

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

ARHC CHSGDIL01, LLC; )  
 ARHC CHPTNIL01, LLC; )  
 ARHC HHPEOIL01, LLC; )  
 ARHC MTMTNIL01, LLC; )  
 ARHC MVMTNIL01, LLC; and )  
 ARHC RHMARIL01, LLC, )  
 each a Delaware limited liability company, )

Plaintiffs, )

v. )

MANAGCARE, INC., an Illinois corporation; )  
 CAPITOL HEALTHCARE AND )  
 REHABILITATION CENTRE LLC, an )  
 Illinois limited liability company; )  
 COLONIAL HEALTHCARE AND )  
 REHABILITATION CENTRE LLC, an )  
 Illinois limited liability company; THE )  
 HEIGHTS HEALTHCARE AND )  
 REHABILITATION CENTRE LLC, an )  
 Illinois limited liability company; MORTON )  
 TERRACE HEALTHCARE AND )  
 REHABILITATION CENTRE LLC, an )  
 Illinois limited liability company; MORTON )  
 VILLA HEALTHCARE AND )  
 REHABILITATION CENTRE LLC, an )  
 Illinois limited liability company; and )  
 RIVERSHORES HEALTHCARE AND )  
 REHABILITATION CENTRE LLC, an )  
 Illinois limited liability company, )

Defendants. )

**Case No. 16-9245**

Honorable Edmond E. Chang

**PLAINTIFFS' MOTION FOR: (1) ENTRY OF JUDGMENT ON COUNTS III AND IV, AND  
(2) VOLUNTARY DISMISSAL OF COUNTS V AND VI OF THE COMPLAINT**

**NOW COME** Plaintiffs, ARHC CHSGDIL01, LLC; ARHC CHPTNIL01, LLC; ARHC HHPEOIL01, LLC; ARHC MTMTNIL01, LLC; ARHC MVMTNIL01, LLC; and ARHC RHMARIL01, LLC (collectively the "*Landlord*" or "*Plaintiffs*"), and respectfully move this Court for entry of judgment on Counts III and IV of the Complaint filed herein (Dkt. 1) and for

voluntary dismissal of Counts V and VI of the Complaint. Given the effect of prior Orders of this Court, entry of the relief sought herein will dispose of all of the Counts of the Complaint, and the only matter remaining under this Court's jurisdiction will be the consideration of the final report and discharge of the Receiver (defined below). In support of this Motion, Plaintiffs state as follows:

1. Plaintiffs filed the Complaint initiating this action on September 26, 2016.

2. The parties agreed to the appointment of a receiver, and on November 1, 2016, this Court entered a Consensual Order Appointing Receiver (the "*Receiver Order*"), appointing Suzanne A. Koenig as receiver ("*Receiver*") to take possession and control of all six skilled nursing facilities (the "*Facilities*") that the Defendants previously leased and operated. (Dkt. 28.) Subject to the Court's consideration of the Receiver's final report and the discharge of the Receiver, described below, the entry of the Receiver Order fully resolved Count II (Appointment of Receiver) of the Complaint.

3. The parties agreed to the transition of the Facilities to new tenants, and on December 1, 2017, this Court entered an Agreed Order Terminating Receiver's Possession and Control and Setting Dates for Final Report and Discharge (the "*Transition Order*") (Dkt. 94.) The entry of the Transition Order fully resolved Counts I (Forcible Entry and Detainer) and VII (Ejectment) of the Complaint.

4. On June 2, 2017, Defendants offered judgment to Plaintiffs in the amount of \$3,789,340.34, inclusive of costs and attorneys' fees, pursuant to the Offer of Judgment attached hereto as Exhibit 1. As has been previously reported to the Court, the Plaintiffs are amenable to entry of judgment in that amount and on those terms. Entry of that judgment will fully resolve Counts III (Breach of Lease) and IV (Breach of Guaranty) of the Complaint.

