

The court incorporates by reference in this paragraph and adopts as the findings and orders of this court the document set forth below. This document has been entered electronically in the record of the United States Bankruptcy Court for the Northern District of Ohio.



Dated: April 17 2025

A blue ink signature of Mary Ann Whipple, written in a cursive style.

Mary Ann Whipple
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
WESTERN DIVISION**

In re:	:	Case No. 25-30191
The Bellevue Hospital	:	Chapter 11
	:	
Debtor.	:	Judge Mary Ann Whipple

**ORDER CONFIRMING FIRST AMENDED CHAPTER 11 PLAN OF
REORGANIZATION OF THE BELLEVUE HOSPITAL, AS MODIFIED
(Related to Doc Nos. 232)**

This matter is before the Court on the *First Amended Chapter 11 Plan of Reorganization of the Bellevue Hospital* (Doc. 227), as modified by the *Modification to First Amended Plan of Reorganization of the Bellevue Hospital* (Doc. 232) (together, the “Plan”) filed by The Bellevue Hospital, debtor and debtor in possession (the “Debtor”).¹ The Plan, as modified, reflects negotiations and agreements with key stakeholders, as evidenced by the absence of objections and the Senior Secured Creditor’s prepetition acceptance.

¹ Capitalized terms not defined herein are to be given the meaning provided in the Plan.

On March 7, 2025, the Court entered the *Order Setting and Notice of Deadline for Objecting to Confirmation and Confirmation Hearing Date* (the “Confirmation Scheduling Order”) (Doc. 182), setting forth the requirements for service of notice and setting April 16, 2025, for the hearing regarding confirmation of the Plan (the “Confirmation Hearing”). Notice of the Confirmation Hearing was provided in accordance with the Confirmation Scheduling Order and applicable Bankruptcy Rules. No objection to the Plan was filed by the April 11, 2025, deadline. On April 15, 2025, the Debtor filed a brief in support of confirmation of the Plan (Doc. 240), along with three declarations also supporting confirmation of the Plan.² At the Confirmation Hearing, the Debtor appeared and presented evidence in support of confirmation.

The matters presented by the Debtor at the Confirmation Hearing and in its brief in support of confirmation, and the Court’s independent review of the Plan demonstrate that the Plan meets all of the confirmation requirements. The Court makes the following findings of fact and conclusions of law and enters this Order confirming the Plan (the “Confirmation Order”).

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Jurisdiction; Venue; Core Proceeding. This Court has jurisdiction over this Case pursuant to 28 U.S.C. §§ 157 and 1334 and the general order of reference entered in this district. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L) that this Court may hear and determine.

B. Judicial Notice. This Court takes judicial notice of the docket of this Case maintained by the Clerk of the Court, including, without limitation, all pleadings and other filed

² Those declarations are made by Darrell Lentz, the Debtor’s chief financial officer (Doc. 238), J. Jordan Shields, a partner with Juniper Advisory, LLC, the Debtor’s financial advisor and investment banker in this Case (Doc. 236), and Kevin Riley, the chief financial officer of Firelands Regional Health System (Doc. 237).

documents, all orders entered by the Court, and evidence and argument made, proffered, or adduced at the hearings held before this Court during the pendency of this Case.

