

Charles M. Walker
U.S. Bankruptcy Judge

Dated: 11/14/2018



**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 |

AGREED

PROPOSED FINAL ORDER AUTHORIZING: (I) CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, INCLUDING MAINTENANCE OF EXISTING BANK ACCOUNTS, CHECKS, AND BUSINESS FORMS; (II) SUSPENSION OF CERTAIN U.S. TRUSTEE BANK ACCOUNT REQUIREMENTS; AND (III) CONTINUATION OF EXISTING DEPOSIT PRACTICES

Upon the motion (the “**Motion**”)² of the Debtors for entry of an order (this “**Final Order**”), pursuant to Bankruptcy Code sections 105(a), 363, and 364, Bankruptcy Rules 6003 and 6004, and Local Rule 2015-2: (i) authorizing, but not directing, the Debtors to continue to maintain and use their Cash Management System, including maintenance of the Debtor Bank Accounts and existing, checks and business forms; (ii) granting the Debtors a suspension of certain bank account and related requirements of the U.S. Trustee to the extent that such requirements are inconsistent with the Debtors’ practices under their Cash Management System or other actions described in the Motion or this Order; and (iii) authorizing, but not directing, the Debtors to continue to maintain and use their Deposit Practices; and the Court having reviewed the Motion, the First Day Declaration; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties

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).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED, as set forth herein.
2. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.
3. The Debtors are authorized to continue to use their existing Cash Management System and shall maintain detailed records reflecting all transfers of funds under the terms and conditions provided for by the existing agreements with the institutions participating in the Cash Management System, except as modified by this Final Order. In connection with the ongoing use of the Cash Management System, the Debtors shall continue to maintain current records with respect to all transfers of cash so that all transactions can be readily ascertained, traced, properly recorded, and distinguished between prepetition and postpetition transactions on intercompany accounts, and shall include a detailed accounting of such intercompany transactions in the Debtors' monthly operating reports.
4. The Debtors are authorized to: (i) continue to use any and all of the Debtor Bank Accounts in existence as of the Petition Date, including, but not limited to, the Debtor Bank Accounts identified on Attachment 1 and Attachment 2 attached hereto, in the same manner and

with the same account numbers, styles, and document forms as are currently employed; (ii) deposit funds in and withdraw funds from the Debtor Bank Accounts in the ordinary course by all usual means, including checks, wire transfers, drafts, and electronic fund transfers or other items presented, issued, or drawn on the Debtor Bank Accounts; (iii) pay ordinary course bank fees in connection with the Debtor Bank Accounts, including any fees arising prior to the Petition Date; (iv) perform their obligations under the documents and agreements governing the Debtor Bank Accounts; and (v) for all purposes, treat the Debtor Bank Accounts as accounts of the Debtors in their capacities as debtors in possession.

5. In each instance where the Debtors hold Debtor Bank Accounts at Banks that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days of entry of this Final Order the Debtors shall (i) contact each Bank, (ii) provide the Bank with each of the Debtors' employer identification numbers, and (iii) identify each of the Debtors' Bank Accounts held at such Banks as being held by a debtor in possession in a bankruptcy case.

6. ServisFirst Bank acknowledges and agrees that it shall not set off any funds deposited in Debtors' ServisFirst bank accounts against any amounts owed to ServisFirst Bank by the Debtors without first obtaining permission from the Court after proper notice and a hearing.

7. Debtors are authorized to continue to use their existing checks, correspondence, and other business forms without alteration or change and without the designation "Debtor in Possession" or a bankruptcy case number imprinted upon them. Notwithstanding the foregoing, once a Debtor's existing checks have been used, the Debtor shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; provided that, with respect to checks that the Debtors or their agents print

themselves, the Debtors shall begin printing the “Debtor in Possession” legend on such items within ten (10) days of the date of entry of this Final Order.

8. The Debtors are authorized to continue to utilize all third-party providers necessary for the administration of their Cash Management System, including their payroll processor, LBMC Employment Partners. In addition, the Debtors are authorized, but not directed, to pay all prepetition or postpetition amounts due to such third-party providers.

9. *Nunc pro tunc* to the Petition Date, and subject to the terms of this Final Order or other order of this Court, all Banks at which the Debtor Bank Accounts are maintained are authorized and directed to continue to administer, service, and maintain the Debtor Bank Accounts as such accounts were administered, serviced, and maintained prepetition, without interruption and in the ordinary course (including making deductions for Bank Fees and Expenses), and, when requested by the Debtors in their sole discretion, to honor any and all checks, drafts, wires, electronic fund transfers, or other items presented, issued, or drawn on the Debtor Bank Accounts on account of a claim against the Debtors arising on or after the Petition Date; provided, however, that unless otherwise ordered by the Court, no checks, drafts, electronic funds transfers (excluding any electronic funds transfer that the Banks are obligated to settle), or other items presented, issued, or drawn on the Debtor Bank Accounts on account of a claim against the Debtors arising prior to the Petition Date shall be honored. Notwithstanding the foregoing, the Debtors are authorized to pay Processing Fees to Credit Card Processors regardless of when the underlying transactions occurred.

