

EXHIBIT 1

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

In re:

Curae Health, Inc., *et al.*¹

1721 Midpark Road, Suite B200
Knoxville, TN 37921

Debtors.

Chapter 11

Case No. 18-05665

Judge Walker

Jointly Administered

**DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF
APPLICATION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR AUTHORITY TO RETAIN AND EMPLOY SILLS CUMMIS & GROSS P.C.
AS CO-COUNSEL *NUNC PRO TUNC* TO SEPTEMBER 6, 2018**

Andrew H. Sherman makes this declaration (the “Declaration”) pursuant to 28 U.S.C. § 1746 and states:

1. I am an attorney at law and a Member of the law firm Sills Cummis & Gross P.C. (“Sills”). I submit this Declaration in support of the this application (the “Application”) for entry of an order authorizing the Committee to retain and employ Sills Cummis & Gross P.C. (“Sills”) as its co-counsel, *nunc pro tunc* to September 6, 2018, pursuant to section 1103 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

2. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein. To the extent any information disclosed herein requires amendment or modification upon completion of further review by Sills or as additional information becomes

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).

available, a supplemental affidavit will be submitted to the Court reflecting such amended or modified information.

QUALIFICATIONS OF SILLS CUMMIS & GROSS P.C.

3. Sills has significant experience representing creditors in complex bankruptcy cases, including as committee counsel in hospital cases throughout the country. Among other representations, Sills has represented or currently represents the creditors' committees in the bankruptcy cases of *In re Bayonne Medical Center* (Case No. 07-15195 (MBK), Bankr. D.N.J.); *In re Hudson Healthcare, Inc.* (Case No. 11-33014 (VFP), Bankr. D.N.J.); *In re Christ Hospital* (Case No. 12-12906 (MS), Bankr. D.N.J.); *In re Fairmont General Hospital, Inc., et al.* (Case No. 13-01054 (PMF), Bankr. N.D.W. Va.); *In re Union Hospital District* (Case No. 14-03299 (DD), Bankr. D.S.C.); *In re Ultura (LA) Inc., et al.* (Case No. 14-12382 (KG), Bankr. D. Del.); *In re SMMC Liquidation Corp. f/k/a Saint Michael's Medical Center, Inc., et al.* (Case No. 15-24999 (VFP), Bankr. D.N.J.); *In re Progressive Acute Care, LLC, et al.* (Case No. 16-50740, Bankr. W.D. La.); *In re Gardens Regional Hospital and Medical Center, Inc.* (Case No. 16-17463 (ER), Bankr. C.D. Cal.); *In re CH Liquidation Association f/k/a Coshocton County Memorial Hospital Association* (Case No. 16-51552 (AMK), Bankr. N.D. Ohio); *In re Gainesville Hospital District d/b/a North Texas Medical Center* (Case No. 16-40101 (BTR), Bankr. E.D. Tex.); and *In re Morehead Memorial Hospital* (Case No. 17-10775 (BK), Bankr. M.D.N.C.). Sills also represented or currently represents the debtors in *In re Pascack Valley Hospital Association, Inc.* (Case No. 07-23686 (RG), Bankr. D.N.J.) and *In re Mammoet-Starneth LLC* (Case No. 17-12925 (LSS), Bankr. D. Del.); a secured creditor/plan sponsor in *In re Motor Coach Industries International, Inc., et al.* (08-12136 (BLS), Bankr. D. Del.); and served as special counsel to the committee in *In re 710 Long Ridge Road Operating Company II*,

LLC, et al. (Case No. 13-13653 (DHS), Bankr. D.N.J.) and special counsel to the debtors and committee in *In re Specialty Hospital of Washington, LLC, et al.* (Case No. 14-00279 (SMT), Bankr. D.C.).

PROFESSIONAL SERVICES AND COMPENSATION

4. The professional services Sills has agreed to provide are detailed in the accompanying Application and incorporated herein by reference.

5. Sills intends to apply for compensation for professional services rendered in connection with these cases, subject to approval of the Court and in compliance with sections 330 and 331 of the Bankruptcy Code, applicable provisions of the Bankruptcy Rules, and any orders of the Court, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by the firm.

