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Vol. 11, No. 39 Thursday, August 1, 2013 12 pages

Westlake files for bankruptcy

Move allows for reorganization; operations will continue

The local hospital district will apply a rarely used legal remedy to protect itself from creditors as board members continue efforts to save Westlake Regional Hospital.

The hospital district board voted Tuesday night to file Chapter 9 bankruptcy, a federal action designed to allow time for municipalities, such as local governments and taxing districts, to reorganize and restructure their debt.

Lebanon attorney Elmer George said the local taxing district would file the federal bankruptcy in the Kentucky Western District in Bowling Green as early as Wednesday. Creditors would then be noti'We are open for business. We will be open for business. We've got a plan...'

Adair County Hospital District Board Chairman Craig Pyles

fied, including the Farmers National Bank of Danville and Spectrum Health Partners, which have filed lawsuits against the hospital district. The hospital district board went into executive session for around 20 minutes before returning to an open meeting and voting to file for Chapter 9 reorganization. Board members also briefly convened as the hospital district corporation—a separate entity designed to allow the district to borrow funds—approving the same action.

Board chairman Craig Pyles said the filing would help the district address the \$20 million "noose around our neck."

"We are not closing. We are open for business. We will be open for business. We've got a

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Lebanon attorney Elmer George and Louisville attorney David Cantor outline what filing Chapter 9 reorganization means for the local hospital district and the community during Tuesday night's hospital board meeting.

HOSPITAL INVESTIGATION

Second indictment served

A second person has been arrested as part of an ongoing investigation at Westlake Regional Hospital.

Cindy Meyer, who served as administrative assistant during part of Rusty Tungate's tenure as hospital CEO, was arrested Tuesday on eight counts of complicity of theft by unlawful taking, over \$500.

An Adair County grand jury handed down a sealed indictment for Meyer on Tuesday, July 23. The indictment was unsealed this past Tuesday upon her arrest.

Meyer is accused of either assisting with or having a legal obligation to stop a crime. The accusation stems from charges against Betsy Dudgeon, who was arrested last week and accused of drawing a paycheck at Westlake Regional Hospital while also drawing worker's compensation payments.

Meyer was director of human resources and in charge of payroll when the alleged crimes took place. Dudgeon is Tungate's sister. She was employed as an executive assistant and both women were part of a manage-

ment team that left Westlake when Tungate resigned as CEO in 2011.

Dudgeon was injured in 2005 and received worker's compensation while off work. She is accused of also receiving eight different checks totaling more than \$11,400 from Westlake Regional Hospital for work, sick time or vacation during the same time beginning in December 2005 through June 2006.

Meyer was taken to the Adair County Regional Jail where she was released on a \$10,000 bond.

The indictments stem from an ongoing investigation into the finances of Westlake Regional Hospital and the Adair County Hospital District, which started more than a year and a half ago. Kentucky State Police DESI unit (Drug Enforcement, Special Investigations) Det. Scott Hammond is conducting the state-level investigation that led to the two arrests. The investigation is part of a joint effort between DESI and federal officers. According to sources, the FBI is involved in the joint investigation.

By Sharon Burton

Police investigate after two sisters die on same day

Two sisters were found dead in two separate locations Friday morning, causing police to question if the cases are drugrelated and if there may be tainted drugs on the streets.

EMS, police and the coroner's officer were called to Hurt Street in the early morning hours. Marilyn Eason, 52, was pronounced dead at 2:57 a.m.

Eason's father, who lives on Hutchison Loy Road, was contacted by a family member about her death and went to tell another daughter, Eunice Gail "Peaches" Gaskin, who lived with him.

He found her unresponsive on the floor and called 911. Gaskin, 48, was pronounced dead at 4:48 a.m. Coroner Todd Akin said autopsies were conducted and preliminary reports said both women suffered from pulmonary edema (fluid on the lungs) but the cause of death is pending toxicology results. A toxicology report will take several weeks, however.

