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Management, Inc.*

9  
10 **UNITED STATES BANKRUPTCY COURT**  
11 **EASTERN DISTRICT OF CALIFORNIA**  
12 **FRESNO DIVISION**

13 In re  
14 MADERA COMMUNITY HOSPITAL,  
15 Debtor in Possession.  
16 Tax ID#: 23-7429117  
17 Address: 1250 E. Almond Avenue  
18 Madera, CA 93637

Case No. 23-10457  
Chapter: 11  
**DCN: PSJ-025**  
Date: N/A  
Time: N/A  
Place: 2500 Tulare Street  
Courtroom 13  
Fresno, CA 93721  
Judge: Honorable René Lastreto II

19  
20  
21 **EXHIBIT TO APPLICATION FOR ORDER SHORTENING TIME FOR HEARING**

Exh.	Description	Pages
A	Joint Motion of the Debtor, the Official Committee of Unsecured Creditors and American Advanced Management, Inc. to Strike Objections to Confirmation Filed by Madera Coalition for Community Justice and California Rural Legal Assistance and Related Pleadings	15

1 DATED: April 8, 2024  
2

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3 By: */s/ Paul S. Jasper* \_\_\_\_\_

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17 **EASTERN DISTRICT OF CALIFORNIA**  
18 **FRESNO DIVISION**

19 In re  
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Place: 2500 Tulare Street  
Courtroom 13  
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Judge: Honorable René Lastreto II

26 **JOINT MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND**  
27 **AMERICAN ADVANCED MANAGEMENT, INC. TO STRIKE OBJECTIONS TO**  
28 **CONFIRMATION FILED BY MADERA COALITION FOR COMMUNITY JUSTICE AND**  
**CALIFORNIA RURAL LEGAL ASSISTANCE AND RELATED PLEADINGS**

1 TO THE HONORABLE RENÉ LASTRETO II, UNITED STATES BANKRUPTCY JUDGE:  
2 The Official Committee of Unsecured Creditors (the “Committee”) of Madera Community  
3 Hospital (the “Debtor”) and American Advanced Management, Inc. (“AAM” and, together with the  
4 Committee, the “Movants”), jointly move (the “Motion”), pursuant to section 105(a) of title 11 of  
5 the United States Code (the “Bankruptcy Code”), Rule 9017 of the Federal Rules of Bankruptcy  
6 Procedure (the “Bankruptcy Rules”), and Rule 9014-1(f) of the Local Rules of Practice for the  
7 United States Bankruptcy Court for the Eastern District of California (the “Local Rules”), for entry  
8 of an order, substantially in the form attached hereto as **Exhibit A**, striking and dismissing for a lack  
9 of standing (i) *Objections to Confirmation of Second Amended Chapter 11 Plan of Liquidation*  
10 *Proposed by the Official Committee of Unsecured Creditors* [Docket No. 1554] filed by Madera  
11 Coalition for Community Justice (“MCCJ”), (ii) *Objections to Plan Supplement to Second Amended*  
12 *Chapter 11 Plan of Liquidation Proposed by The Official Committee of Unsecured Creditors*  
13 [Docket No. 1636] filed by MCCJ, (iii) *Request for Evidentiary Hearing* [Docket No. 1640] filed by  
14 MCCJ,<sup>1</sup> (iv) the declarations, exhibits and requests for judicial notice filed in support of the  
15 foregoing [Docket Nos. 1555, 1556, 1558, 1559, 1561, 1637, 1638, and 1639], and (v) the  
16 *Declaration of Baldwin S. Moy in Support of Objections to Confirmation of Second Amended*  
17 *Chapter 11 Plan of Liquidation Proposed by the Official Committee of Unsecured Creditors* (the  
18 “CRLA Joinder”)<sup>2</sup> [Docket No. 1642] filed on behalf of California Rural Legal Assistance (“CRLA”  
19 and, together with MCCJ, the “Objectors”) (collectively, the “Plan Objections”) from the record of  
20 this case, and respectfully state as follows:

21 **PRELIMINARY STATEMENT**<sup>3</sup>

22 1. The Movants file this Motion in an effort to preserve valuable estate resources and  
23 promote judicial economy to strike or otherwise dismiss the Plan Objections as the Objectors lack  
24

25 <sup>1</sup> MCCJ’s *Request for Evidentiary Hearing* was filed after the April 2, 2024 deadline for filing objections to confirmation  
of the Plan but makes legal arguments in opposition to confirmation.

