

OFFICE OF THE UNITED STATES TRUSTEE  
DISTRICT OF NEW MEXICO  
421 Gold Avenue SW Room 112  
P.O. Box 608  
Albuquerque, NM 87103

**IN RE: OTERO COUNTY HOSPITAL ASSOCIATION, INC.**  
dba Gerald Champion Regional Medical Center

Case No.: 11-13686-j11

**NOTICE OF SOLICITATION OF INTEREST FOR OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS**

The above named debtor has filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Bankruptcy Code Section 1102 authorizes the United States Trustee to appoint representative creditors of the debtor to an Official Creditors' Committees to assure adequate representation of creditors. The United States Trustee intends to appoint a Committee of Unsecured Creditors pursuant to the Bankruptcy Code.

If you wish to be considered for membership on any official committee that is appointed, please complete the enclosed Questionnaire Form and return it to the Office of United States Trustee **no later than August 31, 2011. If you do not wish to serve on an official committee, you do not have to complete the questionnaire.**

For more information regarding the purpose, powers and duties of a creditors' committee, please see the reverse side of this notice "Creditors' Committee Information Sheet." Creditor Committees perform a vital role in the chapter 11 proceeding. You are under no obligation to serve on this committee nor will it affect your claim against the debtor. Service on the committee is purely voluntary. Cases with active committees tend to be more successful than those without. Your efforts are likely to benefit all creditors, the debtor, and, of course, you. Service on a committee may require a significant time commitment.

Please note that there is no guarantee that all creditors interested to serve will be appointed to the Committee.

RICHARD A. WIELAND  
United States Trustee

  
ALICE NYSTEL PAGE  
Trial Attorney

Dated: August 18, 2011

## CHAPTER 11 CREDITORS' COMMITTEE INFORMATION SHEET

Chapter 11 Proceedings Generally. After commencement of a chapter 11 bankruptcy proceeding, the debtor continues to operate its business as a "debtor-in-possession", unless it is subsequently shown that a trustee should be appointed. All actions to recover or enforce pre-bankruptcy claims against the debtor are automatically stayed under Section 362 of the Bankruptcy Code during the bankruptcy proceeding.

Section 1121 of the Bankruptcy Code states that the debtor has the exclusive right to file a plan of reorganization for 120 days after the entry of the order for relief, unless the bankruptcy court approves a longer or shorter exclusivity period. Following the expiration of this period, or if certain other conditions are met, any party in interest, including a creditors' committee, may file a plan of reorganization. Debtors frequently attempt to negotiate the terms of the plan of reorganization with their creditors.

A plan of reorganization may modify the rights of creditors and may be confirmed by the bankruptcy court over the objections of one or more classes of creditors, provided that such creditors receive under the plan at least what they would receive in a chapter 7 liquidation. If the bankruptcy court does not confirm a plan of reorganization, the chapter 11 proceeding either may be converted to a chapter 7 liquidation case or dismissed.

Selection of Members of Unsecured Creditors' Committees. To increase participation in the chapter 11 proceeding, Section 1102 of the Bankruptcy Code requires that the United States Trustee attempt to appoint a committee of unsecured creditors (the "Committee") as soon as practicable after the order for relief has been entered. The Committee ordinarily consists of the persons, willing to serve, that hold the seven (7) largest unsecured claims against the debtor of the kinds represented on such committee. There must be at least three (3) unsecured creditors willing to serve in order to form the Committee.

Powers and Duties of Unsecured Creditors' Committees. Members of the Committee are fiduciaries who represent all unsecured creditors as a group without regard to the types of claims which individual unsecured creditors hold against the debtor. The goal of the Committee is normally to maximize the value received by unsecured creditors in the case. Section 1103 of the Bankruptcy Code provides that the Committee may consult with the debtor, investigate the debtor and its business operations, request the appointment of a trustee or examiner, and participate in the formulation of a plan of reorganization. The Committee may also perform such other services as are in the interests of the unsecured creditors whom it represents. As a party in interest, the Committee may be heard on any issue in the bankruptcy proceeding; it (or its authorized agent) will also receive all notices concerning motions and hearings in the bankruptcy proceeding. Fed. R. Bankr. P. 2002(i).

Organization. A Committee will operate most effectively if it is well organized. The Committee may elect a chairperson and other officers, including a co-chair and secretary, and adopt bylaws. At a minimum, the following ground rules should be established: the officers, the regularity and location of the Committee meetings, rules regarding attendance by telephone, what constitutes a quorum, voting issues (including ties and the use of proxies), and how to deal with conflicts of Committee members.

Employment of Professionals. Section 1103 of the Bankruptcy Code provides that the Committee may, subject to the bankruptcy court's approval, employ one or more attorneys, accountants or other professionals to represent or perform services for the Committee. The decision to employ professionals must occur at a scheduled meeting of the Committee at which a majority of the Committee is present, and is subject to Court approval. All professionals retained by the Committee may be compensated from assets of the debtor's estate pursuant to Section 330 of the Bankruptcy Code. Applications for the payment of professional fees are monitored by the Office of the U.S. Trustee and are subject to the Court's approval. The Committee has a duty to carefully review all applications and should not rely on the Court or the U.S. Trustee to discover and object to excessive professional fees.

Should you have any additional questions concerning the Committee or your membership on the Committee, please contact the Office of the United States Trustee via email at [alice.n.page@usdoj.gov](mailto:alice.n.page@usdoj.gov) and [jeffery.speidel@usdoj.gov](mailto:jeffery.speidel@usdoj.gov).