

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

<b>IN RE:</b>	)	<b>CHAPTER 11</b>
	)	
<b>REGIONAL HOUSING &amp; COMMUNITY SERVICES CORP., et al.,</b>	)	<b>Jointly Administered Under</b>
	)	<b>CASE NO. 21- 41034</b>
	)	
<b>Debtors.</b>	)	

**APPLICATION FOR APPROVAL TO RETAIN  
GGG PARTNERS LLC TO PROVIDE INTERIM MANAGEMENT SERVICES**

COME NOW the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”)<sup>1</sup> by and through their undersigned counsel, hereby file this Application for Authority to Retain GGG Partners, LLC to Provide Interim Management Services (the “**Application**”). In support of the Application, the Debtors respectfully represent as follows:

**Jurisdiction and Venue**

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of this proceeding is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief requested herein are Sections 105 and 363 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”).

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<sup>1</sup> 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.



### **Background**

3. 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**”). The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

4. Additional information regarding the Debtors’ business, corporate and debt structure, and the circumstances leading to the filing of these Chapter 11 cases is contained in the *Declaration of Katie S. Goodman in Support of First Day Motions and Applications* (the “**Goodman Declaration**”) filed on August 27, 2021 [Dkt. No. 17] and incorporated herein by reference.

### **Relief Requested**

5. By this Application, the Debtors respectfully request entry of an order, pursuant to Sections 105 and 363 of the Bankruptcy Code, authorizing the Debtors to continue the retention of GGG Partners, LLC (“**GGG**”) to provide Katie S. Goodman as its designated Chief Restructuring Officer and, if necessary, other temporary employees, to supply interim management services to the Debtors in these Chapter 11, pursuant to the terms set forth in the engagement letter (the “**Engagement Letter**”), attached hereto as Exhibit A.

### **Basis for Relief**

6. Prior to the Petition Date, in recognition of its need for sound restructuring advice and crisis management services, the Debtors, among other things, sought to retain a firm and a Chief Restructuring Officer (“**CRO**”) with substantial experience in the reorganization and restructuring of companies in financial distress. GGG is an experienced financial advisory and

turnaround consultant firm and it and its principals have represented debtors and trustees in numerous bankruptcy cases.

7. As a result of GGG's and Ms. Goodman's expertise and successful history of providing restructuring management and advisory services to other companies in financially complex, troubled situations similar to the Debtors' situation, the Debtors selected GGG to provide services to it pursuant to the terms of the Engagement Letter. GGG currently supplies Ms. Goodman to serve in the Board-appointed role of Chief Restructuring Officer for the Debtors, and it is expected that Ms. Goodman will continue in such role post-petition, subject to the approval of this Application by the Court. Ms. Goodman is needed to direct the affairs of the Debtors through the pendency of these Chapter 11 cases.

8. Ms. Goodman has been retained upon the express approval of the Boards of Directors whose members are completely independent of GGG and are performing their duties and obligations as required under applicable law. Ms. Goodman has acted and will act under the direction, control and guidance of the Boards and shall serve at the Boards' pleasure.

9. Ms. Goodman was retained as the Debtors' CRO shortly before their Chapter 11 filings. Information related to her knowledge of the Debtors' businesses and preparations for filing Chapter 11 are set forth in detail in the Goodman Declaration. Ms. Goodman has indicated her willingness to continue in the position of Chief Restructuring Officer and to subject herself to the jurisdiction and supervision of the Court.

10. The Debtors believe that such institutional knowledge will further enable GGG, and Ms. Goodman to perform their duties in the most cost-effective and efficient manner. Accordingly, the Debtors believe it is in their best interests to continue their retention of GGG for the purpose of providing Ms. Goodman as CRO, to aid the Debtors in their restructuring efforts.

11. In addition, GGG is expected to provide certain of its associates to assist Ms. Goodman in her duties. None of these individuals are expected to assume any executive officer positions of any of the Debtors.

12. Ms. Goodman and her associates will bill for their time at their standard hourly rates. Ms. Goodman's standard rate is \$375 per hour. The rates for associates of GGG range from \$300 to \$350 per hour. GGG revises its rates for services periodically, and the Debtors will pay such rates as reasonably adjusted. GGG will provide the Debtors with advance notice prior to any increases in the rates set forth above.

13. GGG will also be reimbursed for reasonable out-of-pocket expenses, such as travel, telephone and facsimile, courier, and copy expenses.

