

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ROME DIVISION**

IN RE:	)	CHAPTER 11
	)	
REGIONAL HOUSING & COMMUNITY	)	Jointly Administered Under
SERVICES CORP., et al.,	)	CASE NO. 21-41034-pwb
	)	
Debtors.	)	

MOTION FOR ORDER DISMISSING CHAPTER 11 CASES

COME NOW the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”)¹, by and through the undersigned counsel, and file this Motion for Order Dismissing Chapter 11 Cases (the “**Motion**”). In support of the Motion, the Debtors respectfully show the Court as follows:

INTRODUCTION

1. On August 26, 2021 (the “**Petition Date**”), the Debtors each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) with the United States Bankruptcy Court for the Northern District of Georgia, Rome Division (the “**Court**”). Prior to the closings on the sales described below, the Debtors were each authorized to operate their businesses and manage their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

¹ The Debtors in these Chapter 11 cases include: Regional Housing & Community Services Corporation (“**RHCSC**”), RHCSC Columbus AL Holdings LLC, RHCSC, Douglas AL Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery II AL Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Social Circle AL Holdings LLC (collectively, the “**Operating Companies**”), RHCSC Columbus Health Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I Health Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah Health Holdings LLC, and RHCSC Social Circle Health Holdings LLC (collectively, the “**Property Companies**” and together with the Operating Companies, the “**RHCSC Subsidiaries**”).



2. No committee, trustee or examiner has been requested or appointed in these cases.

JURISDICTION AND VENUE

3. This Court has jurisdiction of this Motion pursuant to 28 U.S.C. Sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. Sections 157(b).

4. Venue of the Debtors' Chapter 11 cases and this Motion in this District is proper pursuant to 28 U.S.C. Sections 1408 and 1409.

5. The statutory predicates for the relief sought herein are sections 105(a), 305(a), 349, 554 and 1112(b) of the Bankruptcy Code and Bankruptcy Rules 1017(a) and 6007.

BACKGROUND

6. RHSC is the sole member and parent company of each of the RHSC Subsidiaries. Each Property Company owned a senior living facility located in either Georgia or Alabama which was leased and operated by an affiliated Operating Company. As of the Petition Date, the Operating Companies were each a party to a management agreement with ALG Senior, LLC ("**ALG**") for the management of operations at each facility.

7. The Wisconsin Public Finance Authority (the "**Bond Authority**") issued Series 2018A, Series 2018B, Series 2018C and Series 2018D Revenue Refunding Bonds (the "**Bonds**") for each facility and the Operating Company and the Property Company for that facility entered a Loan Agreement with the Bond Authority. The Bond Authority assigned its rights and interest in the Bonds to Huntington National Bank, as trustee, in contemporaneously executed Trust Indentures (the "**Indentures**"). UMB Bank, N.A. is the successor trustee (the "**Trustee**") under the Indentures and Ecofin Direct Municipal Opportunities Fund, LP (f/k/a Tortoise Direct Municipal Opportunities Fund, LP) and Ecofin Tax-Advantaged Social Impact Fund, Inc. (the

“**Bondholders**” or “**DIP Lenders**”) are successors to Tortoise Credit Strategies, LLC (“**Tortoise**”), as the noteholder representatives with respect to such Bonds.

8. On or about September 16, 2021, the Court entered an *Order Directing the Appointment of Patient Care Ombudsman* [Dkt. No. 49]. On or about October 5, 2021, the Office of the United States Trustee (“**UST**”) appointed (i) Melanie S. McNeil, State Long Term Care Ombudsman (the “**Georgia Ombudsman**”) as the patient care ombudsman for RHCSC Columbus AL Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Savannah AL Holdings LLC, and RHCSC Social Circle AL Holdings LLC, and (ii) Virginia Moore-Bell, Director, Office of the State Long Term Care Ombudsman (the “**Alabama Ombudsman**”) as the patient care ombudsman for RHCSC Montgomery I AL Holdings LLC.²

9. On or about October 15, 2021, the Court entered an *Order Granting Motion to Approve Release and Settlement Agreement By and Among the Debtors and Various Parties* [Dkt. No. 78] pursuant to which the Court approved a settlement agreement (the “**Settlement Agreement**”) by and among (1) the Debtors, (2) the Bond Trustee, (3) the Bondholders, and (4) ALG. Among other terms, the Settlement Agreement provided that (i) management of the Debtors’ eight senior living facilities (each a “**Facility**” and collectively, the “**Facilities**”) would be transitioned from ALG to a new manager acceptable to the Bond Trustee and the Bondholders no later than October 31, 2021, (ii) the then current officers and directors of the Debtors, other than GGG Partners LLC and Katie Goodman as the chief restructuring officer (“**CRO**”), would resign, and (iii) Michael Roye (“**Roye**”) would be appointed as the Director for the board of directors of RHCSC and as the Manager for each Operating Company. HMP Senior Solutions,

² RHCSC Montgomery II AL Holdings, LLC was not operating and had no residents at the time of filing; therefore, no patient care ombudsman was needed.

