

SO ORDERED.

SIGNED this 17th day of July, 2017.



Benjamin A. Kahn

BENJAMIN A. KAHN
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION**

IN RE:)	
)	Case No. 17-10775
MOREHEAD MEMORIAL HOSPITAL,)	
)	Chapter 11
Debtor.)	
)	

**ORDER ESTABLISHING CERTAIN NOTICE AND
CASE MANAGEMENT PROCEDURES**

Upon the *Motion for Order Implementing Certain Notice and Case Management Procedures* [Dkt. No. 13] (the “Motion”) filed by Morehead Memorial Hospital, Chapter 11 debtor and debtor-in-possession (the “Debtor”)¹ in the above-captioned Chapter 11 case, for entry of an Order pursuant to Sections 102(a) and 105(a) of the Bankruptcy Code and Rules 2002(m) and 9007 of the Federal Rules of Bankruptcy Procedure establishing certain notice, case management, and administrative procedures as described in the Motion; and upon the Weston Affidavit in support of the Chapter 11 petition and First Day Motions; the Court having reviewed Motion and having

¹ All capitalized terms used herein but not defined shall have the meaning ascribed to them in the Cash Management Motion.

heard the statements of counsel in support of the relief requested therein at the hearing before the Court on July 14, 2017 (the “Hearing”); the Court having found and concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (iii) venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409, (iv) notice of the Motion was sufficient under the circumstances, and (v) the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein, and the Court having determined that granting the relief requested in the Motion is in the best interests of the Debtor, its estate, and its creditors; and after due deliberation and sufficient cause appearing therefor;

IT IS ORDERED AS FOLLOWS:

1. The Motion is GRANTED to the extent provided herein.

I. Service and Notice Procedures

2. All motions, pleadings, applications, requests for relief, and any objections, responses, and replies thereto (collectively, the “Pleadings”) and all adversary pleadings (the “Adversary Pleadings”) shall be subject to the service and notice procedures described in this Order (the “Service and Notice Procedures”), which Service and Notice Procedures are hereby implemented and approved pursuant to Sections 102(a) and 105(a) of the Bankruptcy Code and Bankruptcy Rules 2002(m) and 9007. Service and notice given in accordance with the Service and Notice Procedures shall be deemed adequate pursuant to the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

3. All Pleadings and Adversary Pleadings shall be filed with the Court in accordance with the Local Bankruptcy Rules (the “Local Rules”) of the Court.

4. The Debtor shall establish a master service (the “Master Service List”), which shall include:

- (a) The Debtor and its counsel;
- (b) The Bankruptcy Administrator for the Middle District of North Carolina;
- (c) Counsel to any official committee(s) established in the case pursuant to Section 1102 of the Bankruptcy Code;
- (d) Counsel to the Debtors’ pre-petition and post-petition secured creditors;
- (e) The United States Department of Justice;
- (f) The Civil Process Clerk for the United States Attorney’s Office for the Middle District of North Carolina;
- (g) The United States Department of Housing and Urban Development;
- (h) The United States Department of Health and Human Services;
- (i) The Attorney General’s Office for the State of North Carolina;
- (j) The North Carolina Department of Health and Human Services;
- (k) All counsel having entered a notice of appearance in the case, but only one copy of the filing regardless of how many creditors or parties-in-interest the counsel represents; and
- (l) Those parties that may be added to the Master Service List upon written request to the Debtor or as ordered by the Court for good and sufficient cause.

5. Any creditor or party-in-interest that wishes to receive notice other than as required in accordance with Bankruptcy Rule 2002 must file a notice of appearance and request for service of papers (a “Request”) with the Clerk of the Court and serve a copy of such Request upon each of

the parties set forth on the Master Service List. The Request must include such party's (i) name, (ii) address, (iii) name of client, if applicable, (iv) telephone number, (v) facsimile telephone number, and (vi) electronic mail ("e-mail") address, unless such party files a request to be exempted from providing an e-mail address. All requests for automatic receipt of Pleadings, Adversary Pleadings, and other documents or writings filed in the case and any related adversary proceeding—whether now filed or filed in the future—that do not comply with the foregoing requirements shall be denied, and the request will not be processed by the Debtor.

