

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

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**THE DEADLINE FOR FILING A TIMELY RESPONSE IS: February 20, 2019  
IF A RESPONSE IS TIMELY FILED, THE HEARING WILL BE: March 5, 2019 at 9:00  
AM Central Standard Time in Courtroom 2, 2nd Floor Customs House, 701 Broadway,  
Nashville, TN 37203.**

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**NOTICE OF MOTION**

**PLEASE TAKE NOTICE** that on January 30, 2019, the above-captioned debtors and debtors in possession (the “**Debtors**”) filed their *Motion for Authority to Employ and Retain Great American Group Advisory & Valuation Services, LLC d/b/a Great American Corporate Advisory & Valuation Services Nunc Pro Tunc to January 28, 2019 to Provide Valuation Services to the Debtors Relating to the Clarksdale Hospital* (the “**Motion**”), attached hereto.

**PLEASE TAKE FURTHER NOTICE** that if a response is timely filed, a hearing on the Motion will be held on **March 5, 2019 at 9:00 AM Central Standard Time** in Courtroom 2, 2nd Floor Customs House, 701 Broadway, Nashville, TN 37203.

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<sup>1</sup> 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 **February 20, 2019**, 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.** If a response is filed before the deadline stated above, the hearing will be held at the time and place indicated above. 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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**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> <sup>1</sup>	)	Case No. 18-05665
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Jointly Administered

**MOTION OF DEBTORS FOR AUTHORITY TO EMPLOY AND RETAIN GREAT  
AMERICAN GROUP ADVISORY & VALUATION SERVICES, LLC D/B/A GREAT  
AMERICAN GROUP CORPORATE ADVISORY & VALUATION SERVICES NUNC  
PRO TUNC TO JANUARY 28, 2019 TO PROVIDE VALUATION SERVICES TO THE  
DEBTORS RELATING TO THE CLARKSDALE HOSPITAL**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move the Court (the “**Motion**”) for entry of an order (the “**Proposed Order**”), substantially in the form annexed hereto as Exhibit A, pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), authorizing, but not directing, the Debtors to retain Great American Group Advisory & Valuation Services, LLC d/b/a Great American Group Corporate Advisory & Valuation Services (“**Great American**”) to provide valuation services to the Debtors relating to the Clarksdale Hospital. In support of this Motion, the Debtors submit the *Declaration of Drew Jakubek in Support of Motion of Debtors for Authority to Employ and Retain Great American Group Advisory & Valuation Services, LLC d/b/a Great American Corporate Advisory & Valuation Services Nunc Pro Tunc to January 28, 2019 to Provide Valuation Services to the Debtors Relating to the Clarksdale Hospital*, (the “**Jakubek**”

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<sup>1</sup> 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).

**Declaration**”) attached hereto as Exhibit C. In further support of this Motion, the Debtors, by and through undersigned counsel, respectfully represent:

### **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 327(a) and 328(a).

### **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* [Docket No. 49] (the “**First Day Declaration**”) and 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.

5. On August 29, 2018, the Court entered an order authorizing the joint administration of the Chapter 11 Cases [Docket No. 59].

## **RELIEF REQUESTED**

6. By this Motion, pursuant to Bankruptcy Code sections 327(a) and 328(a), the Debtors request entry of an order, substantially in the form attached hereto as Exhibit A, authorizing, but not directing, the Debtors to retain Great American *nunc pro tunc* to January 28, 2019 to provide valuation services to the Debtors with respect to the proposed purchased assets of the Debtors' Clarksdale hospital.

### **A. Retention of Great American Personnel**

7. Great American is a Woodland Hills, California based company with offices and staff located in the following cities throughout the country: Los Angeles, California; Chicago, Illinois; Boston, Massachusetts; New York, New York; Atlanta, Georgia; Houston, Texas; and Dallas, Texas. Additionally, Great American has an office in London, England. For over 40 years, Great American has been a leading provider of appraisals, valuation, lending and disposition services to a wide range of clients. Globally, Great American conducts thousands of appraisals annually on various asset classes throughout all industries.

8. The Debtors believe that Great American is well qualified and able to advise them in a cost-effective, efficient, and timely manner. The Debtors have been advised by Great American that it will endeavor to coordinate with the other professionals retained in these Chapter 11 Cases to eliminate unnecessary duplication of work. Therefore, the Debtors submit that the retention and employment of Great American is in the best interests of the Debtors' estates.