LLC (“HMP”) was selected as the new manager and entered into a management agreement with the Debtors dated October 31, 2021. On the same date, Roye entered into a Director/Manager Agreement with the Debtors.

THE SALE PROCESS

10. On or about April 28, 2022, the Debtors filed *Debtors’ First Motion (A) For Authority To Sell Assets Free And Clear Of Liens, Claims, And Encumbrances (B) To Assume And Assign Certain Executory Contracts, Leases And Licenses And Establish Cure Costs In Connection Therewith; (C) To Establish Procedures With Respect To Such Sale And The Assumption And Assignment Of Executory Contracts And Leases, (D) To Consider Approval Of Breakup Fee, And (E) To Shorten And Limit Notice* [Dkt. No. 141] (the “**Sale Motion**”).

11. On May 11, 2022, the Court entered an *Order (A) Establishing Bidding and Other Procedures In Connection With the Sale of Assets of the Debtors, (B) Authorizing the Debtors to Award Stalking Horse Protections to Potential Buyers, and (C) Providing Notice of Hearing on Motion to (1) Approve Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances and Other Interests, (2) Authorize Assumption and Assignment of Executory Contracts and Unexpired Leases; (3) Establish Cure Amounts Therefor; and (4) Approve Other Related Relief* [Dkt. No. 145] (the “**Bid Procedures Order**”).

12. On or about June 21, 2022, the Debtors filed *Debtors’ Motion to Amend Order (A) Establishing Bidding and Other Procedures In Connection With the Sale of Assets of the Debtors, (B) Authorizing the Debtors to Award Stalking Horse Protections to Potential Buyers, and (C) Providing Notice of Hearing on Motion to (1) Approve Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances and Other Interests, (2) Authorize Assumption and Assignment of Executory Contracts and Unexpired Leases; (3) Establish Cure*

Amounts Therefor; and (4) Approve Other Related Relief [Dkt. No. 156] (the “**Motion to Amend Bid Procedures Order**”).

13. On June 22, 2022, the Court entered an *Amended Order (A) Establishing Bidding and Other Procedures In Connection With the Sale of Assets of the Debtors, (B) Authorizing the Debtors to Award Stalking Horse Protections to Potential Buyers, and (C) Providing Notice of Hearing on Motion to (1) Approve Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances and Other Interests, (2) Authorize Assumption and Assignment of Executory Contracts and Unexpired Leases; (3) Establish Cure Amounts Therefor; and (4) Approve Other Related Relief* [Dkt. No. 157] (the “**Amended Bid Procedures Order**”).

14. On August 5, 2022, the Court entered an *Order Establishing Notice and Objection Procedures With Respect to Debtors’ Motion for Authority To Sell Assets Free and Clear of Liens, Claims and Encumbrances* [Dkt. No. 173] (the “**Sale Procedures Order**”).

A. Social Circle Debtors

15. On August 9, 2023, pursuant to the Sales Procedures Order, RHCSC Social Circle AL Holdings LLC and RHCSC Social Circle Health Holdings LLC (the “**Social Circle Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 261] (the “**Notice of Social Circle APA**”), a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 262] (the “**Notice of Proposed Social Circle Sale**”), and a *Notice of Filing Exhibits and Schedules to Asset Purchase Agreement* [Dkt. No. 263] (the “**Notice of Social Circle Exhibits and Schedules**”).

16. On August 18, 2023, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II)*

Authorizing the Assumption and Assignment of Contracts and Leases, and (III) Granting Related Relief [Dkt. No. 264] (the “**Social Circle Sale Order**”).

17. On August 21, 2023, the Social Circle Debtors closed on the sale of substantially all assets and filed a *Report of Sale to West Property Realty LLC and SCAL LLC* on July 26, 2024, [Dkt. No. 302] (the “**Social Circle Report of Sale**”).

B. Gainesville Debtors

18. On December 7, 2023, pursuant to the Sales Procedures Order, RHCSC Gainesville AL Holdings LLC and RHCSC Gainesville Health Holdings LLC (the “**Gainesville Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 274] (the “**Notice of Gainesville APA**”) and a Notice of Proposed Sale, Hearing and Deadline to Object [Dkt. No. 275] (the “**Notice of Proposed Gainesville Sale**”).

19. On December 15, 2023, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (II) Granting Related Relief* [Dkt. No. 276] (the “**Gainesville Sale Order**”).

20. On December 15, 2023, the Gainesville Debtors closed on the sale of substantially all assets and filed a *Report of Sale to R & R Property Holdings, LLC* on July 26, 2024 [Dkt. No. 303] (the “**Gainesville Report of Sale**”).

C. Rome Debtors

21. On September 3, 2024, pursuant to the Sales Procedures Order, RHCSC Rome AL Holdings LLC and RHCSC Rome Health Holdings LLC (the “**Rome Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 308] (the “**Notice of Rome APA**”)

22. On September 4, 2024, the Rome Debtors filed a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 309] (the “**Notice of Proposed Rome Sale**”).

