Accordingly, pursuant to section 1126(g) of the Bankruptcy Code, holders of such claims and interests (collectively, the “Non-Voting Classes”) are deemed to reject the Proposed Plan and are not entitled to vote.

***Notices of Non-Voting Status***

I. The Notices of Non-Voting Status, substantially in the forms attached to the Motion as Exhibits B-1 and B-2 comply with the Bankruptcy Code and the Bankruptcy Rules, and together with the Confirmation Hearing Notice, provide adequate notice to holders of claims or equity interests in the Non-Voting Classes of their non-voting status. No further notice of their non-voting status is necessary.

***Sufficiency of Notice***

J. The distribution and contents of the Solicitation Packages comply with

Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties of the Voting Record Date, Voting Deadline, Confirmation Objection Deadline, Confirmation Hearing, and all related matters.

K. The period, set forth below, during which the Debtor may solicit acceptances to the Proposed Plan is a reasonable and sufficient period of time for holders of claims in the Voting Classes to make an informed decision regarding whether to accept or reject the Plan and timely return Ballots evidencing such decision.

**The Confirmation Hearing**

L. The Procedures set forth below regarding notice to all parties in interest of the time, date, and place of the Confirmation Hearing and for filing objections or responses to the Plan provide due, proper and adequate notice and comply with Bankruptcy Rules 2002 and 3017(d).

**Notice of the Motion and the Disclosure Statement Hearing**

M. All notices provided to date of the hearing on the Disclosure Statement and all notices to be provided relating to confirmation of the Plan pursuant to the procedures set forth herein constitute good and sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to the Confirmation Hearing and no other or further notice need be provided except as otherwise provided herein.

N. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Motion is Granted as set forth herein.

**Disclosure Statement**

2. The Disclosure Statement contains adequate information in accordance with section 1125 of the Bankruptcy Code and is APPROVED.

3. All objections, if any, to the Disclosure Statement that have not been withdrawn or resolved are overruled.

**Solicitation and Voting Procedures**

***Temporary Allowance / Disallowance of Claims***

4. Solely for purposes of voting to accept or reject the Plan and not for the purpose of allowance of, or distribution on account of, a claim, and without prejudice to the rights of the Debtor in any other context, each claim within a class of claims or interests entitled to vote to accept or reject the Plan is temporarily allowed in an amount equal to the amount of such claim as set forth in the Schedules or the Debtor's or the Solicitation Agent's records, as applicable, provided that:

- a. If a claim is deemed allowed under the Proposed Plan, such claim is allowed for voting purposes in the deemed allowed amount set forth in the Proposed Plan;
- b. If a proof of claim was timely filed in an amount that is liquidated, non-contingent, and undisputed, such claim is temporarily allowed in the amount set forth on the proof of claim, unless, such claim is disputed as set forth in subparagraph (g) below, or, if no proof of claim has been filed in respect of such claim, such claim is allowed for voting purposes in the amount, if any, of such claim as set forth in the Schedules, provided that any such amount set forth in the Schedules is not contingent, unliquidated, or disputed or in a zero or an unknown amount;
- c. If a claim for which a proof of claim has been timely filed is contingent, unliquidated, or disputed, such claim is accorded one vote and value at one dollar (\$1.00) for voting purposes only, and not for purposes of allowance or distribution, unless such claim is disputed as set forth in subparagraph (g) below;
- d. If a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim is temporarily allowed

in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution, or as otherwise provided in such order;

- e. If a claim is listed in the Schedules as contingent, unliquidated, or disputed or in a zero or an unknown amount, and a proof of claim was not (a) filed by the applicable Bar Date or (b) deemed timely filed by an order of the Court prior to the Voting Deadline, such claim shall be disallowed for voting purposes pursuant to Bankruptcy Rule 3003(c);
- f. If a claim is listed in the Schedules or on a timely filed proof of claim as partially contingent, unliquidated, or disputed, such claim is temporarily allowed in the amount that is liquidated, non-contingent, and undisputed for voting purposes only, and not for purposes of allowance or distribution, unless such claim is disputed as set forth in subparagraph (g) below; and
- g. If the Debtor or any other party in interest has filed an objection or request for estimation of a claim on or before December 31, 2014 (the “Deadline to Object to Claims for Voting Purposes”), such claim is temporarily disallowed except as agreed to by the parties or ordered by the Court at or prior to the Confirmation Hearing; provided, however, that if such objection seeks to reclassify or reduce the allowed amount of such claim, then such claim is temporarily allowed for voting purposes in the reduced and/or reclassified amount, except as agreed to by the parties or ordered by the Bankruptcy Court at or prior to the Confirmation Hearing.

5. If any creditor seeks to challenge the allowance or disallowance of its claims for voting purposes, such creditor shall file with this Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such claim for voting purposes in a different amount (a “Rule 3018(a) Motion”). Upon filing of any such motion, such creditor’s Ballot shall be counted in accordance with the above-designated guidelines unless temporarily allowed in a different amount agreed to by the parties or ordered by an order of this Court entered at or prior to the Confirmation Hearing. Any Rule 3018(a) Motion must be filed no later than January 7, 2015 (the “Rule 3018(a) Motion Deadline”).

