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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: §
§ Case No. 18-33836
NEIGHBORS LEGACY HOLDINGS, §
INC., *et al.*,¹ § Chapter 11
§
Debtors. § Jointly Administered

OBJECTION TO DEBTORS' PROPOSED CURE
AMOUNTS
[Related to Docket No. 236 and 255]

BBVA Compass Financial Corporation (“*BBVA*”) files its objection to the proposed cure amounts for its contracts with Neighbors Legacy Holdings f/k/a Neighbors Health System, Inc. set forth in the *Debtors’ Amended Notice of Executory Contracts and Unexpired Leases Subject to Possible Assumption and Assignment and Proposed Cure Amounts* [Docket No. 255]. In support of its objection, BBVA respectfully states as follows:

1. On August 15, 2018, the Debtors filed their *Notice of Executory Contracts and Unexpired Leases Subject to Possible Assumption and Assignment and Proposed Cure Amounts* (“*Cure Notice*”) [Docket No. 236] setting forth the executory contracts and unexpired

¹ Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/neighbors.



leases that are subject to potential assumption and/or assignment to the successful bidder(s) to be identified at the conclusion of the auction of the Debtors' assets. The Cure Notice also included the amounts the Debtors believe to be sufficient to cure any defaults under each potentially assumed executory contract.

2. On August 17, 2018, the Debtors filed an *Amended Notice of Executory Contracts and Unexpired Leases Subject to Possible Assumption and Assignment and Proposed Cure Amounts* ("*Amended Cure Notice*") [Docket No. 255].

3. The following BBVA contracts were listed among the executory contracts and unexpired leases that may be included as part of the sale of the Debtors' assets:

Contract	NEC Entity	Description	Debtors' Proposed Cure Amount
#00529-0004	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Refurbished 2012 GE CT Scanner and 2012 Mindray Ultrasound System	\$5,858.25
#00619-0012	Neighbors Global Holdings, LLC	Proteus XR Radiographic & Optima	\$9,922.36
#00529-0008	Neighbors Legacy Holdings, Inc fka Neighbors Health System, Inc	Refurbished 16 Slice GE Lightspeed, Accessories to Scanner	\$3,104.63
#00529-0005	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	2004 GE LightSpeed Plus 16 Slice, 2013 DelWork UArm Digital Radiography, 2013 Mindray M7 Portable Ultrasound	\$9,021.48
#00529-0006	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	2005 GE LightSpeed Plus 16 Slice, 2013 DelWork UArm Digital Radiography, 2013 Mindray M7 Portable Ultrasound	\$0
#00619-0001	Neighbors Global Holdings, LLC	System Multix Fusion wi-D YMAT, Somatom Scope, Acuson P300 Ultrasound System	\$15,895.83

#00529-0003	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Del Medical Digital U-arm, Mindray DPM CS, Mindray M7 Dicom, Central Station Network of Hardwi, GS LS 16 Used	\$14,562.59
#00529-0007	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	M7, 15" iClear, SSP, Used CT Lightspeed Scanner, (2) GS Proteus XRA 65 KW, GS LS 16 used Tube, V10-4s Ultrasonic Transducer, DPM CS, 32 chan, 72 hr dis	\$2,882.80
#0619-0002	Neighbors Global Holdings, LLC	System Multix Fusion wi-D YMAT, Somatom Scope, Acuson P300 Ultrasound System	\$2,655.63
#00619-0005	Neighbors Global Holdings, LLC	Optima CT520, 25 KAIC X-Ray, M7 Ultrasound System	\$2,398.70
#00619-0017	Neighbors Global Holdings, LLC	System Multix Fusion wi-D YMAT, Somatom Scope, Acuson NX3 Ultrasound System	\$2,698.89
#00619-0003	Neighbors Global Holdings, LLC	System Multix Fusion wi-D YMAT, Somatom Scope, P300 Ultrasound System Tube	\$2,655.63
#00529-0002	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Refurbished 16 Slice GE LightSpeed, Del Medical U-arm, Medical Equipment	\$3,157.08
#00529-0009	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Refurbished 16 Slice GE Lightspeed, Accessories to Scanner	\$3,164.76
#00619-0009	Neighbors Global Holdings, LLC	System Multix Fusion wi-D YMAT, Somatom Scope, P300 Ultrasound System	\$2,657.62

4. The cure amounts set forth in the Debtors' Amended Cure Notice are incorrect with respect to the BBVA contracts. BBVA's records reflect that the cost to cure the payment defaults for late and missed lease payments of rent and personal property taxes equals not less than \$145,729.06, as set forth in detail on Exhibit A hereto. In addition, Debtors are

obligated to pay late fees owed under the leases in an amount not less than \$63,137.54, as set forth in more detail on Exhibit B.

5. BBVA does not object to the assumption of the lease agreements provided that all defaults under the leases are fully cured as required by Section 365 of the Bankruptcy Code, and any successful bidder provides adequate assurance of future performance.

6. BBVA continues to investigate this issue and reserves the right to supplement or amend this objection as further information becomes available.