### **B. Scope of Services**

9. Subject to approval by the Court, the Debtors propose to retain Great American on the terms and conditions set forth in the engagement letter, dated January 28, 2019, attached

hereto as Exhibit B (the “**Engagement Letter**”) except as otherwise explicitly set forth herein or in any order granting this Motion.

10. Great American will support the Debtors with respect to providing an estimate of the Fair Market Value of the subject assets of the Debtors by way of physical inspections at a date to be determined (the “**Services**”). These Services are necessary to enable the Debtors to maximize the value of their estates and assist Debtors in the performance of their duties under the Bankruptcy Code in connection with the sale of the Clarksdale hospital.

**C. Great American’s Disinterestedness**

11. To the best of the Debtors’ knowledge, information, and belief, except as set forth in the Jakubek Declaration annexed hereto as Exhibit C, Great American: (i) has no connection with the Debtors, their creditors, other parties in interest, or the attorneys or accountants of any of the foregoing, or the United States Trustee or any person employed in the Office of the United States Trustee, and (ii) does not hold any interest adverse to the Debtors’ estates.

12. Pursuant to Bankruptcy Code section 327, the Debtors attach the Jakubek Declaration, which disclose, among other things, any relationship that Great American, Mr. Jakubek, or any Great American personnel has with the Debtors, their significant creditors, or other significant parties in interest known to Great American.

13. As set forth in the Jakubek Declaration, Great American is a subsidiary of B. Riley Financial, Inc. (“**B. Riley**”). The Debtors’ financial advisor, GlassRatner Advisory and Capital Group, LLC, is also a subsidiary of B. Riley.

14. Based upon the Jakubek Declaration, the Debtors submit that Great American is a “disinterested person” as that term is defined by Bankruptcy Code section 101(14).

15. In addition, as set forth in the Jakubek Declaration, if any new material facts or relationships are discovered or arise, Great American will provide the Court with a supplemental declaration.

**D. Compensation**

16. In accordance with the terms of the Engagement Letter, Great American will receive a fixed fee of \$18,500 for providing the Services, plus out of pocket costs including but not limited to travel, field consultants, report printing and production, telecommunications, supplies, shipping, insurance, research materials, and other related incidental costs.

17. This fee includes post-issue assistance for up to eight hours. Any additional post-issue assistance provided by Great American will be charged at a rate of \$400 per hour.

18. Great American did not receive any retainer in connection these Chapter 11 Cases.

**BASIS FOR RELIEF**

19. The Debtors seek approval of the retention of Great American pursuant to Bankruptcy Code sections 327(a) and 328(a) *nunc pro tunc* to January 28, 2019, the date of the Engagement Letter. Section 327(a) of the Bankruptcy Code provides that a debtor, subject to Court approval, “may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor] in carrying out the [debtor]’s duties under this title.” 11 U.S.C. § 327(a).

20. Additionally, under section 328(a) of the Bankruptcy Code, the Debtors, “with the court’s approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer,

on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a). Furthermore, Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the [firm’s] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

FED. R. BANKR. P. 2014.

21. The Debtors submit that for all the reasons stated above and in the Jakubek Declaration, the Debtors’ retention and employment of Great American to provide the Services is warranted. The terms of the Engagement Letter were negotiated in good faith and at arm’s length between the Debtors and Great American and reflect the Debtors’ evaluation of the Services to be provided by Great American during these Chapter 11 Cases. The Debtors submit that the terms and conditions of the Engagement Letter are fair, reasonable and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

22. The retention of Great American and its professionals is a sound exercise of the Debtors’ business judgment. The Debtors believe that Great American will provide services that will assist the Debtors in performing their duties under the Bankruptcy Code.

23. Based upon the foregoing, the Debtors submit that the retention of Great American, on the terms set forth herein and in the Engagement Letter, is essential, appropriate, and in the best interests of the Debtors’ estates, creditors, and other parties in interest and should be granted in these Chapter 11 Cases.

### **NOTICE**

24. Notice of this Motion will be given to: (a) the US Trustee; (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 the official committee of unsecured creditors established 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; (o) Coahoma County and its counsel; and (p) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

**NO PRIOR REQUEST**

25. No prior motion for the relief requested herein has been made to this or any other court.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

**WHEREFORE** the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court deems just and proper.

This 30th day of January, 2019.