6. Sills has advised the Committee that Sills will provide two types of fee discounts: (i) the hourly rates for Andrew H. Sherman and Boris I. Mankovetskiy will be discounted to \$595 and \$545 per hour, respectively, and the hourly rates for all other attorneys and paraprofessionals will be discounted by 20% from their standard hourly rates; and (ii) Sills's blended hourly rate for each month will be capped at \$495. Accordingly, Sills's fees for each month in these cases will be the lesser of (a) the amount of Sills's fees at the discounted rates set forth in (i) above, and (b) the amount of Sills's fees at a blended hourly rate of \$495.²

7. Sills's standard, non-discounted hourly rates are currently \$425-\$1,050 for Members, \$425-\$625 for Of Counsel, \$295-\$495 for Associates, and \$95-\$295 for Paralegals, and are subject to periodic adjustment.

² For example, if Sills bills 100 hours in a given month and its fees at its discounted rates for that month equal \$55,000, Sills's fees for the month will be capped at \$49,500 (a blended hourly rate of \$495).

8. The following professionals are expected to have primary responsibility for providing services to the Committee in these cases:

Professional	Standard Hourly Rate	Discounted Hourly Rate
Andrew H. Sherman	\$775	\$595
Boris I. Mankovetskiy	\$695	\$545
Lucas F. Hammonds	\$525	\$420
Rachel E. Brennan	\$495	\$396

9. The foregoing rates are set at a level designed to fairly compensate Sills for its work and to cover fixed and routine overhead expenses. It is Sills's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. These expenses include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for working meals, computerized research, and transcription costs, as well as non-ordinary overhead expenses such as overtime for secretarial personnel and other staff. Sills will charge the Debtors' estates for these expenses in a manner and at rates consistent with charges made generally to the firm's clients and in compliance with any guidelines promulgated by the Office of the United States Trustee, subject to approval by the Court.

10. There is no proposed arrangement to compensate Sills other than as set forth herein. Sills has not shared, nor agreed to share (i) any compensation it has received or may receive with any other party or person, other than with the Members, Of Counsel, and Associates of the firm or (ii) any compensation another person or party has received or may receive.

NO ADVERSE INTEREST

11. Except as disclosed herein, to the best of my knowledge and information, Sills has no connection with the Debtors, their creditors, or any other party-in-interest in these cases, and does not have or represent any other entity having any adverse interest in connection with these cases.

12. Sills maintains a computer client database (the “Database”) containing the names of all of the firm’s current and former clients, parties adverse to those clients, and where practicable, known affiliates of and connections to those clients. The Database is systematically updated in the firm’s ordinary course of business and as the firm receives new matters. In connection with the preparation of this Declaration, I caused checks against the Database to be performed for the list of people and entities identified on Exhibit 1 hereto (collectively, the “Conflicts Check Parties”), which includes the following, among others: (i) the Debtors, (ii) the parties identified on the Debtors’ List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders [Docket No. 1], (iii) the Debtors’ purported secured lenders, and (iv) certain other potential parties in interest (including the parties identified on the conflicts check list attached to the retention application for the Debtors’ attorneys).

13. Sills has a large and diverse practice, and as a result, the foregoing inquiry revealed the following connections to the Conflicts Check Parties:

(a) The following Conflicts Check Parties and/or certain of their affiliates are Sills clients in matters unrelated to these cases:³

(1) Morrison Management Specialists, Inc. (“Morrison”).

³ In addition to the following, Sills has also represented Manufacturers and Traders Trust Company/Wilmington Trust and/or certain of its affiliates in matters unrelated to these cases. As of the date of this Declaration, Sills has no active matters for such entities.

(b) In addition, the following Conflicts Check Parties and/or certain of their affiliates are adverse to a Sills client or clients in matters unrelated to these cases:

- (1) 3M Health Information Systems.
- (2) Alliance Healthcare Serv. Inc.
- (3) Cardinal Health 110, LLC, Cardinal Health 200, LLC, and Cardinal Health 414, LLC (collectively, "Cardinal").
- (4) Comphealth Associates, Inc.
- (5) GE Healthcare II ITS USA Corp.

(c) In addition, Sills has previously represented and/or represents official committees of unsecured creditors of which the following Conflicts Check Parties and/or certain of their affiliates were members:

- (1) Cardinal.
- (2) Medline Industries Inc.
- (3) Medtronic USA Inc.
- (4) Morrison.

