



AlaFile E-Notice

03-CV-2016-901323.00

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NOTICE OF ELECTRONIC FILING

IN THE CIRCUIT COURT OF MONTGOMERY COUNTY, ALABAMA

BOKF, N.A. V. MEDICAL CLINIC BOARD OF THE CITY OF ET AL
03-CV-2016-901323.00

The following CASE STATUS REPORT was FILED on 11/20/2016 9:56:24 AM

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TIFFANY B. MCCORD
CIRCUIT COURT CLERK
MONTGOMERY COUNTY, ALABAMA
251 S. LAWRENCE STREET
MONTGOMERY, AL, 36104

334-832-1260



IN THE CIRCUIT COURT OF MONTGOMERY COUNTY, ALABAMA

BOKF, N.A., as Indenture Trustee,

Plaintiff,

v.

Case No. 03-CV-2016-901323

MEDICAL CLINIC BOARD OF THE CITY
 OF MONTGOMERY—1976 EAST;
 WATERFORD PLACE ALF, LLC; OXTON
 PLACE OF MONTGOMERY, LLC; MANOR
 HOUSE OF MONTGOMERY, LLC;
 AFFINITY LIVING GROUP, LLC;
 DWAYNE EDWARDS; and TODD
 BARKER,

Defendants.

FIRST MONTHLY OPERATING REPORT DATED NOVEMBER 18, 2016

Healthcare Management Partners, LLC (“*HMP*”) and Derek Pierce (“*Pierce*” and together with HMP, the “*Receiver*”), as receiver, by and through its undersigned counsel, submits this Monthly Operating Report for the period from September 25, 2016 through November 12, 2016 (the “*Reporting Period*”).

ADMINISTRATION OF THE RECEIVERSHIP ESTATE AND FACILITY OPERATIONS

Since the Receiver’s appointment on October 18, 2016 pursuant to the *Order Granting Consent Motion for the Entry of an Order: (I) Appointing an Interim Receiver; (II) Granting Injunctive Relief; and (III) Approving Receiver Financing* (the “*Receivership Order*”),¹ the Receiver has undertaken to gain access to and control over the Receivership Estate. In connection with those efforts, the Receiver has, among other things, toured the assets comprising the Receivership Estate, taken actions to gain possession and control of bank accounts and other

¹ Capitalized terms used in this report and not otherwise defined shall have the meanings ascribed to them in the Receivership Order.

assets necessary for the continued operation of the Receivership Estate, reviewed past financial reports pertaining to the Receivership Estate, interviewed key personnel, begun preparation of marketing materials for the eventual sale of the assets comprising the Receivership Estate, provided oversight and direction to the current manager of the assets comprising the Receivership Estate, and begun preparing forward-looking cash flow analyses and projections. The Receiver will continue to take all actions the Receiver deems necessary and advisable to fulfill the Receiver's obligations under the Receivership Order.

TURNOVER OF ASSETS AND RECORDS

The Receivership Order appointed the Receiver to control, manage, administer, operate, and protect the Receivership Estate. In addition, the Receiver was appointed to, among other things, operate and administer the Receivership Estate in an economical and efficient manner.

To that end, upon the Receiver's appointment, the Receiver immediately demanded that the above-captioned defendants (the "*Defendants*") deliver to the Receiver: (i) full access to all Books and Records; (ii) full and exclusive control over any and all Cash Equivalent Assets, Contract and Licenses, and Contact Information Assets; and (iii) full access to and exclusive control over any and all Physical Assets. Further, the Receiver: (a) has taken control of (i) the administration and operation of the Facility and Physical Assets and (ii) the bank accounts and accounts receivable; (b) is establishing protocols to ensure unhindered control of the identified Cash Equivalent Assets; and (c) has requested full access to the Books and Records.² The Receiver continues to investigate whether requests for additional information are necessary and to assess whether he has obtained access to all necessary Books and Records.

² Many records have been received; however, the Receiver still has certain requests outstanding.
4813-8290-1565.2

RETENTION OF PROFESSIONALS

In the exercise of the Receiver's sound business judgment, the Receiver has permitted Affinity Living Group, LLC ("*Affinity*") to continue managing the Facility under the Receiver's direction and control. Affinity was the manager of the Facility at the time the Receiver was appointed.

