

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

In re:	)	
	)	Chapter 11
Curae Health, Inc.,	)	Case No. 18-05665
Amory Regional Medical Center, Inc.,	)	Case No. 18-05675
Batesville Regional Medical Center, Inc.,	)	Case No. 18-05676
Clarksdale Regional Medical Center, Inc.	)	Case No. 18-05678
Amory Regional Physicians, LLC	)	Case No. 18-05680
Batesville Regional Physicians, LLC	)	Case No. 18-05681
Clarksdale Regional Physicians, LLC	)	Case No. 18-05682
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Joint Administration Pending

**APPLICATION OF DEBTORS FOR AUTHORITY TO EMPLOY  
AND RETAIN POLSINELLI PC AS COUNSEL TO THE DEBTORS  
NUNC PRO TUNC TO THE PETITION DATE**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby file this application (the “**Application**”), pursuant to sections 327(a), 328(a), 329, and 330 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2014(a) and 2016(a) of Federal Rules of Bankruptcy Procedure (“**Bankruptcy Rules**”) for entry of an order, substantially in the form of Exhibit A attached hereto (the “**Proposed Order**”), authorizing the employment and retention of Polsinelli PC (“**Polsinelli**”) as counsel to the Debtors. In support of this Application, the Debtors rely upon and incorporate by reference the *Declaration of David E. Gordon in Support of Application of Debtors to Authorize the Retention and Employment of Polsinelli PC as Counsel to the Debtors Nunc Pro Tunc to the Petition Date* (the “**Gordon Declaration**”), attached hereto as Exhibit B, and respectfully state as follows:

## JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are Bankruptcy Code sections 105(a), 328, 330, and 331; Bankruptcy Rules 2014 and 2016; and Local Rule 2014-1.

## BACKGROUND

3. On August 24, 2018 (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Stephen N. Clapp, Chief Executive Officer of Curae Health, Inc., in Support of Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”) and is fully incorporated herein by reference.

4. The Debtors continue to manage and operate their business as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108. No trustee or examiner has been requested in the Chapter 11 Cases and no committees have yet been appointed.

## RELIEF REQUESTED

5. By this Application, the Debtors seek to employ and retain Polsinelli *nunc pro tunc* to the Petition Date to represent the Debtors as their counsel in connection with the Chapter 11 Cases. Accordingly, the Debtors respectfully request entry of an order pursuant to Bankruptcy Code section 327(a), substantially in the form attached hereto as Exhibit A, authorizing the Debtors to employ and retain Polsinelli as counsel in the Chapter 11 Cases.

## **BASIS FOR RELIEF**

6. The Debtors seek to retain Polsinelli as their counsel because of Polsinelli's extensive general legal experience and knowledge, and in particular, its recognized expertise in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code, its expertise, experience, and knowledge in practicing before this Court, its proximity to this Court, and its ability to respond quickly to emergency hearings and other matters in this Court. Further, Polsinelli's appearance before this Court for the applications, motions, and other matters in the Chapter 11 Cases will be efficient and cost-effective for the Debtors' estates. The Debtors believe that Polsinelli is both well-qualified and uniquely able to represent them in the Chapter 11 Cases in a most efficient and timely manner given its prior experience as debtor's counsel in Chapter 11 Cases and experience representing clients in health care matters.

7. Polsinelli is an AmLaw 100 national full-service law firm with over 800 lawyers and 20 offices that is a recognized leader in the areas of health care, financial services (including all aspects of debt from origination through enforcement and bankruptcy), real estate, litigation, and business. Polsinelli has approximately 30 lawyers dedicated to its national bankruptcy and financial restructuring practice.

8. Polsinelli has extensive experience in other chapter 11 bankruptcy debtor cases, including, *inter alia*, recent engagements as: debtor's counsel in ActiveCare, Inc., *et al.*; debtor's counsel in EBH Topco LLC, *et al.*; debtor's counsel in Jet Midwest Group, LLC; debtor's counsel in PhaseRx, Inc.; debtor's counsel in Ensequence, Inc.; debtors' counsel in The Original Soupman, Inc.; co-counsel in CIBER, Inc.; and debtor's counsel in Marinas International.