Respectfully Submitted:

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

*Counsel to the Debtors and  
Debtors in Possession*

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

**ORDER AUTHORIZING DEBTORS TO EMPLOY AND RETAIN GREAT AMERICAN  
GROUP ADVISORY & VALUATION SERVICES, LLC D/B/A GREAT AMERICAN  
GROUP CORPORATE ADVISORY & VALUATION SERVICES NUNC PRO TUNC TO  
JANUARY 28, 2019 TO PROVIDE VALUATION SERVICES TO THE DEBTORS  
RELATING TO THE CLARKSDALE HOSPITAL**

Upon consideration of the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), for authorization to retain Great American Group Advisory & Valuation Services, LLC d/b/a Great American Group Corporate Advisory & Valuation Services (“**Great American**”) to provide valuation services to the Debtors relating to the Clarksdale Hospital, pursuant to the terms set forth in the Engagement Letter annexed to the Motion as Exhibit B, and the Jakubek Declaration annexed to the Motion as Exhibit C, all as more fully described in the Motion; and it appearing that the relief requested is in the best interests of the Debtors’ estates, creditors, and other parties in interest; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief

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<sup>1</sup> 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).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided under the particular circumstances; and it appearing that no other or further notice need be provided; and the Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties-in-interest; and this Court being satisfied, based on the representations made in the Jakubek Declaration that Great American does not hold or represent any interest adverse to the Debtors' estates and is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. The terms of the Engagement Letter, including without limitation, the compensation provisions, as modified by the Motion and this Order, are reasonable terms and conditions of employment and are hereby approved.
3. Pursuant to Bankruptcy Code sections 327(a) and 328(a), the Debtors are hereby authorized, but not directed, to retain Great American *nunc pro tunc* to January 28, 2019 to provide valuation services for the Debtors on the terms set forth in the Engagement Letter.
4. Great American 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. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order, the Engagement Letter, and/or the services provided by Great American.

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

*Counsel to the Debtors and  
Debtors in Possession*

**Exhibit B**

**Engagement Letter**



Via Email: [Steve.clapp@curahealth.org](mailto:Steve.clapp@curahealth.org)

January 28, 2019

Stephen Clapp  
President  
Curae Health, Inc.  
1721 Midpark Road  
Knoxville, TN 37921

**Engagement Letter - Valuation of Curae Health**

Dear Stephen:

Great American Group Advisory & Valuation Services, L.L.C. dba Great American Group Corporate Advisory & Valuation Services ("GA") is pleased to submit this engagement letter to Curae Health, Inc. (the "Client" or "Company") for the valuation of certain identified tangible assets of the Company.

**Purpose of Engagement**

We understand that the Polsinelli PC is counsel to Client and its affiliates in their Chapter 11 cases pending in the US Bankruptcy Court for the Middle District of Tennessee, Nashville.

The purpose of this valuation analysis and report (the "Valuation") is to assist the Client with its internal decision making by providing an estimate of the Fair Market Value of the subject assets of the Company by way of physical inspections at a date to be determined (the "Valuation Date").

**Definition of Value**

For the purpose of the Valuation, we will utilize the following definition of value as presented by the American Society of Appraisers:

**Fair Market Value - Installed**

"...An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date."

**Description of Subject Assets**

The Valuation will include an estimate of value of the owned Personal Property – Machinery and equipment, office furniture and equipment, computer hardware, and vehicles.

Any assets or liabilities not identified above will be excluded from the Valuation.

CORPORATE HEADQUARTERS  
21255 Burbank Blvd., Suite 400  
Woodland Hills, CA 91367  
(818) 884-3737 • Fax (818) 746-9917



### **Valuation Methodology**

The Valuation will consider the three basic approaches to value: Income, Market, and Cost. We will evaluate the usefulness of each approach based on the type of asset, the applicability of the approach to that asset, and the nature of the data available to us.

GA will rely on equipment listings created during the physical inventory of the personal property assets as the basis of our valuation for the most significant assets classes. For the valuation of the office furniture and equipment, computer hardware, GA will rely on fixed asset registers and other information provided by the Company.

### **Scope of Work**

We anticipate this engagement will include the following:

- 1) A review of provided Company data and fixed asset records.
- 2) Discussions of fixed asset records with Client management.
- 3) A valuation of the Personal Property with the benefit of physical inspection at the location listed below as selected with Client management:
  - a. Northwest Mississippi Regional Medical Center – 1970 Hospital Drive, Clarksdale, MS 38614
- 4) The application of the Cost Approach to estimate the value of certain personal property, by class and location, under an in-use premise, using a trending methodology if appropriate fixed asset accounting data is available.
- 5) The application of the Market Approach to estimate value of certain personal property through the comparison of pricing, recent sales, and other transaction data for guideline assets similar to the subject assets.