14. The Debtors shall pay GGG the compensation set forth above based upon the submission of invoices by GGG to the Debtors. Ms. Goodman and GGG shall not be employed pursuant to Section 327 of the Bankruptcy Code; accordingly, they will not submit fee applications pursuant to Sections 330 and 331 of the Bankruptcy Code. Instead, GGG shall deliver to the U.S. Trustee, the Debtors, and any committees appointed in these cases, reports of compensation earned and expenses incurred on a monthly basis (each a "**Monthly Report**"). Such reports shall describe the time incurred, the services provided, itemized expenses, and the total amount of fees sought for the applicable monthly period. The Debtors propose that they be authorized to pay fees and expenses set forth in each Monthly Report. Furthermore, notwithstanding anything to the contrary in the Engagement Letter or this Application, the Debtors propose that GGG's compensation shall only be reviewed under a reasonableness standard at the end of this case.

15. Prior to the commencement of these Chapter 11 cases, GGG received a retainer in the amount of \$40,000.00 for its services to be rendered during these cases. Upon the termination

of GGG's engagement, GGG will apply the retainer to its final bill and return the unused portion of this retainer to the Debtors. There are no unpaid balances on account of prepetition services rendered by GGG.

16. Neither GGG nor Ms. Goodman are "professionals" whose retention is subject to approval under Section 327 of the Bankruptcy Code. However, GGG has provided information with respect to its connections with the Debtors and other significant parties in interest, as more specifically described in the Declaration of Katie S. Goodman, the managing member of GGG, in support of this Application, attached hereto as Exhibit B. To the best of the Debtors' knowledge: (a) GGG represents no interests adverse to the Debtors in the matters upon which GGG is to be engaged for Debtors; (b) except as otherwise disclosed in the Declaration submitted herewith, GGG has had no connection with the Debtors, their creditors or any party in interest, or their respective attorneys and accountants; and (c) GGG's retention will be in the best interest of the Debtors and the Debtors' estates.

17. Ms. Goodman (and any other additional GGG staff that provide services to the Debtors) will be entitled to receive whatever indemnities are made available during the term of the engagement to other non-GGG affiliated officers of the Debtors, whether under the Debtors' articles and bylaws, certificates of formation, applicable law or contractual agreements of general applicability to officers of the Debtors.

18. Section 363 of the Bankruptcy Code provides that transactions not in the ordinary course of business must be approved by court order. Courts routinely have held that transactions should be approved under Section 363 of the Bankruptcy Code when they are supported by the sound business judgment of management. See, e.g., In re Lionel Corp., 722 F.2d 1063 (2d Cir. 1983) (outlining requirements for the sale of assets under section 363(b)); In re Continental Air

Lines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986); In re Montgomery Ward Holding Corp., 242 B.R. 147, 153 (Bankr. D. Del. 1999). Relief similar to that requested herein has been granted by this Court in other substantial Chapter 11 cases. See, e.g., In re Centennial Healthcare Corp., Case No. 02-74974 (Bankr. N.D.G.A. Dec. 23, 2002) (Massey, J). Within the past several years, bankruptcy courts – including this Court – have authorized debtors to engage CROs in similar circumstances. See In re Beaulieu Group, LLC, et al., Case No. 17-41677 (Bankr. N.D. Ga. August 14, 2017) (Diehl, J.) In re Astroturf, LLC, Case No. 16-41504 (Bankr. N.D. Ga. July 20, 2016) (Bonapfel, J.); In re Cagle's, Inc., Case No. 11-80202 (Bankr. N.D. Ga. Nov. 28, 2011) (Bihary, J.).

19. For the foregoing reasons, the Debtors believe that granting the relief requested herein is appropriate and in the best interests of its estate.

20. To the extent the fourteen day stay of Rule 6004(h) of the Federal Rules of Bankruptcy Procedure may be construed to apply to the subject matter of this Application, the Debtors request that such stay be waived.

### **Notice**

21. Notice of this Application has been provided to the parties on the Master Service List in this jointly administered case. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

WHEREFORE, the Debtors request that they be authorized to employ GGG to provide interim management services in this jointly administered case.

This 30th day of August, 2021.

Respectfully submitted,

SCROGGINS & WILLIAMSON, P.C.