In addition, in the exercise of the Receiver's sound business judgment and in accordance with the powers granted under the Receivership Order, the Receiver retained Waller Lansden Dortch & Davis, LLP to act as general counsel to the Receiver and to assist with the substantial legal work required to advise and represent the Receiver with respect to his general duties under the Receivership Order. The reasonable fees and expenses of the Receiver and Receiver Affiliates are payable on a current basis as priority administrative claims against the Receivership Estate, without the need for any fee application or other filing with or order of this court. The fees and expenses of the Receiver through November 14, 2016 are \$13,422.50. The fees and expenses of the Waller for the period from October 18, 2016 through October 31, 2016 are \$2,329.11. As of the date of this report, the foregoing fees and expenses of the Receiver and Waller have not been paid.

FINANCIAL PERFORMANCE

Attached as Exhibit A to this monthly operating report is a cash flow analysis for the Reporting Period. As set forth in the attached cash flow analysis, during the Reporting Period, the Receivership Estate collected \$209,037 in cash receipts and expended \$176,035 in necessary operating expenses, resulting in a positive cash flow in the amount of \$33,002. The Receiver anticipates being able to implement measures to enhance revenue generation and decrease expenses incurred in connection with the operation of the Receivership Estate.

the Receivership Estate for the benefit of creditors, as contemplated by the Receivership Order. In addition, before the Receiver was appointed, certain litigation involving the Facility was ongoing. The Receiver continues to investigate how best to respond to this ongoing litigation.

Dated: November 18, 2016

Respectfully submitted,

/s/ Brian J. Malcom

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on all counsel of record via Electronic Mail and United States First Class Mail, proper postage prepaid, addressed as follows:

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This the 18th day of Nov., 2016.

/s/ Brian J. Malcom
Of Counsel

EXHIBIT A
CASH FLOW REPORT

Cash flow- Waterford

For October 1, 2016 - November 12, 2016

Category	Week beginning:	9/25/2016	10/2/2016	10/9/2016	10/16/2016	10/23/2016	10/30/2016	11/6/2016
	Week ending:	10/1/2016	10/8/2016	10/15/2016	10/22/2016	10/29/2016	11/5/2016	11/12/2016
	Week number:	-6	-5	-4	-3	-2	-1	0
	Actual/Projected	Act	Act	Act	Act	Act	Act	Act
Bal b/f		53,763	72,283	94,705	55,145	31,684	28,316	102,822
Deposits								
Resident deposits	209,037	21,100	68,250	9,830	6,133	-	77,525	26,200
Contribution	-	-	-	-	-	-	-	-
Bondholder Wire	-	-	-	-	-	-	-	-
A/R normalization (projected)	-	-	-	-	-	-	-	-
Total inflows	209,037	21,100	68,250	9,830	6,133	-	77,525	26,200
Payments								
Payroll	(87,624)	-	(28,986)	-	(29,490)	-	-	(29,148)
Food	(7,366)	-	-	(7,366)	-	-	-	-
Mgmt Fee	(13,531)	-	(6,000)	-	-	-	-	(7,531)
Insurance	(3,019)	-	-	-	-	-	(3,019)	-
Deposit refund	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-
Telephone & internet	-	-	-	-	-	-	-	-
Bank charges	(104)	-	-	-	(104)	-	-	-
Laundry & Linen	-	-	-	-	-	-	-	-
Other expense	(49,259)	(2,580)	(3,737)	(33,997)	-	(3,368)	-	(5,577)
Rent-Wire Bank of Oklahoma	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-
Utilities	(15,133)	-	(7,106)	(8,026)	-	-	-	-
Wire-Mortgage Payment Shortage	-	-	-	-	-	-	-	-
Case cost	-	-	-	-	-	-	-	-
A/P normalization (projected)	-	-	-	-	-	-	-	-
BOKF protection payment	-	-	-	-	-	-	-	-
Total payments	(176,035)	(2,580)	(45,829)	(49,390)	(29,594)	(3,368)	(3,019)	(42,256)
Balance c/f		72,283	94,705	55,145	31,684	28,316	102,822	86,766