9. It is the carefully considered view of the Debtors that, considering the circumstances of the Chapter 11 Cases as detailed in the First Day Declaration and the various

interests involved, including that the Chapter 11 Cases are pending in the Middle District of Tennessee, that representation of the Debtors by Polsinelli is necessary, advisable, and in the best interests of the Debtors and their estates.

10. Polsinelli's services are necessary to enable the Debtors to faithfully execute their duties as debtors and debtors in possession. Subject to Court approval, the professional services that Polsinelli will be required to render, shall include (but shall not be limited to):

- a. taking all necessary action to protect and preserve the estates of the Debtors, including the prosecution of actions on the Debtors' behalf, the defense of any actions commenced against the Debtors, the negotiation of disputes in which the Debtors are involved, and the preparation of objections to claims filed against the Debtors' estates;
- b. providing legal advice with respect to the Debtors' powers and duties as debtors in possession in the continued operation of their business;
- c. preparing on behalf of the Debtors, as debtors in possession, necessary motions, applications, answers, orders, reports, and other legal papers in connection with the administration of the Debtors' estates;
- d. appearing in court and protecting the interests of the Debtors before this Court;
- e. assisting with any disposition of the Debtors' assets, by sale or otherwise;
- f. taking all necessary or appropriate actions in connection with any plan of reorganization and related disclosure statement and all related documents, and such further actions as may be required in connection with the administration of the Debtors' estates;
- g. reviewing all pleadings filed in the Chapter 11 Cases; and
- h. performing all other legal services in connection with the Chapter 11 Cases as may reasonably be required.

11. It is necessary that the Debtors employ attorneys to render the foregoing professional services. Polsinelli has stated its desire and willingness to act in the Chapter 11 Cases and render the necessary professional services as attorneys for the Debtors.

12. Prior to the Petition Date, and as set forth in more detail above, the Debtors retained Polsinelli to provide bankruptcy and restructuring advice, including assisting in the preparation of the requisite petitions, exhibits, and lists in connection with the commencement of the Chapter 11 Cases, as well as advice regarding practice and procedure before this Court. The Debtors believe Polsinelli has the necessary background to represent the Debtors effectively and efficiently in the Chapter 11 Cases. In preparing for its representation of the Debtors in the Chapter 11 Cases, Polsinelli has become familiar with the Debtors' affairs and many of the potential issues which may arise in the Chapter 11 Cases.

13. By separate applications, the Debtors seek the approval of BMC Group, Inc. ("**BMC**") as their administrative agent; Glass Ratner ("**Glass Ratner**") as their financial advisor; and Egerton McAfee ("**Egerton McAfee**") as their special transactional counsel. All such firms shall work under the direction of the Debtors' management and all firms engaged shall commit to avoiding duplication of services to reduce administrative costs to the estates.

14. Representation for the purposes delineated above is in accordance with Bankruptcy Code section 327(a). Bankruptcy Code section 327(a) provides for the appointment of counsel where the proposed counsel does not possess any interest materially adverse to the debtor with regard to the matters that will be handled by counsel and where counsel are disinterested persons.

15. To the best of the Debtors' knowledge, and except as disclosed in this Application and in the Gordon Declaration, Polsinelli does not hold or represent any interest or connection adverse to the Debtors, the estates, creditors, any other party in interest, or their respective attorneys or accountants. Polsinelli is a "disinterested person" as defined in the Bankruptcy Code.

16. Pursuant to Bankruptcy Code section 327(c), Polsinelli is not disqualified from acting as Debtors' counsel merely because it previously represented or currently represents the Debtors' creditors or other parties in interest in matters unrelated to the Debtors or the Chapter 11 Cases. To the extent that Polsinelli is determined to have a conflict with respect to a particular client or matter as it related to the Chapter 11 Cases, the Debtors will utilize separate conflicts counsel as necessary. In addition, to the extent necessary and appropriate, Polsinelli will implement an ethical wall, screening attorneys working on any such matters from interacting with attorneys working on the Chapter 11 Cases.

17. Polsinelli represents MidCap Financial Trust ("**MidCap**"), the Debtors' prepetition accounts receivable lender and proposed DIP lender, on matters unrelated to the Chapter 11 cases. MidCap accounted for significantly less than 1% of Polsinelli's annual revenue for fiscal year 2017. Both MidCap and the Debtors have executed appropriate waivers relating to Polsinelli's representation of MidCap on unrelated matters, and no Polsinelli attorney who represents MidCap will have any involvement whatsoever in the representation of the Debtors in these Chapter 11 Cases.

