

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

<p>In re:</p> <p>NEIGHBORS LEGACY HOLDINGS, INC., et al.,</p> <p style="text-align: center;">Debtors.¹</p>	§ § § § § §	<p>Chapter 11</p> <p>Case No. 18-33836</p> <p>(Jointly Administered)</p>
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**DEBTORS’ STATEMENT IN SUPPORT OF THE SALE
AND IN RESPONSE TO ORAL OBJECTION OF R. JOE YBARRA, M.D.**

1. On August 29, 2018, the Debtors filed their Notice of Highest and Best Bids, which listed the Highest and Best Bids from the auction as follows:

Name of Winning Bidder	Location(s)
Altus Health Systems OPCO, LLC and Altus Health System Realty, LLC	Baytown, Crosby, Kingwood, Pearland, Pasadena and Porter
AEC ER 4, LLC	Mueller
Exceptional H.C. Inc.	Lubbock, Orange, Port Arthur, Beaumont, Amarillo, McAllen
Greater Texas Emergency Centers LLC	Bellaire, Yorktown, Odessa, Midland, Texarkana, Paris
Tenet Business Services Corporation	Brownsville, Eastside, Harlingen

2. On September 6, 2018, the Court held a hearing (the “Sale Hearing”) on the Debtors’ *Emergency Motion (I) For Entry of an Order (A) Approving Auction and Bid Procedures, Including Bid Protections, and (B) Authorizing and Scheduling an Auction for the Sale of the Debtors’ Assets; and (II) For Entry of an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (B)*

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. The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.



Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases
[Docket No. 20].

3. At the Sale Hearing, R. Joe Ybarra, M.D. ("Dr. Ybarra") appeared *pro se* by telephone and alleged that the Debtors' proposed sale to Tenet Business Services Corporation ("Tenet") was illegal or otherwise violated unspecified rules or regulations related to the corporate practice of medicine. The Court gave parties until 5:00 p.m. on September 7, 2018, to file briefing on the issues raised by Dr. Ybarra.

4. Dr. Ybarra's sale objection is untimely and improper. Pursuant to the *Order (A) Authorizing and Scheduling an Auction for the Sale of Debtors' Assets and (B) Approving Auction and Bid Procedures, Including Payment of Bid Protections* (the "Bid Procedures Order") [Docket No. 203], objections to the Debtors' proposed sale were due on or before 4:00 p.m. on August 23, 2018 and were required to be in writing.. *See* Bid Procedures Order, ¶ 2. Objections that fail to comply with the Bid Procedures Order are "deemed waived and shall be forever barred." *See* Bid Procedures Order, ¶ 3. Dr. Ybarra's objection is untimely and improper.

5. Dr. Ybarra's objection is based on "philosophical," not legal grounds. Dr. Ybarra stated that the sale to Tenet may be illegal without citing legal authority that would support that assertion. His real objection appears to be a disagreement with Tenet's alleged approach to emergency medicine.

6. Dr. Ybarra presented no evidence in support of his objection. Dr. Ybarra appeared by telephone. He did not adduce any evidence in support of his objection.

7. The Debtors have met their burden for the sale of their assets and respectfully request that Dr. Ybarra's untimely objection be overruled.

Dated: September 7, 2018

PORTER HEDGES LLP

By: /s/ John F. Higgins
John F. Higgins
State Bar No. 09597500
Eric M. English
State Bar No. 24062714
Genevieve M. Graham
State Bar No. 24085340
1000 Main Street, 36th Floor
Houston, Texas 77002
Telephone: (713) 226-6000
Fax: (713) 226-6248

**COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was duly served by electronic transmission to all registered ECF users appearing in the case on September 7, 2018.

/s/ John F. Higgins

John F. Higgins