23. On September 19, 2024, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing the Assumption and Assignment of Contracts and Leases, and (III) Granting Related Relief* [Dkt. No. 314] (the “**Rome Sale Order**”).

24. On October 21, 2024, the Rome Debtors closed on the sale of substantially all assets and filed a *Report of Sale to Highlands Senior Living Rome, LLC* on November 15, 2024 [Dkt. No. 325] (the “**Rome Report of Sale**”).

D. Columbus Debtors

25. On January 24, 2025, pursuant to the Sales Procedures Order, RHCSC Columbus AL Holdings LLC and RHCSC Columbus Health Holdings LLC (the “**Columbus Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 339] (the “**Notice of Columbus APA**”).

26. On January 27, 2025, the Columbus Debtors filed a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 341] (the “**Notice of Proposed Columbus Sale**”).

27. On February 6, 2025, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (II) Authorizing the Assumption and Assignment of Contracts and Leases, and (III) Granting Related Relief* [Dkt. No. 343] (the “**Columbus Sale Order**”).

28. On February 7, 2025, the Columbus Debtors closed on the sale of substantially all assets and filed a *Report of Sale to Landing of Columbus, LLC and 6830 River Road, LLC* on February 10, 2025 [Dkt. No. 345] (the “**Columbus Report of Sale**”).

E. Savannah Debtors

29. On January 17, 2025, pursuant to the Sales Procedures Order, RHCSC Savannah AL Holdings LLC and RHCSC Savannah Health Holdings LLC (the “**Savannah Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 337] (the “**Notice of Savannah APA**”).

30. On January 27, 2025, the Savannah Debtors filed a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 340] (the “**Notice of Proposed Savannah Sale**”).

31. On February 26, 2025, the Savannah Debtors filed a *Notice of Filing Amendment to Asset Purchase Agreement* [Dkt. No. 350] (the “**Notice of Amendment to Savannah APA**”).

32. On March 5, 2025, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing the Assumption and Assignment of Contracts and Leases, and (III) Granting Related Relief* [Dkt. No. 353] (the “**Savannah Sale Order**”).

33. On March 14, 2025, the Savannah Debtors closed on the sale of substantially all assets and filed a *Report of Sale to Savannah Seasons, LLC* on April 11, 2025 [Dkt. No. 362] (the “**Savannah Report of Sale**”).

F. Douglas Debtors

34. On April 1, 2025, pursuant to the Sales Procedures Order, RHCSC Douglas AL Holdings LLC and RHCSC Douglas Health Holdings LLC (the “**Douglas Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 360] (the “**Notice of Douglas APA**”) and a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 361] (the “**Notice of Proposed Douglas Sale**”).

35. On May 20, 2025, the Douglas Debtors filed a *Notice of Filing Amendment to Asset Purchase Agreement* [Dkt. No. 367] (the “**Notice of Amendment to Douglas APA**”).

36. On May 21, 2025, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (II) Granting Related Relief* [Dkt. No. 368] (the “**Douglas Sale Order**”).

37. On May 27, 2025, the Douglas Debtors closed on the sale of substantially all assets and filed a *Report of Sale to Oswales Care Haven, LLC as Assignee of Olawale Abimbola* on May 29, 2025 [Dkt. No. 370] (the “**Douglas Report of Sale**”).

G. Montgomery I Debtors

38. On July 21, 2025, pursuant to the Sales Procedure Order, RHCSC Montgomery I AL Holdings LLC and RHCSC Montgomery I Health Holdings LLC (the “**Montgomery I Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 384] (the “**Notice of Montgomery I APA**”) and a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 386] (the “**Notice of Proposed Montgomery I Sale**”).

39. On August 7, 2025, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (II) Granting Related Relief* [Dkt. No. 387] (the “**Montgomery I Sale Order**”).

40. On August 13, 2025, the Montgomery I Debtors closed on the sale of substantially all assets and filed a *Report of Sale to Cornerstone Way, LLC* on September 26, 2025 [Dkt. No. 395] (the “**Montgomery I Report of Sale**”).

H. Montgomery II Debtors

41. On June 30, 2025, pursuant to the Sales Procedure Order, RHCSC Montgomery II AL Holdings LLC and RHCSC Montgomery II Health Holdings LLC (the “**Montgomery II Debtors**”) filed a *Notice of Filing Asset Purchase Agreement* [Dkt. No. 376] (the “**Notice of Montgomery II APA**”).

42. On July 1, 2025, the Montgomery II Debtors filed a *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 377] (the “**Notice of Proposed Montgomery II Sale**”).

43. On July 17, 2025, the Court entered an *Order (I) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (II) Granting Related Relief* [Dkt. No. 382] (the “**Montgomery II Sale Order**”).