18. The Debtors understand that Polsinelli intends to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and orders of this Court.

19. Pursuant to Bankruptcy Code section 329 and Bankruptcy Rule 2016, Polsinelli discloses that \$127,904.00 in aggregate fees and expenses have been paid in the 12 months preceding the Petition Date.

20. With regard to the Chapter 11 Cases, prior to the Petition Date, the Debtors paid Polsinelli a retainer in the amount of \$100,000 (the "**Retainer**"). All of Polsinelli's fees and

expenses prior to the Petition Date were paid in full and Polsinelli has remaining amount of \$100,000.00 in trust under the Retainer.

21. The Debtors, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, propose to pay Polsinelli its customary hourly rates for services rendered. Polsinelli has advised the Debtors that Polsinelli's hourly rates for professionals that will be primarily responsible for this matter range from \$450–\$775 per hour for shareholders, from \$250–\$450 per hour for associates, and from \$200–250 per hour for paraprofessionals. All rates are commensurate with the standard hourly rates charged by Polsinelli to other similarly situated clients and on similar matters. These hourly rates are subject to periodic adjustment to reflect economic and other conditions.

22. The Debtors also submit that such rates are reasonable and should be approved by this Court at this time, subject to a determination of the amounts to be paid to Polsinelli upon applications for allowance. Moreover, the Debtors, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, propose to reimburse Polsinelli for its actual and necessary expenses.

### **NOTICE**

23. Pursuant to Local Rules 2014-1 and 9013-1, notice of this Application will be given to: (a) the Office of the United States Trustee for the Middle District of Tennessee; (b) the Centers for Medicare and Medicaid Services; (c) the State of Tennessee Department of Health Division of Licensure and Regulation Office of Health Care Facilities; (d) the Mississippi State Department of Health; (e) those parties listed on the consolidated list of creditors holding the thirty (30) largest unsecured claims against the Debtors; (f) counsel to any official committee(s) establish in these cases pursuant to Section 1102 of the Bankruptcy Code; (g) ServisFirst Bank and its counsel; (h) Midcap Financial Trust and its counsel; (i) CHS/Community Health Systems,

Inc. and its counsel (j) all Tennessee local counsel having entered a notice of appearance in these cases; (k) the Internal Revenue Service; (l) the Tennessee Attorney General's Office; (m) the Mississippi Attorney General's Office; (n) the Tennessee Secretary of State; and (o) any party that has requested notice pursuant to Bankruptcy Rule 2002.

24. The Debtors submit that, under the circumstances, no other or further notice is required.

**NO PRIOR REQUEST**

25. No previous request for the relief sought herein has been made to this Court or any other court.

**WHEREFORE**, the Debtors respectfully request that the Court enter the proposed order substantially in the form attached hereto as Exhibit A granting the relief requested in the Application and such other and further relief as may be just and proper.

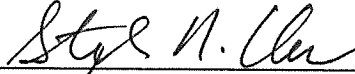
*[Signature Page Follows]*



Dated this 24<sup>th</sup> day of August, 2018.

**Curae Health, Inc.**  
**Amory Regional Medical Center, Inc.,**  
**Batesville Regional Medical Center, Inc.,**  
**Clarksdale Regional Medical Center, Inc.**  
**Amory Regional Physicians, LLC**  
**Batesville Regional Physicians, LLC**  
**Clarksdale Regional Physicians, LLC**

Debtors and Debtors in Possession



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Stephen N. Clapp  
President and Chief Executive Officer of Curae  
Health, Inc.

**EXHIBIT A**

Proposed Order

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

In re:	)	
	)	Chapter 11
Curae Health, Inc.,	)	Case No. 18-05665
Amory Regional Medical Center, Inc.,	)	Case No. 18-05675
Batesville Regional Medical Center, Inc.,	)	Case No. 18-05676
Clarksdale Regional Medical Center, Inc.	)	Case No. 18-05678
Amory Regional Physicians, LLC	)	Case No. 18-05680
Batesville Regional Physicians, LLC	)	Case No. 18-05681
Clarksdale Regional Physicians, LLC	)	Case No. 18-05682
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Joint Administration Pending

**ORDER AUTHORIZING RETENTION AND EMPLOYMENT OF POLSINELLI PC AS  
COUNSEL TO THE DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