10. Each Bank shall implement reasonable handling procedures designed to effectuate the terms of this Final Order. No Bank that implements such handling procedures and then honors a prepetition check or item drawn on any account that is the subject of this Final Order (i)

at the direction of the Debtors to honor such prepetition check or item, (ii) in the good faith belief that the Court has authorized such prepetition check or item to be honored, or (iii) as a result of a good faith error made despite implementation of such handling procedures, shall be deemed to be liable to the Debtors or their estates on account of such prepetition check or item being honored postpetition or otherwise in violation of this Final Order.

11. The Debtors are authorized to implement such reasonable changes, consistent with this Final Order, to the Cash Management System as the Debtors may deem necessary or appropriate, including, without limitation, closing any of the Debtor Bank Accounts or opening any New Accounts wherever the Debtors deem that such accounts are needed or appropriate. Notwithstanding the foregoing, the Debtors shall open such New Account(s) at banks that have executed a Uniform Depository Agreement with the U.S. Trustee, or at such banks that are willing to immediately execute such an agreement and any New Account that the Debtors open in the United States shall be (i) at one of the existing Banks or with a bank that is organized under the laws of the United States of America or any state therein, and that is insured by the FDIC or the Federal Savings and Loan Insurance Corporation, and (ii) designated a “Debtor in Possession” account by the relevant bank. The New Accounts are deemed to be Debtor Bank Accounts and are similarly subject to the rights, obligations, and relief granted in this Final Order. The Banks are authorized to honor the Debtors’ requests to open or close (as the case may be) such Debtor Bank Account(s) or New Account(s). In the event that the Debtors open or close any Debtor Bank Accounts(s) or New Account(s), such opening or closing shall be timely indicated on the Debtors’ monthly operating reports and the Debtors shall give fifteen (15) days’ prior notice to the U.S. Trustee, counsel to the prepetition secured creditors, and counsel to any

office committee of unsecured creditors appointed in these Chapter 11 Cases before opening or closing accounts. This period may be shortened by agreement.

12. The Debtors are authorized to deposit funds in accordance with existing practices under the Cash Management System as in effect as of the Petition Date, subject to any reasonable changes, consistent with this Final Order, to the Cash Management System that the Debtors may implement, and, to the extent such practices are inconsistent with the requirements of Bankruptcy Code section 345(b), such requirements suspended.

13. The requirement to establish separate accounts for cash collateral and/or tax payments is hereby waived.

14. Despite the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate any quarterly fees due under 28 U.S.C. § 1930(a)(6) based on the disbursements of each debtor, regardless of who pays those disbursements.

15. Nothing in the Motion or this Final Order, or the Debtors' payment of any claims pursuant to this Final Order, shall be deemed or construed as: (i) an admission as to the validity of any claim or lien against the Debtors or their estates; (ii) a waiver of the Debtors' rights to dispute any claim or lien; (iii) an approval or assumption of any agreement, contract, or lease pursuant to Bankruptcy Code section 365; (iv) an admission of the priority status of any claim, whether under Bankruptcy Code section 503(b)(9) or otherwise; or (v) a modification of the Debtors' rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid to any third party.

16. Neither the provisions contained herein, nor any actions or payments made by the Debtors pursuant to this Final Order, shall be deemed an admission as to the validity of the

underlying obligation or a waiver of any rights the Debtors may have to dispute such obligation on any ground that applicable law permits.

17. Notwithstanding anything to the contrary set forth in the Motion, the Interim Order, or this Final Order: (i) with respect to all accounts listed on Exhibit 2 to this Final Order as accounts at US Bank (the “**US Bank Accounts**”), the Debtors shall initiate and maintain daily sweeps of all funds in the US Bank Accounts to accounts at Wells Fargo Bank over which MidCap Financial Trust or one of its affiliates in its capacity as Agent or Lender under the DIP Credit Agreement (the “**DIP Lender**”) has in place a Deposit Account Control Agreement; (ii) excluding the US Bank Accounts that shall be subject to daily sweeps in accordance with this Paragraph, the Debtors shall at no time have more than \$50,000 in the aggregate in accounts that are not subject to a Deposit Account Control Agreement in favor of the DIP Lender; and (iii) within 75 days of entry of this Final Order, the Debtors shall, to the extent such accounts have not already been closed, close the ServisFirst Corporate Operating Account ending in 2737, the ServisFirst Corporate Accounts Payable Account ending in 2760, and the ServisFirst Corporate Payroll Account ending in 2752 and replace such accounts with accounts at Wells Fargo over which the DIP Lender has a Deposit Account Control Agreement.

18. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003.

19. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

20. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Final Order.

21. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Final Order.

22. On or before September 28, 2018, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Final Order on the Notice Parties.

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

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APPROVED FOR ENTRY BY AND THROUGH COUNSEL:

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

-and-

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

*Counsel to the Debtors and
Debtors in Possession*

NEAL & HARWELL, PLC

By: /s/ David Thompson

David G. Thompson, BPR #20309
Neal & Harwell, PLC
1201 Demonbreun Street, Suite 1000
Nashville, TN 37203
(615) 244-1713 telephone
(615) 726-0573 facsimile
dthompson@nealharwell.com

Counsel for ServisFirst Bank

ATTACHMENT 1

Schedule of Debtor Bank Accounts

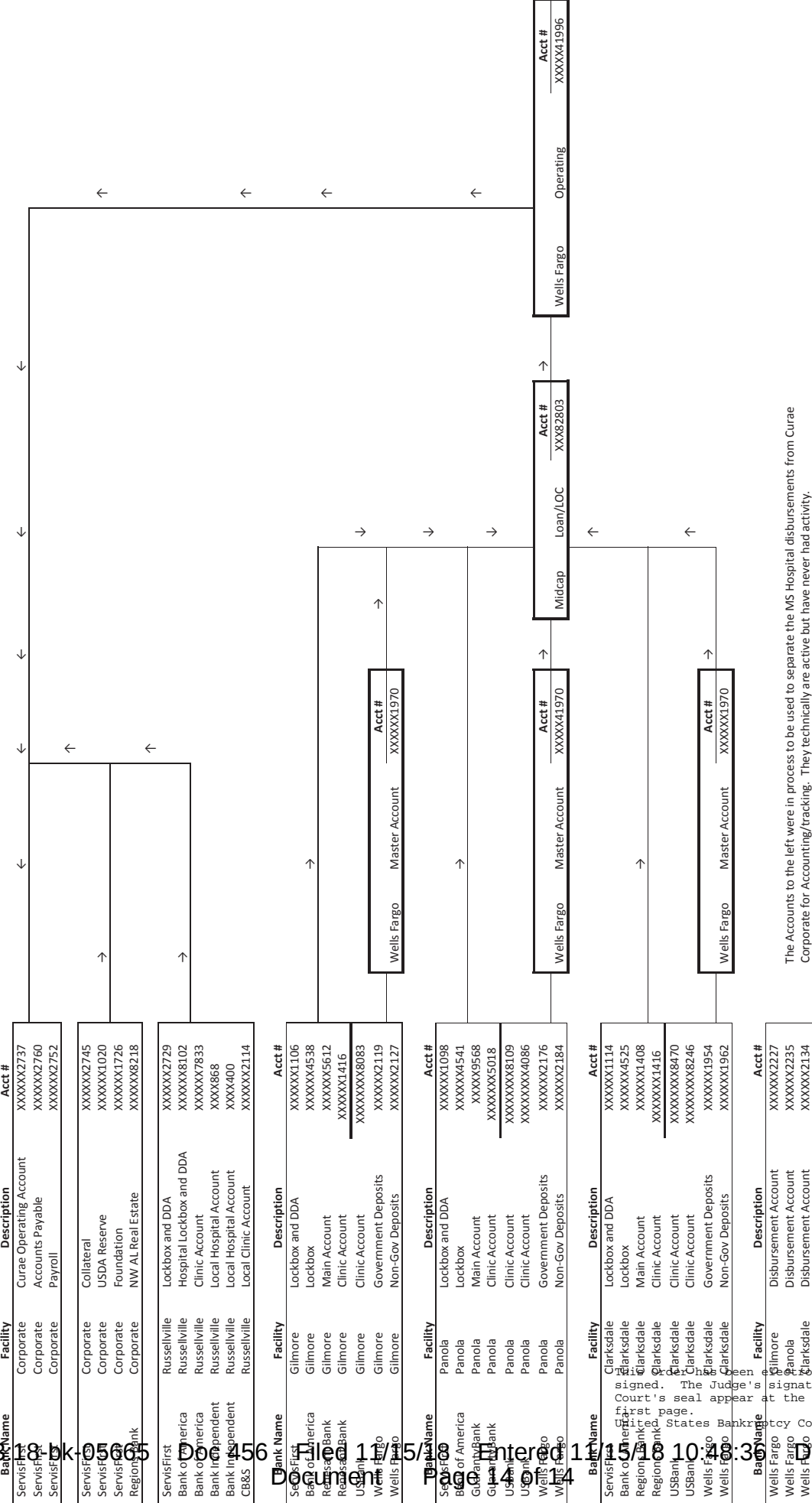
| Financial Institution | Address | Account Number (Last 5 Digits) | Account Holder | Account Type |
|------------------------------|---|---------------------------------------|-----------------------------|----------------------------|
| ServisFirst | 850 Shades Creek Pkwy, Ste 200 Birmingham, AL 35209 | 92737 | Curae Health (Corporate) | Curae Operating Account |
| ServisFirst | 850 Shades Creek Pkwy, Ste 200 Birmingham, AL 35209 | 92760 | Curae Health (Combined) | Accounts Payable |
| ServisFirst | 850 Shades Creek Pkwy, Ste 200 Birmingham, AL 35209 | 92752 | Curae Health (Combined) | Payroll |
| ServisFirst | 850 Shades Creek Pkwy, Ste 200 Birmingham, AL 35209 | 92745 | Curae Health (Corporate) | Collateral |
| ServisFirst | 850 Shades Creek Pkwy, Ste 200 Birmingham, AL 35209 | 51020 | Curae Health (Corporate) | USDA Reserve |
| ServisFirst | 850 Shades Creek Pkwy, Ste 200 Birmingham, AL 35209 | 01726 | Curae Health (Corporate) | Foundation |
| Regions Bank | 245 N Main St. Clinton, TN 37716 | 08218 | Curae Health (Corporate) | NW AL Real Estate |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 41970 | Clarksdale | Master |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 41996 | Clarksdale | Operating |
| ServisFirst | 850 Shades Creek Pkwy, Ste. 200 Birmingham, AL 35209 | 01106 | Gilmore (Amory) | Lockbox and DDA |
| Bank of America | PO Box 15284 Wilmington, DE 19850 | 24538 | Gilmore (Amory) | Lockbox |
| Reasant Bank | 913 Hwy 278 E Amory, MS 38821 | 25612 | Gilmore (Amory) | Main Account |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 52119 | Gilmore (Amory) | Government Deposits |