26 <sup>2</sup> The CRLA Joinder was filed after the April 2, 2024 deadline for filing objections to confirmation of the Plan. It is not an  
27 objection in the formal sense as it is in the form of a declaration of counsel that does not address any of the requirements  
for confirmation of the Plan as set forth in section 1129 of the Bankruptcy Code, but instead makes a plea to reopen the  
28 Hospital, which is the core focus of AAM’s plans.

<sup>3</sup> Capitalized terms that are used but not defined in this Preliminary Statement are defined below in this Motion.

1 standing and because the issues raised in the Plan Objections are barred by the doctrine of collateral  
2 estoppel.

3 2. The Objectors lack standing to object to confirmation of the Plan based upon the  
4 standards articulated by the United States Court of Appeals for the 9<sup>th</sup> Circuit because they are not a  
5 party in interest under section 1109(b) of the Bankruptcy Code and have not suffered any injury to  
6 satisfy Article III constitutional requirements or meet federal court prudential standing requirements  
7 as they have no financial stake to protect. The Objectors are simply “foreigners” to this bankruptcy  
8 case trying to obfuscate the otherwise unopposed chapter 11 confirmation process, and their  
9 pleadings in opposition to confirmation should be stricken and/or summarily dismissed.

10 3. The Objectors primarily assert challenges to the suitability of AAM as a Hospital  
11 operator despite the fact that such issues have already been litigated and decided by this Court. The  
12 Objectors are collaterally estopped from raising the Plan Objections because the Objectors already  
13 raised AAM’s acceptability as an operator at the hearing on the AAM Transaction Approval Motion  
14 (defined below) held by this Court on February 13, 2024. Both MCCJ and CRLA, through counsel,  
15 were present and actively participated in that hearing. This Court subsequently entered an order  
16 granting the AAM Transaction Approval Motion, and overruling those objections, and that order  
17 was not appealed and is now final. Thus, the Plan Objections should be stricken as the Objectors are  
18 collaterally estopped from relitigating those issues based on applicable federal and California law.<sup>4</sup>

19 4. An evidentiary hearing on any of the other tangential issues that the Objectors are  
20 collaterally estopped from relitigating would be an extreme waste of judicial and estate resources,  
21 and could lead to delay in confirmation of a plan that the Movants anticipate will otherwise be  
22 uncontested at the Confirmation Hearing.<sup>5</sup>

23  
24  
25 <sup>4</sup> Moreover, the California Department of Health Care Access and Information and the California Health Facilities  
26 Financing Authority recently approved the Hospital for a \$57 million no-interest loan through the Distressed Hospital Loan  
27 Program, and the California Department of Public Health approved a Change of Management Application filed by AAM  
28 for the Hospital. Thus, aside from a lack of standing and collateral estoppel, there is simply no basis for the Objectors, with  
no financial stake, to object to confirmation of the Plan, which will further pave the way for a reopening of the Hospital  
for the benefit of the local community.

<sup>5</sup> An additional limited objection to confirmation was filed by California Physicians’ Service dba Blue Shield of California  
 (“Blue Shield”) [Docket No. 1628]. AAM is in discussion with Blue Shield to address that objection, and Movants believe  
there is a substantial likelihood that Blue Shield’s objection will be resolved before the Confirmation Hearing.

1 5. Finally, the Objectors' Bankruptcy Code-based challenges to confirmation of the Plan  
2 are misplaced, without any merit and will be addressed in the Plan Proponent's brief in support of  
3 confirmation of the Plan.