44. On August 19, 2025, the Montgomery II Debtors filed a *Notice of Filing Amendment to Asset Purchase Agreement* [Dkt. No. 389] (the “**Notice of Amendment to Montgomery II APA**”).

45. On August 20, 2025, the Court entered an *Amended Order (I) Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (II) Granting Related Relief* [Dkt. No. 391] (the “**Amended Montgomery II Sale Order**”).

46. On August 22, 2025, the Montgomery II Debtors closed on the sale of substantially all assets and filed a *Report of Sale to Mr. Fixer Upper LLC* on September 26, 2025 [Dkt. No. 396] (the “**Montgomery II Report of Sale**”).

RELIEF REQUESTED

47. By this Motion, the Debtors request entry of an order, substantially in the form attached hereto as Exhibit A, dismissing the Debtors’ Chapter 11 Cases, pursuant to sections 105(a), 305(a), 349, 554 and 1112(b) of the Bankruptcy Code and Rule 1017(a) and 6007 of the Bankruptcy Rules.

48. During the pendency of these chapter 11 cases, the Debtors sold substantially all of their assets, other than potential Employee Retention Tax Credits in the estimated aggregate amount of \$1,632,500 (the “**ERTC Credits**”), paid all known administrative expenses and

disbursed all sale proceeds in accordance with the applicable sale orders and/or *Stipulation (I) Extending Maturity Date for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 278] (as subsequently amended or supplemented, the “**DIP Order**”).

49. The Debtors have ceased all operations and, other than the ERTC Credits, no longer have any meaningful assets.

A. Retained and Abandoned Records

50. While most of the aforementioned buyers purchased the books and records associated with the purchased facility (including resident medical records), the buyers for the Gainesville facility and the Montgomery I facility did not. Pursuant to applicable state law, the Gainesville Debtor may have an obligation to retain certain records for a period of ten (10) years following treatment of the last resident in Georgia and the Montgomery I Debtor may have an obligation to retain certain records for a period of three (3) years following treatment of the last resident in Alabama. The Debtors propose to retain only those books and records the retention of which is required by applicable law (the “**Retained Records**”) and seek authorization to dispose of all books and records which are not required to be retained by applicable law (the “**Abandoned Records**”), prior to dismissal of these bankruptcy cases.

51. The Debtors have contracted with and prepaid Iron Mountain to store all hard copy Retained Records for the applicable retention period, to provide upon request, copies of such Retained Records in their possession to authorized recipients, and to shred the Retained Records upon expiration of the applicable retention periods. Additionally, HMP will retain certain Retained Records which are in electronic format for the applicable retention period, and,

upon request, will provide copies of such Retained Records in their possession to authorized recipients.

52. Any party seeking to obtain a copy of the Retained Records may send a request by email to **MedicalRecords@hcmpllc.com**. The request (a “**Retained Records Request**”) shall include the following information:

- Name and contact information for the party requesting Retained Records;
- Name of resident for whom they are seeking Retained Records;
- Evidence verifying relationship of the requesting party to the resident and providing HIPAA compliant authorization for release of records;
- Name of facility and dates when resident lived at Debtor’s facility.

53. Upon receipt of a Retained Records Request, HMP will determine whether the party requesting the Retained Records is authorized to receive such information, if the requested records are Retained Records and whether they are in hard copy or electronic format. HMP will then assist any authorized requesting party in obtaining copies of such Retained Records.

B. Resident Trust Refunds

54. The Debtors are holding approximately one thousand six hundred dollars (\$1,600) in funds held in trust for the benefit of certain prior residents (the “**Resident Refunds**”). The Debtors have attempted to return the resident funds to the prior resident or their designee; however, such payments have been returned as undeliverable and/or remain uncashed.

55. The Debtors seek authorization to remit the Resident Refunds to the appropriate State Unclaimed Property Department prior to the Dismissal Effective Date.

C. Executory Contracts and Unexpired Leases

56. To the extent there are any executory contracts and/or unexpired leases to which one or more Debtor is a party, and such executory contracts and/or unexpired leases were not rejected by prior Court order or expired by their own terms, the Debtors seek to reject such agreements as of the Dismissal Effective Date (defined below).

D. UST Fees

57. The Debtors will pay any unpaid fees required to be paid to the U.S. Trustee under section 1930 of title 28 of the United States Code (the “**UST Fees**”), as and when due, through the effective date of dismissal, from the proceeds of cash collateral and/or DIP funding.

E. Professional Fees

58. On or before the hearing on this Motion to Dismiss, Scroggins, Williamson & Ray, P.C., as counsel to the Debtors, and GGG Partners, LLC, as Chief Restructuring Officer of the Debtors, will file a final request for allowance and payment of all fees and expenses incurred during these Chapter 11 cases through the Dismissal Effective Date (defined below) (the “**Final Fee Applications**”). The Debtors will pay any allowed and unpaid fees and expenses from (i) previously funded retainers, (ii) funded carveouts, and/or (iii) the proceeds of cash collateral and/or DIP funding. Pursuant to Section J of General Order 26-2019 (as amended), and subject to the terms of the DIP Order, the Debtors have paid the professional fees incurred through August, 2025.

