

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re:

Curae Health, Inc., *et al.*<sup>1</sup>

1721 Midpark Road, Suite B200  
Knoxville, TN 37921

Debtors.

Chapter 11

Case No. 18-05665

Judge Walker

Jointly Administered

Hearing Date: March 2, 2021 at 10:00  
a.m. (CT)

Objection Deadline: February 22, 2021

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**THE DEADLINE FOR FILING A TIMELY RESPONSE IS: February 22, 2021**

**IF A RESPONSE IS TIMELY FILED, THE HEARING WILL BE: March 2, 2021, at 10:00 a.m. and will be conducted via an AT&T telephonic hearing, which can be accessed by calling 1-888-363-4749 and using the Access Code 7250422#**

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<p><b>NOTICE PURSUANT TO BANKRUPTCY RULE 3007: PARTIES RECEIVING THIS OMNIBUS OBJECTION SHOULD LOCATE THEIR NAMES AND PROOFS OF CLAIM LISTED ON SCHEDULE 1 TO THE PROPOSED ORDER</b></p>
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**NOTICE OF CURAE HEALTH LIQUIDATING TRUST'S  
SECOND OMNIBUS OBJECTION TO PROOFS OF  
CLAIM (SATISFIED AND RESOLVED CLAIMS)**

Steven D Sass LLC, in its capacity as Liquidating Trustee and Debtor Representative (the "Trustee") for the above-captioned debtors and debtors-in-possession has asked the Court for the following relief: *Curae Health Liquidating Trust's Second Omnibus Objection to Proofs of Claim (Satisfied and Resolved Claims)*, a copy of which is attached hereto.

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<sup>1</sup> The Debtors in these chapter 11 cases (the "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, are Curae Health, Inc. (5638); Amory Regional Medical Center, Inc. (2640); Batesville Regional Medical Center, Inc. (7929); and Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); Clarksdale Regional Physicians, LLC (5311).

**YOUR CLAIM MAY BE REDUCED, MODIFIED, OR ELIMINATED.** If you do not want the court to enter the attached order, or if you want the court to consider your views on the order, then on or before February 22, 2021, you or your attorney must:

1. File with the court your written response or objection explaining your position. **PLEASE NOTE: THE BANKRUPTCY COURT FOR THE MIDDLE DISTRICT OF TENNESSEE REQUIRES ELECTRONIC FILING. ANY RESPONSE OR OBJECTIONS YOU WISH TO FILE MUST BE SUBMITTED ELECTRONICALLY. TO FILE ELECTRONICALLY, YOU OR YOUR ATTORNEY MUST GO TO THE COURT WEBSITE AND FOLLOW THE INSTRUCTIONS AT <https://ecf.tnmb.uscourts.gov>.**

2. Pursuant to Administrative Order 20-4, the Clerk's Intake Department is closed, and no person-to-person assistance is available until further notice. The public may submit filings or payments, during normal business hours, through a drop box located inside the entrance to the Customs House, near the court security station, past the automatic double doors on the left. The drop box will be checked daily during regular business hours. Filings will be processed in line with the Clerk's usual business practices. Instructions for use of the drop-box have been posted at the drop box location. If a filing is time sensitive, please call Karin Wolfe at 615-695-4230 or the Clerk's Office 615-695-4224 and someone will assist you.

3. If a response is timely filed, the hearing concerning the Objection shall be held on March 2, 2021, at 10:00 a.m. and will be conducted via an AT&T telephonic hearing, which can be accessed by calling 1-888-363-4749 and using the Access Code 7250422#.

If a response is filed before the deadline stated above, the hearing will be held at the time and place indicated above. THERE WILL BE NO FURTHER NOTICE OF THE HEARING DATE. You may check whether a timely response has been filed by viewing the case on the Court's web site at <https://ecf.tnmb.uscourts.gov>.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.

*[Remainder of Page Intentionally Left Blank]*

Dated: January 21, 2021  
Nashville, Tennessee

Respectfully submitted,

**MANIER & HEROD, P.C.**

*/s/ Robert W. Miller*

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*Co-Counsel to Steven D Sass LLC, in its  
capacity as Liquidating Trustee and Debtor  
Representative*

**Certificate of Service**

The undersigned hereby certifies that on the 21st day of January, 2021, the foregoing document was automatically served via the Courts electronic filing system to those parties registered to receive electronic filings in this case.<sup>2</sup>

*/s/ Robert W. Miller*  
Robert W. Miller

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<sup>2</sup> A supplemental certificate of service will be filed concerning service on the parties identified on Schedule 1.