6. Each party having filed a request to be added to the Master Service List and each party having requested an CM/ECF password from the Court shall be deemed to have consented to electronic service of papers and to have waived the right to receive notice and service conventionally (i.e., served in paper or "hard copy"). Notwithstanding the foregoing, any party that has not filed a request to be added to the Master Service List, any party that is a governmental unit or agency, or any party that has not consented to or been deemed to have consented to electronic service, shall be served in paper (i.e., "hard copy") by U.S. mail or overnight delivery. Except as specifically provided in this paragraph 6, nothing in this Order shall be construed to modify the method of service of process as required under Fed. R. Bankr. Pro. 9014 and/or 7004, as applicable.

7. The Debtor shall review the Master Service List on a weekly basis and update it to include the names, addresses, and e-mail addresses of any party-in-interest that has made a written request for notice in the case. In the event any changes are made to the Master Service List, the Debtor shall (i) file the updated Master Service List on the case docket and (ii) provide the Court with a document that reflects the changes that were made to the Master Service List since the last update.

8. All Pleadings and Adversary Pleadings shall be served on the Master Service List attached hereto as Exhibit A, as updated by the Debtor pursuant to this Order.

9. All Adversary Pleadings shall also be served in accordance with any applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

10. Except as provided in paragraph 11 below, all Pleadings for which particular notices are required by Bankruptcy Rules 2002(a)(2), (3), and (6), 4001, 6004, 6006, 6007, or 9019 shall be served on the Master Service List and additionally in accordance with the following procedures, unless otherwise ordered by the Court:

- (a) Pleadings related to the use, sale, lease, or abandonment of property other than in the ordinary course of business shall be served on each entity having an interest in the property;
- (b) Pleadings related to relief from, or otherwise related to, the automatic stay shall be served on each entity having a lien or encumbrance on the affected property;
- (c) Pleadings relating to the use of cash collateral or obtaining debtor in possession financing shall be served on each entity with an interest in the cash collateral or each entity with a lien or other interest in property on which a lien is proposed to be granted;
- (d) Pleadings relating to approval of proposed compromises or settlements shall be served on any entity that is a party to the compromise or settlement or which may be directly adversely affected thereby;

- (e) Pleadings relating to rights under Section 365 of the Bankruptcy Code shall be served on each party to the executory contract(s) or unexpired lease(s) affected thereby; and
- (f) Notice of other matters for which the Federal Rules of Bankruptcy Procedure specifically require notice to all parties in interest shall be served on all creditors and equity security holders of the Debtor and parties in interest, except as set forth herein or as otherwise authorized by the Court.

11. Except as set forth herein or as otherwise authorized by the Court, the time and service party limitations set forth in the Service and Notice Procedures shall not apply to the instant Order (which shall be served on the entire creditor mailing matrix), or to the matters or proceedings described in the following Federal Rules of Bankruptcy Procedure:

- (a) Rule 2002(a)(1) (any meetings of creditors pursuant to Section 341 of the Bankruptcy Code);
- (b) Rule 2002(a)(2) (any proposed use, sale, or lease of property of the estate, other than in the ordinary course of business to the extent that such use, sale, or lease concerns all or substantially all the Debtor's assets);
- (c) Rule 2002(a)(3) (the hearing on approval of a compromise or settlement of a controversy, other than approval of an agreement pursuant to Bankruptcy Rule 4001(d)(1), to the extent that such compromise or settlement involves claims between and among the Debtor and the Official Committee of Unsecured Creditors or a plan of reorganization);
- (d) Rule 2002(a)(4) (a hearing upon the dismissal of the case, or the conversion of the case to another chapter);

- (e) Rule 2002(a)(5) (the time fixed to accept or reject a proposed modification of a plan of reorganization);
- (f) Rule 2002(a)(7) (the time fixed for filing proofs of claim pursuant to Rule 3003(c));
- (g) Rule 2002(b)(1) (the time fixed for filing objections and any hearing to consider approval of a disclosure statement);
- (h) Rule 2002(b)(2) (the time fixed for filing objections and any hearing to consider confirmation of a plan of reorganization);
- (i) Rule 2002(d) (certain matters for which notice is to be provided to equity security holders);
- (j) Rule 2002(f)(1) (the entry of an order for relief in this case);
- (k) Rule 2002(f)(2) (the dismissal or conversion of the case to one under another chapter of the Bankruptcy Code);
- (l) Rule 2002(f)(5) (the time fixed for filing a complaint to determine the dischargeability of a debt pursuant to Section 523 of the Bankruptcy Code, as provided in Bankruptcy Rule 4007);
- (m) Rule 2002(f)(6) (the waiver, denial, or revocation of a discharge as provided in Rule 4006);
- (n) Rule 2002(f)(7) (the entry of an order confirming a Chapter 11 plan of reorganization); and
- (o) Rule 2002(f)(8) (a summary of the trustee's final report and account, should the case be converted to one under Chapter 7 of the Bankruptcy Code).