F. Resignation and Termination of Roye

59. As of the Effective Date of Dismissal (defined below), Roye shall be deemed to have resigned and the Director/ Manager Agreement terminated.

G. Effective Date of Dismissal

60. Subject to Court approval of this Motion, the Debtors shall file a request upon disposition of the Final Fee Applications that an order to dismiss and close these Chapter 11 Cases be entered without further notice or hearing (the “**Dismissal Order**”). The date that the Dismissal Order is entered shall be the Dismissal Effective Date.

BASIS FOR RELIEF

A. The Elements for “Cause” Are Shown Under Section 1112(b)(4) of the Bankruptcy Code Therefore Dismissal is Appropriate.

1. Pursuant to Section 1112(b)(1) of the Bankruptcy Code, absent unusual circumstances, a court shall dismiss a bankruptcy case “for cause.” Section 1112(b)(1) states, in pertinent part:

on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause

11 U.S.C. § 1112(b)(1).³

2. In the instant case, this Court should dismiss these Chapter 11 Cases because cause exists, and dismissal is in the best interests of the Debtors, their estates, and their creditors.

3. Section 1112(b)(4) provides a non-exhaustive list of 16 grounds for dismissal. 11 U.S.C. § 1112(b)(4)(A)-(P); *See Nester v. Gateway Access Solutions, Inc. (In re Gateway Access Solutions)*, 374 B.R. 556, 561 (Bankr. M.D.Pa. 2007)(“Generally, such lists are viewed as illustrative rather than exhaustive, and the Court should ‘consider other factors as they arise.’”)

³ Prior to the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (“BAPCPA”), a bankruptcy court had wide discretion to use its equitable powers to dispose of a debtor’s case but was not mandated to dismiss a case if cause were shown. H.R.Rep. No. 595, 95th Cong., 1st Sess. 405 (1977); S.Rep. No. 989, 95th Cong., 2d Sess. 117. BAPCPA, however, changed the statutory language with respect to conversion and dismissal from permissive to mandatory. *See* H.R. Rep. 109-31 (I), 2005 U.S.C.A.N. 88, 94.

(quoting *In re Brown*, 951 F.2d 564, 572 (3d Cir. 1991)); *In re 3 Ram, Inc.*, 343 B.R. 113, 117 (Bankr. E.D.Pa. 2006) (“While the enumerated examples of ‘cause’ to convert or dismiss a chapter 11 case now listed in § 1112(b)(4) have changed under BAPCPA, the fact that they are illustrative, not exhaustive has not.”); *In re Frieouf*, 938 F.2d 1099, 1102 (10th Cir. 1991) (stating that section 1112(b)’s list is nonexhaustive).

4. One such ground is where a party-in-interest shows that there is a “substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation.” 11 U.S.C. § 1112(b)(4)(A). Here, the Debtors satisfy both requirements. First, there is a continuing loss or diminution of the estate because administrative expense claims, such as professional fees and U.S. Trustee fees, continue to accrue notwithstanding the fact that Debtors sold substantially all of their assets and no longer conduct any business activity. Second, it is impossible for the Debtors to rehabilitate their business since there is no remaining business to reorganize.

5. Moreover, while no longer an enumerated ground under Section 1112(b) post-BAPCPA, dismissal of a chapter 11 case is appropriate where the court finds that a feasible plan is not possible. *In re 3 Ram*, 343 B.R. at 117-18. If a chapter 11 debtor cannot achieve a reorganization within the statutory requirements of the Bankruptcy Code, then there is no point in expending estate assets on administrative expenses. *Id.* at 118 (citing, *inter alia*, *In re Brown*, 951 F.2d at 572).

6. Inability to effectuate a plan arises when a debtor lacks the capacity to formulate or effectuate a plan. *See SBA v. Preferred Door Co. (In re Preferred Door Co.)*, 990 F.2d 547, 549 (10th Cir. 1993) (citing *Hall v. Vance*, 887 F.2d 1041, 1044 (10th Cir. 1989)) (inability to effectuate a plan arises where debtor lacks capacity to formulate a plan or carry one out); *In re*

Blunt, 236 B.R. 861, 865 (Bankr. M.D.Fla. 1999) (cause found to dismiss case under Section 1112(b) where debtor had no ability to effectuate confirmable plan of reorganization).

7. Here, it is simply impossible to effectuate a plan of reorganization because the Debtors no longer operate an ongoing business and they have liquidated and distributed all of their assets. As such, there is no business to reorganize. In sum, the Debtors have met their burden of proof that these bankruptcy cases should be dismissed under Section 1112(b)(4).

