

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

<b>IN RE:</b>	)	<b>Case No.: 3:18-bk-05665</b>
	)	
<b>CURAE HEALTH, INC., et al. <sup>1</sup></b>	)	<b>Chapter 11</b>
	)	<b>Judge Walker</b>
<b>Debtors.</b>	)	<b>Jointly Administered</b>

**OBJECTION BY MISSISSIPPI BLOOD SERVICES, INC. TO AMENDED  
NOTICE OF: (I) DEBTORS' 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**

Mississippi Blood Services, Inc. (“MBS”), a creditor herein, files this Objection to the Amended Notice of (I) Debtors’ 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, filed October 29, 2018 (“Notice”) (Dkt. No. 371).

**PROCEDURAL BACKGROUND**

1. On August 24, 2018, the Debtors filed voluntary petitions for relief in this Court under Chapter 11 of the Bankruptcy Code.

2. On August 31, 2018, the Debtors filed a Motion for Entry of an Order (I) Authorizing and Approving Bidding Procedures for the Sale of Gilmore Medical Center, (II) Authorizing the Sale of Gilmore Medical Center Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (III) Approving Stalking Horse Purchaser, Break Up Fee, 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

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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); Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); and Clarksdale Regional Physicians, LLC (5311)(the “Debtors”).

Hearing and Objection Deadlines with Respect to the Sale of Gilmore Medical Center, (VII) Approving the Form and Manner of Notice Thereof, and (VIII) Granting Related Relief. (Dkt. No. 79). Through this Motion, the Debtors sought approval of the assumption of certain executory contracts in connection with a sale of a hospital located in Amory, Mississippi, and owned by Debtor In Possession Amory Regional Medical Center, Inc. (“Gilmore Hospital”).

3. On October 29, 2018, the Debtors filed an Amended Notice of (I) Debtors’ 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 Notice”). (Dkt. No. 371). Exhibit 1 to the Amended Notice identifies certain agreements to be assumed as well as purported cure amounts for those agreements. Specifically, Exhibit 1 identifies “Blood and Plasma Agreements” with MBS, and states the cure amount is \$0.00.

### **OBJECTION**

4. Through hospital service agreements, MBS agrees to furnish an inventory stock of human blood and related blood products drawn from volunteer donors and tested in accordance with current Good Manufacturing Practice, and FDA standards and specifications, to a hospital. In return, the hospital agrees, among other things, to sponsor four blood drives with MBS each year and to pay in accordance with the primary fee schedule.

5. MBS entered into a Hospital Service Agreement with Gilmore Hospital through which it provided services at the time of the filing of the Petition on August 24, 2018.

6. Presumably, the reference to “Blood and Plasma Agreements” in Exhibit 1 to the Notice is a reference to the Hospital Service Agreement between MBS and Gilmore Hospital.

7. Although MBS does not generally oppose the assumption and assignment of the Hospital Service Agreement through a sale, MBS objects to such assumption unless the correct and full cure amount is paid and adequate assurance of future performance is provided. First, the Notice erroneously states that the cure amount is \$0.00. However, the correct cure amount is \$26,642.00, which is the balance that was owed by Gilmore Hospital at the time of the filing of the petition. The full cure amount must be paid before the Hospital Service Agreement may be assumed under 11 U.S.C. § 365(b)(1)(A) and (B).

8. Second, the Notice fails to provide adequate assurance of future performance. Adequate assurance must be provided pursuant 11 U.S.C. § 365(b)(1)(C).

WHEREFORE, PREMISES CONSIDERED, MBS respectfully requests that this Court enter an order which (1) requires that the correct and full cure amount be paid prior to assumption of the Hospital Service Agreement and (2) requires that adequate assurance of future performance be provided to MBS before the Hospital Service Agreement may be assumed. MBS further prays for any additional or alternative relief this Court deems just and proper.

This the 8<sup>th</sup> day of November, 2018.

Respectfully submitted,

/s/ Ronald G. Steen, Jr.

Ronald G. Steen, Jr. (BPR No. 20536)

THOMPSON BURTON PLLC

6100 Tower Circle, Suite 200

Franklin, TN 37067

(615) 465-6010 Fax: (615) 807-3048

[ronn.steen@thompsonburton.com](mailto:ronn.steen@thompsonburton.com)

*Attorney for Mississippi Blood Services, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that on this 8th day of November 2018, the foregoing *Objection* was filed electronically with the Clerk's office by using the CM/ECF system and served electronically via ECF to all the parties registered to receive electronic notice in the case, and served by U.S. Mail, postage prepaid, and email (where indicated) upon the following parties:

David Gordon  
Polsinelli PC  
1201 West Peachtree St., Ste. 1100  
Atlanta, GA 30309  
[dgordon@polsinelli.com](mailto:dgordon@polsinelli.com)

David W. Houston, IV  
Burr & Forman  
222 2<sup>nd</sup> Ave. S., Ste. 2000  
Nashville, TN 37201  
[dhouston@burr.com](mailto:dhouston@burr.com)

David E. Lemke  
Waller, Lansden Dortch & Davis  
511 Union St., Ste. 2700  
Nashville, TN 37219  
[David.lemke@wallerlaw.com](mailto:David.lemke@wallerlaw.com)

David G. Thompson  
Neal & Harwell, PLC  
1201 Demonbreun St., Ste. 1000  
Nashville, TN 37203  
[dthompson@nealharwell.com](mailto:dthompson@nealharwell.com)

Andrew Sherman  
Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
[asherman@sillscummis.com](mailto:asherman@sillscummis.com)

/s/ Ronald G. Steen, Jr.  
Ronald G. Steen, Jr.