The scope and methodology described in this engagement letter are based on the availability of complete historical cost information and fixed asset records for the Subject Assets. If the Client is unable to provide complete and historical fixed asset records, we will need to adjust the scope and methodology of this engagement.

GA will rely upon any data provided by the Company without independent verification or confirmation. GA will assume that all information provided is complete and accurate.

If necessary, GA will rely on the involvement of the Company in the development of the required data, field visits, and due diligence interviews. GA will coordinate its fieldwork with Company management in order to minimize the inconvenience to management associated with this step of the valuation.

GA will utilize any information already developed and available where time and cost savings can be realized, without compromising the validity or independence of its conclusions. GA will act as an independent contractor. GA's compensation is not contingent in any way upon our analytical conclusions.

GA will provide a document and information request list following the execution of this engagement letter.

### **Timing**

The following table illustrates our projected schedule.

Acceptance of Engagement Letter	1/28/2019
Information Request Sent to the Client	1/28/2019
Information Due from the Company	2/01/2019
Due Diligence and Field Visit Commence	TBD

Once all requested information has been received, we anticipate providing initial value conclusions and a draft report within 12 business days from the date of our inspection.

A final report will be issued promptly upon your review of the draft report and receipt of any comments you may have.

Our ability to meet the designated timing is predicated upon the Company's cooperation in providing all requested data and providing access to the Subject Assets; if the Company is unable to meet this requirement, GA reserves the right to extend the due date of the Valuation.

### **Fees and Costs**

Our fee for the Valuation described above will be \$18,500 plus out of pocket costs including but not limited to travel, field consultants, report printing and production, telecommunications, supplies, shipping, insurance, research materials, and other related incidental costs payable upon the Bankruptcy Court's approval of GA's employment application and fee application.

This fee includes post-issue assistance (e.g., telephone discussions, responding to written questions, revising schedules and/or reports, etc.) to the Client up to 8 hours. The Client will be charged for any post-issue assistance provided by GA at a rate of \$400 per hour.

The Client may cancel this engagement at any time and will only be obligated for fees earned pro rata and expenses incurred through termination. Our fee is not contingent on our Opinion or any subsequent event related to it.

If there is a change in the scope of the Valuation from what is stated above, GA reserves the right to renegotiate the fee of this engagement.

### **Wiring Instructions:**

Great American Group Corporate Advisory & Valuation Services, L.L.C.  
Reference: Curae Health, Inc.  
Wells Fargo Bank  
ABA #: 121000248  
Account #: 4442148946

### **Terms and Conditions**

The Valuation is intended for use only for the purpose(s) described herein. The Valuation conclusions may be invalid if used for any other purpose.

The Valuation will be prepared in conformity with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and appropriate financial reporting and/or tax reporting guidance as put forward by the Mandatory Performance Framework.

The Valuation will be subject to GA's standard limitations and statement of conditions. The contents of the Valuation report are to be considered confidential and for the use of the Client only. The contents of the Valuation will not be transmitted to any third party without the express written consent of GA. The Client may disclose a complete copy of our report to its audit, tax or legal advisors. However, no third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

GA is not an auditor, accountant, or expert in the preparation of financial statements. Pursuant to this engagement, GA has neither been requested by the Client to assist, and is not assisting, the Company or its auditors in the preparation of the Company's financial statements. Furthermore, GA has neither been requested by the Client to advise, and is not advising the Company, as to whether its financial statements comply with applicable accounting or legal requirements including, but not limited to, generally accepted accounting principles.

It is an expressed condition of this Valuation that GA as well as its consultants and/or advisors are neither required to give testimony nor appear in court or before any regulatory body or agency regarding the Valuation, unless arrangements are made herein. Any service in this connection would be at additional cost.

GA's maximum liability to the Client, in the aggregate, arising for any reason out of or relating to this engagement, whether a claim in tort, contract, or otherwise, shall be limited to the amount of fees paid by the Client to GA under this engagement letter for these services, except to the extent such liability is finally determined to have been caused by gross negligence or intentional misconduct of GA or its personnel.