B. Dismissal Is in the Best Interests of the Debtors' Creditors and Estates.

8. Once a court determines that cause exists to dismiss a Chapter 11 case, the court evaluates whether dismissal is in the best interests of the creditors and of the estate. *See In re Warner*, 83 B.R. 807, 809 (Bankr. M.D. Fla. 1988). A variety of factors demonstrate that it is in the best interest of the creditors and the Debtors' estates to dismiss these bankruptcy cases.

9. First, dismissal of a Chapter 11 bankruptcy case meets the best interests of the creditors test where a debtor has nothing to reorganize and the debtor's assets are fixed and liquidated. *See In re Brogdon Inv. Co.*, 22 B.R. 546, 549 (Bankr. N.D. Ga. 1982) (court dismisses Chapter 11 proceeding in part where there was simply nothing to reorganize and no reason to continue the reorganization). As set forth above, the Debtors have (i) ceased all operations, and thus have nothing to reorganize, and (ii) fixed and liquidated all assets of their estates. There are no longer funds available to finance a chapter 11 and no funds to distribute. Thus, it is in the best interest of the creditors to dismiss these bankruptcy cases.

10. Second, the best interests of the creditors test is also met where an interested party, other than the debtor, feels that dismissal is the proper disposition of the case. *See Camden Ordinance Mfg. Co. of Arkansas, Inc. v. United States Trustee (In re Camden Ordinance Mfg. Co. of Arkansas, Inc.)*, 245 B.R. 794, 799-800 (E.D. Pa. 2000). Here, the Court should dismiss

these bankruptcy cases because all major parties-in-interest favor dismissal. Ecofin Direct Municipal Opportunities Fund, LP and Ecofin Tax-Advantaged Social Impact Fund, Inc. (collectively, the “**DIP Lender**”), UMB Bank, as successor trustee for certain bonds (the “**Bond Trustee**”) and the U.S. Trustee each believe that these bankruptcy cases should be dismissed.

11. Third, dismissal of a debtor’s Chapter 11 case is in the best interests of the creditors where dismissal will preserve the Bankruptcy Code’s policy of treating creditors within the same classification equally. *See Rollex Corp. v. Associated Materials (In re Superior Siding & Window)*, 14 F.3d 240, 243 (4th Cir. 1994) (policy of equality among creditors, fundamental to the bankruptcy law, is one of the factors to be considered in determining the best interests of the creditors under Section 1112(b)). Here, dismissal of the bankruptcy case will preserve this important policy of the Bankruptcy Code because all known administrative and priority claims under Section 507(a) of the Bankruptcy Code were paid in full, and all remaining funds, other than the ERTC Credits, in the Debtors’ estates were paid to the DIP Lender in keeping with the priorities of the Bankruptcy Code and the provisions of various DIP Orders and the Sale Order entered in these cases. Thus, the creditors in each class of claims have been treated equally.

12. Alternatively, cause exists to dismiss these Chapter 11 Cases pursuant to section 305(a) of the Bankruptcy Code, which provides that:

- (a) The court, after notice and a hearing, may dismiss a case under this title, or may suspend all proceedings in a case under this title, at any time if—
 - (1) the interests of creditors and the debtor would be better served by such dismissal or suspension;

11 U.S.C. § 305(a).

13. Dismissal under section 305(a) is determined on a case-by-case basis and rests in the sound discretion of the bankruptcy court. *In re Sky Group Intern, Inc.*, 108 B.R. 86, 91 (Bankr.

W.D. Pa. 1989). Many factors are considered when determining the best interests of creditors and the debtor, including (i) the economy and efficiency of administration, (ii) whether federal proceedings are necessary to reach a just and equitable solution, (iii) whether there is an alternative means of achieving an equitable distribution of assets and (iv) whether the debtor and the creditors are able to work out a less expensive out-of-court arrangement which better serves all interests in the case. *See In re AMC Investors, LLC*, 406 B.R. 478, 488 (Bankr.D.Del 2009).

14. For all of the reasons set forth above, cause exists for dismissal and dismissal provides the most efficient, cost-effective method of effectuating the wind-down of the Debtors' estates.

15. Moreover, it is black letter law that the bankruptcy court maintains the power to monitor the tenor of reorganization proceedings. *See In re SPM Mfg.*, 984 F.2d 1305, 1317 (1st Cir. 1993). The Court, by granting the Motion and allowing dismissal of the Debtors' bankruptcy cases simply furthers the Bankruptcy Code's goal of the efficient administration of the Debtors' estates.

16. In a balance of the equities, and in an abundance of caution, the Debtors submit that they have demonstrated that their creditors and estates will be better served if the bankruptcy cases are dismissed. The Debtors have completed an orderly liquidation of their estates and all claims against the estates have been finalized. The Court should authorize the Debtors to dispose of the Abandoned Records and the Retained Records as set forth herein, and dismiss the Debtors' bankruptcy cases.

17. During the pendency of these bankruptcy cases, the Court has entered a number of orders resolving rights by and among interested parties. The Debtors seek a determination by this Court, and pursuant to Section 349 of the Bankruptcy Code, that all such orders shall remain

binding following dismissal of these bankruptcy cases, including, without limitation, the DIP Orders and the Sale Orders.