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re:

Curae Health, Inc., *et al.*<sup>3</sup>

1721 Midpark Road, Suite B200  
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Debtors.

Chapter 11

Case No. 18-05665

Judge Walker

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Hearing Date: March 2, 2021 at 10:00  
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**NOTICE PURSUANT TO BANKRUPTCY RULE 3007: PARTIES RECEIVING THIS  
OMNIBUS OBJECTION SHOULD LOCATE THEIR NAMES AND PROOFS OF  
CLAIM LISTED ON SCHEDULE 1 TO THE PROPOSED ORDER**

**CURAE HEALTH LIQUIDATING TRUST'S SECOND OMNIBUS OBJECTION TO  
PROOFS OF CLAIM (SATISFIED AND RESOLVED CLAIMS)**

Steven D Sass LLC, in its capacity as Liquidating Trustee and Debtor Representative (the "Trustee") for the Curae Health Liquidating Trust (the "Liquidating Trust"), hereby files this objection (the "Objection") to the proofs of claim identified on Schedule 1 (the "Satisfied and Resolved Claims") attached hereto as follows:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

<sup>3</sup> The Debtors in these chapter 11 cases (the "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, are Curae Health, Inc. (5638); Amory Regional Medical Center, Inc. (2640); Batesville Regional Medical Center, Inc. (7929); and Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); Clarksdale Regional Physicians, LLC (5311).

2. The statutory predicate for the relief requested herein is section 502 of the Bankruptcy Code, Bankruptcy Rule 3007, and Local Rule 3007-1.

### **PROCEDURAL AND FACTUAL BACKGROUND**

3. On August 24, 2018 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Middle District of Tennessee (the “Court”).

4. On September 6, 2018, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”) pursuant to 11 U.S.C. §§ 1102(a) and 1102(b)(1). [Dkt. No. 112].

5. On November 30, 2019, the Court entered an order [Docket No. 506] granting the Debtors’ motion for the sale of Gilmore Medical Center to North Mississippi Health Services, Inc. On January 22, 2019, the Court entered an order [Docket No. 694] granting the Debtors’ motion for the sale of Panola Hospital to Progressive Medical Management of Batesville, LLC. On May 10, 2019, the Court entered an order [Docket No. 1065] granting the Debtors’ motion for the sale of the Northwest Mississippi Regional Medical Center to CHS/Community Health Systems, Inc. (together, the “Sale Orders”).

6. On May 4, 2019, the Debtors and the Committee filed the Plan. The Plan provided that upon the Effective Date<sup>4</sup> of the *Joint Chapter 11 Plan of Liquidation* (the “Plan”), the Debtors’ Assets<sup>5</sup> would revest in the Liquidating Trust to be administered by a liquidating trustee and debtor representative. On May 13, 2019, the Court confirmed the Plan pursuant to the entry of the Confirmation Order.

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<sup>4</sup> All capitalized terms not defined in this Motion have the meanings ascribed to them in the Plan.

<sup>5</sup> Other than the D&O Claims and Tort Claims, which revested in the applicable Debtor(s) and may be pursued by the Debtor Representative.

7. On June 11, 2019, the Effective Date of the Plan occurred, the Liquidating Trust was established, and the Trustee was appointed. [Dkt No. 1120].

8. Pursuant to Article VII(M)(1) of the Plan, “[f]rom and after the Effective Date, the Liquidating Trustee shall have the exclusive right and standing to (i) object to and contest the allowance of all Claims, (ii) compromise and settle any Disputed Claim or Claim that has not otherwise been Allowed, without further Order or approval of the Bankruptcy Court, subject to the notice procedure set forth in section VII(M)(2); and (iii) litigate to final resolution objections to Claims.” Plan, VII(M)(1).

9. On September 4, 2020, the Court entered the *Order Authorizing Filing of Omnibus Objections With Respect to Categories of Claims Consisting of Two or More Claims* authorizing the Trustee to file omnibus objections with respect to any category of claims consisting of two or more claims. [Dkt. No. 1361].

10. The Trustee on behalf of the Liquidating Trust, the Liquidating Trust’s staff members, and the Liquidating Trust’s advisors are comprehensively reviewing and reconciling all Claims filed against the Debtors’ Estates. In the ordinary course of business, the Debtors (and now the Liquidating Trust) maintain books and records (the “Books and Records”) that reflect, among other things, the Debtors’ liabilities and the amounts owed to their creditors, including former employees. The Trustee is comparing the Claims asserted in the proofs of claim to the Debtors’ Books and Records to determine the validity of the asserted Claims.