Subcategory	Category	Total	9/25/2016	10/2/2016	10/9/2016	10/16/2016	10/23/2016	10/30/2016	11/6/2016
ADVANCED DISPOSAL SERVICES OF NORTH GEO	Other expense	(560)	-	-	(560)	-	-	-	-
Alabama Power	Utilities	(14,063)	-	(7,106)	(6,957)	-	-	-	-
Alagasco	Utilities	(1,069)	-	-	(1,069)	-	-	-	-
Allen Stone	Other expense	(2,968)	-	-	-	-	(2,968)	-	-
Bank fee	Bank charges	(104)	-	-	-	(104)	-	-	-
BRAME SPECIALTY CO, INC.	Other expense	(119)	-	-	(119)	-	-	-	-
Brendle Sprinkler Company, Inc.	Other expense	(1,238)	-	-	(1,238)	-	-	-	-
Buford Nutritional Services	Food	(200)	-	-	(200)	-	-	-	-
Carolina Senior Care	Other expense	(12,177)	-	-	(12,177)	-	-	-	-
Deposit	Resident deposits	209,037	21,100	68,250	9,830	6,133	-	77,525	26,200.
Direct Supply, Inc.	Other expense	(2,229)	-	-	(2,229)	-	-	-	-

Category		Week beginning: Week ending: Week number: Actual/Projected	9/25/2016 10/1/2016 -6 Act	10/2/2016 10/8/2016 -5 Act	10/9/2016 10/15/2016 -4 Act	10/16/2016 10/22/2016 -3 Act	10/23/2016 10/29/2016 -2 Act	10/30/2016 11/5/2016 -1 Act	11/6/2016 11/12/2016 0 Act
Dorothy Crampton	Other expense	(113)	-	-	(113)	-	-	-	-
Ecolab	Other expense	(97)	-	-	(97)	-	-	-	-
Escobar Landscaping/Mario Escobar	Other expense	(1,700)	-	-	(1,700)	-	-	-	-
Flat Iron Capital	Other expense	(2,418)	-	-	(2,418)	-	-	-	-
Fletcher Gibson	Other expense	(2,555)	-	-	(2,555)	-	-	-	-
Fun Express LLC	Other expense	(134)	-	-	(134)	-	-	-	-
Hamilton Signs	Other expense	(160)	-	-	(160)	-	-	-	-
HD SUPPLY FACILITIES MAINTENANCE	Other expense	(404)	-	-	(404)	-	-	-	-
HOB	Other expense	(800)	-	-	-	-	(400)	-	(400)
Imaging Resource Group	Other expense	(53)	-	-	(53)	-	-	-	-
Ina Fuller	Other expense	(120)	-	-	(120)	-	-	-	-
Ins Purchased	Other expense	(3,019)	-	(3,019)	-	-	-	-	-
Insurance	Insurance	(3,019)	-	-	-	-	-	(3,019)	-
Integracare Medical, Inc.	Other expense	(175)	-	-	(175)	-	-	-	-
James Walters	Other expense	(288)	-	-	(288)	-	-	-	-
Mark Boydston	Other expense	(95)	-	-	(95)	-	-	-	-
Matrixcare	Other expense	(1,897)	-	-	(1,897)	-	-	-	-
Medical Disposal Systems, Inc.	Other expense	(50)	-	-	(50)	-	-	-	-
Medical Supply Solutions	Other expense	(134)	-	-	(134)	-	-	-	-
Melody Phillips	Other expense	(250)	-	-	(250)	-	-	-	-
Mgmt Fee	Mgmt Fee	(13,531)	-	(6,000)	-	-	-	-	(7,531)
Montgomery Water Works & Sewer Board	Other expense	(1,081)	-	-	(1,081)	-	-	-	-
Payroll	Payroll	(87,624)	-	(28,986)	-	(29,490)	-	-	(29,148)
Petty Cash	Other expense	(1,411)	-	(718)	-	-	-	-	(693)
PFG Milton's - Performance Food Group	Food	(7,166)	-	-	(7,166)	-	-	-	-
Roto-Rooter	Other expense	(2,500)	-	-	(2,500)	-	-	-	-
SEE THE MATRIX INC.	Other expense	(426)	-	-	(426)	-	-	-	-
Sign Force	Other expense	(2,580)	(2,580)	-	-	-	-	-	-
Smartlinx Solutions, LLC	Other expense	(1,264)	-	-	(1,264)	-	-	-	-
Staples Advantage	Other expense	(195)	-	-	(195)	-	-	-	-
Stem Machine Professional Carpet Clean	Other expense	(265)	-	-	(265)	-	-	-	-
Sysco Central Alabama, Inc.	Other expense	(5,384)	-	-	(900)	-	-	-	(4,484)
Vikus Corporation	Other expense	(400)	-	-	(400)	-	-	-	-