C. Dismissal and Discharge of the Patient Care Ombudsman is Appropriate.

18. Federal Rule of Bankruptcy Procedure 2007.2(d), in pertinent part, provides as follows:

(d) Terminating an Appointment. On motion of the United States trustee or a party in interest, the court may terminate a patient-care ombudsman's appointment that it finds to be unnecessary to protect patients.

19. The Debtors are no longer operating and no longer providing care for patients; therefore, a patient care ombudsman is no longer necessary. It is appropriate to relieve the Ombudsman of any further duties with respect to the Debtors.

CONCLUSION

WHEREFORE, the Debtors respectfully request the Court to enter an order (a) pursuant to 11 U.S.C. § 349, providing that all orders entered in these bankruptcy cases, including but not limited to the DIP Orders, and in particular, the grant of DIP Liens on the ERTC Credits, and the Sale Orders, shall remain binding following dismissal of these cases, (b) authorizing the Debtors to dispose of the Abandoned Records and Retained Records as set forth herein, (c) authorizing the Debtors to remit all Resident Refunds to the applicable State Unclaimed Property Fund, (d) rejecting all executory contracts and leases to which one or more Debtors is a party, to the extent not rejected by prior Court order or having expired by their own terms, as of the date of entry of the Dismissal Order (e) discharging the Georgia Ombudsman and the Alabama Ombudsman, (f) discharging GGG and Katie Goodman from any further duties or responsibilities as CRO; (g) approving the resignation and termination of Mike Roye as Director and Manager of the Debtors and confirming that the Director/Manager Agreement dated October 21, 2021 has expired on its

own terms; (h) dismissing the Debtors' bankruptcy cases and (i) granting such other and further relief as this Court deems just and proper.

This 17th day of October, 2025.

SCROGGINS, WILLIAMSON & RAY, P.C.

By: /s/ Ashley R. Ray

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EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ROME DIVISION**

IN RE:	)	CHAPTER 11
	)	
REGIONAL HOUSING & COMMUNITY SERVICES CORP., et al.,	)	Jointly Administered Under
	)	CASE NO. 21-41034-pwb
Debtors.	)	
	)	
	)	

ORDER GRANTING MOTION FOR ORDER DISMISSING CHAPTER 11 CASES

THIS MATTER came before the Court at a hearing on October [___], 2025 at [___] __m. (the “**Hearing**”) to consider the *Motion for Order Dismissing Chapter 11 Cases* (the “**Motion**”)¹ [Dkt. No. ___] filed by the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”)² on October [___], 2025.

The Court having reviewed the Motion, the record in the case, and considered statements of counsel at the Hearing; and it appearing that due and sufficient notice of the Motion has been given under the circumstances; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interest of the Debtors, their estates, their creditors and other parties in interest; for good cause shown,

IT IS HEREBY FOUND AND DETERMINED THAT:²

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Motion.

² The Debtors in these Chapter 11 cases include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery I Health Holdings LLC, RHCSC Montgomery II AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.

² The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the

1. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105(a), 305(a), 349(b), and 1112(b) of the Bankruptcy Code. Such relief is warranted under Bankruptcy Rule 1017.

3. Notice of the Motion and the Hearing thereon was sufficient under the circumstances and no other notice need be provided.

ACCORDINGLY, IT IS HEREBY ORDERED:

4. The Motion is GRANTED.

5. Pursuant to 11 U.S.C. §§ 105(a), 305(a), 349, 554 and 1112(b) of the Bankruptcy Code and Bankruptcy Rules 1017(a) and 6007, the following cases are hereby Dismissed:

- Case Number 21-41034- Regional Housing & Community Services Corp.
- Case Number 21-41035- RHCSC Columbus AL Holdings LLC
- Case Number 21-41036- RHCSC Columbus Health Holdings LLC
- Case Number 21-41037- RHCSC Douglas AL Holdings LLC
- Case Number 21-41038- RHCSC Douglas Health Holdings LLC
- Case Number 21-41049- RHCSC Gainesville AL Holdings LLC
- Case Number 21-41050- RHCSC Gainesville Health Holdings LLC
- Case Number 21-41039- RHCSC Montgomery I AL Holdings, LLC
- Case Number 21-41040- RHCSC Montgomery I Health Holdings, LLC

extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

- Case Number 21-41041- RHCSC Montgomery II AL Holdings, LLC
- Case Number 21-41043- RHCSC Montgomery II Health Holdings, LLC
- Case Number 21-41032- RHCSC Rome AL Holdings LLC
- Case Number 21-41033- RHCSC Rome Health Holdings LLC
- Case Number 21-41044- RHCSC Savannah AL Holdings LLC
- Case Number 21-41046- RHCSC Savannah Health Holdings LLC
- Case Number 21-41047- RHCSC Social Circle AL Holdings LLC
- Case Number 21-41048- RHCSC Social Circle Health Holdings LLC

6. Notwithstanding anything to the contrary, including without limitation, Section 349 of the Bankruptcy Code, all prior orders, releases, stipulations, settlements, rulings, orders and judgments of this Court made during the course of the above-captioned Chapter 11 Cases, including but not limited to the DIP Orders, and in particular, the grant of DIP Liens on the ERTC Credits, and Sale Orders, shall remain in full force and effect, shall be unaffected by dismissal of the Cases, and are specifically preserved for purposes of finality of judgment and *res judicata*.

