

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

In re:

Curae Health, Inc., *et al.*¹

1721 Midpark Road, Suite B200
Knoxville, TN 37921,

Debtors.

Chapter 11

Case No. 18-05665

Judge Walker

Jointly Administered

Re: Docket No. 927

CONSENT ORDER RESOLVING CLAIMS OF OWENS & MINOR, INC.

This matter comes before the Court on the *Motion for Allowance and Immediate Payment of Administrative Expenses and Unsecured Claims* (the “**Motion**”) [Docket No. 927] filed by Owens & Minor, Inc. (“**O&M**”).

¹ The Debtors in these 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).

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WHEREAS, Curae Health, Inc., *et al.* (collectively, the “**Debtors**”) each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) on August 24, 2018 (the “**Petition Date**”);

WHEREAS, on April 5, 2019, O&M filed and served all creditors and parties in interest with the Motion and appropriate notice of the Motion with an April 30, 2019 objection deadline (the “**Motion Objection Deadline**”) asserting (and, with respect to its timely-filed and prior-asserted administrative expense claims, requesting payment of) the following timely-filed and asserted claims:

1. An administrative expense claim under Section 503(b)(9) of the Bankruptcy Code in the amount of \$50,007.73 against Amory (the “**Amory 503(b)(9) Motion Claim**”);
2. An administrative expense claim under Section 546(c) of the Bankruptcy Code and Mississippi state law in the amount of \$85,343.66 against Amory (the “**Amory Reclamation Motion Claim**”);
3. A general unsecured claim in the amount of \$87,071.14 against Amory (the “**Amory Unsecured Motion Claim**,” and collectively with the Amory 503(b)(9) Motion Claim and the Amory Reclamation Motion Claim, the “**Amory Motion Claims**”);
4. An administrative expense claim under Section 503(b)(9) of the Bankruptcy Code in the amount of \$236.55 against Batesville (the “**Batesville 503(b)(9) Motion Claim**”);
5. An administrative expense claim under Section 546(c) of the Bankruptcy Code and Mississippi state law in the amount of \$829.92 against Batesville (the “**Batesville Reclamation Motion Claim**”);
6. A general unsecured claim in the amount of \$5,075.48 against Batesville (the “**Batesville Unsecured Motion Claim**,” and collectively with the Batesville 503(b)(9) Motion Claim and the Batesville Reclamation Motion Claim, the “**Batesville Motion Claims**”);
7. An administrative expense claim under Section 503(b)(9) of the Bankruptcy Code in the amount of \$40,235.08 against Clarksdale (the “**Clarksdale 503(b)(9) Motion Claim**”);

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8. An administrative expense claim under Section 546(c) of the Bankruptcy Code and Mississippi state law in the amount of \$90,776.91 against Clarksdale (the “**Clarksdale Reclamation Motion Claim**”); and
9. A general unsecured claim in the amount of \$17,171.00 against Clarksdale (the “**Clarksdale Unsecured Motion Claim**,” and collectively with the Clarksdale 503(b)(9) Motion Claim and the Clarksdale Reclamation Motion Claim, the “**Clarksdale Motion Claims**”);

WHEREAS, on April 26, 2019, the Court entered the *Agreed Order Extending Objection Deadline for Official Committee of Unsecured Creditors of Curae Health, Inc., et al., and the Debtors* (the “**Agreed Order Continuing Objection Deadline**”) [Docket No. 974] which extended the Motion Objection Deadline to May 3, 2019 as to the Debtors and the Official Committee of Unsecured Creditors (the “**Committee**”);

WHEREAS, on April 30, 2019, ServisFirst Bank (“**ServisFirst**”) filed its *Objection to Motion for Allowance and Immediate Payment of Administrative Expenses and Unsecured Claims* (the “**ServisFirst Objection**”) [Docket No. 989];

WHEREAS, no other creditor or party in interest filed any objection and/or response (either formally or informally) to the Motion on or before the Motion Objection Deadline;

WHEREAS, after good faith, arm’s-length negotiations, O&M, the Committee, the Debtors, and ServisFirst have agreed to resolve (i) the Motion; (ii) the Amory Motion Claims, the Batesville Motion Claims, and the Clarksdale Motion Claims (collectively with all proofs of claim filed by O&M as of the date of the Motion, the “**O&M Claims**”); and (iii) any objections of the Committee and/or the Debtors and/or ServisFirst to the Motion and the O&M Claims on the terms set forth in this Consent Order; now, therefore,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is withdrawn as being fully resolved as set forth herein.

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2. The ServisFirst Objection is withdrawn as being fully resolved as set forth herein. The allegations made by O&M with respect to ServisFirst's collateral and the priority of ServisFirst's collateral are hereby expressly withdrawn by O&M without prejudice. The entry of this Order does not in any way constitute a determination of the claims made in that certain adversary proceeding commenced on January 16, 2019 by the Official Committee of Unsecured Creditors (the "Committee") on behalf of the Debtors' estates against ServisFirst, pending before this Court under adversary proceeding number 3:19-ap-90010 (the "Adversary Proceeding"). Furthermore, this Order does not constitute any agreement by ServisFirst to use cash collateral to pay the O&M Claims, unless otherwise ordered by the Court.