6. Each creditor that votes to accept or reject the Plan is deemed to have voted the full amount of its claim. A creditor who holds claims in multiple classes may vote to accept or reject the Plan for each such class, and is deemed to have voted the full amount of its claim for such classes, subject to the terms of this order.

***The Voting Deadline***

7. The Voting Record Date shall be December 29, 2014.

8. The record holders of claims shall be determined, as of the Voting Record Date, based upon the records of the Debtor and the Solicitation Agent. Accordingly, any notice of claim transfer received by the Debtor or the Solicitation Agent after the Voting Record Date shall not be recognized for purposes of voting or receipt of Plan confirmation materials.

9. With respect to transfers of claims pursuant to Bankruptcy Rule 3001, the transferor of such claim shall be deemed to be the holder of the claim as of the Voting Record Date and be entitled to cast the ballot with respect to that claim unless the documentation evidencing such transfer was docketed by the Court prior to the Voting Record Date and no timely objection with respect to such transfer was filed by the transferor.

***Solicitation Packages***

10. The Solicitation Packages are APPROVED.

11. The Voting Solicitation Package shall be distributed to each member of the Voting Classes, shall be mailed no later than January 5, 2015 and shall contain the following materials:

- a. The Confirmation Hearing Notice (as defined herein);
- b. A CD containing the Disclosure Statement, which will include the Proposed Plan as an attachment, and the Disclosure Statement Order; and
- c. A Ballot conforming to Official Bankruptcy Form No. 14, in the form

described below, and a postage-prepaid return envelope.

12. The Non-Voting Solicitation Package shall be distributed to each member of the Non-Voting Classes, shall be mailed no later than January 5, 2015, and shall contain the following materials:

- a. A Notice of Non-Voting Status, in one of the forms described herein; and
- b. The Confirmation Hearing Notice.

13. The Notice Solicitation Package shall be distributed to (i) the U.S. Trustee, (ii) counsel to MPT, (iii) counsel to Prime, (iv) those parties requesting notice pursuant to Bankruptcy Rule 2002, and (v) all parties to executory contracts and unexpired leases that have not been assumed or rejected prior to entry of the Proposed Disclosure Statement Order which are not already receiving the Voting Solicitation Packages, shall be mailed no later than January 5, 2015, and shall contain:

- a. The Confirmation Hearing Notice (as defined herein); and
- b. A CD containing the Disclosure Statement, which will include the Proposed Plan as an attachment, and the Disclosure Statement Order.

14. The Confirmation Hearing Notice, the Proposed Disclosure Statement and the Proposed Plan will be available for free at <http://www.upshotservices.com/monroehospital>. Moreover, any creditor or party in interest may request a hard copy of any document in the Chapter 11 Case by contacting the Solicitation Agent or the Debtor's counsel. Because of significantly reduced costs and environmental benefits, the Debtor may send the Disclosure Statement and the Proposed Plan in a CD format instead of printed hard copies.

15. The Debtor is excused from mailing Solicitation Packages to addresses from which the Debtor previously received any mailings returned as undeliverable unless the Debtor has identified a new, correct mailing address before the Solicitation Date. The Debtor shall have



authority to make non-substantive changes to all of the documents in the Solicitation Packages, including, but not limited to, the Ballots, the Notices of Non-Voting Status, and the Confirmation Hearing Notice.

***Notices of Non-Voting Status***

16. The Notices of Non-Voting Status are APPROVED.

17. To the holders of claims and interests in the Non-Voting Classes whose claims and interests are impaired and are deemed to reject the Proposed Plan, the Debtor will send a Notice of Non-Voting Status. To the holder of the MPT Deficiency Claim in Class 3, the Debtor proposes to send the Notice of Non-Voting Status substantially in the form attached to the Motion as Exhibit B-1. To the holders of the Equity Interests in Class 4, the Debtor proposes to send the Notice of Non-Voting Status substantially in the form attached to the Motion as Exhibit B-2.

***Ballots***

18. The Ballots are APPROVED.

19. The Voting Deadline is set as February 4, 2015 at 5:00 p.m. (Mountain).

20. All Ballots must be properly executed, completed, and delivered to the Solicitation Agent by (i) by first-class mail, in the return envelope provided with each Ballot, (ii) by overnight courier, or (iii) by hand delivery, so that the Ballot is *actually received* by the Solicitation Agent no later than the Voting Deadline.

21. To the holder of the MPT Secured Claim in Class 1, the Debtor shall send a Ballot substantially in the form attached to the Motion as Exhibit A-1.

22. To the holders of General Unsecured Claims in Class 2, the Debtor shall send a Ballot substantially in the form attached to the Motion as Exhibit A-2.