Upon the Application (the “**Application**”)<sup>1</sup> of the Debtors for entry of an order authorizing the retention and employment of Polsinelli PC (“**Polsinelli**”) as counsel to the Debtors *nunc pro tunc* to the Petition Date (the “**Petition Date**”), as more fully described in the Application; and upon the declaration of David E. Gordon, a shareholder of Polsinelli, attached to the Application as Exhibit B (the “**Gordon Declaration**”); and the Court being satisfied, based on the representations made in the Application and the Gordon Declaration that Polsinelli is “disinterested” as such term is defined in Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), and as required under Bankruptcy Code section 327(a), and that Polsinelli represents no interest adverse to the Debtors’ estates; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors consent to entry of a final order under Article III of the

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

United States Constitution; and venue of the Chapter 11 Cases and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Application has been given and that no other or further notice is necessary; and upon the record herein; after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED THAT:**

1. The Application is GRANTED, as set forth herein.
2. Pursuant to Bankruptcy Code section 327(a), Bankruptcy Rules 2014(a) and 2016, the Debtors are authorized to retain and employ Polsinelli as counsel in the Chapter 11 Cases in accordance with Polsinelli's hourly rates and disbursement policies *nunc pro tunc* to the Petition Date.
3. Polsinelli is authorized to render the professional services described in the Application and the Gordon Declaration.
4. Polsinelli shall be compensated in accordance with the procedures set forth in Bankruptcy Code sections 328, 330, and 331, and applicable Bankruptcy Rules, and Local Rules, and such other procedures as may be fixed by order of the Court.
5. Notwithstanding anything to the contrary in the Application, Polsinelli will not seek reimbursement of expenses for office supplies, any secretarial charges, or other overtime charges.
6. Polsinelli shall not charge a markup to the Debtors with respect to fees billed by contract attorneys who are hired by Polsinelli to provide services to the Debtors and shall ensure that any such contract attorneys are subject to conflicts checks and disclosures in accordance with the requirements of the Bankruptcy Code and Bankruptcy Rules. For the avoidance of

doubt, Polsinelli shall neither share fees with existing or future contract attorneys who advise the Debtors nor enter into fee sharing arrangements with such contract attorneys.

7. Prior to any increases in Polsinelli's rates for any individual employed by Polsinelli and providing services in the Chapter 11 Cases, Polsinelli shall file a supplemental declaration with the Court and provide ten business days' notice to the Debtors, the United States Trustee, and any statutorily appointed committee. The supplemental declaration shall explain the basis for the requested rate increases in accordance with Bankruptcy Code section 330(a)(3)(F) and state whether the Debtors have consented to the rate increase. The U.S. Trustee retains all rights to object to any rate increase on all grounds, including the reasonableness standard set forth in Bankruptcy Code section 330, and the Court retains the right to review any rate increase pursuant to Bankruptcy Code section 330.

8. Polsinelli shall use its best efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in the Chapter 11 Cases.

9. Notwithstanding anything to the contrary in the Application, the Declaration of David Gordon, the terms of any engagement letter, or this Order, Polsinelli shall not seek reimbursement of any fees or costs of its counsel arising from the prosecution or defense of any of Polsinelli's fee applications in these Chapter 11 Cases, except as and to the extent otherwise permitted under applicable law and the decisions of this Court.

10. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

**This Order Was Signed And Entered Electronically As Indicated At The Top Of The First Page**

APPROVED FOR ENTRY:

**POLSINELLI PC**

*/s/ Michael Malone* \_\_\_\_\_

Michael Malone  
401 Commerce Street, Suite 900  
Nashville, TN 37219  
Telephone: (615) 259-1510  
Facsimile: (615) 259-1573  
[mmalone@polsinelli.com](mailto:mmalone@polsinelli.com)

-and-

David E. Gordon (*Pro Hac Vice Pending*)  
Caryn E. Wang (*Pro Hac Vice Pending*)  
1201 West Peachtree Street NW  
Atlanta, Georgia  
Telephone: (404) 253-6000  
Facsimile: (404) 684-6060  
[dgordon@polsinelli.com](mailto:dgordon@polsinelli.com)  
[cawang@polsinelli.com](mailto:cawang@polsinelli.com)

