

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA

In re:

GREATER SOUTHEAST COMMUNITY
HOSPITAL CORP., I, *et al.*,

Debtors.

Chapter 11

Jointly Administered
Case No. 02-2250
Judge S. Martin Teel, Jr.

**MOTION OF THE DCHC LIQUIDATING TRUST AND THE REORGANIZED
DEBTORS FOR ENTRY OF AN *EX PARTE* ORDER GRANTING SEVENTEENTH
EXTENSION OF THE TIME TO OBJECT TO CLAIMS TO MARCH 31, 2009**

**TO THE HONORABLE S. MARTIN TEEL, JR.,
UNITED STATES BANKRUPTCY JUDGE:**

The DCHC Liquidating Trust (the "Trust") and reorganized Doctors Community Healthcare Corporation (now known as Envision Hospital Corporation), Greater Southeast Community Hospital Corporation I, PACIN Healthcare-Hadley Memorial Hospital Corporation, Michael Reese Medical Center Corporation, Pacifica Hospital of the Valley Corporation (together, the "Reorganized Debtors," and collectively referred to along with the Trust and Pine Grove Hospital Corporation of Canoga Park, California, its estate and/or *res* as the "Movants") by and through their respective undersigned counsel, request entry of an *ex parte* order extending through March 31, 2009, the period during which the Trust and the Reorganized Debtors may object to claims. The Movants believe that any remaining objections will be filed well before the current December 31, 2008 deadline for filing claims objections, but Movants request an additional 90 days out of an abundance of caution that claim issues may arise during the distribution process that may require the Movants to file claim objections. The Movants, by and through their respective counsel, respectfully represent as follows:

Jurisdiction

1. This Court has jurisdiction to consider this motion (the “Motion”) pursuant to 28 U.S.C. §1334. Consideration of the motion is a core proceeding pursuant to 28 U.S.C. §157(b). Venue of this proceeding is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409.

Background

2. On November 20, 2002 (the “Petition Date”), each of the Debtors commenced with this Court a case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Pursuant to an order of this Court, the Debtors’ chapter 11 cases are being jointly administered for procedural purposes only.

3. On April 2, 2004, the Court entered an order approving the Debtors’ Second Joint Amended Plan of Reorganization (the “Plan”).

4. On April 5, 2004 (the “Effective Date”), the Plan went into effect. Pursuant to the terms of the Plan, on the Effective Date, the Debtors reorganized into the Reorganized Debtors, the Trust was formed, and various assets, claims and responsibilities were either transferred to the Trust or retained by the Reorganized Debtors. Under the Plan and related Disclosure Statement materials, allowable Class 10 general unsecured claims transferred to the Trust were estimated by the Debtors to be approximately \$77 million and Class 8 patient refund claims were approximately \$10 million. The Reorganized Debtors retained various claims, including but not limited to: (i) Medical Malpractice Claims;¹ (ii) Tort Claims (except for any Tort Claims arising out of the Debtor’s relationship and transactions with Boston Regional Medical Center); (iii) certain obligations to third party payors pursuant to insurance policies for health care goods and services; (iv) obligations to any state or federal authority pursuant to

¹ All capitalized terms not defined herein shall have the meaning assigned to them in the Plan.

Medicare, Medicaid or other similar governmental programs; (v) certain obligations to the Department of Health and Human Services; (vi) accrued and unpaid prepetition employee benefit obligations; and (vii) certain tax claims.

5. Pursuant to Article 7.1(b) of the Plan, objections to claims were to be made by “120 days after the Effective Date, unless such date is extended by order of the Bankruptcy Court.” The 120th day following the Effective Date was August 3, 2004.

6. Pursuant to Article 7.1(b) of the Plan, this Court may extend the deadline through which the Trust and the Reorganized Debtors may object to claims on the *ex parte* request of the Trustee or the Reorganized Debtors.

7. The Trust and Reorganized Debtors jointly filed sixteen motions to extend the time to object to claims, which have been granted by the Court. The latest order was entered on October 30, 2008 and extended the deadline for the Trust and the Reorganized Debtors to object to claims to December 31, 2008, without prejudice to the Movants’ ability to request and be granted additional extensions of time to object to claims.