The Client hereby agrees to indemnify and hold harmless GA, its affiliates, and their respective directors, officers, agents, employees, consultants, successors and assigns (collectively, "Indemnified Persons" and individually, an "Indemnified Person") from and against any and all claims, liabilities, losses, damages and expenses incurred by any Indemnified Person (including fees and disbursements of counsel) which:

(A) are related to or arise out of (i) actions taken or omitted to be taken (including any untrue statements made or any statement omitted to be made) by the Client or (ii) actions taken or omitted to be taken by an Indemnified Person with the Company's consent or in conformity with the Company's instructions or the Company's actions or omissions; or

(B) are otherwise related to or arise out of this engagement.

The Client will reimburse GA and any other Indemnified Person for all costs and expenses, including fees of counsel, as they are incurred, in connection with investigating, preparing for, or defending any action, formal or informal claim, investigation, inquiry or proceeding. The Client will not, subject to the following paragraph, be responsible for any claims, liabilities, losses, damages, or expenses pursuant to clause (B) of the preceding sentence which are finally judicially determined to have resulted primarily from GA's bad faith or gross negligence.

This Agreement shall in all respects be governed by, and construed in accordance with the laws of the State of California. Any dispute that is not settled to the mutual satisfaction of the Parties within the applicable notice or cure periods (if any) provided in this Agreement shall be resolved by arbitration between the Parties in accordance with the American Arbitration Association. No form of discovery, including but not limited to interrogatories, requests for admissions, or depositions, shall be permitted. The decision of the arbitrator shall be final and binding upon the Parties and shall be set forth in a written reasoned opinion, and any award may be enforced by either Party in a court of competent jurisdiction. For purposes of enforcement of the award, the Parties consent to the personal jurisdiction and venue of the State and Federal Courts within the City of Los Angeles, California. The Parties agree that the prevailing Party in such arbitration shall be awarded its reasonable attorney's fees, expert fees, expenses and costs incurred in connection with the dispute.

When the valuations are completed, GA may, at its option and expense, place announcements and advertisements or otherwise publicize the engagement and GA's role in it (which may include the reproduction of the Company and Client's logo and a hyperlink to the Company and Client's website) on GA's Internet website and in such newspapers and periodicals as it may choose stating that GA has acted as the valuation professional with respect to some or all of the Company's assets.

**Closing**

If you agree to the terms and conditions of this engagement, please sign and return to my attention **via email**.

We look forward to working with you towards the successful completion of this project.

Sincerely,



Drew Jakubek  
Managing Director  
Great American Group  
Advisory & Valuation Services, L.L.C.

DJ:ks

**Accepted and Agreed:**

Curae Health, Inc.

By: 

Name: Stephen W. Clapp

Title: President

Date: 1-28-19

**Exhibit C**

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

**DECLARATION OF DREW JAKUBEK IN SUPPORT OF MOTION OF DEBTORS  
FOR AUTHORITY TO EMPLOY AND RETAIN GREAT AMERICAN GROUP  
ADVISORY & VALUATION SERVICES, LLC D/B/A GREAT AMERICAN GROUP  
CORPORATE ADVISORY & VALUATION SERVICES NUNC PRO TUNC TO  
JANUARY 28, 2019 TO PROVIDE VALUATION SERVICES TO THE DEBTORS  
RELATING TO THE CLARKSDALE HOSPITAL**

I, DREW JAKUBEK of Great American Group Advisory & Valuation Services, LLC d/b/a Great American Group Corporate Advisory & Valuation Services make this Declaration pursuant to 28 U.S.C. § 1746, and state:

1. I am a Managing Director of Great American Group Advisory & Valuation Services, LLC d/b/a Great American Group Corporate Advisory & Valuation Services (“**Great American**”). Great American is a Woodland Hills, California based company with offices in seven cities across the country and one international office. I submit this Declaration in support of *Motion of Debtors for Authority to Employ and Retain Great American Group Advisory & Valuation Services, LLC d/b/a Great American Group Corporate Advisory & Valuation Services Nunc Pro Tunc to January 28, 2019 to Provide Valuation Services to the Debtors Relating to the*

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<sup>1</sup> 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).

*Clarksdale Hospital* (the “**Motion**”).<sup>2</sup> Except as otherwise noted, I have personal knowledge of the matters set forth herein.<sup>3</sup>

2. Great American offers a full range of appraisal, valuation, lending, and disposition services on an international scale. Great American conducts thousands of appraisals annually on various asset classes throughout all industries. Founded in 1973, Great American has been a leading provider of asset disposition, corporate valuation and advisory services for over 40 years.