Deputy Sheriff Adam Cravens said the sheriff's department and city police are working together on the case with concerns that the deaths could have resulted from tainted drugs. City Police Information Officer Josh Brockman later confirmed that the city police opened a death investigation into Eason's death.

Based on the sisters' past history and the way their bodies were found, Cravens said he and city officer Gary Roy are conducting an investigation. The sisters were together at some point Thursday, Cravens said.

Police cannot rule out that the women took some "bad drugs," Cravens said. They are focusing on where any drugs may have come from and if there are more on the streets.

Brockman said they are also looking into a possibility that the sisters had a suicide pact. They had reportedly been distraught over the loss of their mother, Mary Houk, who died June 26.

If anyone has any information that will assist with the case they are urged to call local law enforcement or 911.

Box Tops mean big bucks for schools

In 1996 Box Tops for Education was created to help schools in need. Now, it is one of the nation's largest school fundraising programs. There are 240 products that support the school fundraising cause by adding the box top cut out logo to their merchandise. This is an easy way for schools to receive cash for the things they need. Some schools save for playground equipment, booksand interactive teaching materials.

Local Principal Patty Jones and the Col. Wm. Casey staff inspired their students to save box tops. Through this inspiration, Jones was able to provide the school with iPads. Jones said the school bought iPads gradually over the last couple of years and they have more than five iPads. Now that Col. Wm. Casey will be closed, the new technology will pass to the use of the students attending the new school known as Adair County Primary Center.

Jones said the school has benefited from the program.

Some items redeemed from the program to benefit the children are physical education equipment, art supplies, cameras and scooters. Now box tops are providing technology learning opportunities during a technology driven society.

"Schools would be great not to do the box top pro-

"Schools would be crazy not to do the box top program. It's like turning trash into treasure, because it's



Principal Alma Rich goes online to look at the endless possibilities with the Box Tops for Edu-

cation program.

Outdoor expo returns for fourth year

The 4th Annual South Central Kentucky Outdoor Expo is offering a family friendly event that is a dream for all outdoors enthusiasts.

The expo offers professional and informational seminars, a wide variety of championships/contests and vendors with plenty of goodies to sell.

This outdoor expo began as an outreach from Jones Chapel United Methodist Church.

"The purpose is to deliver a message about Christ. So many people in our area love to hunt and fish—this just felt like the natural thing to do," said co-host Terry Partin.

said co-host Terry Partin.

There are four scheduled seminars during the expo. Gordon Whittington, from Georgia, is a recognizable hunter through both magazines and television. Whittington is editor-in-chief of the North American Whitetail Magazine and co-host of North American Whitetail tel-

evision. He is a popular semi-

nar speaker with 50 years of hunting experience and has published books on a variety of deer hunting and management topics.

"Gordon is a wonderful person and very knowledgeable about deer and deer hunting. He will be doing two seminars for the expo," said Partin.

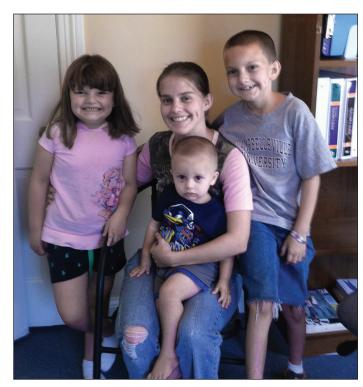
Jimmy Rodgers, owner of

Mallard Run Kennels, is known for working his magic with the basics of training retriever dogs. He uses different methods in training to make for a great hunting companion.

"He is a dog trainer, retriever trainer especially. He is going to be utilizing dogs to show how he trains. He will explain how he starts out young dogs, training shed dogs, and how he trains with electronic collars," said Partin.

Rex Holmes, Jr., CEO/ founder of Vapor Trail Scents LLC from Mississippi, will

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Angela and her children, Jacob, 10, Alexia, 7, and Lucas, 19 months.

Adult Education Spotlight Angela Parnell

Angela Parnell completed her GED in 2012 and returned to the Adult Education program to enroll in the College Prep class.

During this time Angela made the decision to apply to Campbellsville University and study nursing.

