

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re	)	
	)	Chapter 11
	)	
LAVIE CARE CENTERS, LLC, <i>et al.</i> ¹	)	Case No. 24-55507-PMB
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Re: D.I. 1219
	)	

**GUC TRUSTEE’S OBJECTION TO MOTION OF CREDITOR HAZELLE
SLAUGHTER FOR RELIEF FROM THE AUTOMATIC STAY AND PLAN
INJUNCTION FOR THE LIMITED PURPOSE OF PROCEEDING AGAINST
INSURANCE PROCEEDS**

Ryniker Consultants, LLC, in its capacity as the trustee (the “GUC Trustee”) administering the trust (the “GUC Trust”) established on behalf of the above-captioned debtors and debtors-in-possession (the “Debtors”), by and through its undersigned counsel, hereby objects (this “Objection”) to the *Motion of Creditor Hazelle Slaughter for Relief From the Automatic Stay and Plan Injunction for the Limited Purposes of Proceeding Against Insurance Proceeds* [D.I. 1219] (the “Motion”) filed by Hazelle Slaughter, by and through counsel (“Movant”). In further support of this Objection, the GUC Trustee asserts as follows:

OBJECTION

1. The Motion should be denied. As a threshold matter, the Motion is moot because Movant seeks relief from the automatic stay under 11 U.S.C. § 362, which is no longer in effect.

¹ The last four digits of LaVie Care Centers, LLC’s federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/LaVie>. The location of LaVie Care Centers, LLC’s corporate headquarters and the Debtors’ service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.



As explained in the *GUC Trustee’s First Post-Effective Date Status Report to Holders of General Unsecured Claims* [D.I. 1218] (the “Status Report”), now that the Debtor’s plan [D.I. 730] (the “Plan”)² has been confirmed and gone effective, the Plan Injunction and Unliquidated Claim Procedures Injunction of the Plan are enforceable. Among other things, the Plan Injunction and Unliquidated Claim Procedures Injunction preclude creditors from pursuing certain actions against the Debtors or resolving claims outside of the Plan procedures. These injunctions are designed, in part, to facilitate the efficient and equitable reconciliation of personal injury claims through the Unliquidated Claim Procedures (“UCPs”). *See* Plan, Art. VIII § J; *See* D.I. 731 (Plan Supplement, Ex. I). The UCPs were heavily negotiated and allow holders of unliquidated personal injury claims the opportunity to participate in a streamlined mediation process to liquidate their claims on a consensual basis or in a non-bankruptcy forum (if certain conditions are met). *See* D.I. 731 (Plan Supplement, Ex. I). The UCPs, along with the Plan Injunction and Unliquidated Claim Procedures Injunction, govern the resolution of Movant’s claim—not the automatic stay under 11 U.S.C. § 362. Since the Plan outlines the comprehensive procedures for claim reconciliation, including a path forward for claimants to liquidate claims in state court, the request to lift the automatic stay is moot.

2. Furthermore, Movant has not provided a sufficient basis for relief from either the Plan Injunction or the automatic stay under 11 U.S.C. § 362 (which does not apply in any event). First, Movant did not file a timely claim in these Chapter 11 Cases. Despite having received notice of the deadline to file a proof of claim,³ Movant filed proof of claim 5444⁴ against LaVie Care

² Capitalized terms not defined herein are defined in the Plan.

³ The bar date package was timely served on Movant’s counsel on July 23, 2024. *See* D.I. 285.

⁴ A copy of Movant’s claim will be provided upon request. The GUC Trustee reserves the right to move Claim 5444, which was asserted against an OpCo Debtor, to Class 6B in accordance with the Plan. *See* Plan, Art. II.A

Centers, LLC on September 19, 2025—over one year *after* the bar date established by this Court. See D.I. 2018 (establishing the general bar date in these cases as August 30, 2024). Under the Plan, this claim is not an allowed claim. See Plan, Art. II.A § 1.25 (“For the avoidance of doubt, a Proof of Claim Filed after the applicable claims bar date . . . shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim.”).⁵ Movant did not move for authorization from this Court to file a late claim, nor has Movant sought relief from the bar date.

3. Second, Movant asserts that this Court lacks jurisdiction to liquidate Movant’s personal injury claims and therefore Movant has a basis to lift the automatic stay. See Motion ¶ 22(a). Movant misses the point. The Court-approved UCPs already provide a way to liquidate Movant’s claim, through a mandatory mediation process or through liquidation in state court, provided that certain conditions are met. Filing this Motion, which is contrary to the process outlined in the UCPs and approved by this Court, is neither required nor the appropriate avenue to obtain the relief Movant seeks.

4. Third, Movant’s attempt to liquidate her claim and seek an insurance recovery is likely futile as the GUC Trustee’s analysis indicates that there is no insurance available that covers Movant’s claim. The Motion states that Movant seeks to recover available proceeds from the Debtors’ Midwest Insurance Group, Inc. policy (the “MIG Policy”). See Motion ¶¶ 17, 21. The MIG Policy is, however, a claims-made and reported policy. From the GUC Trustee’s investigation into the Debtors’ insurance, the GUC Trustee understands that the Movant’s personal

§ 1.206 (defining an OpCo General Unsecured Claim but preserving the GUC Trustee’s right to move such claim, in its sole discretion, to Class 6B).

⁵ The GUC Trustee reserves all rights to object to Movant’s claim on the merits, and to any motion to allow the late-filed claim.

injury claims against the Debtor were never reported, much less timely reported, to MIG and thus could not now trigger coverage. Moreover, the GUC Trustee's investigation into the Debtors' insurance also revealed that no other policy of the Debtors exists that would provide coverage for Movant's claims.

5. Finally, the Motion also asserts that this insurer has assumed full responsibility for defending and indemnifying these types of claims. *Id.* ¶ 22(c). This is contrary to the express terms of the MIG Policy. *See* Motion, Ex. B at p. 3. Pursuant to the MIG Policy's Excess of Loss Endorsement, the insurer "has no duty to defend" and "shall have no obligation to pay *Loss* . . . until the *Insured* has paid ninety percent (90%) of the applicable *Limit of Liability* for Each *Claim*." *Id.* (emphasis added). As evident by the plain terms of the MIG Policy, the Debtors' insurer has not taken full responsibility for defending any claim Movant seeks, thereby placing the burden to defend and associated costs and expenses on the GUC Trust.

6. Given the foregoing, lifting the Plan Injunction or the automatic stay under 11 U.S.C. § 362 would be pointless. The UCPs contemplate allowing claimants to dispense with settlement negotiations and mediation and instead proceed directly against insurance if they waive all claims against the GUC Trust and *if such insurance actually exists*. Since there is no insurance coverage for Movant's claim, there is no basis to permit her to circumvent the carefully negotiated process set forth in the UCPs.

7. For the foregoing reasons, the GUC Trustee requests that the Court deny the Motion.

[Signature Page Follows]

Dated: October 8, 2025

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