4 6. In order to avoid sidetracking the confirmation process to address objections of  
5 parties that lack standing, and who seek to relitigate issues that this Court has already decided  
6 against them, the Motion should be granted prior to the Confirmation Hearing, and the Plan  
7 Objections should be stricken from the record of this case.

8 **JURISDICTION**

9 7. The United States Bankruptcy Court for the Eastern District of California (the  
10 "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The Movants  
11 confirm their consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court in  
12 connection with this Motion to the extent that it is later determined that the Court, absent consent of  
13 the parties, cannot enter final orders or judgments in connection herewith consistent with Article III  
14 of the United States Constitution.

15 8. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue  
16 is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

17 9. The statutory bases for the relief requested herein are section 105(a) of the  
18 Bankruptcy Code, Bankruptcy Rule 9017 and Local Rule 9014-1(f).

19 **BACKGROUND**

20 10. On March 10, 2023, the Debtor filed a voluntary petition for relief under chapter 11  
21 of the Bankruptcy Code. The Debtor is operating its business and managing its properties as a debtor  
22 in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the  
23 appointment of a trustee or examiner has been made in this bankruptcy case.

24 11. On April 5, 2023, the United States Trustee appointed the Committee pursuant to  
25 section 1102(a)(1) of the Bankruptcy Code [Docket No. 195].

26 12. The pertinent facts relating to this Motion are set forth in the following documents,  
27 which are incorporated herein by reference:  
28

- 1 (i) *Declaration in Support of Application for Order Shortening Time of Emergency*  
2 *Motions* [Docket No. 5];
- 3 (ii) *Joint Motion of the Debtor and the Official Committee of Unsecured Creditors for*  
4 *Entry of an Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code*  
5 *Authorizing the Debtor to Enter into a Master Transition Agreement and a*  
6 *Management Services Agreement with American Advanced Management, Inc.*  
7 [Docket No. 1298] (the “AAM Transaction Approval Motion”);
- 8 (iii) *Third Amended Disclosure Statement for Chapter 11 Plan of Liquidation Proposed*  
9 *by the Official Committee of Unsecured Creditors* [Docket No. 1449];
- 10 (iv) *Modified Second Amended Chapter 11 Plan of Liquidation Proposed by the Official*  
11 *Committee of Unsecured Creditors* [Docket No. 1630] (including all exhibits thereto  
12 and as amended, modified, or supplemented, the “Plan”);<sup>6</sup> and
- 13 (v) *Order Authorizing the Debtor to Enter into a Master Transition Agreement and a*  
14 *Management Services Agreement with American Advanced Management, Inc.*  
15 [Docket No. 1454] (the “AAM Transaction Approval Order”).

### **RELIEF REQUESTED**

17 13. By this Motion, Movants respectfully request that the Court enter an order,  
18 substantially in the form attached hereto as **Exhibit A**, striking the Plan Objections from the record  
19 of this case.

### **BASIS FOR RELIEF REQUESTED**

#### **A. The Objectors Do Not Have Standing to Assert the Plan Objections**

22 14. The Plan Objections should be stricken or dismissed in their entirety because the  
23 Objectors lack standing to object to the Plan. The United States Court of Appeals for the Ninth  
24 Circuit has made clear that to have standing to be heard in this Court, a party must qualify as a  
25 “party in interest” under section 1109(b) of the Bankruptcy Code and must also have both  
26 constitutional and prudential standing. *In re Tower Park Properties, LLC*, 803 F.3d 450, 456 (9th  
27

28 <sup>6</sup> The Plan, filed April 3, 2024, contains technical amendments and clarifications to the *Second Amended Chapter 11 Plan of Liquidation Proposed by the Official Committee of Unsecured Creditors* [Docket No. 1451]. Capitalized terms that are used but not defined herein have the meanings ascribed to them in the Plan.