11. The Trustee’s Claims reconciliation process includes identifying particular categories of Claims that may be subject to objection for disallowance, reduction and allowance, reassignment, or reclassification. To reduce the number of Claims, and to avoid possible double

recoveries or otherwise improper recoveries by Claimants, the Trustee anticipates filing several objections.

### **RELIEF REQUESTED**

12. Pursuant to Bankruptcy Code section 502(b), Bankruptcy Rules 3001, 3003, and 3007, and Local Rule 3007-1, the Trustee respectfully requests entry of an order, in substantially the form of the order attached as Exhibit A (the “Proposed Order”), reducing and allowing the Reduce and Allow Claims in the manner set forth on Schedule 1 thereto.

### **OBJECTION**

13. Pursuant to section 502(b)(1) of the Bankruptcy Code, a proof of claim is due to be disallowed to the extent that “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . . .” Bankruptcy Rule 3007 provides certain grounds upon which “objections to more than one claim may be joined in an omnibus objection,” which includes objections to claims that “assert priority in an amount that exceeds the maximum amount under § 507 of the Code.” Fed. R. Bankr. P. 3007(d)(8).

14. The Trustee reviewed the Debtors’ Books and Records, analyzed the amounts paid pursuant to the Sale Orders by the Debtors or the respective purchasers of the Debtors’ assets, and communicated directly with the United States Department of Agriculture regarding its proof of claim against the Debtors. After a careful analysis, the Liquidating Trust objects to the Satisfied and Resolved Claims as having been satisfied or otherwise resolved consistent with the terms of the Sale Orders, another order of the Court, or by agreement of the Liquidating Trust and the claimant. As a result, the Trustee objects to the Satisfied and Resolved Claims and requests that the Satisfied and Resolved Claims be disallowed and expunged in their entirety.

### **RESERVATION OF RIGHTS**

15. The Trustee expressly reserves the right to amend, modify or supplement this Objection and to file additional objections to any proofs of claim or any other Claims (filed or not) which may be asserted against the Debtors including, without limitation, objections as to the liability, amount, or priority of any Claims listed on Schedule 1 to the Proposed Order. Should one or more of the grounds for the Objection be dismissed or overruled, the Trustee reserves the right to object to any Claims listed on Schedule 1 to the Proposed Order on any other ground(s).

### **NOTICE**

16. The Trustee will provide notice of this Objection to all parties who have requested notice in these Chapter 11 Cases and the claimants identified on Schedule 1 to the Proposed Order.

WHEREFORE, the Trustee respectfully requests that the Court enter the Proposed Order attached hereto: (a) granting the relief requested herein; and (b) granting such other and further relief as the Court deems just and proper.

*[Remainder of Page Intentionally Left Blank]*



Dated: January 21, 2021  
Nashville, Tennessee

Respectfully submitted,

**MANIER & HEROD, P.C.**

*/s/ Robert W. Miller*

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*Co-Counsel to Steven D Sass LLC, in its  
capacity as Liquidating Trustee and Debtor  
Representative*

**VERIFICATION**

I, Steven D. Sass, pursuant to 28 U.S.C. § 1746 and under penalty of perjury, declare that I am the Trustee for the Curae Health Liquidating Trust, that I have read the foregoing Objection, and have knowledge of the facts stated therein unless otherwise stated and, based upon my review of the Debtors' books and records by me and/or my staff (and reviewed by me), that the same are true and correct to the best of my knowledge, information, and belief.

Dated: January 21, 2021

/s/ Steven D. Sass

Steven D. Sass, on behalf of Steven  
D Sass LLC, in its capacity as  
Liquidating Trustee and Debtor  
Representative

Exhibit A

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re:

Curae Health, Inc., *et al.*<sup>1</sup>

1721 Midpark Road, Suite B200  
Knoxville, TN 37921

Debtors.

Chapter 11

Case No. 18-05665

Judge Walker

Jointly Administered

Re: Docket No.