| Financial Institution | Address | Account Number (Last 5 Digits) | Account Holder | Account Type |
|------------------------------|---|---------------------------------------|------------------------|----------------------------|
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 52127 | Gilmore (Amory) | Non-Government Deposits |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 82227 | Gilmore (Amory) | Disbursement Account |
| Reasant Bank | 913 Hwy 278 E Amory, MS 38821 | 95018 | Gilmore (Amory) | Clinic Account |
| US Bank | PO Box 1800 St. Paul, MN 55101 | 88083 | Gilmore (Amory) | Clinic Account |
| ServisFirst | 850 Shades Creek Pkwy, Ste. 200 Birmingham, AL 35209 | 01098 | Panola (Batesville) | Lockbox and DDA |
| Bank of America | PO Box 15284 Wilmington, DE 19850 | 24541 | Panola (Batesville) | Lockbox |
| Guaranty Bank | 210 Hayden St. Belzoni, MS 39038 | 19568 | Panola (Batesville) | Main Account |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 52176 | Panola (Batesville) | Government Deposits |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 52184 | Panola (Batesville) | Non-Government Deposits |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 82235 | Panola (Batesville) | Disbursement Account |
| Guaranty Bank | 210 Hayden St. Belzoni, MS 39038 | 19576 | Panola (Batesville) | Clinic Account |
| US Bank | PO Box 1800 St. Paul, MN 55101 | 88109 | Panola (Batesville) | Clinic Account |
| US Bank | PO Box 1800 St. Paul, MN 55101 | 14086 | Panola (Batesville) | Clinic Account |
| ServisFirst | 850 Shades Creek Pkwy, Ste. 200 Birmingham, AL 35209 | 01114 | Clarksdale | Lockbox and DDA |
| Bank of America | PO Box 15284 Wilmington, DE 19850 | 24525 | Clarksdale | Lockbox |

| Financial Institution | Address | Account Number (Last 5 Digits) | Account Holder | Account Type |
|------------------------------|---|---------------------------------------|-----------------------|-------------------------|
| Regions Bank | 211 East Second St. Clarksdale, MS 38614 | 01408 | Clarksdale | Main Account |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 41954 | Clarksdale | Government Deposits |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 41962 | Clarksdale | Non-Government Deposits |
| Wells Fargo | PO Box 63020 San Francisco, CA 94163 | 82134 | Clarksdale | Disbursement Account |
| Regions Bank | 211 East Second St. Clarksdale, MS 38614 | 01416 | Clarksdale | Clinic Account |
| US Bank | PO Box 1800 St. Paul, MN 55101 | 88470 | Clarksdale | Clinic Account |
| US Bank | PO Box 1800 St. Paul, MN 55101 | 98246 | Clarksdale | Clinic Account |

ATTACHMENT 2

Diagram of Cash Management System



The Accounts to the left were in process to be used to separate the MS Hospital disbursements from Curae Corporate for Accounting/tracking. They technically are active but have never had activity.