

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re	)	
	)	Case No. 18-05665
Curae Health, Inc., <i>et.al</i> <sup>1</sup> ,	)	Chapter 11
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
	)	Jointly Administered
Debtors.	)	
	)	Hearing Date & Time: February 28, 2019,
	)	9:00 a.m., Courtroom Two

**STATEMENT IN SUPPORT OF COMMITTEE’S MOTION FOR TERMINATION OF  
EXCLUSIVITY PERIOD AND FOR AUTHORITY TO PROSECUTE CAUSES OF ACTION**

Come MEDHOST of Tennessee, Inc., its wholly-owned subsidiary, MEDHOST Direct, Inc., and MEDHOST Cloud Services, Inc., formerly known as YourCareUniverse, Inc. (referred collectively as “MEDHOST”), and respectfully submit this statement in support of the motion filed by the Official Committee of Unsecured Creditors to terminate the Debtors’ exclusivity periods, and for authority to prosecute certain causes of action, described below (Docket No. 722).

1. Early in these Chapter 11 cases, MEDHOST agreed to serve on the Official Committee of Unsecured Creditors (the “Committee”) appointed herein. MEDHOST’s Chief Executive Officer, William Anderson, has served as chair of the Committee since the Committee’s formation.

2. Up through January 22, 2019, the Committee and the Debtors were engaged in discussions for the preparation and filing of a *joint* plan of liquidation. However, on January 22,

---

<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); Clarksdale Regional Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); and Clarksdale Regional Physicians, LLC (5311).

2019, the Debtors unexpectedly and without notice filed their own Chapter 11 plan of liquidation (the “Debtors’ Plan”) (Docket 698).

3. In mid-December, 2018, the Committee’s counsel sent to Debtors’ counsel a proposed joint plan of liquidation (the “Initial Joint Plan”). The Debtors’ Plan is essentially identical to the Initial Joint Plan, with one glaring exception: The Debtors’ Plan purports to eliminate potentially valuable assets of the Debtors’ estates. The Debtors’ Plan accomplishes this by allowing all Debtors’ insiders, including their officers, directors and management company, to be granted full and complete releases from any liability for actions (or inactions) taken pre-petition. The releasing parties include all creditors of these bankruptcy estates. There is no meaningful explanation of why creditors are being asked to grant such broad releases. Likewise, there is no meaningful explanation of the potential value of such potential causes of action.

4. On January 30, 2019, the Committee filed its motion (i) to terminate the Debtors’ exclusivity periods to permit the Committee to file its own plan of liquidation, and (ii) for leave, standing and authority to commence, prosecute and settle certain causes of action (the “Exclusivity Motion”) (Docket No. 722).

5. MEDHOST is potentially the largest unsecured creditor in these cases, having filed a proof of claim which exceeds \$3.1 million. Because most of the Debtors’ assets are encumbered with liens held by secured creditors, there appears to be precious little value in these estates available to pay unsecured creditors. Proceeds of potential causes of action against the Debtors’ officers, directors and management company may be the only assets available to pay creditors holding allowed unsecured claims. To expect unsecured creditors to release all

potential causes of action, with no meaningful investigation of the value of such actions, is unfair, unreasonable and not supportable in these cases.

MEDHOST respectfully submits this statement in support of the Exclusivity Motion. The Debtors' Plan is not confirmable because it includes release and exculpation language that is contrary to applicable law. The Court should terminate the Debtors' exclusivity periods for cause and permit the Committee to file a plan of liquidation. The Court should also grant the Committee leave, standing and authority to commence, prosecute, and, if appropriate, settle any proposed causes of action filed by the Committee on behalf of the Debtors' estates.

Respectfully submitted this the 8<sup>th</sup> day of February, 2019.

/s/ Thomas H. Forrester

Thomas H. Forrester  
Gullett, Sanford, Robinson & Martin, PLLC  
150 Third Avenue South, Suite 1700  
Nashville, TN 37201  
(615) 244-4994  
[tforrester@gprm.com](mailto:tforrester@gprm.com); [lcatabay@gprm.com](mailto:lcatabay@gprm.com)

*Attorneys for MEDHOST of Tennessee, Inc. and  
affiliated MEDHOST entities*

### **CERTIFICATE OF SERVICE**

I hereby certify that on February 8, 2019, a true and correct copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system.

/s/ Thomas H. Forrester

Thomas H. Forrester