**A. Disinterestedness and Eligibility**

3. To the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I, nor Great American, nor any of its partners, principals, employees, agents or affiliates, have any connection with the Debtors, their creditors, the United States Trustee, or any other party with an actual or potential interest in these Chapter 11 Cases, or their respective attorneys or accountants, except as set forth below.

4. Great American is a subsidiary of B. Riley Financial, Inc. The Debtors’ financial advisor, GlassRatner Advisory and Capital Group, LLC, is also a subsidiary of B. Riley Financial, Inc.

5. In connection with the preparation of this Declaration, Great American searched its client database and conducted a review of its professional contacts with the Debtor and other parties in interest that were reasonably known to us to determine whether Great American had any relationships with the following types of entities:

(a) the Debtors;

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

<sup>3</sup> Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at Great American and are based on information provided by such professionals.

(b) the Debtors' current directors and officers and certain of its most significant business affiliations;

(c) secured lenders;

(d) the Debtors' employees;

(e) litigation parties, utility vendors, taxing authorities; and

(f) unsecured creditors of the Debtors, among others, based upon information and/or documentation provided by the Debtors.

6. Based on that search, Great American represents that, to the best of its knowledge, Great American knows of no fact or situation that would represent a conflict of interest for Great American with regard to the Debtor and is a "disinterested person" as that term is defined in Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), in that Great American and its employees:

a. Are not creditors, equity security holders or insiders of the Debtors;

b. Were not, within two (2) years before the date of filing of the Debtors' Chapter 11 petitions, a director, officer, or employee of the Debtors; and

c. Based upon the results of the search described above, do not have an interest materially adverse to the interest of the estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reasons.

7. Great American submits that it holds no adverse interest as to the matters for which it has been employed by the Debtors within the meaning of Bankruptcy Code section 327(a).

8. Great American has represented and may in the future represent certain interested parties in matters wholly unrelated to these Chapter 11 Cases. Based upon Great American's current knowledge of the professionals involved, and to the best of my knowledge, none of those



relationships create interests materially adverse to the Debtors in matters upon which Great American is to be employed, and none are in connection with this case.

9. Despite the efforts described above to identify and disclose Great American's connections with parties in interest in these Chapter 11 Cases, because the Debtors are an enterprise with numerous creditors and other relationships, Great American is unable to state with certainty that every client relationship or other connection has been disclosed. In that regard, if Great American discovers additional information that requires disclosure, Great American will file a supplemental disclosure with the Court.

10. Great American does not believe it is a "creditor" of the Debtors within the meaning of Bankruptcy Code section 101(10).

11. Great American will endeavor to coordinate with the other professionals retained in these Chapter 11 Cases to eliminate unnecessary duplication of work.

## **B. COMPENSATION**

12. Subject to Court approval of the Motion and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, applicable U.S. Trustee guidelines, and the Local Rules for of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Middle District of Tennessee, Great American will seek from the Debtors payment for compensation in accordance with the terms of the Engagement Letter.

26. In accordance with the terms of the Engagement Letter, Great American will receive a fixed fee of \$18,500 for providing the Services, plus out of pocket costs including but not limited to travel, field consultants, report printing and production, telecommunications, supplies, shipping, insurance, research materials, and other related incidental costs.

27. This fee includes post-issue assistance for up to eight hours. Any additional post-issue assistance provided by Great American will be charged at a rate of \$400 per hour.

28. Great American did not receive any retainer in connection these Chapter 11 Cases.

17. To the best of my knowledge, (i) no commitments have been made or received by Great American with respect to compensation or payment in connection with these cases other than in accordance with applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, and (ii) Great American has no agreement with any other entity to share with such entity any compensation received by Great American in connection with these Chapter 11 Cases.

18. By reason of the foregoing, I believe Great American is eligible for retention by the Debtors pursuant to Bankruptcy Code sections 327(a) and 328(a) and the applicable Bankruptcy Rules and Local Rules.

19. I, along with Great American reserve the right to supplement this Declaration in the event that I and/or Great American discover any facts bearing on matters described in this Declaration regarding Great American's employment by the Debtors.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 30, 2019



/s/

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Drew Jakubek  
Managing Director  
Great American Group  
Advisory & Valuation Services, LLC