7. The Debtors are authorized to dispose of the Abandoned Records and to maintain the Retained Records for the period of time required by applicable state law. Upon the expiration of the required retention period, the Debtors are authorized to dispose of the Retained Records in accordance with the terms set forth in the Motion.

8. Any party seeking to obtain a copy of the Retained Records may send a request by email to **MedicalRecords@hcmpllc.com** (a “**Retained Records Request**”). The Retained Records Request shall include the following information:

- Name and contact information for the party requesting Retained Records;

- Name of resident for whom they are seeking Retained Records;
- Evidence verifying relationship of the requesting party to the resident and providing HIPAA compliant authorization for release of records;
- Name of facility and dates when resident lived at Debtor's facility.

9. Upon receipt of a Retained Records Request, HMP shall determine whether the party requesting the Retained Records is authorized to receive such information, if the requested records are Retained Records and whether they are in hard copy or electronic format. HMP shall then assist any authorized requesting party in obtaining copies of such Retained Records.

10. Debtors are authorized to remit the Resident Refunds to the appropriate State Unclaimed Property Department prior to the Dismissal Effective Date.

11. The Debtors are authorized and directed to pay any quarterly fees due and owing to the Office of the United States Trustee. The obligation of the Debtors to file monthly operating reports and to pay quarterly fees to the Office of the United States Trustee shall continue until the date the Cases are dismissed pursuant to the provisions of this Dismissal Order.

12. All executory contracts and unexpired leases to which one or more Debtor is a party, to the extent not rejected by prior Court order or having expired by their own terms, shall be deemed rejected as of the date of entry of this Dismissal Order.

13. Melanie S. McNeil, State Long Term Care Ombudsman for the State of Georgia, and Virginia Moore-Bell, Director, Office of the State Long Term Care Ombudsman for the State of Alabama, the patient care ombudsman for the Georgia and Alabama Debtors respectively, are hereby dismissed and discharged from any further duties with respect to the Debtors.

14. As of the Effective Date of Dismissal, Michael Roye shall be deemed to have resigned as Director and Manager of the Debtors, and the Director/ Manager Agreement terminated.

15. GGG Partners LLC and Katie Goodman are hereby discharged and relieved from any further duties or responsibilities as CRO.

16. The Debtors are authorized, without the need for further action on the part of this Court and without the need for further corporate or member or manager action, to dissolve their corporate entities in accordance with applicable state law, and the Debtors shall not be required to pay any taxes or fees to cause such dissolution. Katie Goodman of GGG Partners is authorized to execute and file on behalf of the Debtors all documents necessary and proper to effectuate and consummate the dissolution of the Debtors in accordance with applicable state law.

17. The Debtors are authorized to take all actions necessary or appropriate to give effect to this Dismissal Order.

18. To the extent applicable, the 14-day stay to effectiveness of this Dismissal Order provided by Bankruptcy Rule 6004(h) is waived and this Dismissal Order shall be effective immediately upon its entry.

19. Notwithstanding the dismissal of the Cases, this Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation, interpretation, or enforcement of this or any other Order of this Court entered in the Debtors' chapter 11 cases.

20. Effective upon entry of this Order, and other than service of this Order, Kurtzman Carson Consultants LLC ("KCC"), the claims, noticing, and balloting agent, shall have no further obligations to the Court or the Debtors or any party in interest with respect to these

Chapter 11 Cases. Within thirty (30) days after entry of this Order, KCC shall: (i) forward to the Clerk of the Court an electronic version of all imaged claims; and (ii) box and transport all original claims to the Atlanta Federal Records Center, 4712 Southpark Blvd., Ellenwood, GA 30294. The Debtors shall pay KCC all amounts owed for services provided during the Chapter 11 Cases within 30 days of the entry of this Order.

[END OF DOCUMENT]

Prepared and presented by:

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CERTIFICATE OF SERVICE

This is to certify that on this date a true and correct copy of the within and foregoing **Motion for Order Dismissing Chapter 11 Cases** was served via United States Mail with adequate postage affixed thereon and addressed to the persons indicated below:

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Office of the United States Trustee
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75 Ted Turner Drive, SW
Atlanta, GA 30303

Charles W. Azano
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Suite 2000
Boston, MA 02110

This 17th day of October, 2025.

SCROGGINS, WILLIAMSON & RAY, P.C.

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