C. Classes Deemed to have Accepted or Rejected the Plan. Pursuant to the *Order Granting Motion for Entry of an Order (A) Approving Proposed Confirmation Procedures, and (B) Granting Related Relief* (the “Confirmation Procedures Order”) (Doc. 128) (the “Confirmation Procedures Order”) entered on February 21, 2025, all Classes have either been deemed to accept the Plan, accept the Plan on a prepetition basis, or reject the Plan, negating the need to solicit votes on the Plan from any Class or for the Debtor to file a ballot certification under Local Rule 3018-2. Specifically, the Classes of Claims represented by Classes 1 (certain Allowed Claims having Priority under the Code), 2.1 (the Allowed Secured Claim of the Huron County Treasurer), 2.2 (the Allowed Secured Claim of the Sandusky County Treasurer), 2.4 (the Allowed Secured Claim of the First National Bank of Bellevue), 2.5 (the Allowed Secured Claim of Firelands), and 2.6 (Other Secured Claims) are unimpaired under the Plan and are therefore deemed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f). The Senior Secured Creditor is deemed to have accepted the Plan on a prepetition basis, resulting in Class 2.3, an impaired class of Claims, accepting the Plan. Class 3, the Allowed Claims of general unsecured creditors, is deemed to reject the Plan as directed by the Confirmation Procedures Order. And finally, because the Petition Date Members will not receive or retain anything under the Plan on account of their respective Membership Interests, Class 4 is deemed to reject the Plan pursuant to 11 U.S.C. § 1126(g).

D. The Plan’s Compliance with the Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Code, thereby satisfying 11 U.S.C. § 1129(a)(1).

1. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). The Claims and Membership Interests placed in each Class are substantially similar to other Claims and

Membership Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Claims and Membership Interests created under the Plan, and such classification does not unfairly discriminate among holders of Claims and Membership Interests. Thus, the Plan satisfies 11 U.S.C. §§ 1122 and 1123(a)(1).

2. Specify Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Article III of the Plan specifies that Classes 1, 2.1, 2.2, 2.4, 2.5, and 2.6 are unimpaired under the Plan, thereby satisfying 11 U.S.C. § 1123(a)(2).

3. Specify Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article IV of the Plan specifies that Classes 2.3, 3, and 4 are impaired and describes the treatment of Claims and Membership Interests in those Classes, thereby satisfying 11 U.S.C. § 1123(a)(3).

4. No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtor for each Claim or Membership Interest in each respective Class unless the holder of a particular Claim or Membership Interest has agreed to less favorable treatment of such Claim or Membership Interest, thereby satisfying 11 U.S.C. § 1123(a)(4).

5. Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for its implementation, thereby satisfying 11 U.S.C. § 1123(a)(5).

6. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The requirement under 11 U.S.C. § 1123(a)(6) of the Code—that certain provisions in a reorganizing debtor’s corporate charter be included—is inapplicable to this Case.

7. Selection of Officers and Directors (11 U.S.C. § 1123(a)(7)). The Debtor has satisfied 11 U.S.C. § 1123(a)(7) of the Code regarding the selection of any officers, directors, or trustees under the Plan.

8. Additional Plan Provisions (11 U.S.C. § 1123(b)). The Plan's additional provisions are appropriate and consistent with the applicable provisions of the Code.

E. The Debtor's Compliance with the Code (11 U.S.C. § 1129(a)(2)). The Debtor, as the Plan's proponent, has complied with the applicable provisions of the Code, thereby satisfying 11 U.S.C. § 1129(a)(2).

F. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Plan satisfies 11 U.S.C. § 1129(a)(3). Consistent with the overriding purpose of chapter 11 of the Code, the Plan is designed to reorganize the Debtor's liabilities and operations in accordance with the Code. The Debtor proposed the Plan in good faith and not by any means forbidden by law.

G. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). The Plan satisfies 11 U.S.C. § 1129(a)(4). Any payment made or promised by the Debtor for services or for costs and expenses in, or in connection with, this Case, or in connection with the Plan and incident to this Case, has been, or will be before payment, disclosed to this Court. Any request for payment for services rendered before the Effective Date is subject to the approval of this Court as reasonable.

H. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Plan satisfies 11 U.S.C. § 1129(a)(5).

I. No Rate Changes (11 U.S.C. § 1129(a)(6)). There is no regulatory commission having jurisdiction after confirmation of the Plan over the rates of the Debtor and no rate change

provided for in the Plan requiring approval of any such commission. Therefore, 11 U.S.C. § 1129(a)(6) of the Code is not applicable.

J. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies 11 U.S.C. § 1129(a)(7). The liquidation analysis presented by the Debtor (i) is persuasive and credible, (ii) has not been controverted by any evidence, and (iii) establishes that each holder of an impaired Claim or Membership Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Membership Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtor was liquidated under chapter 7 of the Code on such date.

K. Treatment of Administrative, Priority, and Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of administrative expense Claims and priority Claims pursuant to the Plan satisfies 11 U.S.C. § 1129(a)(9).

L. Acceptance by Impaired Class of Claims (11 U.S.C. § 1129(a)(10)). Class 2.3 is an impaired class of Claims and accepted the Plan on a prepetition basis. Further, to the Debtor's knowledge, Class 2.3 does not contain insiders whose votes have been counted. Therefore, the requirement of 11 U.S.C. § 1129(a)(10) that at least one impaired class of Claims against the Debtor under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider, has been satisfied.

M. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan is feasible. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor except to the extent that such liquidation or reorganization is provided for under the Plan. The Plan therefore complies with section 11 U.S.C. § 1129(a)(11).

N. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees payable under 28 U.S.C. § 1930 on or before the Effective Date, as determined by this Court, have been paid or will be paid on the Effective Date pursuant to Article VI of the Plan, thus satisfying the requirements of 11 U.S.C. § 1129(a)(12).

O. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). 11 U.S.C. § 1129(a)(13) is inapplicable to this Case.

P. Transfers Must Comply with Applicable Law (11 U.S.C. § 1129(a)(16)). The Debtor has demonstrated that the Plan requires compliance with applicable nonbankruptcy law for any transfer under the Plan, and that Firelands is ensuring that the requirements under, for instance, Ohio Revised Code §§ 109.34 and 1702, *et seq.*, are being complied with. As a result, the requirement of 11 U.S.C. § 1129(a)(16) is met.

Q. The Plan does Not Discriminate Unfairly and is Fair and Equitable (11 U.S.C. § 1129(b)). 11 U.S.C. § 1129(a)(8) is not met with respect to the Plan because certain impaired Classes have been deemed to reject the Plan. However, the Debtor has demonstrated that the Plan does not discriminate unfairly with respect to any rejecting impaired Class, and that the Plan is fair and equitable to all rejecting impaired Classes. Specifically, with respect to the unsecured Allowed Claims in Class 3, no holder of any Claim or Membership Interest that is junior to such Claims will receive or retain under the Plan on account of such junior Claim or Membership Interest any property pursuant to 11 U.S.C. § 1129(b)(2)(B)(ii). Finally, with respect to the Membership Interests that comprise Class 4, no holder of any Membership Interest that is junior to the Membership Interests of such Class will receive or retain under the Plan on account of such junior Membership Interest any property, satisfying 11 U.S.C. § 1129(b)(2)(C)(ii). The Plan therefore satisfies the requirements of 11 U.S.C. § 1129(b).

R. Only One Plan is Before this Court (11 U.S.C. § 1129(c)). In accordance with 11 U.S.C. § 1129(c) of the Code, the Plan is the only chapter 11 plan being confirmed. No other chapter 11 plans have been filed in this Case.

S. Principal Purpose (11 U.S.C. § 1129(d)). The principal purpose of the Plan is neither the avoidance of taxes nor the avoidance of Section 5 of the Securities Act of 1933, and no Governmental Unit has objected to the confirmation of the Plan on any such grounds. The Plan therefore satisfies the requirements of (d).

T. Burden of Proof. The Debtor, as proponent of the Plan, has met its burden of proving the elements of 11 U.S.C. § 1129 by a preponderance of the evidence.

U. Good Faith Pre-Petition Solicitation. Based on the record before the Court in the Case, the Debtor and its directors or trustees, officers, employees, members, agents, advisors, and professionals have acted in “good faith” within the meaning of 11 U.S.C. § 1125(g), with legitimate and honest purposes and in compliance with the applicable provisions of the Code and the Bankruptcy Rules in connection with all their respective activities relating to the pre-petition solicitation of acceptances to the Plan, and are entitled to the protections afforded by 11 U.S.C. § 1125(g) and the exculpation provision set forth in Article VIII, paragraph 6. of the Plan.