1 Cir. 2015); *see also In re Thorpe Insulation Co.*, 677 F.3d 869, 884, 887 (9th Cir. 2012) (holding  
2 that to have bankruptcy standing a party must: (i) meet statutory “party in interest” requirements  
3 under section 1109(b) of the Bankruptcy Code; (ii) satisfy Article III constitutional requirements;  
4 and (iii) meet federal court prudential standing requirements).

5 15. To constitute a party in interest under section 1109(b) with the ability to appear and  
6 be heard on any issue in a chapter 11 case, a party must have a “legally protected interest that could  
7 be affected by a bankruptcy proceeding.” *Id.* at 457. Thus, a party “that may suffer collateral  
8 damage” but does not have a legally protected interest does not have standing under § 1109(b).” *Id.*  
9 (quoting *In re C.P. Hall Co.*, 750 F.3d 659, 661 (7th Cir. 2014)). Such interests are “too remote to  
10 entitle the entity to intervene in a bankruptcy case.” *Id.* (quoting *C.P. Hall Co.*, 750 F.3d at 661).

11 16. To have constitutional standing under Article III, the party seeking standing must  
12 demonstrate an injury in fact that is traceable to the challenged action and that is likely to be  
13 redressed by a favorable decision. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992). As  
14 applied in the chapter 11 context, Article III standing exists where “the participant holds a financial  
15 stake in the outcome of the proceeding such that the participant has an appropriate incentive to  
16 participate in an adversarial form to protect his or her interests.” *In re Thorpe Insulation Co.*, 677  
17 F.3d at 887. Prudential standing is a judicially self-imposed limit on the exercise of federal  
18 jurisdiction and requires that “[a] plaintiff’s grievance must arguably fall within the zone of interests  
19 protected or regulated by the statutory provision or constitutional guarantee invoked in the suit.” *Id.*  
20 at 888 (quoting *Bennett v. Spear*, 520 U.S. 154, 162 (1997)). The “zone of interests” requirement is  
21 analogous to statutory standing.

22 17. The Objectors lack standing to object to the Plan because neither of them is a party in  
23 interest under section 1109(b) of the Bankruptcy Code as they are not creditors of the Debtor and  
24 have no legally protected interest that could be affected by confirmation of the Plan. Even if they had  
25 statutory standing to object to the Plan, which they do not, the Objectors also lack constitutional  
26 standing to object to the Plan because they do not hold any financial stake in whether the Plan is  
27 confirmed. For the same reasons, the Objectors lack prudential standing to object to the Plan. In  
28 fact, the Plan Objections make no effort to meet or otherwise address how the Objectors meet the



1 standing requirements and categorically failed to satisfy the most basic and rudimentary  
2 requirements a party must satisfy to seek relief in this Court. Accordingly, the Court should strike or  
3 otherwise dismiss the Plan Objections from the record of this case.

4 **B. The Objectors are Collaterally Estopped from Raising Any Objection to AAM's**  
5 **Acceptability as an Operator of the Hospital**

6 18. Under California law, issue preclusion, also known as collateral estoppel, “bars  
7 successive litigation of an issue of fact or law actually litigated and resolved in a valid court  
8 determination essential to the prior judgment, even if the issue recurs in the context of a different  
9 claim.” *Rodriguez v. City of San Jose*, 930 F.3d 1123, 1130 (9th Cir. 2019) (citations omitted).

10 19. The crux of the Plan Objections challenges the acceptability of and/or raises concerns  
11 about AAM serving as an operator of the Hospital. The concerns about AAM’s qualifications,  
12 financial wherewithal, or ability to operate the Hospital have already been addressed and litigated in  
13 the context of the AAM Transaction Approval Motion and the hearing with respect to that motion, in  
14 which the Objectors participated. In effect, the Plan Objections are a direct collateral attack on this  
15 Court’s approval of the MSA and the MTA and the AAM Transaction Approval Order that was  
16 entered over 45 days ago. Any issues that MCCJ or CRLA wanted addressed regarding AAM’s  
17 proposed consummation of a Hospital reopening transaction should have been raised in an objection  
18 or other form of response to the AAM Transaction Approval Motion. Because MCCJ failed to  
19 timely respond, object, or otherwise engage with the Committee, the Debtor or AAM regarding the  
20 AAM Transaction Approval Motion, and the response of CRLA to the AAM Transaction Approval  
21 Motion [Docket No. 1381] (the “Prior CRLA Response”) was overruled, MCCJ and CRLA are  
22 collaterally estopped from relitigating these issues.<sup>7</sup>