3. In full and final satisfaction of the O&M Claims asserted against the Debtors or their estates in these bankruptcy cases, O&M shall be and hereby is allowed on a **FULL AND FINAL BASIS**, not subject to any further objection by ServisFirst, the Committee, the Debtors, any other creditors, and/or any other party in interest, the following allowed claims (collectively, the "**Allowed O&M Claims**"):

- a. An administrative expense claim under Section 503(b)(9) of the Bankruptcy Code against Amory in the amount of fifty thousand seven dollars and seventy three cents (\$50,007.73) (the "**Allowed Amory Administrative Claim**");
- b. A claim against Amory in the amount of eighty five thousand three hundred seventy seven dollars and fifty nine cents (\$85,377.59) (the "**Allowed Amory Reclamation Claim**"), the priority of which shall be determined at a later date upon agreement of the parties to this Consent Order or as otherwise determined by the Court; for the avoidance of doubt, all rights of O&M, the Committee, the Debtors, and ServisFirst with respect to the priority of the Allowed Amory Reclamation Claim are expressly reserved and preserved pending such determination;
- c. A general unsecured claim against Amory in the amount of eighty seven thousand seventy one dollars and fourteen cents (\$87,071.14) (the "**Allowed Amory General Unsecured Claim**");

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- d. A claim against Batesville in the amount of twenty two dollars and fifty nine cents (\$22.59) (the “**Allowed Batesville Reclamation Claim**”), the priority of which shall be determined at a later date upon agreement of the parties to this Consent Order or as otherwise determined by the Court; for the avoidance of doubt, all rights of O&M, the Committee, the Debtors, and ServisFirst with respect to the priority of the Allowed Batesville Reclamation Claim are expressly reserved and preserved pending such determination;
- e. A general unsecured claim against Batesville in the amount of eight hundred ninety seven dollars and eighty one cents (\$897.81) (the “**Allowed Batesville General Unsecured Claim**”);
- f. An administrative expense claim under Section 503(b)(9) of the Bankruptcy Code against Clarksdale in the amount of forty thousand eight hundred twenty two dollars and three cents (\$40,822.03) (the “**Allowed Clarksdale Administrative Claim**,” and together with the Allowed Amory Administrative Claim, the “**Allowed Administrative Claims**”);
- g. A claim against Clarksdale in the amount of ninety one thousand two hundred seventy seven dollars and eleven cents (\$91,277.11) (the “**Allowed Clarksdale Reclamation Claim**,” and collectively with the Allowed Amory Reclamation Claim and the Allowed Batesville Reclamation Claim, the “**Allowed Reclamation Claims**”), the priority of which shall be determined at a later date upon agreement of the parties to this Consent Order or as otherwise determined by the Court; for the avoidance of doubt, all rights of O&M, the Committee, the Debtors, and ServisFirst with respect to the priority of the Allowed Clarksdale Reclamation Claim are expressly reserved and preserved pending such determination; and
- h. A general unsecured claim against Clarksdale in the amount of twenty one thousand nine hundred fifty dollars and seventeen cents (\$21,950.17) (the “**Allowed Clarksdale General Unsecured Claim**,” and collectively with the Allowed Amory General Unsecured Claim and the Allowed Batesville General Unsecured Claim, the “**Allowed General Unsecured Claims**”).

4. The Allowed Administrative Claims shall be entitled to priority as administrative expenses under Sections 503(b) and 507(a)(2) of the Bankruptcy Code for all purposes in these bankruptcy cases, and, subject to paragraph 2 above, shall be treated *pari passu* (in all respects, including with respect to both the percentage and timing of any payment or distribution on

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account of such claims) with the other allowed administrative expense claims in these bankruptcy cases.

5. Upon the determination of the respective priorities of the Allowed Reclamation Claims, the Allowed Reclamation Claims shall be entitled to such priorities for all purposes in these bankruptcy cases, and shall be treated *pari passu* (in all respects, including with respect to both the percentage and timing of any payment or distribution on account of such claims) with the other allowed claims of the same priority in these bankruptcy cases.

6. The Allowed General Unsecured Claims shall be treated *pari passu* (in all respects, including with respect to both the percentage and timing of any payment or distribution on account of such claims) with the other allowed general unsecured claims in these bankruptcy cases.

7. Nothing herein waives or extinguishes any right of O&M to have any other claims not specifically addressed herein allowed and paid in accordance with the terms of the Bankruptcy Code and/or this Court's Orders, and all of O&M's rights, defenses, and claims with respect to such claims are reserved in their entirety.

8. This Consent Order is binding upon and inures to the benefit of O&M, ServisFirst, the Committee, the Debtors, and their respective successors and assigns.

9. Any applicable stay of this Consent Order is hereby waived.

10. The Court shall retain jurisdiction with respect to all matters arising under or related to this Consent Order.

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

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AGREED TO AND APPROVED FOR ENTRY BY:

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