5. Plaintiffs are in the process of conducting a non-judicial sale of their collateral under the Illinois Uniform Commercial Code, which they expect to complete before January 15, 2018. The conduct of that sale will moot the relief sought in Count VI (Judicial Foreclosure of Security Interest) of the Complaint, and Plaintiffs are willing to dismiss that Count without prejudice pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure, with each party to bear its own attorneys' fees and costs.

6. In connection with the entry of the relief sought above, Plaintiffs are willing to dismiss Count V (Accounting) of the Complaint without prejudice pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure, with each party to bear its own attorneys' fees and costs.

7. In paragraph 16 of the Transition Order, this Court ordered that the Receiver file her final report on or before January 22, 2018, after consideration and approval of which Plaintiffs anticipate that this Court will discharge the Receiver on such terms as this Court orders.

**WHEREFORE**, Plaintiffs request that the Court enter an Order embodying the foregoing terms and grant any additional relief the Court deems just.

Dated: December 8, 2017

**ARHC CHSGDIL01, LLC,  
ARHC CHPTNIL01, LLC,  
ARHC HHPEOIL01, LLC,  
ARHC MTMTNIL01, LLC,  
ARHC MVMTNIL01, LLC, and  
ARHC RHMARIL01, LLC**

By: /s/ John Robert Weiss

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**CERTIFICATE OF SERVICE**

John Robert Weiss certifies that on December 8, 2017, he caused the foregoing document to be electronically filed with the Clerk of the U.S. District Court, using the Court's CM/ECF system, which will send electronic notification of the filings to those parties who have appeared and are registered as CM/ECF participants in this matter. Parties may access the filings through the Court's CM/ECF system.

/s/ John Robert Weiss

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
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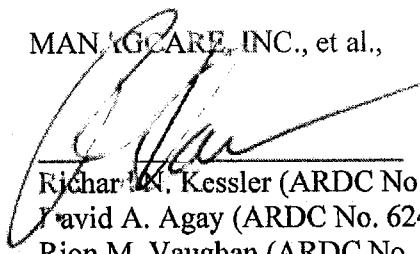
ARHC CHSGDIL01, LLC, et al., )  
)  
Plaintiffs, )  
v. ) Case No. 16-9245  
)  
MANAGCARE, INC., an Illinois corporation; )  
et al., )  
Defendants. )

**OFFER OF JUDGMENT**

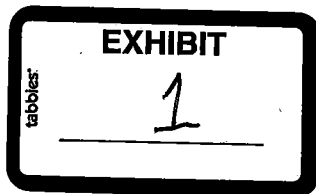
Pursuant to Rule 68 of the Federal Rules of Civil Procedure, Defendants hereby offer Judgment in the amount of \$3,789,340.34, inclusive of costs and attorneys' fees, to be entered against them and in favor of Plaintiffs in this action. This offer of judgment is intended to fully and finally resolve all of Plaintiffs' claims in this action against Defendants. This offer of judgment is made for the purposes specified in Federal Rule of Civil Procedure 68, and is not to be construed as either an admission that Defendants are liable in this action, or that the Plaintiffs have suffered any damage. This Offer of Judgment shall not be filed with the Court unless (a) accepted or (b) in a proceeding to determine costs.

Dated: June 2, 2017

MANAGCARE, INC., et al.,



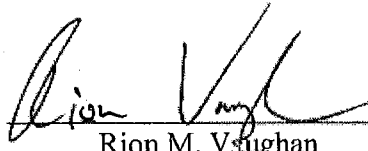
Richard W. Kessler (ARDC No. 6183140)  
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Rion M. Vaughan (ARDC No. 6317715)  
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*Counsel to the Defendants*



**CERTIFICATE OF SERVICE**

I, Rion M. Vaughan, hereby certify that on June 2, 2017, I served the foregoing **Offer of Judgment** to the below parties by email delivery and by placing a copy in the U.S. Mail located at 300 North LaSalle, Chicago, Illinois at or before 5:00 p.m.

Richard Patrick Darke  
John Robert Weiss  
Duane Morris LLP  
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Suite 3700  
Chicago, IL 60603

  
Rion M. Vaughan