WHEREFORE, BBVA respectfully requests that this Court approve the Debtors' request to assume the lease agreements only with the corrected cure amounts paid and grant it such other relief as is just and proper.

DATED: August 23, 2018

Respectfully submitted,

MCGLINCHEY STAFFORD, PLLC

By: /s/ Stephanie Laird Tolson

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Objection was served electronically upon each of the parties listed on the Court's ECF Service List for this case on August 23, 2018.

/s/ Stephanie Laird Tolson

STEPHANIE LAIRD TOLSON

EXHIBIT A

(Rent and Tax Payments)

See attached.

EXHIBIT A

(Late Fees)

Agreement #	Late Fees
00529-0004	2,859.39
00619-0014	1,574.54
00619-0012	2,917.10
00529-0008	4,374.70
00529-0005	3,845.70
00529-0006	2,935.28
00619-0001	3,742.00
00529-0003	4,372.30
00529-0007	4,062.10
00619-0002	3,742.00
00619-0005	3,380.00
00619-0017	3,803.00
00619-0003	4,150.67
00529-0002	4,448.60
00529-0009	4,459.40
00619-0009	4,284.96
Total	58,951.74

EXHIBIT B

Neighbors Health

Reconciliation of Amounts Due BBVA as of 8.21.2018 (DOES NOT INCLUDE LATE CHARGES ASSESSED)

Facility	Vendor ID	Vendor Name	Document Date	Posted Date	Document Number	Contract #	PRE	POST	Document Amount
Included in Accounts Payable									
4001	BBVA COMPASS -	BBVA Compass Financial Corporation	6/5/2018	6/13/2018	23638-PROP TAX 2017	00619-01012	7,852.14		7,852.14
4001	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/18/2018	23417/PRE	00619-01012	2,070.22		2,070.22
4003	BBVA COMPASS -	BBVA Compass Financial Corporation	6/5/2018	6/13/2018	23621-PROP TAX 2017	00529-0004	1,776.46		1,776.46
4003	BBVA COMPASS -	BBVA Compass Financial Corporation	6/5/2018	6/13/2018	23639-2017 PROP TAX	00619-0014	811.28		811.28
4003	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/18/2018	23419/PRE	00619-0014	1,015.81		1,015.81
4003	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/18/2018	23434/PRE	00529-0004	2,254.70		2,254.70
4003	BBVA COMPASS -	BBVA Compass Financial Corporation	8/14/2018	8/8/2018	23911/POST	00529-0004		6,354.15	6,354.15
4004	BBVA COMPASS -	BBVA Compass Financial Corporation	6/5/2018	6/13/2018	23622-PROP TAX 2017	00529-0005	9,021.48		9,021.48
4004	BBVA COMPASS -	BBVA Compass Financial Corporation	8/14/2018	8/8/2018	23912/POST	00529-0005		7,691.37	7,691.37
4005	BBVA COMPASS -	BBVA Compass Financial Corporation	8/14/2018	8/8/2018	23913/POST	00529-0006		7,338.25	7,338.25
4007	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	8/2/2018	23387/PRE/REV.	00529-0007	5,765.60		5,765.60
4008	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/18/2018	23385/PRE	00529-0002	3,157.08		3,157.08
4009	BBVA COMPASS -	BBVA Compass Financial Corporation	6/5/2018	6/13/2018	23620-PROP.TAX 2017	00529-0003	11,459.70		11,459.70
4009	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/18/2018	23386/PRE	00529-0003	3,102.89		3,102.89
4010	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/26/2018	23388 PRE	00529-0008	3,104.63		3,104.63
4011	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/19/2018	23389 PRE	00529-0009	3,164.76		3,164.76
4019	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/26/2018	23412 PRE	00619-0005	2,398.70		2,398.70
4021	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/19/2018	23409 PRE	00619-0001	2,655.63		2,655.63
4021	BBVA COMPASS -	BBVA Compass Financial Corporation	6/5/2018	6/27/2018	23635*	00619-0001	13,240.20		13,240.20
4022	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/26/2018	23410/PRE	00619-0002	2,655.63		2,655.63
4023	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/19/2018	23411 PRE	00619-0003	2,655.63		2,655.63
4026	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/19/2018	23414 PRE	00619-0009	2,657.62		2,657.62
4031	BBVA COMPASS -	BBVA Compass Financial Corporation	7/1/2018	7/19/2018	23422/PRE	00619-0017	2,698.89		2,698.89
Total In AP							83,519.05	21,383.77	104,902.82
Received 8.21.2018, to be included in Accounts Payable									
4022	00619-0002	Lease Payment	08/02/18					7,484.04	7,484.04
4019	00619-0005	Lease Payment	08/02/18					6,759.96	6,759.96
4031	00619-0017	Lease Payment	08/02/18					7,605.96	7,605.96
4023	00619-0003	PROPERTY TAX	02/15/18				8,173.16		8,173.16
4026	00619-0009	PROPERTY TAX	02/15/18				10,803.12		10,803.12
Total Rec'd 8/21							18,976.28	21,849.96	40,826.24
Total all Invoices							102,495.33	43,233.73	145,729.06