8. The Trust has filed twenty-one omnibus objections to claims during this case, whereby hundreds of claims have been disallowed and/or reduced. In addition, on December 20, 2007, the Court approved the Trust’s Motion for an Order Authorizing Procedures for Objecting to and Resolving Patient Refund Claims, which authorized procedures for objecting to and resolving over 10,000 patient refund claims, in the aggregate face amount of over \$10 million. As a result of the procedures, all but 43 of the patient refund claims were disallowed.

9. As result of the twenty-one omnibus claim objections, patient refund claim procedures and the resolution of myriad claims without the need to file claim objections, the Class 8 Patient Refund and Class 10 General Unsecured Claims now currently total \$49,605,464,

collectively. In addition, the Trust has placed funds into a reserve account for the benefit of Class 8 and Class 10 creditors, which amount, with interest, now totals approximately \$17,387,178. Thus, if the Trust were to distribute the entire \$17,387,178 on the current \$49,605,464 Class 8 and Class 10 claim pool, the distribution percentage would be 35.1%.

W-9 Motion and Request to Make First Distribution

10. On October 27, 2008, the Court approved the Trust's Motion seeking an order from this Court authorizing certain procedures concerning tax reporting requirements, including a 90-day deadline for holders of allowed claims anticipated to be entitled to distribution (the "Claimholders") to complete and return to the Trust an IRS W-9 Form (including their tax identification number, which in the case of an individual is his or her Social Security Number, or claim of exemption), and if that deadline is not met, to allow the Trustee to redistribute the remaining funds not associated with a valid W-9 Form ratably to the complying Claimholders (the "W-9 Procedures").

11. The W-9 Procedures included sending the Claimholders a letter attaching a W-9 Form requiring Claimholders to complete and return the W-9 Form, including their TIN or claim of exemption, to the Trust within ninety (90) days. The letter stated that (i) if a Claimholder does not return a completed W-9 Form to the Trust within ninety (90) days (or by February 16, 2008), the Claimholder will not be entitled to receive its share, if any, of distributions from the Trust; (ii) failure to return a completed W-9 Form by the deadline will be deemed a waiver of the Claimholder's interests, if any, in the Trust; and (iii) if a Claimholder's interest is waived, proceeds that would have been distributed to that Claimholder will be distributed ratably to the other Claimholders who returned a completed W-9 Form pursuant to these procedures. The W-9

letter was mailed to all Claimholders on November 17, 2008. Since the mailing, the Trust has received completed W-9 Forms from approximately 500 Claimholders.

12. On December 3, 2008, the Trust filed its Motion to Fix Claim Amounts and Make First Distribution to Class 8 and 10 Creditors that have Returned Completed W-9 Forms, wherein the Trust requested that the Court fix claim amounts and make a first *pro rata* distribution at 30% of the allowed claim amounts to holders of Class 8 (Patient Refund) and Class 10 (General Unsecured) allowed claims entitled to a distribution that completed and returned a W-9 Form pursuant to the procedures authorized by this Court. This motion is set for hearing on December 18, 2008.

Relief Requested

13. The Movants have filed and served this Motion seeking an order further extending until March 31, 2009 the deadline for Movants to file claim objections to ensure that all objectionable claims are addressed before the Trust distribution process is completed. The Movants believe that all claim objections will be filed by the current December 31, 2008 deadline for filing claims objections. However, out of an abundance of caution, the Movants request an additional ninety days to file claim objections in the unlikely event that issues arise in the distribution process requiring the Movants to file claim objections.

Basis for Relief

14. Since the Effective Date, the Movants have worked diligently to assess the approximately 2000 filed proofs of claim totaling approximately \$900 million and hundreds of other scheduled claims totaling \$362,655,086.99 (the "Claims"). Since the last request for an extension of time to object to claims, the Trust has negotiated and consensually resolved several claims without the need to file claim objections with the Court. At bottom, the Trust believes

that it will file all necessary claims objections by the December 31, 2008 deadline, but seeks an additional three months to address any claim issues that may arise during the initial distribution process.