4401 Northside Parkway  
Suite 450  
Atlanta, GA 30327  
T: (404) 893-3880  
F: (404) 893-3886  
E: rwilliamson@swlawfirm.com  
aray@swlawfirm.com  
mlevin@swlawfirm.com

/s/ Ashley R. Ray

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J. ROBERT WILLIAMSON  
Georgia Bar No. 765214  
ASHLEY REYNOLDS RAY  
Georgia Bar No. 601559  
MATTHEW W. LEVIN  
Georgia Bar No. 448270

*Proposed Counsel for the Debtors*

**Exhibit A**

**Engagement Letter**





## Professional Services Agreement

Regional Housing & Community Services Corp. ("RHCS"), and certain of its affiliates and/or subsidiaries listed in Exhibit A ("Affiliates") (RHCS and Affiliates are collectively the "Client") have engaged the services of GGG Partners, LLC ("GGG") located at 3155 Roswell Road NW Suite 120 Atlanta, GA 30305 to provide consulting, advisory and financing services described on Schedule 1 attached hereto and incorporated herein (the "Services"). This letter agreement sets forth the terms on which GGG will provide the Services to the Client. This Agreement may be amended in writing by mutual agreement of the parties from time to time.

1. The Client shall provide GGG with full access to all records, including information concerning the business, assets, operations and financial condition of the Client as necessary to perform the Services. The Client agrees that GGG is authorized to make appropriate use of all such information in connection with the performance of the Services.
2. Management of the Client shall promptly disclose to GGG any information relating to any misstatement or alleged misstatement of material fact contained in any information provided to GGG concerning the business, assets, operations and financial condition of the Client or any fraud or alleged fraud, whether or not material, that involves management or other personnel that are responsible for the preparation of the Client's financial statements.
3. The relationship of GGG to the Client shall at all times be that of an independent contractor.
4. GGG shall be compensated for the Services based on the attached schedule 1.
5. The Client agree to indemnify and hold harmless GGG and each of its equity holders, managers, directors, officers, employees, GGG, subcontractors and agents (each, "GGG Indemnified Person") from and against any losses, claims, damages, expenses and liabilities or actions in respect thereof (collectively, "Losses"), and to reimburse each GGG Indemnified Person for all such Losses as they may be incurred (including all legal fees and other expenses incurred in connection with investigating, preparing, pursuing, defending, paying, settling or compromising any Losses, whether or not in connection with any pending or threatened litigation in which any GGG Indemnified Person is a named party), arising out of or related to the Services rendered or to be rendered by any GGG Indemnified Person in connection with this engagement, any GGG Indemnified Person's actions or inactions in connection with any such Services, or any violation or alleged violation by the Client or any of its directors, officers, employees or agents of any federal or state laws or any rules or regulations promulgated under such laws; provided that the Client will not be responsible for any Losses of any GGG Indemnified Person to the extent that a court of competent jurisdiction shall have determined by a final judgment that such Losses resulted primarily from actions taken or omitted to be taken by such GGG Indemnified Person due to his bad faith or willful misconduct.
6. The engagement of GGG shall continue at the pleasure of the Client and may be terminated at any time. GGG shall have the option to terminate this engagement at any time upon written notice to the Client. The obligations of the Client under numbered paragraphs 4 and

- 5 of this letter agreement shall survive the completion or termination of this engagement regardless of the manner of such completion or termination and shall be binding upon the Client's successors and assigns.
7. This agreement supersedes any and all prior agreements written or verbal between the Client and the GGG.

Accepted and Agreed August \_\_\_\_, 2021:

GGG Partners, LLC

By:   
Katie S. Goodman  
Managing Partner

Regional Housing & Community Services Corp.

By: \_\_\_\_\_  
Its:

On behalf of RHCS and each of the Affiliates

## SCHEDULE 1

### Services to be provided by GGG to the Client

GGG shall act as the Chief Restructuring Officer of the Client. While the scope of services will be determined by the Board, the role will include:

- (i) Evaluate the Client's operations, cash flows and financial position
- (ii) Work with the Client and management company to prepare information for a potential chapter 11 filing
- (iii) Evaluate and validate cash flows (on a 13-week basis) and determine any cash flow shortfalls
- (iv) Work with Company personnel to ensure that all chapter 11 related reporting and requirements are filed in a timely manner
- (v) Explore strategic alternatives to maximize value for all creditors that include, but are not limited to, a sale of the Company
- (vi) Evaluate the most appropriate course of action for the Client
- (vii) Work to effectuate the course of action in conjunction with Client counsel and management
- (viii) Working with the Client and counsel to seek approval for the most appropriate plan
- (ix) Acting generally as the Client's Chief Restructuring Officer

GGG will be compensated on an hourly rate basis as follows:

Managing Partner        \$375

Partner                    \$300 - 350

GGG will also invoice for reasonable out of pocket expenses. GGG considers out of pocket expenses to be car rental / mileage, airfare and hotel; GGG does not bill for incidental expenses.