23 20. The Court should not countenance MCCJ’s last-ditch attempt to add substantial  
24 requirements to the operational obligations already mandated in connection with the MSA and MTA

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26 <sup>7</sup> It bears noting that MCCJ and CRLA previously expressed “elation” over the proposed transactions with AAM and the  
27 planned reopening of the Hospital: “CRLA and Madera Coalition for Community Justice are elated over the latest turn of  
28 events given the many false starts. As community stakeholders, we are supremely appreciative and applaud the court,  
parties, government officials and other key players who have worked tirelessly to bring this lawsuit to near resolution  
without losing sight of the prize, i.e., reopening Madera Community Hospital, while Maderans anxiously await the  
reopening of Madera Community Hospital.” *See* Prior CRLA Response, p. 2.

1 and the conditions to approval of both agreements previously negotiated between AAM and the  
2 California Attorney General, the California Department of Public Health, and the California  
3 Department of Health Care and Information Access to resolve their objections to approval of the  
4 MSA. The Court approved both agreements, the time for appeal has expired, the effective date of  
5 both agreements has occurred, and AAM is already acting as manager of the Hospital.

6 21. Moreover, as noted above, the California Department of Health Care Access and  
7 Information and the California Health Facilities Financing Authority recently approved the Hospital  
8 for a \$57 million no-interest loan through the Distressed Hospital Loan Program, and the California  
9 Department of Public Health approved a Change of Management Application filed by AAM for the  
10 Hospital. Thus, aside from a lack of standing and collateral estoppel, there is simply no basis for the  
11 Objectors, with no financial stake, to object to confirmation of the Plan, which will further pave the  
12 way for a reopening of the Hospital for the benefit of the local community.

13 22. Thus, even if the Objectors had standing to object to the Plan, which they do not, the  
14 crux of the Plan Objections are subject to collateral estoppel. Accordingly, the Plan Objections  
15 should be stricken from the record of this case.

16 **C. The Objectors Challenges to the Plan Under Section 1129 of the Bankruptcy Code are**  
17 **Misplaced and Will be Addressed by the Plan Proponent’s Confirmation Brief**

18 23. Even if the Objectors had standing to object to the Plan (which they do not) and their  
19 objections had not already been considered and overruled in connection with the AAM Transaction  
20 Approval Motion, the issues raised by MCCJ concerning whether the Plan is proposed in “good  
21 faith,” as required by section 1129(a)(3) of the Bankruptcy Code, and whether the Plan is feasible as  
22 required by section 1129(a)(11) of the Bankruptcy Code, are misplaced.<sup>8</sup> First, the good faith  
23 requirement applies to the Committee as the proponent of the Plan, not to AAM. The Plan  
24 Objections, however, focus solely on the (purported) bad faith of AAM, who is not a proponent of  
25 the Plan. MCCJ has not challenged the Committee’s good faith and, given the Committee’s goal of  
26 maximizing creditor recoveries and a plan that projects a potential a 100% recovery for unsecured  
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28 <sup>8</sup> The issues of “good faith” and feasibility will be separately and more fully addressed in the Plan Proponent’s brief in support of confirmation of the Plan.

