

**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

**NOTICE OF FILING OF EXHIBIT B TO DEBTORS’ DISCLOSURE STATEMENT:
SCHEDULE OF THE ESTIMATED POTENTIAL RANGE OF RECOVERY TO
HOLDERS OF ALLOWED CLAIMS AND INTERESTS IN IMPAIRED CLASSES**

The above captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) in the above-captioned jointly administered chapter 11 cases (these “**Chapter 11 Cases**”), hereby submit this notice of filing of exhibit (“**Notice of Exhibit**”).

On January 22, 2019, the Debtors filed the *Debtors’ Chapter 11 Plan of Liquidation* (the “**Plan**”) [Docket No. 698] and the *Debtors’ Disclosure Statement in Support of Debtors’ Chapter 11 Plan of Liquidation* (the “**Disclosure Statement**”) [Docket No. 699]. In connection with the Plan and Disclosure Statement and pursuant to Local Rule 3016-2, Debtors filed and served a Notice of Hearing on Adequacy of the Disclosure Statement (the “**Notice of Hearing**”), setting a hearing on the adequacy of the Disclosure Statement for February 21, 2019 at 9:00 a.m. Pursuant to the *Agreed Order Setting Expedited Hearing and Briefing Schedule on the Official Committee of Unsecured Creditors’ Motion (I) to Terminate the Debtors Exclusivity Periods to Permit the Committee to File a Plan of Liquidation, and (II) for Leave, Standing and Authority to Commence, Prosecute and, If Appropriate, Settle Certain Causes of Action on Behalf of the*

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).

*Debtors' Estates, (B) Setting a Hearing and Briefing Schedule on the Debtors' Motion for An Order (I) Approving Disclosure Statement; (II) Establishing Forms and Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan; (III) Establishing Deadline and Procedures for Filing Objections to the Confirmation of the Plan; and (IV) Granting Related Relief, and (C) Granting the Official Committee of Unsecured Creditors Authority to File Plan of Liquidation and Disclosure Statement as Exhibit and Related Relief [Docket 728], the Debtors consented to the Committee's proposed briefing schedule, delaying the hearing on the Debtors' Disclosure Statement to February 28, 2019 (the "**Disclosure Statement Hearing**").*

Pursuant to the Disclosure Statement, the *Schedule of the Estimated Potential Range of Recovery to Holders of Allowed Claims and Interests in Impaired Classes* (the "**Recovery Analysis**") is to be filed on the docket at least ten days prior to the Disclosure Statement Hearing. In accordance with the Disclosure Statement, attached hereto as Exhibit 1 is the Recovery Analysis. Debtors reserve the right to amend the Recovery Analysis prior to the Disclosure Statement Hearing.

Dated: February 18, 2019
Nashville, Tennessee

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

-and-

David E. Gordon (Admitted *Pro Hac Vice*)
Caryn E. Wang (Admitted *Pro Hac Vice*)
1201 West Peachtree Street NW, Suite 1100
Atlanta, Georgia
Telephone: (404) 253-6000
Facsimile: (404) 684-6060
dgordon@polsinelli.com
cewang@polsinelli.com

*Counsel to the Debtors and
Debtors in Possession*

Exhibit 1

Schedule of the Estimated Potential Range of Recovery to Holders of Allowed Claims and Interests in Impaired Classes

Curae Health, Inc.