*Proposed Counsel to the Debtors and  
Debtors in Possession*

**EXHIBIT B**

Gordon Declaration

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

In re:	)	
	)	Chapter 11
Curae Health, Inc.,	)	Case No. 18-05665
Amory Regional Medical Center, Inc.,	)	Case No. 18-05675
Batesville Regional Medical Center, Inc.,	)	Case No. 18-05676
Clarksdale Regional Medical Center, Inc.	)	Case No. 18-05678
Amory Regional Physicians, LLC	)	Case No. 18-05680
Batesville Regional Physicians, LLC	)	Case No. 18-05681
Clarksdale Regional Physicians, LLC	)	Case No. 18-05682
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Joint Administration Pending

**DECLARATION OF DAVID E. GORDON, ESQ. IN SUPPORT OF THE APPLICATION  
OF DEBTORS TO AUTHORIZE THE RETENTION AND EMPLOYMENT OF  
POL SINELLI PC AS COUNSEL TO THE DEBTORS  
NUNC PRO TUNC TO THE PETITION DATE**

David E. Gordon, Esq., a shareholder of Polsinelli PC, makes this Declaration pursuant to 28 U.S.C. § 1746 and states:

1. I am a Shareholder in the Atlanta, Georgia office of Polsinelli PC (“**Polsinelli**”), which maintains offices for the practice of law at 1201 West Peachtree Street, NW, Suite 1100, Atlanta, Georgia, 30309, among 20 other locations. I am an attorney-at-law, duly admitted and in good standing to practice in the State of Georgia, as well as the United States District Court for the Northern District of Georgia. I have submitted a motion to appear pro hac vice in these Chapter 11 Cases.

2. Polsinelli is an AmLaw 100 national full-service law firm with over 800 lawyers and 20 offices that is a recognized leader in the areas of health care, financial services (including all aspects of debt from origination through enforcement and bankruptcy), real estate, litigation,



and business. Polsinelli has approximately 30 lawyers dedicated to its national bankruptcy and financial restructuring practice.

3. I submit this Declaration (the “**Declaration**”) in connection with the Debtors’ application (the “**Application**”)<sup>1</sup> for authority to employ and retain Polsinelli PC as counsel to the Debtors *nunc pro tunc* to the Petition Date, and to provide the disclosures required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

4. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth below. To the extent that any information disclosed in this Declaration requires amendment or modification upon Polsinelli’s completion of further analysis or as additional creditor information becomes available to Polsinelli, a supplemental declaration will be submitted to this Court.

5. Insofar as I have been able to ascertain, neither I, nor Polsinelli, nor any shareholder, counsel, of counsel, or associate of Polsinelli, represents any other party-in-interest in the Chapter 11 Cases, or its attorneys or accountants, except as set forth herein. Further, Polsinelli has no connection (as such term is used in Bankruptcy Code section 101(14) and Bankruptcy Rule 2014(a)) with the Debtors, their creditors, any other party-in-interest herein, the Debtors’ current respective attorneys or professionals, the United States Trustee, or any person employed in the Office of the United States Trustee, or any bankruptcy judge currently serving on the United States Bankruptcy Court for the Middle District of Tennessee, nor does Polsinelli hold any adverse interest or represent any entity having an adverse interest in connection with the Chapter 11 Cases, except as disclosed below. The list of parties searched is attached as Exhibit 1.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

6. Polsinelli maintains and updates its conflict check system in the ordinary course of its business. The system includes every matter on which the firm is currently or was previously engaged, including details related to the identity of the client, adverse parties, dates of representation, and the attorney(s) at Polsinelli with responsibility for the engagement. This database is updated for every new matter opened by Polsinelli. Before the firm takes on a new engagement, the list of interested parties is run through the conflicts system, and any hits are reviewed by in-house conflicts counsel as well as the attorneys responsible for the engagement.

7. Polsinelli represents many entities and service providers that may be creditors in the Debtors' Chapter 11 Cases. However, Polsinelli is not representing any of those entities or service providers in the Chapter 11 Cases and will not represent any entities or parties it currently represents with regard to any claims that they may have collectively or individually against the Debtors.