1 creditors, the Committee’s good faith, as Plan Proponent, cannot reasonably be questioned. Second,  
2 the “feasibility” objection is likewise misplaced because it fails to recognize that the Plan is a  
3 *liquidating* plan that provides for distributions to creditors. Whether AAM is ultimately able to  
4 successfully reopen the Hospital is *AAM’s* risk to bear. As was clarified by AAM at the hearing on  
5 the AAM Transaction Approval Motion, AAM’s obligation to fund the liquidation trust in an  
6 amount up to \$30 million is not contingent on reopening of the Hospital. Upon plan confirmation,  
7 AAM is obligated to fund its financial commitment under the AAM transaction that this Court has  
8 already approved in the AAM Transaction Approval Order. Whether or not AAM ultimately  
9 succeeds in reopening the Hospital, the Plan can be consummated and *all* creditors (except those  
10 who agree otherwise) are expected to be paid in full under the Plan. Thus, the Plan is feasible.

11 **D. An Evidentiary Hearing with Respect to the Plan Objections is Unnecessary and Would**  
12 **Be a Waste of Judicial and Estate Resources**

13 24. As part of the Plan Objections, MCCJ has requested an unnecessary evidentiary  
14 hearing with respect to confirmation of the Plan. The issues that MCCJ appears to seek to present  
15 evidence on, as evidenced by the 559 pages of exhibits it has asked this Court to take judicial notice  
16 of [*see* Docket Nos. 1555, 1558, 1559, 1561, 1637 and 1639], have already been decided by this  
17 Court in the AAM Transaction Approval Order and have no bearing on whether the Plan should be  
18 confirmed.

19 25. Conducting a lengthy evidentiary hearing on AAM’s qualifications, and ability, to  
20 reopen and operate the Hospital would be an extreme waste of judicial time and resources and the  
21 limited resources of the Debtor’s estate given the Objectors’ lack of standing, the fact that they  
22 already received a bite at this apple, and the irrelevance of such evidentiary issues to the  
23 confirmability of the Plan. No evidence is needed for the Court to confirm the Plan beyond what the  
24 Plan Proponent shall submit to the Court in its confirmation brief and supporting declarations,  
25 particularly given that Movants anticipate that, if this Motion is granted on shortened time, the  
26 Confirmation Hearing will likely be uncontested. Thus, an evidentiary hearing with respect to the  
27 issues raised by the Plan Objections is unnecessary and improper, and the request for one should be  
28

1 stricken in advance of the Confirmation Hearing to avoid the Objectors' attempt to delay  
2 confirmation in order to relitigate already-tread ground.

3 26. Lastly, the Objectors failed to comply with LBR 9014-1(f)(1)(B) as the Plan  
4 Objections did not include a separate statement of disputed material factual issues identifying each  
5 alleged disputed material factual issue that the Objectors believe require an evidentiary hearing in  
6 connection with confirmation of the Plan. Thus, even if the Objectors had raised legitimate  
7 confirmation issues (which they did not), had standing, and their objections were not collaterally  
8 estopped, they have consented to resolution of all disputed material factual issues pursuant to Fed. R.  
9 Civ. P. 43(c) and the Court may, in its discretion, determine such issues on affidavits without oral  
10 testimony.

### 11 NOTICE

12 Notice of this Motion will be provided to the Objectors and pursuant to the Order Limiting  
13 Scope of Notice [Docket No. 116]. In light of the nature of the relief requested, Movants submit that  
14 no further notice is necessary.

### 15 CONCLUSION

16 WHEREFORE, Movants respectfully request entry of the proposed order, substantially in the  
17 form attached hereto as Exhibit A, and such additional relief as the Court deems appropriate.

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1 Dated: April 8, 2024

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**Exhibit A**  
**Proposed Order**

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16 **UNITED STATES BANKRUPTCY COURT**  
17 **EASTERN DISTRICT OF CALIFORNIA**  
18 **FRESNO DIVISION**

19 In re  
20 MADERA COMMUNITY HOSPITAL,  
21 Debtor in Possession.  
22 Tax ID# 23-7429117  
23 Address: 1250 E. Almond Avenue  
24 Madera, CA 93637

