

**MINUTES  
LOWER FLORIDA KEYS HOSPITAL DISTRICT  
SPECIAL MEETING  
January 9, 2020**

**PRESENT:** Mr. Muir, Mrs. Ovide, Dr. Thompson, Mr. Hammond

**ABSENT:** Mr. Levin, Mrs. Chambers

**ALSO PRESENT:** Mr. Fishman, Mr. Hill, Mr. Brinkerhoff, Shanna Brinkerhoff, Mrs. Rosado, Mrs. Redding

**CALL TO ORDER**

Dr. Thompson called the meeting to order at 10:00a.m.

**AGENDA ITEM:** As set forth in the Special Notice of the meeting, the sole purpose of this meeting is to discuss the status of the lease of the nursing home and all matters related thereto, including but not limited to the bankruptcy proceedings and the nursing home operator.

Dr. Thompson then turned the meeting over to Mr. Fishman. Mr. Fishman explained that the District's bankruptcy attorney requested that the meeting be held to address the following issues regarding the bankruptcy proceeding. The creditors committee has not been vigorously pursuing the potential sale of the nursing home,, and while a broker has been engaged by Senior Care on behalf of KWH&R, no activity has been received. The only potential interested party in acquiring the Lease is Regal Healthcare Acquisitions, a Florida limited liability company that was formed in 2017 but which apparently has no current operations other than seeking KWH&R. There are 2 principals of Regal Healthcare Acquisitions, being a Steven Bicky, who has ownership interests in a nursing home in Jacksonville, FL and in a nursing center in White Plains, NY.; and Abraham Galbut, an attorney in Miami who also was a Director of Plaza Network, f/k/a Hebrew Homes, which operates a compendium of nursing homes, skilled nursing facilities and ALFs. Regal Healthcare Acquisitions had previously submitted an Operations Transfer Agreement, which Mr. Fishman had reviewed and provided comments on to the LFKHD Bankruptcy Attorney, Scott Underwood, Esq. Mr. Underwood recently received a letter from counsel for Regal Healthcare Acquisitions, indicating a list of proposed improvements to the Nursing Home, with concomitant costs, should they be successful in acquiring the nursing home, and requested that the District forever forbear on seeking collection of its \$294,000 claim which it filed in the bankruptcy proceeding, which monies represented the accrued but unpaid interest on the \$2.98 million advance rent that the District provided Senior Care. Mr. Fishman indicated that some of the offered improvements were in fact required by law and the nursing home would not be licensed without them and as such, were not really optional. Due to seeking to keep legal costs down, Mr. Fishman and Mr. Underwood had not pursued much due diligence, but inasmuch as it appears that Regal

Healthcare Acquisitions may be the only potential bidder, it was their recommendation that they be authorized to pursue more focused due diligence of Regal Healthcare Acquisitions and its principals, and that the Board officially take no action in response to the request to forbear collection of the accrued but unpaid interest until more detailed due diligence was obtained. Mr. Fishman also indicated that Regal Healthcare Acquisitions has apparently engaged Rick Brown, the former administrator of the nursing home, as a consultant and designated him as the administrator-in-waiting should they be successful in obtaining the nursing home'

**Mrs. Ovide motioned to take no action on the \$294,000 interest forbearance request by Regal Healthcare Acquisitions and allow the bankruptcy attorney and Mr. Fishman to do more financial history due diligence on Regal Healthcare Acquisitions and its principals, as well as to provide written comments back to Regal Healthcare Acquisitions' counsel on the Operations Transfer Agreement. Mr. Hammond seconded. The motion carried unanimously.**

Mr. Fishman then explained to the Board that although it is a public body, and meetings are open to the public, there is an exception in the law that allows a meeting to be closed to all but the Board members, administrator and attorney, in order to discuss strategy regarding litigation, although any final action must be taken at a public meeting. Inasmuch as the Senior Care/KWH&R bankruptcy is a court process, and may result in a trial if the matters are not resolved between the debtors and creditors, this would qualify under the exception, and it was both his and Mr. Underwood's recommendation that the Board declare that any subsequent requests for action related to the bankruptcy proceeding, including but not limited to the request to forbear collection, be treated under the exception and that the notice of any meetings reflect that the Board will go into closed session solely for this matter.

**Dr. Thompson motioned to have closed session meetings regarding the bankruptcy proceedings and requests for District considerations. Mr. Hammond seconded. The motion carried unanimously.**

Mr. Fishman indicated he would instruct Ms. Cranney-Gage in the preparation of meeting notices if the need for a closed session arose.

**ADJOURNMENT:**

There was no further business to come before the Special Meeting. and the meeting was adjourned at 10:45 a.m.

  
Approved, Secretary

  
Date