Upon the execution of the agreement GGG will receive a retainer of \$40,000, from which invoices for fees and expenses shall be deducted. Post filing of a chapter 11 proceeding GGG will be paid as directed by the Court.

### WIRING INSTRUCTIONS

GGG Partners, LLC  
Atlantic Capital Bank  
Atlanta, GA  
ABA #: 061121025  
Account #: 1500183353

**Exhibit A**

RHCSC Montgomery II Health Holdings LLC  
RHCSC Montgomery II AL Holdings LLC  
RHCSC Montgomery I Health Holdings LLC  
RHCSC Montgomery I AL Holdings LLC  
RHCSC Savannah Health Holdings LLC  
RHCSC Savannah AL Holdings LLC  
RHCSC Douglas Health Holdings LLC  
RHCSC Douglas AL Holdings LLC  
RHCSC Home Health Holdings LLC  
RHCSC Rome AL Holdings LLC  
RHCSC Columbus Health Holdings LLC  
RHCSC Columbus AL Holdings LLC  
RHCSC Gainesville Health Holdings LLC  
RHCSC Gainesville AL Holdings LLC  
RHCSC Social Circle Health Holdings LLC  
RHCSC Social Circle AL Holdings LLC

**Exhibit B**

**Declaration**

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

<b>IN RE:</b>	)	<b>CHAPTER 11</b>
	)	
<b>REGIONAL HOUSING &amp; COMMUNITY SERVICES CORP., et al.,</b>	)	<b>Jointly Administered Under</b>
	)	<b>CASE NO. 21- 41034</b>
	)	
<b>Debtors.</b>	)	

**DECLARATION OF KATIE S. GOODMAN IN SUPPORT OF DEBTORS’  
APPLICATION FOR APPROVAL TO RETAIN GGG  
PARTNERS, LLC TO PROVIDE INTERIM MANAGEMENT SERVICES**

I, Katie S. Goodman, declare under penalty of perjury as follows:

1.

I am the managing member of GGG Partners, LLC (“**GGG**”), and in that capacity, I have personal knowledge of, and authority to speak on behalf of, GGG with respect to the matters set out herein. This Declaration is offered in support of the Application of the above-captioned debtors (collectively, the “**Debtors**”)<sup>1</sup> to retain GGG to provide interim management services to the Debtors during the pendency of their Chapter 11 cases (the “**Application**”), and the matters set out herein are true and correct to the best of my knowledge, information and belief.

2.

GGG is an experienced financial advisory and turnaround consultant firm and has represented debtors and trustees in numerous bankruptcy cases. To the best of my knowledge,

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<sup>1</sup> 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.

other than similar services rendered to the Debtors prior to the commencement of their Chapter 11 cases, neither GGG nor I have represented or currently represent any interest adverse to the Debtors or their estates, or have any material connections with the Debtors, their creditors, any other party in interest or their respective attorneys or accountants. I believe that GGG is disinterested, as that term is defined in 11 U.S.C. § 101(14).

3.

During the course of the Debtors' Chapter 11 cases, I am expected to serve as Chief Restructuring Officer of each of the Debtors, as I did prepetition. We have been retained upon the express approval of the Boards of Directors of the Debtors, which are completely independent of GGG and which, to the best of my knowledge, are performing their duties and obligations as required under applicable law. We will act under the direction, control and guidance of the boards and shall serve at the boards' pleasure. My services as Chief Restructuring Officer will be billed through GGG at my standard rate of \$375 per hour. I also intend to utilize the services of certain associates of GGG, whose rates range from \$300 to \$350 per hour, to assist me. None of these individuals are expected to assume any executive officer positions of any of the Debtors.

4.

GGG has no principals, associates or other professional employees who are related to any Judge of the United States Bankruptcy Court for the Northern District of Georgia.

5.

Prior to the commencement of these Chapter 11 cases, GGG has been provided with a retainer of \$40,000. Neither GGG nor I have agreed to share any compensation or reimbursement received in connection with this engagement with any other person or entity.

6.

I believe that the retention of GGG under the terms outlined herein and in the Application would be in the best interest of the Debtors and their creditors.



This 27th day of August, 2021.

A handwritten signature in dark ink, appearing to read "K Goodman", is written above a horizontal line.

KATIE GOODMAN

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§152 and 3571.