"Nursing is a dream that I want to make come true. Being a single mom with three kids I have all the motivation that I need to make this dream a reality," she said.

Upon completion of the College Prep class Angela happen. If I can applied to Campbellsville you can do it too."

University and has been accepted into the fall of 2013 nursing program.

Angela's advice for anyone who has been thinking about going back to school but is hesitant to do so is this, "Anybody can pursue their dreams if they have courage and people to stand behind them. If you have kids you can do it for them, and if you want it bad enough nothing will stand it your way. Love and determination can make anything happen. If I can do it then you can do it too."

New online class now offered

The Adair County Adult Education Center would like to announce the launch of the first Adult Education On-Line GED classes.

Classes are faster paced than traditional in-person sessions, can be completed mostly at a person's own pace, require only periodical check-ins with the center, and minimal computer skills required. Classes are instructed by the same friendly staff of the Adult Education Center. Online and in-person tutoring is available to all registered students. Registration for these classes is due by Aug.

To register for these classes or other programs at the center, call 384-7475 or stop in at 108 Lindsey Wilson St.

Westlake files Chapter 9

Continued from front page

plan, we've just got a \$20 million debt, a noose around our neck with a big anchor that is pulling us," he said.

Pyles said the current board first focused on the monthly losses the hospital district continued to experience

"Our goal when we first got here was to stop the bleeding, stop the waste, stop the money pouring out of this thing and we are getting closer," he said. "We are getting so close that we started having conversations about what are we going to do about this \$20 million in debt. We don't know. That's why we are filing the Chapter 9."

The Chapter 9 filing will allow the hospital district to reorganize by extending the timeline to repay debt, refinance debt, or reduce debt by different means. It does not liquidate the taxing district nor does it close down operations.

David Cantor, an attorney with Seiller Waterman LLC in Louisville, will represent the hospital in the case. George has been working with the district for several months and brought Cantor in when it appeared bankruptcy might be the best option.

What do you expect from

"The board has struggled with this decision. This is a last resort. We have been talking about this for a long time and we have looked at every other avenue. This is an absolute last resort and were at the point where we've got to do something," Cantor said. "We've got these lawsuits pending. We've got these banks saying, 'You owe us millions of dollars, what are you going to do about it?' Well here's what we are going to do about it. We are going to try to reorganize and get you some money."

CASE IS UNUSUAL

Cantor said the filing is "incredibly rare."

"We cannot find any published cases of a Chapter 9 in the commonwealth of Kentucky," Cantor said.

Detroit made national headlines two weeks ago when the city filed Chapter 9 bankruptcy, the largest city to ever do so. According to USA Today, since 2010 three municipalities in California and one in Idaho, Alabama, Pennsylvania and Rhode Island have filed Chapter 9 bankruptcy.

"We intend that this hospital stay open. It's critical to your community," George said.

VENDORS, LAW-SUITS

George said lawsuits now pending in circuit court would not be able to proceed because of the filing. The hospital district is currently facing two lawsuits: one by Spectrum Health Partners, a Tennessee company that managed the hospital and organized a failed sale attempt; and another by Farmers National Bank of Danville, which is asking the court to compel the hospital district board to set a local property tax to pay its debt.

The federal court will, however, now likely decide the local taxation issue. The hospital board voted to establish a tax but it is stalled until at least the 2014 general election after a group of citizens successfully filed a recall petition.

"That issue will now be before the federal judge. It's kind of a gray area whether the federal judge can take total jurisdiction of the case and determine the tax rate." George said. "It's a gray area whether it can be done in federal court or be kicked back to state court."

Spectrum and the bank will now likely become creditors to file a claim with the federal bankruptcy court. The county government, which has loaned the hospital district \$1.7 million, will also be a creditor listed on the bankruptcy filing. Even so, County Judge Executive Ann Melton and two magistrates were complimentary of the board's actions.

actions.

Melton thanked George for everything he is doing to help the community and magistrate Sammy Baker told board members he admires them. Magistrate Harold Burton said people tell him, "Whatever you do, keep the hospital."