All the foregoing matters or proceedings set forth in paragraph 11 of this Order shall be noticed in accordance with the applicable provisions of Rule 2002 of the Federal Rules of Bankruptcy Procedure, unless otherwise ordered by the Court or otherwise proscribed by the Bankruptcy Code. *Provided, however,* that nothing in this Order shall prejudice (i) the right of the Debtor or any party-in-interest to move the Court to further limit or expand notice of such matters and proceedings upon a showing of good cause, including, but not limited to, the right to file a motion seeking emergency *ex parte* consideration or consideration upon shortened time; or (ii) the rights of any party to seek an enlargement or reduction of a time period under Rule 9006(b) or (c) of the Federal Rules of Bankruptcy Procedure.

12. A “Notice of Hearing,” using the format attached hereto as Exhibit B, shall be affixed as a first page to all motions, applications, or other requests for relief, and shall include the following:

- (a) The title of the Pleading;
- (b) The Parties upon whom any response or objection to the Pleading is required to be served;
- (c) The date and time of the applicable objection deadline (the “Applicable Objection Deadline”);
- (d) The date of the Omnibus Hearing or other hearing date (as ordered by the Court) at which the Court will consider the Pleading (the “Applicable Hearing Date”); and
- (e) If applicable, a statement that the relief requested in the Pleading may be granted without a hearing if no objection is timely filed and served in accordance with the Service and Notice Procedures.

13. To be properly considered by the Court at the Applicable Hearing Date, a moving party must comply with any notice period found in the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules associated with a given Pleading. Any Notice of Hearing may designate a hearing date that is at least 21 days after filing and service of the motion, application, or other request for relief. If a Notice of Hearing designates a hearing date that is less than 21 days after filing, the clerk shall schedule the Applicable Hearing Date for the next available omnibus hearing date that is at least 21 days after filing. Notwithstanding Rule 9006(f), no additional days shall be added to the notice period if the Pleading is served by U.S. mail. Nothing in these Service and Notice Procedures shall prejudice the right of any party to move the Court to request an enlargement or reduction of any time period under Rules 6006(b) and 9006(b)-(c).

14. If a party seeks a reduction of a time period, it must file a *Motion to Shorten Notice of and Expedite Hearing* immediately after filing the Pleading requesting that the Court hear the matter at the next available Omnibus Hearing date or other hearing date as ordered by the Court. The party must notify the Court of such a motion, and provide the Court with a proposed order shortening notice of and expediting hearing on the relevant Pleading.

15. The Applicable Objection Deadline shall be no later than (i) the seventh (7th) calendar date before the Applicable Hearing Date, or (ii) such other date otherwise ordered by the Court. The Applicable Objection Deadline may be extended with the consent of the movant or the applicant. An objection will not be considered timely filed unless filed with the Court and received by all parties on the Master Service List and the interested movant, on or before the Applicable Objection Deadline. All parties filing an objection shall include their telephone and their email or facsimile number in the signature block on the last page of the objection.

16. Unless otherwise ordered by the Court, a reply to a response or an objection will not be considered timely unless timely filed with the Court and served in accordance with these Service and Notice Procedures on or before 12:00 noon, Eastern Standard Time, on the day that is at least three (3) business days before the Applicable Hearing Date.

II. Hearings and Related Procedural Matters

17. Adversary Proceedings and Claims Objections. The Court shall set separate hearings for claim objections and for pre-trial conferences and trials in connection with adversary proceedings. Initial pre-trial conferences in connection with adversary proceedings shall be scheduled on the next available hearing date that is at least 45 days after the filing of a complaint, unless otherwise ordered by the Court.