Case No. 23-10457

Chapter: 11

DC No.: PSJ-025

Date: N/A

Time: N/A

Place: 2500 Tulare Street, Courtroom 13  
Fresno, CA 93721

Judge: Honorable René Lastreto II

26 **ORDER GRANTING JOINT MOTION OF THE OFFICIAL COMMITTEE OF**  
27 **UNSECURED CREDITORS AND AMERICAN ADVANCED MANAGEMENT, INC. TO**  
28 **STRIKE OBJECTIONS TO CONFIRMATION FILED BY MADERA COALITION FOR**  
**COMMUNITY JUSTICE AND CALIFORNIA RURAL LEGAL ASSISTANCE AND**  
**RELATED PLEADINGS**

1 At Fresno, in the Eastern District of California.

2 Upon the joint motion (the "Motion")<sup>1</sup> of the Official Committee of Unsecured Creditors and  
3 American Advanced Management, Inc., pursuant to section 105(a) of the Bankruptcy Code, for entry  
4 of an order striking (i) *Objections to Confirmation of Second Amended Chapter 11 Plan of Liquidation*  
5 *Proposed by the Official Committee of Unsecured Creditors* [Docket No. 1554] filed by Madera  
6 Coalition for Community Justice ("MCCJ"), (ii) *Objections to Plan Supplement to Second Amended*  
7 *Chapter 11 Plan of Liquidation Proposed by The Official Committee of Unsecured Creditors* [Docket  
8 No. 1636] filed by MCCJ, (iii) *Request for Evidentiary Hearing* [Docket No. 1640] filed by MCCJ,  
9 (iv) the declarations, exhibits and requests for judicial notice filed in support of the foregoing [Docket  
10 Nos. 1555, 1556, 1558, 1559, 1561, 1637, 1638, and 1639], and (v) the *Declaration of Baldwin S. Moy*  
11 *in Support of Objections to Confirmation of Second Amended Chapter 11 Plan of Liquidation*  
12 *Proposed by the Official Committee of Unsecured Creditors* [Docket No. 1642] filed on behalf of  
13 California Rural Legal Assistance ("CRLA" and, together with MCCJ, the "Objectors") (collectively,  
14 the "Plan Objections") from the record of this case; and the Court having jurisdiction over this matter  
15 and having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b) and that this Court may  
16 enter a final order consistent with Article III of the United States Constitution; and this Court having  
17 found that notice of the Motion and the opportunity for a hearing were appropriate under the  
18 circumstances and that no other notice need be provided; and this Court having found that venue of  
19 this proceeding and the Motion in this district is proper; and this Court having reviewed the Motion  
20 and having heard arguments and testimony in support of and in opposition to the relief requested  
21 therein at the hearing on the Motion (if any); and this Court having found that the relief requested in  
22 the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and  
23 this Court having determined that the legal and factual bases set forth in the Motion and at the hearing  
24 on the Motion (if any) establish just cause for the relief granted herein; and upon all of the proceedings  
25 had before this Court; and after due deliberation and sufficient cause appearing therefor,

26 **NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

- 27 1. The Motion is granted as set forth herein.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.



1           2.       All objections to the Motion or to the relief sought therein that have not been  
2 withdrawn, waived, or settled, and all reservations of rights included therein, are overruled and denied  
3 on the merits with prejudice.

4           3.       The Plan Objections are hereby stricken from the record of this chapter 11 case and  
5 shall not be considered in connection with the hearing on confirmation of the Plan.

6           4.       This Order shall be immediately effective and enforceable upon its entry.

7           5.       The Court retains exclusive jurisdiction with respect to all matters arising from or  
8 related to the interpretation and enforcement of this Order.

9 **Presented by:**

10  
11 /s/ Andrew Sherman  
12 Andrew Sherman  
13 Co-Counsel to the Official Committee  
14 of Unsecured Creditors

15  
16 /s/ Hamid R. Rafatjoo  
17 Hamid R. Rafatjoo  
18 *Counsel to American Advanced Management Inc.*

19  
20 **IT IS SO ORDERED.**

21 Dated:

22 By the Court

23  
24  
25  
26  
27  
28  
Honorable René Lastreto II, Judge  
United States Bankruptcy Court