

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

In re:)	
	)	Chapter 11
Curae Health, Inc., <i>et al.</i> ¹	)	Case No. 18-05665
)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921)	
Debtors.	)	Jointly Administered

THE DEADLINE FOR FILING A TIMELY RESPONSE IS: September 25, 2018
THE HEARING WILL BE: October 2, 2018 at 11:00 AM Central Standard Time in
Courtroom 2, 2nd Floor Customs House, 701 Broadway, Nashville, TN 37203.

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on September 7, 2018, the above-captioned debtors and debtors in possession (the “**Debtors**”) filed the **APPLICATION OF DEBTORS FOR AUTHORITY TO EMPLOY AND RETAIN POLSINELLI PC AS COUNSEL TO THE DEBTORS NUNC PRO TUNC TO THE PETITION DATE** (the “**Motion**”), attached hereto, in the Bankruptcy Court for the Middle District of Tennessee.

PLEASE TAKE FURTHER NOTICE that the Motion had been previously filed on August 24, 2018 at Docket No. 11, and notice was provided that a hearing on the Motion would be held on September 25, 2018.

PLEASE TAKE FURTHER NOTICE that the hearing on the Motion will now be held on **October 2, 2018 at 11:00 AM Central Standard Time** in Courtroom 2, 2nd Floor Customs House, 701 Broadway, Nashville, TN 37203.

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).

YOUR RIGHTS MAY BE AFFECTED. If you do not want the court to grant the Motion by entering the proposed final order, attached hereto, or if you want the court to consider your views on the Motion, then on or before **September 25, 2018**, you or your attorney must:

1. File with the court your response or objection explaining your position. Please note: the Bankruptcy Court for the Middle District of Tennessee requires electronic filing. Any response or objection 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>>.

If you need assistance with Electronic Filing you may call the Bankruptcy Court at (615) 736-5584. You may also visit the Bankruptcy Court in person at: 701 Broadway, 1st Floor, Nashville, TN (Monday - Friday, 8:00 A.M. - 4:00 P.M.).

2. Your response must state the deadline for filing responses, the date of the scheduled hearing and the motion to which you are responding.

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 website at <<https://ecf.tnmb.uscourts.gov>>. If you or your attorney does not take these steps, the court may decide that you do not oppose the relief sought in the Motion and may enter the attached final order granting that relief.

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Dated: September 7, 2018
Nashville, Tennessee

POLSINELLI PC

/s/ Michael Malone

Michael Malone
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-and-

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*Proposed Counsel to the Debtors and
Debtors in Possession*

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

In re:)	
	)	Chapter 11
Curae Health, Inc., <i>et al.</i> ¹	)	Case No. 18-05665
)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921)	
Debtors.	)	Jointly Administered

**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:

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).

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.

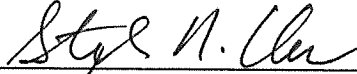
WHEREFORE, the Debtors respectfully request that the Court enter the proposed order substantially in the form attached hereto as Exhibit A granting the relief requested in the Application and such other and further relief as may be just and proper.

[Signature Page Follows]

Dated this 24th 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



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., <i>et al.</i> ¹	)	Case No. 18-05665
)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921)	
Debtors.	)	Jointly Administered

**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**”)² 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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² 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
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-and-

David E. Gordon (*Admitted Pro Hac Vice*)
Caryn E. Wang (*Admitted Pro Hac Vice*)
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*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., <i>et al.</i> ¹	)	Case No. 18-05665
)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921)	
Debtors.	)	Jointly Administered

**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,

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).

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**”)¹ 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.

¹ 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)