

PRESENTED AT

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Bankruptcy and Restructuring

Speakers:

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

HHH Choices Health Plan, LLC, et al.,¹

CASE NO. 15-11158-MEW

CASE NO. 15-13264-MEW

Debtors.

CASE NO. 16-10028-MEW

Jointly Administered

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BENCH DECISION REGARDING DEBTOR'S SALE MOTION

MICHAEL E. WILES
UNITED STATES BANKRUPTCY JUDGE

We are here in the case of Hebrew Hospital Senior Housing, Inc., for the entry of my decision following a hearing that began last Wednesday, August 10th, and that continued with testimony and other evidence on Friday, August 12th, and Tuesday, August 16th.

This decision that I will announce today is my bench decision. I am going to ask counsel to the parties to obtain a transcript promptly, and to submit it to Chambers in Word format, so that we can correct inevitable problems with citation formats and other typographical errors, and then issue the corrected bench decision as the final and official version of my decision. But unless I misspeak terribly in what I say today, it is not my intention to make substantive changes to the decision that I will dictate today.

The Debtor Hebrew Hospital Senior Housing, Inc. – which I will refer to as “HSH” the “Debtor” – and the Official Committee of Unsecured Creditors – which I will refer to either as

¹ On January 15, 2016, the Bankruptcy Court ordered the joint administration of the Bankruptcy Cases of related entities: (i) HHH Choice Health Plan, LLC (Case No. 15-11158) (“HHH Choices”); (ii) Hebrew Hospital Senior Housing, Inc. (Case No. 15-13264-mew) (“HSH”); and (iii) Hebrew Hospital Home of Westchester, Inc. (Case No. 16-10028-mew) (“HHHW”) [ECF No. 61].

the “UCC” or the “Committee” – agreed, some time ago in this case, that the Debtor did not have the resources to continue to operate its facilities, and that a sale needed to occur. That need was the subject of many conferences before this Court, and eventually, it was the subject of an application for the entry of an order approving bidding procedures for a sale of all the assets. In response to that application, I entered an order approving bid procedures on June 23, 2016; that order is Docket Number 276.

I do not believe there was any opposition, or at least any significant opposition, to the notion that there had to be a sale, or to the substantive terms of the bid procedures, except for a few changes that I, myself, insisted on.

HSHS and the Committee now seek approval of the sale of substantially all of the assets of the Debtor, but they have differing views as to what should be done. HSHS favors a sale to Bethel Methodist Home, Inc., or its designee. I will refer to that potential buyer as “Bethel.” The Committee favors a sale to GF Westchester Holdings, LLC, or its assignee. I will refer to that potential buyer as “Focus.”

Before going any further, I want to thank both of the competing bidders, Bethel and Focus, for the time, the energy and the other resources that they have devoted to this project and to their bids. The parties here differ about what to do, and the adversary process dictates that they present their differences to me, and that they put on their best cases in front of me, in support of their differing positions. It is sometimes an inevitable and unfortunate result of that process that parties take positions that are challenging, skeptical, or critical of the other side’s proposals, or of the position that the other side prefers. It is also unfortunate that, sometimes, the heat of battle can make people even more critical than they otherwise might have been, and some of that happened here. I hope that neither of the bidders has been offended by that, or that either

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