18. Hearings Scheduled in Error. If a document is filed by a non-Debtor party that purports to set a hearing date inconsistent with the procedures herein, the hearing shall be scheduled, without the necessity of Court order, for the first Omnibus Hearing after the applicable notice period has expired. If this occurs, the Debtor shall provide the movant with notice of these procedures within five (5) business days of the Debtor's receipt of the documents that are erroneously filed.

19. Guidelines for Setting a Hearing Date. Pleadings shall not be considered by the Court unless filed and served in accordance with the Service and Notice Procedures. The Court will inform parties-in-interest when Omnibus Hearings will take place in the case via link on its website, www.ncmb.uscourts.gov. All matters requiring a hearing in the case shall be set for and heard on Omnibus Hearing dates unless alternative hearing dates are approved by the Court for good cause shown.

20. Telephonic Appearances. If a party desires to participate in a hearing by telephone, such party must request permission from the Court and notify attorneys for the Debtor at least 48 hours prior to the scheduled hearing. All requests to appear telephonically are subject to approval by the Court, which approval may be granted through the Court's courtroom deputy. If the Court permits telephonic participation, the party participating must arrange such telephonic appearance with the Clerk of the Bankruptcy Court. Absent extraordinary circumstances considered and approved by the Court prior to the affected hearing, parties appearing telephonically shall not be permitted to examine witnesses or offer or object to evidence.

21. Proposed Agenda for Hearings. At or before 3:00 p.m. eastern time the day prior to each hearing day, the Debtor's counsel shall file on the case docket a proposed agenda outlining the matters to be heard on such hearing day, matters for which no objection was filed and the Court has entered an order, and matters for which no objection was filed but for which no order has been entered such that the Court will consider the matter at the hearing (the "Agenda"). The Agenda may and should be updated after the initial submission if necessary. The Agenda shall list disputed matters first and will be limited to substantive Pleadings – motions and responses — and need not include the supporting affidavits, exhibits, or miscellaneous filings, such as notices of adjournment and affidavits of service. Service of the Agenda shall be made on the following: (i) the Master Service List, (ii) the Court's Courtroom Deputy, (iii) the Clerk of Court, and (iv) the Court's Automation Department. Service of the Agenda shall be made on the above parties via CM/ECF and via e-mail (on those parties that included an email address in the Request and who are not otherwise registered for CM/ECF), and such service shall constitute sufficient service.

22. Information Available on the Court's Website. The Court will maintain a link on its main website, www.ncmb.uscourts.gov, where it will post Agendas provided to the Court, list Omnibus Hearing Dates, and provide other information and notices regarding the Debtor's case.

23. Settlements. If a matter is properly noticed for hearing and the parties reach agreement on a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the scheduled hearing on the hearing day. If the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement (*i.e.*, that the terms of the settlement are not materially different from what parties-in-interest could have expected if the dispute were fully litigated), the Court may approve the settlement at the hearing without further notice of the terms of the settlement. If the Court determines that additional or supplemental notice is required, the parties shall serve such notice in accordance with the procedures set forth herein and a hearing to consider such settlement shall be on the next hearing day deemed appropriate by the Court.

24. Bridge Orders. If a motion to extend the time to take any action is filed before the expiration of the period prescribed by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules, or the provisions of any order entered by this Court, the time shall automatically be extended until the Court acts on the motions, without the necessity for the entry of a bridge order.

III. Automatic Stay Proceedings

25. Notwithstanding anything contained herein, and absent any relief otherwise ordered by the Court, motions for relief from the automatic stay filed pursuant to Section 362 of the Bankruptcy Code shall be noticed for consideration on the Omnibus Hearing date that is at least twenty-one (21) days after the motion is filed and notice is served upon the Debtor. Unless

otherwise ordered by the Court, the objection deadline shall be three (3) calendar days before the scheduled hearing.

26. If a movant seeks application of the provisions of § 362(e), the movant must so state both in the caption and in the body of its motion. Otherwise, the movant will be deemed to have waived the application of § 362(e), and the stay shall remain effective notwithstanding expiration of the periods thereunder. Similarly, if a movant requests application of § 362(e) as provided herein, but files a motion for relief from the automatic stay pursuant to Section 362 of the Bankruptcy Code less than twenty-one (21) days before the next scheduled Omnibus Hearing and more than thirty (30) days before the Omnibus Hearing date following the date of the next scheduled Omnibus Hearing and the Court does not grant a motion expediting the hearing on the applicable motion, the movant shall be deemed to have waived the application of § 362(e), and the stay shall remain effective at least until the Court considers the matter at a hearing and thereafter upon such terms as the Court orders. Except as specifically set forth herein, all other procedures for such motions shall otherwise conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules.

