

1 Michael Gerard Fletcher (State Bar No. 070849)
mfletcher@frandzel.com
2 Holly Roark (State Bar No. 234638)
hroark@frandzel.com
3 FRANDZEL ROBINS BLOOM & CSATO, L.C.
6500 Wilshire Boulevard
4 Seventeenth Floor
Los Angeles, California 90048-4920
5 Telephone: (323) 852-1000
Facsimile: (323) 651-2577
6

Eric S. Prezant (Illinois State Bar No. 6239611)
eprezant@vedderprice.com
7 Leslie A. Bayles (Illinois State Bar No. 6271855)
lbayles@vedderprice.com
8 VEDDER PRICE KAUFMAN & KAMMHOLZ, P.C.
9 222 North LaSalle Street
Suite 2600
10 Chicago, Illinois 60601-1003
Telephone: (312) 609-7500
11 Facsimile: (312) 609-5005
(*Pro Hac Vice* Applications submitted)
12
13 Attorneys for Bridge Healthcare Finance, LLC
and Bridge Opportunity Finance, LLC

14 **UNITED STATES BANKRUPTCY COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**
16 **LOS ANGELES DIVISION**

17 In re
18 PLEASANT CARE CORPORATION, et al.,
19 Debtors.

CASE NO. LA 07-12312-EC

Chapter 11

Jointly Administered with Case Nos.:
Case No. LA 07-12322-EC
Case No. LA 07-12319-EC
Case No. LA 07-12326-EC
Case No. LA 07-12316-EC

- 20 Affects All Debtors
21 Affects SNF Properties Incorporated Only
22 Affects PCC Health Services, Inc. Only
23 Affects Atlas Care Enterprises, Inc. Only
24 Affects Ember Care Corporation Only
25 Affects Pleasant Care Corporation Only
26

**STATEMENT IN SUPPORT OF
OPPOSITION TO MOTION OF THE
UNITED STATES TRUSTEE FOR THE
APPOINTMENT OF A CHAPTER 11
TRUSTEE**

DATE: May 2, 2007
TIME: 1:30 p.m.
DEPT.: Courtroom 1639

1 Bridge Healthcare Finance, LLC and Bridge Opportunity Finance, LLC (collectively,
2 “Bridge”), by their undersigned counsel hereby join the Debtors and the Committee in opposition
3 to the Motion of the United States Trustee for the Appointment of a Chapter 11 Trustee (the
4 “OUST Chapter 11 Trustee Motion”).

5 1. On March 22, 2007 (the “Petition Date”), Pleasant Care Corporation, SNF
6 Properties Inc., PCC Health Services, Inc., Atlas Care Enterprises, Inc. (“Atlas”), and Ember Care
7 Corporation (collectively, the “Debtors”) each filed their voluntary petitions for relief under
8 Chapter 11 of the Bankruptcy Code 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”). Pursuant
9 to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors continue to operate their
10 businesses as debtors in possession.

11 2. On March 29, 2007 the United States Trustee appointed the Committee of Creditors
12 Holding Unsecured Claims (the “Committee”).

13 3. One major condition for Bridge's continued post-petition funding of the operations
14 of the Debtors, through cash collateral consents and true post-petition debtor-in-possession
15 financing, was for the Debtors to hire a Chief Operating Officer (“COO”) and a Chief Clinical
16 Officer (“CCO”) who were acceptable to Bridge, the Debtors, the Committee, and Omnicare. The
17 new COO and CCO are not to be terminated by the Debtors’ current management or board of
18 directors, but only by court order. Consistent with this requirement, on April 10, 2007, the
19 Debtors’ hired Joseph C. Tutera as President and Chief Operating Officer, Carol Van Horst as
20 Chief Clinical Officer, and LTC Services, LLC for support on an as needed basis, and authorized
21 for them what appear to be sufficient powers and safeguards to truly vest operational control of the
22 Debtors in the new COO and CCO.

23 4. Bridge strongly supports the replacement of the Debtors’ former management by
24 Tutera and Van Horst and the improvements in business management and patient care that these
25 individuals have already implemented. In light of what appears to Bridge to be dramatic
26 improvements in resident care and the Debtors’ financial circumstances achieved by the Debtors’
27 new management in such a short time period, coupled with the strong support for this new
28 management team by the Debtors and the Committee, the appointment of a Chapter 11 Trustee at

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this stage is not only unnecessary, but would likely have a negative impact on patient care, employee relations and the Debtors' financial circumstances. Accordingly, Bridge joins the Committee and the Debtors in their opposition to the OUST Chapter 11 Trustee Motion. The retention of the new COO and CCO have, at least for now, satisfied Bridge's original management concerns.

WHEREFORE, for the all the reasons set forth above, Bridge respectfully requests that the Court deny the motion of the United States Trustee for appointment of a Chapter 11 Trustee and grant such relief as this Court deems just and equitable under the circumstances.

DATED: April 20, 2007

VEDDER PRICE KAUFMAN & KAMMHOLZ, P.C.

FRANDZEL ROBINS BLOOM & CSATO, L.C.
MICHAEL GERARD FLETCHER
HOLLY ROARK

By: /s/ Holly Roark
HOLLY ROARK
Attorneys for Bridge Healthcare Finance, LLC
and Bridge Opportunity Finance, LLC