(d) In addition, Sills has previously acted as local counsel for certain clients represented by Polsinelli PC as lead counsel. Sills currently has no active matters in such capacity.

14. In addition to the foregoing, in anticipation of the potential formation of an official committee of unsecured creditors, Sills spoke with representatives and/or counsel of Morrison and Cardinal regarding their interest in serving on a committee and Sills's qualifications to serve as committee counsel in the event of a committee's formation.

15. If any contested matter, adversary proceeding, other litigation, or other matter arising in the Debtors' chapter 11 cases presents a conflict of interest such that Sills cannot represent the Committee based on the connections identified above, the Committee will be

represented by its co-counsel (Manier & Herod) or other counsel with respect to such matter unless the Committee and the other relevant party or parties consent to Sills's representation of the Committee in such matter.

16. To the best of my knowledge, information, and belief, no attorney at Sills: (i) holds a direct or indirect equity interest in any of the Debtors or has a right to acquire such an interest; (ii) is or has served as an officer, director, or employee of any of the Debtors; (iii) is in control of any of the Debtors or is a relative of a general partner, director, officer, or person in control of any of the Debtors; (iv) is a general or limited partner of a partnership in which any of the Debtors is also a general or limited partner; (v) is a relative of or has any connection with the bankruptcy judge approving the employment of Sills as the Committee's co-counsel that would render retention and employment improper; or (vi) is connected to the United States Trustee or any employee of that office.

17. Based on the foregoing, and except as set forth herein, neither I, Sills, nor any Member, Of Counsel, or Associate thereof, insofar as I have been able to ascertain based on the information currently available to me, represents any interest adverse to the Debtors or the Committee in this bankruptcy case. To the best of my knowledge, information, and belief, Sills is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

18. I understand that there is a continuing duty to disclose any adverse interest or change in disinterestedness. Sills will from time to time review its disclosures in these cases, and in the event that additional material connections are discovered, the firm will disclose such information to the Court on notice to parties-in-interest and the United States Trustee.

APPROVAL OF EMPLOYMENT NUNC PRO TUNC TO SEPTEMBER 6, 2018

19. For the reasons set forth in the Motion, Sills has requested, and the Committee has agreed, that the firm's retention and employment be approved *nunc pro tunc* to September 6, 2018 in order to allow it to be compensated for the work it has performed for the Committee after that date but prior to the Court's consideration of the Motion.

For the foregoing reasons, I believe that Sills is eligible for employment and retention by the Committee pursuant to section 1103 of the Bankruptcy Code.

I certify under penalty of perjury under the laws of the United States that, to the best of my knowledge and after reasonably inquiry, the foregoing is true and correct.

Dated: September 18, 2018
Newark, New Jersey

/s/ Andrew H. Sherman
Andrew H. Sherman

Exhibit 1

Debtors

Curae Health, Inc.
Amory Regional Medical Center, Inc.
Batesville Regional Medical Center, Inc.
Clarksdale Regional Medical Center, Inc.
Amory Regional Physicians, LLC
Batesville Regional Physicians, LLC
Clarksdale Regional Physicians, LLC

Debtor Professionals

Polsinelli PC
GlassRatner Advisory & Capital Group, LLC
BMC Group, Inc.
Egerton, McAfee, Armistead & Davis, P.C.

Top 30 Creditors List

Community Health Systems
Medhost
Mississippi Emergency Phsyician Services, LLC
Comprehensive Hosp of MS, LLC
CHSPSC, LLC
Northwest Medical Center
Monroe County Tax Collector
Strategic Healthcare Resources
CHS dba Shared Services Center-Ft. Smith
Hospital Housekeeping Systems, Ltd.
Cardinal Health, Incorporated
Egerton McAfee Armistead & Davis P.C.
Owens and Minor
Panola County Tax Assessor
Brentwood Behavioral Healthcare
DSI Security Services
Philips Healthcare
HHS LLC
Johnson and Johnson Healthcare
Stryker Orthopaedics
Anesthesia Assoc of MS PLLC
GE Healthcare IITS USA Corp
Intuitive Surgical Inc.
CDW Computer Centers Inc.
3M health Information Systems
Medtronic USA Inc.