[END OF DOCUMENT]

VIA CM/ECF / E-MAIL		
CARRUTHERS & ROTH PA JUNE L BASDEN P O BOX 540 (ZIP CODE 27402) 235 N EDGEWORTH ST GREENSBORO NC 27401 jlb@crlaw.com	KILPATRICK TOWNSEND & STOCKTON LLP JAMES H PULLIAM 214 NORTH TYRON ST STE 2400 CHARLOTTE NC 28202 jpulliam@kilpatricktownsend.com	KILPATRICK TOWNSEND & STOCKTON LLP COLIN M. BERNARDINO 1100 PEACHTREE ST STE 2800 ATLANTA GA 30309 CBernardino@kilpatricktownsend.com
WARD AND SMITH, P.A. PAUL A FANNING P O BOX 8088 GREENVILLE NC 27835-8088 paf@wardandsmith.com	U.S. BANKRUPTCY ADMINISTRATOR WILLIAM P. MILLER SARAH BRUCE 101 SOUTH EDGEWORTH STREET GREENSBORO NC 27401 bill_miller@ncmba.uscourts.gov sarah_bruce@ncmba.uscourts.gov	UNITED STATES DEPT. OF JUSTICE CIVIL DIVISION RODNEY MORRIS Rodney.Morris2@usdoj.gov
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VIA U.S. MAIL		
U.S. DEPT. OF JUSTICE OFFICE OF THE ATTORNEY GENERAL 950 PENNSYLVANIA AVENUE NW WASHINGTON DC 20530-0001	US DEPT. OF HOUSING & URBAN DEV. OFFICE OF THE SECRETARY BEN CARSON, MD 451 7TH STREET NW WASHINGTON DC 20410	US DEPT. OF HEALTH & HUMAN SERVICES OFFICE OF THE SECRETARY SHEILA CONLEY, CFO 200 INDEPENDENCE AVE. SW WASHINGTON DC 20201
US ATTORNEYS OFFICE, MIDDLE DISTRICT OF NORTH CAROLINA ATTN: CIVIL PROCESS CLERK 101 SOUTH EDGEWORTH STREET 4TH FLOOR GREENSBORO NC 27401	N.C. DEPT OF HEALTH & HUMAN SERVICES DIV.OF MED. ASSISTANCE; ATTN: GEN. COUNSEL LISA CORBETT ADAMS BUILDING 101 BLAIR DRIVE RALEIGH NC 27603	NORTH CAROLINA ATTORNEY GENERAL JOSH STEIN PO BOX 629 RALEIGH NC 27602-0629

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION**

IN RE:)	
)	Case No. 17-10775
MOREHEAD MEMORIAL HOSPITAL,)	
)	Chapter 11
Debtor.)	
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NOTICE OF HEARING ON

PLEASE TAKE NOTICE that a hearing (the “Hearing”) to consider the _____ [Dkt. No. ____] (the “_____”) filed by _____ (the “Movant”) on the ____ day of _____, _____ in the above bankruptcy case of Morehead Memorial Hospital (the “Debtor”) shall be held before the United States Bankruptcy Court for the Middle District of North Carolina (the “Bankruptcy Court”) located at 101 S. Edgeworth Street, Greensboro, North Carolina 27401 on _____ at _____ (**Eastern Time**).

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the relief requested in the _____ must be in writing, conform to the Federal Rules of Bankruptcy Procedure, the Local Rules of the Bankruptcy Court, and the procedures described in the *Order Establishing Certain Notice and Case Management Procedures* [Dkt. No. ____] (the “Case Management Order”) entered by the Bankruptcy Court on _____. Any responses or objections shall be served in an accordance with the Case Management Order upon the following parties:

Any response must be filed and served so as to be received no later than on _____ (the “Objection Deadline”). If you mail your request or response, you must mail it early enough so the parties will receive it on or before the Objection Deadline. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the _____ and may enter an order granting that relief.

Respectfully submitted, this ____ day of _____, _____.