8. Polsinelli represents MidCap Financial Trust ("**MidCap**"), the Debtors' prepetition accounts receivable lender and proposed DIP lender, on matters unrelated to the Chapter 11 cases. To the best of my knowledge and information, MidCap accounted for significantly less than 1% of Polsinelli's annual revenue for fiscal year 2017. Both MidCap and the Debtors have executed appropriate waivers relating to Polsinelli's representation of MidCap on unrelated matters, and no Polsinelli attorney who represents MidCap will have any involvement whatsoever in the representation of the Debtors in these Chapter 11 Cases.

9. To the extent set forth on the Disclosures attached to this Declaration, I, Polsinelli, and certain of its shareholders, counsel, of counsel, and associates may currently represent, or may have previously represented, and may in the future represent, persons, entities, and their affiliates that are claimants, interest holders, other parties-in-interest, or professionals

of the Debtors (and other professionals to be retained in the Chapter 11 Cases) in matters totally unrelated to the Debtors or the Chapter 11 Cases. Attached as Exhibit 2 is a list of parties that Polsinelli has represented in the past, currently represents, or may in the future continue to represent in matters wholly unrelated to the Chapter 11 Cases. In the event litigation between any of the parties listed on Exhibit 2 and the Debtors is necessary, separate conflicts counsel will be engaged to handle the matter for the Debtors. To the best of my knowledge and information, no entity listed on Exhibit 2 accounted for 1% or more of Polsinelli's annual revenue for fiscal year 2017.

10. Except as set forth in this Declaration, neither I, nor Polsinelli, nor any shareholder, counsel, of counsel or associate thereof, insofar as I have been able to ascertain, holds or represents any entity having an adverse interest to the Debtors or their estates.

11. Polsinelli is a "disinterested person" as that term is defined in Bankruptcy Code section 101(14) in that Polsinelli, its shareholders, counsel, and associates:

- a. are not creditors, equity security holders, or insiders;
- b. are not and were not, within two (2) years before the date of the filing of the petition, directors, officers, or employees of the Debtors; and
- c. do not have interests materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

12. Pursuant to Bankruptcy Code section 327(c), Polsinelli is not disqualified from acting as Debtors' counsel merely because it previously represented or currently represents the Debtors' creditors or other parties in interest in matters unrelated to the Debtors or the Chapter 11 Cases. To the extent that Polsinelli is determined to have a conflict with respect to a particular client or matter, the Debtors will utilize separate conflicts counsel as necessary. In addition, to the extent necessary and appropriate, Polsinelli will implement an ethical wall, screening

attorneys working on any such matters from interacting with attorneys working on the Chapter 11 Cases.

13. As part of its customary practice, Polsinelli is retained in cases, proceedings, and transactions involving many different parties throughout the United States, some of whom may represent or be employed by the Debtors, claimants, and/or parties in interest in the Chapter 11 Cases. It is my understanding that the entities listed below had and/or continue to have a relationship with the Debtors. Polsinelli does not, however, provide services to these entities in connection with the Chapter 11 Cases, the Debtors, or their estates.

14. By reason of the foregoing, I believe that Polsinelli is eligible for employment and retention by the Debtors pursuant to Bankruptcy Code section 327 and the applicable Bankruptcy Rules.

15. The professional services that Polsinelli has rendered and will render to the Debtors include, but shall not be limited to, the following:

- a. taking all necessary action to protect and preserve the estates of the Debtors, including the prosecution of actions on the Debtors' behalf, the defense of any actions commenced against the Debtors, the negotiation of disputes in which the Debtors are involved, and the preparation of objections to claims filed against the Debtors' estates;
- b. providing legal advice with respect to the Debtors' powers and duties as Debtors in possession in the continued operation of their business;
- c. preparing on behalf of the Debtors, as debtors in possession, necessary motions, applications, answers, orders, reports, and other legal papers in connection with the administration of the Debtors' estates;
- d. appearing in court and protecting the interests of the Debtors before this Court;
- e. assisting with any disposition of the Debtors' assets, by sale or otherwise;
- f. taking all necessary or appropriate actions in connection with any plan of reorganization and related disclosure statement and all related documents, and such further actions as may be required in connection with the administration of the Debtors' estates;
- g. reviewing all pleadings filed in the Chapter 11 Cases; and