***Tabulation Procedures***

23. The following tabulation procedures are APPROVED:
- a. Except as otherwise provided herein, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Solicitation Agent shall reject such Ballot as invalid and, therefore, the Debtor shall decline to count it in connection with confirmation of the Plan;
  - b. The Solicitation Agent will date-stamp all Ballots when received. The Solicitation Agent shall retain the original Ballots and an electronic copy of the same for a period of one year after the Effective Date of the Plan, unless otherwise ordered by the Bankruptcy Court;
  - c. As soon as reasonably practicable before the Confirmation Hearing, unless such other date is set by the Bankruptcy Court, the Solicitation Agent will file a voting report with the Bankruptcy Court. The voting report shall, among other things, delineate every irregular Ballot including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking original signatures or lacking necessary information, received via facsimile or electronic mail, or damaged. The voting report shall indicate the Debtor's intentions with regard to such irregular Ballots;
  - d. The method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Solicitation Agent actually receives the original executed Ballot;
  - e. An original executed Ballot is required to be submitted by the Entity submitting such Ballot. Delivery of a Ballot to the Solicitation Agent by facsimile, e-mail, or any other electronic means will not be valid;
  - f. No Ballot should be sent to any of the Debtor or the Debtor's agents (other than the Solicitation Agent), and if so sent will not necessarily be counted;
  - g. If multiple Ballots are received from the same holder with respect to the same Claim prior to the Voting Deadline, the last Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot;
  - h. Holders must vote all of their Claims within a particular Class ether to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted;

- i. The Debtor, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and such waivers will be documented in the voting report;
- j. Neither the Debtor nor any other Entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the voting report, nor will any of them incur any liability for failure to provide such notification;
- k. Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;
- l. In the event a designation of lack of good faith is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted or rejected;
- m. Subject to any contrary order of the Bankruptcy Court, the Debtor reserves the right to reject any and all Ballots not in proper form, the acceptance of which, on the opinion of the Debtor, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections will be documented in the voting report; and
- n. The following Ballots shall not be counted in determining acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the holder; (ii) any Ballot cast by an Entity that does not hold a MPT Secured Claim in Class 1 or a General Unsecured Claim in Class 2; (iii) any unsigned Ballot lacking an original signature; (iv) any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan; and (v) any Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein.

24. The Solicitation Agent has the authority to contact parties that submit incomplete or otherwise deficient Ballots to cure such deficiencies.

### **The Confirmation Hearing**

25. The Confirmation Hearing shall be held on February 11, 2015 at 10:00 a.m. (Eastern) in Room 310, U.S. Courthouse, 46 East Ohio Street, Indianapolis, Indiana 46204;

provided, however, that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtor without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtor with the Court.

26. The deadline to object or respond to confirmation of the Proposed Plan shall be February 4, 2015 (Eastern) (the “Confirmation Objection Deadline”).

27. Objections and responses, if any, to confirmation of the Proposed Plan must (a) be in writing, (b) conform to the Bankruptcy Rules, (c) set forth the name of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtor’s bankruptcy estate, and (d) provide the basis for the objection and the specific grounds therefor. Any objections or responses must be filed with the Bankruptcy Court by the Confirmation Objection Deadline, and served on the Debtor’s counsel (Bingham Greenebaum Doll LLP, Attn: James R. Irving, 3500 National City Tower, 101 South Fifth Street, Louisville, KY 40202 and Bingham Greenebaum Doll LLP, Attn: Thomas C. Scherer, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204), the U.S. Trustee (Office of the United States Trustee, Attn: Beth Kramer, 101 W. Ohio St.. Ste. 1000, Indianapolis, IN 46204), counsel for Prime (Shulman, Hodges & Bastian LLP, Attn: Mark E. Bradshaw, 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618) and counsel for MPT (Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Attn: Timothy M. Lupinacci, 420 North 20<sup>th</sup> Street, 1400 Wells Fargo Tower, Birmingham, AL 35203, and Taft, Stettinius & Hollister LLP, Attn: John R. Humphrey, One Indiana Square, Suite 3500, Indianapolis, IN 46204).

28. The Debtor is authorized to file and serve replies or a brief in support of the Plan on or before February 9, 2015.

29. Objections or responses to confirmation of the Plan that are not timely filed, served, and actually received in the manner set forth above may not be considered and may not be deemed overruled.

### **The Confirmation Hearing Notice**

30. The Confirmation Hearing Notice substantially in the form attached to the Motion as Exhibit C is APPROVED.

### **Key Dates**

31. The deadlines and dates below are hereby approved:

<b><u>Event</u></b>	<b><u>Date</u></b>
Voting Record Date	December 29, 2014
Solicitation Date	January 5, 2015
Deadline to Object to Claims for Voting Purposes	December 31, 2014
Bankruptcy Rule 3018(a) Motion Deadline	January 7, 2015
Voting Deadline	February 4, 2015
Confirmation Objection Deadline	February 4, 2015
Debtor's Deadline to Reply to Objections to Confirmation	February 9, 2015
Confirmation Hearing	February 11, 2015 at 10:00 a.m.

32. The Debtor is authorized, in its sole discretion, to take or refrain from taking any action necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further order of the Court.

33. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

34. The Court shall retain jurisdiction to interpret, implement and enforce the terms and provisions of this Order.

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