**ORDER GRANTING THE CURAE HEALTH LIQUIDATING TRUST'S  
SECOND OMNIBUS OBJECTION TO PROOFS OF CLAIM  
(SATISFIED AND RESOLVED CLAIMS)**

Before the Court is the *Curae Health Liquidating Trust's Second Omnibus Objection to Proofs of Claim (Satisfied and Resolved Claims)* (the "Objection"), and the Court having

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<sup>1</sup> The Debtors in these chapter 11 cases (the "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, are Curae Health, Inc. (5638); Amory Regional Medical Center, Inc. (2640); Batesville Regional Medical Center, Inc. (7929); and Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); Clarksdale Regional Physicians, LLC (5311).

concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this matter is a core proceeding pursuant to 28 U.S.C. § 157(b), (iii) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409, (iv) good and sufficient notice of the Objection has been given and a reasonable opportunity to object to, or be heard has been afforded to all interested persons and entities, (v) any objections to the relief requested in the Objection have been withdrawn or overruled, and (vi) the legal and factual bases set forth in the Objection establish just cause for the relief granted herein,

IT IS THEREFORE ORDERED THAT:

1. Each Claim identified on Schedule 1 to this Order shall be disallowed and expunged in their entirety.

2. The Liquidating Trust's objection to each Claim addressed in the Objection constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each Claim. Any stay of this Order pending appeal by any of the claimants subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters covered hereby.

3. The Liquidating Trust shall retain and shall have the right to object in the future to any of the proofs of claim listed on Schedule 1 attached to this Order on any additional grounds, and to seek to amend, modify, and/or supplement this Order as may be necessary.

4. This Court shall retain jurisdiction over the Debtors and the claimants whose Claims are subject to the Objection with respect to any matters related to or arising from the Objection or the implementation of this Order.

5. The Debtors' noticing agent, BMC Group, Inc. is hereby directed to serve this Order on the Claimants identified in Schedule 1 to this Order.

IT IS SO ORDERED.

**THIS ORDER WAS SIGNED AND ENTERED ELECTRONICALLY AS INDICATED  
AT THE TOP OF THE FIRST PAGE.**

Approved for Entry:

**MANIER & HEROD, P.C.**

/s/ Robert W. Miller

Michael E. Collins (Bar No: 16036)  
Robert W. Miller (Bar No: 31918)  
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-and-

**SILLS CUMMIS & GROSS, P.C.**

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*Co-Counsel to Steven D Sass LLC, in its capacity  
as Liquidating Trustee and Debtor Representative*

**Schedule 1**

Name	Claim Number	Case No	Case Name	Claim Amount
3M COMPANY	65-00242	18-05665	Curae Health, Inc.	\$103,867.42
3M COMPANY	75-00062	18-05675	Amory Regional Medical Center, Inc.	\$103,867.42
3M COMPANY	76-00045	18-05676	Batesville Regional Medical Center, Inc.	\$103,867.42
3M COMPANY	78-00046	18-05678	Clarksdale Regional Medical Center, Inc.	\$103,867.42
3M HEALTH INFORMATION SYSTEMS	s1369	18-05665	Curae Health, Inc.	\$180,016.10
INTERNAL REVENUE SERVICE	65-00041	18-05665	Curae Health, Inc.	\$776,545.88
MONROE COUNTY TAX COLLECTOR	s694	18-05675	Amory Regional Medical Center, Inc.	\$929,889.40
MONROE COUNTY TAX COLLECTOR	65-00039	18-05665	Curae Health, Inc.	\$761,092.73
MONROE COUNTY TAX COLLECTOR	75-00002	18-05675	Amory Regional Medical Center, Inc.	\$761,092.73
MONROE COUNTY TAX COLLECTOR	80-00001	18-05680	Amory Regional Physicians, LLC	\$761,092.73
MONROE COUNTY TAX COLLECTOR	65-00098	18-05665	Curae Health, Inc.	\$168,520.66
MONROE COUNTY TAX COLLECTOR	75-00007	18-05675	Amory Regional Medical Center, Inc.	\$168,520.66
MONROE COUNTY TAX COLLECTOR	80-00002	18-05680	Amory Regional Physicians, LLC	\$168,520.66
STATE OF MISSISSIPPI, DIVISION OF MEDICAID	65-00263	18-05665	Curae Health, Inc.	\$772,352.45
U.S. Bank N.A. dba U.S. Bank Equipment Finance	65-00070	18-05665	Curae Health, Inc.	\$191,225.55
U.S. Bank N.A. dba U.S. Bank Equipment Finance	75-00005	18-05675	Amory Regional Medical Center, Inc.	\$99,897.17
USDA Rural Development	65-00272	18-05665	Curae Health, Inc.	\$16,438,280.15