When asked how the filing will affect resources for the hospital district and its current vendors, Pyles said the hospital is already on a cash basis with vendors.

"We spend a good \$200,000 every week or two writing checks to vendors," he said.

Pyles emphasized that the hospital will continue to operate.

"We've get a payrell in

"We've got a payroll in the bank ready to make. We've got cash; we've got some cash to pay some bills," he said. "If you have a surgery planned tomorrow, come on in. You will be taken care of."

By Sharon Burton snburton@duocounty.com



Hospital board members discuss plans to file Chapter 9 reorganization. From left are Bruce White, Richard Grant, Brad Keltner, Craig Pyles, Neal Gold and administrative assistant Cheryl Wall.

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From left to right Brandy Loy, Keri Rowe, Tanner Caldwell, Ashley Coomer, David Eubank, Karen Darnell, Kevin Miller, Jennifer Melson, Susan Pollard, Mike Bryant, Marie Tupman and Ashley Adams.

Health fair returns full force

The Westlake Regional Hospital Health Fair will return full force this October with health screenings and a trade show.

The hospital will provide over \$500 in health screening for only \$12. Blood draws will begin Oct. 1 and the event will culminate

with the Health Fair on Saturday, Oct. 19 from 6:30 a.m. until noon.

Businesses and organizations that have set up booths in the past are encouraged to make plans now. The public is encouraged to mark your calendars for Oct. 19!

Hospital lawsuit affected

A lawsuit by the Farmers National Bank of Danville against the local hospital district has faced several delavs recently and now appears to be on its way to federal court.

The suit was scheduled for last Friday in Rockcastle County but was canceled and rescheduled for today in Adair Circuit Court.

The lawsuit, filed last year by the Farmers National Bank of Danville, begins the debate to decide who has the authority to establish a property tax for a taxing district that set its tax rate at zero since 1998.

Judge David A. Tapp was appointed to preside over the case and moved a hearing to his area but then rescheduled with plans to move the case back into Adair County.

With the hospital district filing Chapter 9 reorganization, attorney Elmer George said the case would now become part of the federal bankruptcy court.

other school funding. How-

ever, if the school buys more

iPads or Netbooks then they

would provide the students

with technology-learning

Rich said the goal is to

provide each school with 30

iPads or Netbooks, so that

teachers can check out the

tablets in their school li-

brary as they need them

"Box tops offer more tech-

nology for our students and

our building. Ten cents adds

Like Rich said, one box

top is worth 10 cents. It will

take 126,882 box tops to

complete one-fourth of

Rich's goal. For all four

Adair County schools to

have a checkout system of

30 tablets it would take

Students are encouraged

to participate in the pro-

gram. Each student who as-

sists in reaching the goal

will have a chance to receive

special prize incentives for

supporting the purchase of

The Adair County Middle

School Site Base Decision

Council changed their meet-

ing times to the third Tues-

day of each month at 3:30

p.m. The next scheduled

danielleb@adairvoice.com

meeting is Aug. 20.

By Danielle Bennett

which

with their lessons.

up," said Rich.

\$50,752.80,

507,528 box tops.

Box Tops mean big bucks

Continued from front page

going to be thrown away anyway. Why not use this source for things needed to better our children's education?" said Jones.

More schools are hearing the advantages of this program and want to use the source to develop more opportunities for their students. The Adair County Middle School's site base decision making council met last week. During the meeting principal Alma Rich and council members said they support the idea of using the Box Top program to purchase more iPads or Netbooks for the middle school. There may be the possibility of making it a school-wide fundraiser.

Rich acknowledges Wendell Froedge as being the first to make use of the box top program in the middle school starting several years ago. Froedge started by encouraging seventh grade to collect box tops. He also allowed the students in the BETA program to receive community service hours by acquiring box tops for the school. The funds created by the seventh grade previously were used to purchase rewarding items and to provide for field trips.

The middle school already possesses 16 iPads through

In last week's indictments, Vernon Nissley was charged with rape, 1st degree and sodomy, 1st.