V. Release and Exculpation. The failure to effect the release and exculpation provision set forth in Article VIII, paragraph 6. of the Plan would seriously impair the Debtor’s ability to confirm the Plan. Accordingly, the comprises and settlements embodied in the Plan are approved.

W. Assumption and Rejection. Article IX of the Plan governing the assumption and rejection of executory contracts and unexpired leases satisfies the requirements of 11 U.S.C. § 365(b). All cure payments required under 11 U.S.C. § 365(b)(1) for assumed contracts and leases

shall be made as provided in Article IX of the Plan. Any disputes regarding cure amounts shall be resolved as provided in Article IX of the Plan or by further Court order.

X. Confirmation of Successful Proposal and Reserve Proposal. Based on the record before the Court, the Debtor's determination and selection of Firelands Regional Health System as the Successful Party and proponent of the Successful Proposal as the highest and best offer for the issuance of 100% of the Membership Interests, was a sound exercise of the Debtor's business judgment and is in the best interests of the Debtor's estate, and should be confirmed. The Court further finds that the Debtor's determination and selection of Fisher Titus Health as the Reserve Party and the proponent of the Reserve Proposal was a sound exercise of the Debtor's business judgment and is in the best interests of the Debtor's estate, and should be confirmed. Based on the foregoing findings of fact and conclusions of law, it is **ORDERED** as follows:

1. **Confirmation of Plan.** The Plan is approved and confirmed under 11 U.S.C. § 1129.

2. **Incorporation of Terms and Provisions of Plan.** The terms and provisions of the Plan are incorporated by reference into and are an integral part of this Confirmation Order. Each term and provision of the Plan is valid, binding, and enforceable as though fully set forth herein. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth in this Confirmation Order, are non-severable and mutually dependent. The failure specifically to include or reference any particular term or provision of the Plan in this Confirmation Order does not diminish or impair the effectiveness of that term and provision, it being the intent of this Court that the Plan be confirmed in its entirety. In the event of a contradiction or inconsistency with the terms of this Confirmation Order and the Plan, the terms of this Confirmation Order control.

3. **Binding Effect.** As of the Effective Date, and except as expressly provided in this Confirmation Order, the Plan and its provisions shall be binding upon the Debtor, any entity acquiring or receiving property or a distribution under the Plan, and any holder of any Claims against or Membership Interest in the Debtor, including all Governmental Units, whether or not the Claim or Membership Interest of such holder is impaired under the Plan and whether or not such holder or entity has accepted the Plan.

4. **Effectuating Documents.** The Debtor, or such other person(s) as the Debtor may approve, are authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan. The Debtor or such other person(s) designated by the Debtor are authorized to certify or attest to any of the foregoing actions.

5. **Governmental Approvals Not Required.** This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any Governmental Unit with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto.

6. **Applicable Non-Bankruptcy Law.** Pursuant to 11 U.S.C. §§ 1123(a) and 1142(a), the provisions of this Confirmation Order, the Plan or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

7. **Retention of Retained Actions and Reservation of Rights.**

a. *Retention of Retained Actions.* Except as specifically provided in the Plan or this Confirmation Order, nothing contained in the Plan or this Confirmation Order shall

be deemed to be a waiver or the relinquishment of any rights, claims, or causes of action not specifically released pursuant to the Plan that the reorganized Debtor may choose to assert on behalf of the Debtor or its estate in accordance with any provision of the Code or any applicable non-bankruptcy law, including, without limitation, all Retained Actions.

b. *Survival of Retained Actions.* All Retained Actions shall survive confirmation and the commencement or prosecution of any Retained Action shall not be barred or limited by any estoppel, whether judicial, equitable, or otherwise. The reorganized Debtor's right to commence and prosecute any Retained Action shall not be abridged or materially altered in any manner by reason of confirmation of the Plan. No defendant party to any Retained Action shall be entitled to assert any defense based, in whole or in part, upon confirmation of the Plan, and confirmation of the Plan shall not have any *res judicata* or collateral estoppel effect upon the commencement and prosecution of any Retained Action.

c. *Preservation of Insurance.* Nothing in the Plan shall diminish or impair the enforceability of any policies of insurance that may cover claims against the Debtor or any other entity.