- h. performing all other legal services in connection with the Chapter 11 Cases as may reasonably be required.
16. Pursuant to Bankruptcy Code section 329 and Bankruptcy Rule 2016, Polsinelli discloses that \$127,904.00 in aggregate fees and expenses have been paid in the 12 months preceding the Petition Date.
17. With regard to the Chapter 11 Cases, prior to the Petition Date, the Debtors paid Polsinelli a retainer in the amount of \$100,000 (the “**Retainer**”). The Debtors also paid Polsinelli’s monthly invoices in the ordinary course of business. All of Polsinelli’s fees and expenses prior to the Petition Date were paid in full and Polsinelli has remaining amount of \$100,000 in trust under the Retainer.
18. The Debtors, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, propose to pay Polsinelli its customary hourly rates for services rendered. Polsinelli has advised the Debtors that Polsinelli’s hourly rates for professionals that will be primarily responsible for this matter range from \$450-\$775 per hour for shareholders, from \$250-\$450 per hour for associates, and from \$200-250 per hour for paraprofessionals. All rates are commensurate with the standard hourly rates charged by Polsinelli to other similarly situated clients and on similar matters. These hourly rates are subject to periodic adjustment to reflect economic and other conditions.
19. The hourly rates set forth above are Polsinelli’s standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate Polsinelli for the work of its attorneys and paralegals, and to cover fixed and routine overhead expenses. It is Polsinelli’s policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client’s case. The expenses charged to clients include, among other things, telephone and telecopier charges, printing and scanning charges, toll charges, mail and express mail

charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for “working meals,” computerized research, and transcription costs, as well as non-ordinary overhead expenses such as overtime for secretarial personnel and other staff. Polsinelli will charge for these expenses in a manner and at rates consistent with charges made generally to the firm’s other clients and within the Local Rules.

20. The Debtors have agreed to pay the above listed compensation to Polsinelli for legal services rendered in connection with the Chapter 11 Cases by its various attorneys and paralegals. The Debtors also have agreed to reimburse Polsinelli for its actual and necessary expenses incurred in connection with the Chapter 11 Cases.

21. No promises have been received by Polsinelli or by any shareholder, counsel, of counsel, or associate thereof as to payment or compensation in connection with the Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. Polsinelli has no agreement with any other entity to share with such entity any compensation received by Polsinelli in connection with the Chapter 11 Cases, other than with the shareholders, counsel, and associates of Polsinelli.

22. Although Polsinelli has taken reasonable steps to ascertain whether past and current clients are creditors of the Debtors, affiliated with the Debtors, or are otherwise parties-in-interest, Polsinelli’s analysis is ongoing. Accordingly, Polsinelli shall supplement this Declaration as appropriate and necessary.

23. The foregoing constitutes the statement of Polsinelli pursuant to Bankruptcy Code section 327 and Bankruptcy Rules 2014(a) and 2016(b).

I certify under penalty of perjury under the laws of the United States that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Dated: August 24, 2018  
Nashville, Tennessee

*/s/ David E. Gordon*  
\_\_\_\_\_  
David E. Gordon

**EXHIBIT 1**

Parties in Interest

3M Health Information Systems  
Aesynt, Inc.  
Alliance Healthcare Serv Inc  
American National Red Cross  
Amory Water and Electric  
Anesthesia Assoc of MS PLLC  
ASD Specialty Healthcare Inc  
Baker Donelson  
Batesville Family Medical PLLC  
Beckman Coulter Inc  
Brentwood Behavioral Healthcare  
Brightree LLC  
Cardinal Health 110, Inc  
Cardinal Health Incorporated  
Cardinal Health Pharmacy #32  
Caremed  
CDW Computer Centers Inc  
CDW Government, Inc.  
Change Healthcare Solutions, LLC  
CHS dba/Shared Services Center-Ft. Smith  
CHSPSC, LLC  
City of Batesville  
Community Health Systems, Inc  
Comos Facility Support, Inc.  
Comphealth Associates, Inc.  
Comprehensive Hospitalists of MS LLC  
Crown Healthcare Laundry Service, LLC  
Delta Dental of TN  
Diversified Clinical Service  
DSI Security Services  
Eclinical Works LLC  
Egerton McAfee  
Egerton McAfee Armistead & Davis P.C.  
Epstein Becker Green, P.C.  
Eye Med (Fidelity Security Life Insurance Co.)  
GE Healthcare II ITS USA Corp  
Gifted Nurses LLC  
Halyard Health Inc  
Harrison, Scott MD  
Healogics, Inc  
Healthcare Financial Management Assoc.  
Healthtrust Workforce Solutions LLC  
HHS Culinary and Nutrition S