The Nissley accused in this case is 30 years old and his address is listed at

Gradyville Club Road.

This is not the Vernon Nissley, 50, of Arlis Hale Road, Russell Springs, who is owner of Nissley Excavat-

Heartland Parkway hearing set for Aug. 6

Nissley clarification

A public hearing regarding the Heartland Parkway in Taylor and Adair counties will be held in Columbia on Tuesday, Aug. 6

The hearing will be held at the Adair County High School cafeteria from 5 p.m. until 7 p.m.

The meeting is designed to present the findings of the environmental assessment, which presents the development of various alternatives and identifies a preferred alternative route. based on engineering, costs, property, environmental impact and public input.

The comment period will remain open until Aug. 23. A project summary will begin at 5:45 p.m.

Hearing set for Russell Creek Flood Study

A public hearing will be held concerning the Russell Creek Flood Study by the Columbia/Adair Utilities District.

The hearing will be held on Thursday, Aug. 8 at 5 p.m. at the Adair County annex basement.

The proposed project consists of repairing the shoreline of Russell Creek that was damaged due to flooding in May 2010.

The results of the flood study outline the impacts to Russell Creek. The public is invited to attend

Outdoor expo returns for fourth year

Continued from front page

also assist during the seminar portion of the expo. He is known as the world's greatest authority on understanding and making practical use of scents.

"He is knowledgeable and fascinating to listen to. He is actual and factual above what we read and hear," said Partin.

Mark Menendez, from Paducah, is also a speaker for the event. Menendez is a Bassmaster in the Elite Series pro. He is also a professional angler, ranking 17th in the world. He has 17 years of experience and thrives in the competition setting.

"He is going to talk about strategies for summertime fishing and using crank baits. Bass fishermen will find this very interesting," said Partin.

The community is welcome to attend all the sem-

Several championship contests are now partnered with the Outdoor Expo.

The Kentucky National Wild Turkey Federation offers two state championship tournaments, the Turkey Calling Championship and the Still Target Championship.

In the Turkey Calling Championship, participants have the opportunity to win cash prizes and the honor to participate at the 2014 Grand National Calling Championship held in

Nashville, Tenn.

In the Still Target Championship, participants will compete for a chance to be a part of the World Wild Turkey Still Target Championships. The championships are held in October in Edgefield, S.C. The Still Target Championship will be held at the Adair County Sportsmen's Club.

Vendors from various states will set up at the

"We have around 100 vendor spaces that will be utilized by nine different states this year," said Partin. Vendors are coming from Michigan, Indiana, Ohio, Tennessee, Mississippi, Arkansas, Kansas, North Carolina throughout Kentucky.

The South Central Kentucky Outdoor Expo is Saturday, Aug. 17 at the Adair County High School from 9 a.m. to 4 p.m. Admission is \$5. Children 12 and under get in free.

Everyone who buys an admission ticket will get a chance to win a John Deere Gator. Additional tickets can be bought to better your chances at winning the gator. Tickets are \$5

The Outdoor Expo is held by Jones Chapel United Methodist Church. For more information, visit sckyoutdoorexpo.com or call Partin at 378-1301 or Jones at 634-2675.

Amanda Taylor

Billy Bell, 5

Happy 14th Birthday Sarah Elizabeth Brockman



Aug. 5, 2013

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Andrew B. Wilson August 1

<u>July 30</u>

Jennifer Brock, 35 Randy Parnell Cov Bennett

Brenda Alexander Lori Froedge Mark Hill

August 2 Jada Coomer, 38

August 4 Pauline Grant, 85 August 5

Valarie Lobb Tonya Grant Alma Furkin

Darren Bradshaw Tori Davis August 11

August 6

August 14 Alma Rich August 19 Tony Jessie August 23 Thomas Hill August 24 Marlene Shultz August 25 Floyd Claywell Earline Hill

Curtis Bell, 10 August 26 Tammy Durst **August 28**

Alexis Claywell Virginia Nix August 30

Macy Yarberry, 5 Don Goodin



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