Stat Imaging Solutions LLC
HHS Culinary and Nutrition
Morrison Management Specialists, Inc.
Mid South Rehab Services, Inc.

Purported Secured Lenders

MidCap Finance
ServisFirst Bank
Community Health Systems, Inc.

Parties in Interest (including Debtors' Conflicts Check Parties)

3M Health Information Systems
Aesynt, Inc.
Alliance Healthcare Serv Inc
American National Red Cross
Amory Water and Electric
Anesthesia Assoc of MS PLLC
ASD Specialty Healthcare Inc
Baker Donelson
Batesville Family Medical PLLC
Beckman Coulter Inc
Brentwood Behavioral Healthcare
Brightree LLC
Cardinal Health 110, Inc
Cardinal Health Incorporated
Cardinal Health Pharmacy #32
Caremed
CDW Computer Centers Inc
CDW Government, Inc.
Change Healthcare Solutions, LLC
Chesapeake Resort, LLC
CHS dba/Shared Services Center-Ft. Smith
CHSPSC, LLC
City of Batesville
Community Health Systems, Inc
Comos Facility Support, Inc.
Comphealth Associates, Inc.
Comprehensive Hospitalists of MS LLC
Crown Healthcare Laundry Service, LLC
Delta Dental of TN
Diversified Clinical Service
DSI Security Services
Eclinical Works LLC
Egerton McAfee

Egerton McAfee Armistead & Davis P.C.
Epstein Becker Green, P.C.
Eye Med (Fidelity Security Life Insurance Co.)
GE Healthcare II ITS USA Corp
Gifted Nurses LLC
Halyard Health Inc
Harrison, Scott MD
Healogics, Inc
Healthcare Financial Management Assoc.
Healthtrust Workforce Solutions LLC
HHS Culinary and Nutrition S
HHS LLC
Hologic Limited Partnership
Hologic, Inc
Horne LLP
Hospital Care Consultants
Hospital Housekeeping Systems, Ltd.
Hyatt Corporation
In10sity Interactive, LLC
Intuitive Surgical Inc
Johnson and Johnson Healthcare
Kronos
Lapis Advisers LP
Lifepoint Health, Inc. (Parent of Russellville Hospital, Inc.)
Lord Abbet & Co LLC
Mag Mutual Insurance Company
Manufacturers and Traders Trust Company/Wilmington Trust
Maryland Economic Development Corporation (MEDCO)
Medhost
Medhost Direct, Inc
Medhost of TN, Inc
Meditract
Medline Industries Inc
Medtronic USA Inc
Methodist Healthcare Corp
Mid South Rehab Services, Inc.
MidCap Finance
Midpark Knoxville, LLC
Mintz Levin Cohn Ferris Glovsky and Popeo PC
Mississippi Emergency Physician Services, LLC
Monroe County Tax Collector
Morrison Healthcare
Morrison Management Specialists, Inc.
MS Emergency Phys Srv LLC
Mutual of Omaha
No MS Med Ctr Pathology Dept

Northwest Medical Center
Nuveen Fund Advisors LLC
Olympus Surgical Technologie
Otis Elevator Co
Owens and Minor
Panola County Tax Assessor
Patientsafe Solutions, Inc
PGN Technologies, LLC
Philips Healthcare
Pioneer Investment Management
Quadrangle Development Corp.
Ricoh
Ring Central
ServisFirst Bank
Siemens Healthcare Diagnostics
Staples Advantage
Stat Imaging Solutions LLC
Stat Informatic Solutions, LLC
Strategic Healthcare Resources
Stryker Endoscopy
Stryker Orthopaedics
Sun Life Financial
Synthes (USA) Inc
Sysco Memphis, LLC
Sysco of Memphis
Tallahatchie Valley EPA
Weatherby Locums Inc
Willow Anesthesia Services
Yourcare Universe, Inc

Bankruptcy Judges

Hon. Marian F. Harrison
Hon. Randal S. Mashburn
Hon. Charles M. Walker

U.S. Trustee Personnel

Paul A. Randolph
Courtney Mitchell
Randy Underwood
Jennifer Weston-Spotts
John Shedd
Kim Swafford
Natalie Cox
Leah Johnson
Susan McLean
Paul Poole

Cheryl Randolph
Angela Greer Reid
Megan Seliber
Terri Anderson Whitman