Recovery Analysis

	Notes:	Plan	
		Low	High
Cash & Equivalents:			
Estimated Cash on Hand (2/8/19)		\$393,498	\$393,498
Bank Accounts & Other Assets:			
Amory Midcap Escrow		4,001,809	4,001,809
Amory Holdback Escrow		0	2,000,000
Clarksdale Inventory Sale Proceeds		1,210,446	1,210,446
Clarksdale PP&E		1,750,000	4,000,000
Batesville Sale Proceeds		2,500,000	3,000,000
Russellville Reserve Account	(1)	950,738	950,738
Russellville DSH Proceeds	(1)	506,641	506,641
Estimated Operating Cash Flow (Weeks Ending 2.15 - 4.12)	(2)	209,146	989,146
Remaining A/R Collections After Week Ending 4.12		1,000,000	3,000,000
Deposits		250,000	250,000
Litigation Recoveries	(3)	750,000	Unknown
Total Assets & Cash Equivalents		\$13,522,278	\$20,302,278
Debtor-in-Possession Loan			
MidCap DIP Loan (balance as of 2/11/19)		\$6,043,610	\$6,043,610
<i>Recovery</i>		100.00%	100.00%
Remaining Funds Available		\$6,728,668	\$14,258,668
Estimated Administrative & Priority Claims			
Administrative Claims	(4)	\$264,242	\$240,220
Priority Claims	(4)	752,454	684,049
Professional Fees (Incurred from January through Mid-April Confirmation)		1,172,500	1,172,500
US Trustee Fees		180,000	155,000
Total Administrative & Priority Claims		2,369,196	2,251,769
Remaining Funds Available		\$4,359,472	\$12,006,899
Estimated Alleged MHAP Claim			
MHAP Payment	(5)	2,165,362	-
Total Estimated Alleged MHAP Claim Payments		2,165,362	-
Remaining Funds Available		\$2,194,110	\$12,006,899
Post Confirmation Expense Reserve			
Professional Fees		\$450,000	\$300,000
US Trustee Fees		75,000	75,000
Wind Down Expenses (Post Confirmation)	(6)	421,790	316,343
Total Post Confirmation Expenses		946,790	691,343
Remaining Funds Available		\$1,247,320	\$11,315,557
Class 2 - Alleged ServisFirst Secured Claim			
Payments on Alleged ServisFirst Secured Claim		1,247,320	11,315,557
Total Alleged ServisFirst Secured Claim		18,783,000	18,783,000
<i>Recovery</i>		6.64%	60.24%
Remaining Funds Available		\$0	\$0

Class 3 - Alleged CHS Secured Claim		
Payments on Alleged CHS Secured Claim	-	-
Total Alleged CHS Claim	28,609,419	28,609,419
<i>Recovery</i>	0.00%	0.00%
Remaining Funds Available	\$0	\$0
Class 4 - Secured Claims of Other Lienholders		
Payments on Secured Claims of Other Lienholders	-	-
Total Secured Claims of Other Lienholders	-	-
<i>Recovery</i>	#DIV/0!	#DIV/0!
Remaining Funds Available	\$0	\$0
Class 5 - General Unsecured Claims		
Payments on General Unsecured Claims (3)	242,130	Unknown
Total General Unsecured Claims	22,000,000	22,000,000
<i>Recovery</i>	1.10%	0.00%
Remaining Funds Available	507,870	Unknown
Class 6 - Deficiency Claim of ServisFirst		
Payments on Deficiency Claim of ServisFirst (3)	192,996	Unknown
Total Deficiency Claim of ServisFirst	17,535,680	7,467,443
<i>Recovery</i>	1.10%	0.00%
Remaining Funds Available	314,873	Unknown
Class 7 - Deficiency Claim of CHS		
Payments on Deficiency Claim of CHS (3)	314,873	Unknown
Total Deficiency Claim of CHS	28,609,419	28,609,419
<i>Recovery</i>	1.10%	0.00%
Remaining Funds Available	-	Unknown
Class 8 - All Corporate Interests		
Payments on All Corporate Interests	-	-
Total All Corporate Interests	-	-
<i>Recovery</i>	#DIV/0!	#DIV/0!
Remaining Funds Available	\$0	#VALUE!

Notes:

- (1) The UCC asserts these proceeds are not subject to the ServisFirst lien and are not eligible for a Class 2 payment. In the Debtors' view the issue is irrelevant because, whether subject to Servis First's lien or otherwise, these proceeds would be used to pay some combination of the DIP Loan, administrative & priority claims, US Trustee and Professional Fees, and/or Wind Down Expenses.
- (2) Low case assumes accounts receivable collection rate at 85% of projected.
- (3) Litigation recoveries are allocated on a pro rata basis to Class 5, 6 and 7 only.
- (4) Low case assumes a 10% premium over the current estimate included in the high recovery.
- (5) The Debtors dispute the alleged MHAP claim.
- (6) High case assumes 75% of expenses estimated in the low recovery.