

**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
)	Judge Walker
1721 Midpark Road, Suite B200)	
Knoxville, TN 37921)	(Jointly Administered)
)	
Debtors.)	

**HHS ENVIRONMENTAL SERVICES LLC’S LIMITED OBJECTION WITH
RESPECT TO THE (I) PROPOSED SALE OF PANOLA MEDICAL CENTER
FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND
OTHER INTERESTS AND (II) NOTICE OF STALKING HORSE
PURCHASER’S INTENT TO ASSUME EXECUTORY
CONTRACTS AND UNEXPIRED LEASES
[RELATES TO DKT. NOS. 507, 513, 543 & 549]**

HHS Environmental Services LLC (together with its affiliates, “HHS”), by and through its undersigned counsel, hereby files this limited objection (the “Limited Objection”) to the (I) proposed sale of Panola Medical Center free and clear of all liens, claims, encumbrances and other interests and (II) notice of Stalking Horse Purchaser’s intent to assume executory contracts and unexpired leases. In support of this Limited Objection, HHS respectfully states as follows:

RELEVANT BACKGROUND

1. On November 6, 2018, the Debtors filed their *Motion for Entry of an Order (I) Authorizing and Approving Bidding Procedures for the Sale of Panola Medical Center, (II) Authorizing the Sale of Panola Medical Center Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (III) Approving Stalking Horse Purchaser, Break-up Fee,*

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 Overbid Protections, (IV) Establishing Certain Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (V) Scheduling an Auction, (VI) Scheduling a Hearing and Objections Deadlines with Respect to the Sale of the Panola Medical Center, (VII) Approving the Form and Manner of Notice Thereof, and (VIII) Granting Related Relief (the “Sale Procedures Motion”) [Dkt. No. 401].

2. On November 30, 2018, the Court entered an order approving the Sale Procedures Motion (the “Sale Procedures Order”) [Dkt. No. 503]. Pursuant to the Sales Procedure Order, the Court set a hearing to consider the sale on January 11, 2019, with an objection deadline of January 2, 2019. That same day, the Debtors filed their *Notice of (I) Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property; and (II) Cure Amounts Related to the Foregoing* (the “Cure Notice”) [Dkt. No. 513].

3. That Cure Notice listed two contracts with HHS: (a) “Service Agreement (Non-Clinical)” and (b) “Equipment Purchase Agreement.” For each of these two contracts, the cure amount was incorrectly listed as \$0.00.² As such, on December 10, 2018, HHS filed a limited objection to ensure that its cure claim, to the extent that either referenced contract had not been terminated pre-petition, was properly preserved (the “HHS Limited Objection”) [Dkt. No. 543].

4. The following day, on December 11, 2018, the Stalking Horse Bidder filed its *Notice of Stalking Horse Purchaser's Intent to Assume Executory Contracts and Unexpired Leases* (the “Stalking Horse Assumption Notice”) [Dkt. No. 549]. The Stalking Horse Notice again listed the two HHS contracts that terminated pre-petition, with incorrect cure amounts listed at \$0.

² While the Debtors list the cure amounts at \$0, the Debtors’ own schedules admit otherwise. See Case No. 18-bk-05676 at Dkt. 12 (Schedule F at Item 3.110 identifying Hospital Housekeeping Systems, Ltd. as an unsecured creditor in the amount of \$203,578.46).

LIMITED OBJECTION

5. As with the HHS Limited Objection, HHS respectfully submits this limited objection, out of an abundance of caution, to the sale of the Panola Assets, and specifically to the assumption, assignment and proposed cure of the referenced HHS agreements as described in the Stalking Horse Assumption Notice, for the same reasons described in the HHS Limited Objection, which arguments are fully adopted and incorporated herein by reference for all purposes.

WHEREFORE, HHS respectfully requests that the Court (i) sustain this Limited Objection and (ii) grant such other and further relief to which HHS is entitled, at law or in equity.

Dated: January 2, 2019.

Respectfully submitted,

VEAZEY & TUCKER

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 2, 2019, a true and correct copy of the above Limited Objection was served via the Bankruptcy Court's Electronic Case Filing System on those parties that have consented to such service and served on (a) counsel to the Stalking Horse Purchaser, c/o Quentin Whitwell, Harper Whitwell PLLC, 800 College Hill Road #5201, Oxford, MS 38655, quentin@harperwhitwell.com, (b) counsel to the Debtors, c/o David E. Gordon, Polsinelli PC, 1201 West Peachtree Street, Suite 1100, Atlanta, Georgia 30309, dgordon@polsinelli.com, (c) counsel to MidCap Financial, c/o David E. Lemke, Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, Tennessee 37219, david.lemke@wallerlaw.com, (d) counsel ServisFirst Bank, c/o David G. Thompson, Neal & Harwell, PLC, 1201 Demonbreun Street, Suite 1000, Nashville, Tennessee 37203, dthompson@nealharwell.com, and (e) counsel to the Official Committee of Unsecured Creditors, c/o Andrew Sherman, Sills Cummis & Gross, P.C., One Riverfront Plaza, Newark, NJ 07102, asherma@sillscummis.com.

/s/ Thomas W. Tucker III
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