15. Similarly, the Reorganized Debtors have worked diligently to assess and resolve the proofs of claim relating to claims retained by the Reorganized Debtors. Toward that end, the Reorganized Debtors have consensually resolved and/or satisfied (i) most, if not all, of the retained priority tax claims, including all claims of the Internal Revenue Service, (ii) the claims of the District of Columbia and its agencies, (iii) the claims of other governmental agencies, (iv) claims of third-party payors and (v) most, if not all, claims arising from identified assumed executory contracts without the necessity for the filing and prosecution of claim objections, except, perhaps, for objections to reconcile the claims register with the outcome of these discussions. Further, the vast majority of claims for accrued and unpaid employee benefit obligations have been satisfied. The Reorganized Debtors are now in the final stages of determining whether it is necessary to object in the Bankruptcy Court to any claims.

16. In summary, the Movants submit that the rights of claimants will not be prejudiced by the requested extension, such an extension is in the best interests of the estate and the creditors, and the relief requested herein is warranted.

Notice

17. Under the Plan Section 7.1(b), this Motion can be filed, heard and approved on an ex parte basis.

The Liquidating Trustee, the Reorganized Debtor(s) or any other entit(ies) responsible for Retained Liabilities, as the case may be shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable (unless such Claim was already the subject of a valid objection by the Debtors), but in no event shall the service of such

an objection be later than 120 days after the Effective Date, unless such date is extended by order of the Bankruptcy Court. The Bankruptcy Court, for cause, may extend the deadline on the ex parte request of the Liquidating Trustee or a Reorganized Debtor or other entit(ies).

Nevertheless, a copy of this Motion was served on the Office of the U.S. Trustee. The Trust and the Reorganized Debtors respectfully submit that such notice is adequate and that no further notice is necessary.

No Prior Request

No prior motion for the specific relief requested herein has been made to this Court or any other court.

WHEREFORE, the Movants respectfully request entry of an order, substantially in the form annexed hereto, extending to March 31, 2009, the deadline for the Trust and the Reorganized Debtors to file objections to all claims filed in the above-captioned cases, without prejudice to their right to seek further extensions of time to object to such claims an order granting such other and further relief as may be just and proper.

Dated: December 10, 2008

Respectfully submitted,

WHITE & CASE LLP

By: /s/ Jeffrey E. Schmitt

Jeffrey E. Schmitt (D.C. Bar No. 490013)
Joshua M. Hantman (D.C. Bar No. 488058)
701 Thirteenth St., N.W.
Washington, D.C. 20005
tel.: (202) 626-3600
fax: (202) 639-9355

*Counsel to Sam J. Alberts, Trustee
for The DCHC Liquidating Trust*

Dated: December 10, 2008

By: /s/ Patrick Collins

Ted Berkowitz (admitted *pro hac vice*)

Patrick Collins (admitted *pro hac vice*)

Farrell Fritz, P.C.

1320 RexCorp Plaza

Uniondale, New York 11556

tel.: (516) 227-0700

fax.: (516) 227-0777

Peter M. Friedman (D.C. Bar No.474966)

John H. Thompson (D.C. Bar No.484852)

Cadwalader Wickersham & Taft LLP

1201 F Street, NW

Washington, D.C. 20004

(202) 862-2200

Andrew M. Troop (admitted *pro hac vice*)

Cadwalader, Wickersham & Taft LLP

One World Financial Center

New York, NY 10281

(212) 504-6000

Counsel to the Reorganized Debtors

CERTIFICATE OF SERVICE

I hereby certify that on December 10, 2008, I caused to be served a true and correct copy of the foregoing Motion of The DCHC Liquidating Trust and the Reorganized Debtors For Entry Of An Ex Parte Order Granting Seventeenth Extension Of Time To Object To Claims to March 31, 2009 on the persons listed below by United States Mail:

Andrew M. Troop
Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, NY 10281

Peter M. Friedman
John H. Thompson
Cadwalader Wickersham & Taft LLP
1201 F Street, NW
Washington, D.C. 20004

Ted A Berkowitz
Patrick Collins
Farrell Fritz, P.C.
1320 RexCorp Plaza
Uniondale, NY 11556

Counsel for the Reorganized Debtors

Dennis Early, Esq.
Office of the United States Trustee
115 S. Union Street, Rm. 210
Alexandria, VA 22314

/s/ Jeffrey E. Schmitt

Jeffrey E. Schmitt