HHS LLC  
Hologic Limited Partnership  
Hologic, Inc  
Horne LLP  
Hospital Care Consultants  
Hospital Housekeeping Systems, Ltd.  
In10sity Interactive, LLC  
Intuitive Surgical Inc  
Johnson and Johnson Healthcare  
Kronos  
Lifepoint Health, Inc. (Parent of Russellville Hospital, Inc.)  
Mag Mutual Insurance Company  
Medhost  
Medhost Direct, Inc  
Medhost of TN, Inc  
Meditract  
Medline Industries Inc  
Medtronic USA Inc  
Methodist Healthcare Corp  
Mid South Rehab Services, Inc.  
MidCap Finance  
Midpark Knoxville, LLC  
Mississippi Emergency Physician Services, LLC  
Monroe County Tax Collector  
Morrison Healthcare  
Morrison Management Specialists, Inc.  
MS Emergency Phys Srv LLC  
Mutual of Omaha  
No MS Med Ctr Pathology Dept  
Northwest Medical Center  
Olympus Surgical Technologie  
Otis Elevator Co  
Owens and Minor  
Panola County Tax Assessor  
Patientsafe Solutions, Inc  
PGN Technologies, LLC  
Philips Healthcare  
Ricoh  
Ring Central  
ServisFirst Bank  
Siemens Healthcare Diagnostics  
Staples Advantage  
Stat Imaging Solutions LLC  
Stat Informatic Solutions, LLC  
Strategic Healthcare Resources  
Stryker Endoscopy

Stryker Orthopaedics  
Sun Life Financial  
Synthes (USA) Inc  
Sysco Memphis, LLC  
Sysco of Memphis  
Tallahatchie Valley EPA  
Weatherby Locums Inc  
Willow Anesthesia Services  
Yourcare Universe, Inc

## **EXHIBIT 2**

### Disclosures

In the past, currently, and in the future, Polsinelli PC has represented, represents, and will continue to represent the following entities or affiliated entities in certain matters wholly unrelated to the Debtors and the Chapter 11 Cases:

3M Health Information Systems (Prior involvement; Client/Client Affiliate)  
Aesynt, Inc. (Client)  
Alliance Healthcare Services, Inc. (Client/Client Affiliate)  
American National Red Cross (Prior Involvement; Client/Client Affiliate)  
Batesville Family Medical PLLC (Client)  
Beckman Coulter, Inc. (Client/Client Affiliate)  
Cardinal Health 110, Inc. (Client)  
Cardinal Health Incorporated (Client/Client Affiliate)  
Cardinal Health Pharmacy #32 (Client/Client Affiliate)  
CDW Computer Centers Inc. (Client)  
Change Healthcare Solutions, LLC (Client)  
CHSPSC, LLC (Prior Involvement; Client/Client Affiliate)  
Community Health Systems, Inc. (Prior Involvement; Client/Client Affiliate)  
Delta Dental of TN (Client/Client Affiliate)  
Diversified Clinical Services, Inc. (Client)  
GE Healthcare IITS USA (Prior Involvement; Client/Client Affiliate)  
Halyard Health, Inc. (Client)  
Healogics, Inc. (Client)  
Healthtrust Workforce Solutions LLC (Client)  
Intuitive Surgical, Inc. (Client)  
Johnson and Johnson Healthcare (Client/Client Affiliate)  
Mag Mutual Insurance Company (Client/Client Affiliate)  
Medline Industries, Inc (Prior Involvement; Client/Client Affiliate)  
Medtronic USA Inc. (Client Affiliate)  
Methodist Healthcare-Corp (Client Affiliate)  
Mid South Rehab Services, Inc. (Client Affiliate)  
Mutual of Omaha (Client Affiliate)  
Northwest Medical Center (Client/Client Affiliate)  
Otis Elevator Company (Prior Involvement; Client/Client Affiliate)  
Phillips Healthcare (Prior Involvement; Client/Client Affiliate)  
Siemens Healthcare Diagnostics Inc. (Prior Involvement; Client/Client Affiliate)  
Staples Advantage (Client/Client Affiliate)  
Styker Orthopaedics (Client)  
Sun Life Financial (Prior Involvement; Client/Client Affiliate)  
Sysco Memphis, LLC (Client)