8. **Retention of Jurisdiction.** Notwithstanding the entry of this Confirmation Order and the occurrence of the Effective Date or any provision in the Plan to the contrary, this Court shall retain and have exclusive jurisdiction as and after the Effective Date over any matter arising in or related to this Case or the Plan to the greatest extent permitted by applicable law.

9. **Reversal.** If any or all of the provisions of this Confirmation Order are hereafter reversed, modified, or vacated by subsequent order of this Court or any other court, such reversal, modification, or vacatur shall not affect the validity of the acts or obligations incurred or

undertaken under or in connection with the Plan prior to receipt of written notice of any such order by the Debtor. Notwithstanding any such reversal, modification, or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the Effective Date of such reversal, modification, or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

10. **Immediate Effectiveness; Successors and Assigns.** The stay contemplated by Bankruptcy Rule 3020(e) shall not apply to this Confirmation Order. The provisions of the Plan will bind all creditors and all holders of Claims and Membership Interests. The rights, duties, and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors, heirs, and assigns of such entities.

11. **Payment of United States Trustee Fees.** All fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code, together with the statutory rate of interest set forth in section 3717 of Title 31 of the U.S. Code to the extent applicable (“Quarterly Fees”) prior to the Effective Date, shall be paid by the Debtor on the Effective Date. After the Effective Date, the Debtor shall pay any and all Quarterly Fees when due and payable. The Debtor shall file all monthly operating reports due prior to the Effective Date when they become due, using UST Form 11-MOR. After the Effective Date, the Debtor shall file with the Bankruptcy Court UST Form 11-PCR reports when they become due. The Debtor shall remain obligated to pay Quarterly Fees to the Office of the U.S. Trustee until the earliest of the Debtor's case being closed, dismissed or converted to a case under Chapter 7 of the Bankruptcy Code. The U.S. Trustee shall not be required to file any Administrative Claim in the case, and shall not be treated as providing any release under the Plan.

12. **Patient Care Ombudsman.** The services of the patient care ombudsman (the “Ombudsman”), who was appointed by the U.S. Trustee pursuant to the Notice of Appointment of Patient Care Ombudsman (Doc. 200) and in accordance with the Agreed Order Resolving Debtor’s Motion for an Order Finding the Appointment of a Patient Care Ombudsman Unnecessary (Doc. 199), shall terminate upon the Effective Date. Further, the Ombudsman will, within thirty (30) days following the Effective Date, file her final report, and shall also submit her application for compensation and reimbursement of expenses by the Administrative Expense Claim Deadline.

13. **Final Order.** This Confirmation Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof.

###

Northern District Of Ohio
United States Bankruptcy Court
405 Madison Ave Room 604
Toledo, OH 43604
Case No. 25-30191-maw

In re:

The Bellevue Hospital
1400 West Main Street
Bellevue, OH 44811-9088

Social Security No.:

Employer's Tax I.D. No.:

34-4428205

NOTICE OF CONFIRMATION OF PLAN

To the Creditors and Parties in Interest:

On April 17, 2025 , this Court entered an Order confirming the Debtor's Plan of Reorganization. Be advised that the confirmed plan and order confirming plan are on file with:

United States Bankruptcy Court
405 Madison Ave Room 604
Toledo, OH 43604

Dated: April 17, 2025
Form ohnb242

For the Court
Josiah C. Sell, Clerk