

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In Re:

OAKLAND PHYSICIANS MEDICAL  
CENTER, L.L.C. d/b/a DOCTORS'  
HOSPITAL OF MICHIGAN, a Michigan  
limited liability company,

Case No. 15-51011-wsd  
Chapter 11

Debtor.

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**FIRST AMENDED COMBINED DISCLOSURE STATEMENT  
AND PLAN OF REORGANIZATION OF OAKLAND PHYSICIANS MEDICAL  
CENTER, L.L.C. PROPOSED BY ALLIED GLOBAL CONSULTING, INC.**

## **EXHIBITS TO PLAN AND DISCLOSURE STATEMENT**

- EXHIBIT A - Loan Commitment Letter
- EXHIBIT B - Proposed Solicitation Procedures Order
- EXHIBIT C - Form Notice For Solicitation of Acceptances and Rejections
- EXHIBIT D - Comparison of Allied's Plan to Sant's Plan
- EXHIBIT E - Treatment of Crittenton Under Plan
- EXHIBIT F - Financial Projections
- EXHIBIT G - Debtor's Prepetition Financial Information
- EXHIBIT H - Liquidation Analysis
- EXHIBIT I - Debtor's Post-Petition Information
- EXHIBIT J - Liquidation Trust Agreement
- EXHIBIT K - Claim Purchase Agreement

## INTRODUCTION

Allied Global Consulting, Inc. (the “**Plan Sponsor**”) proposes this plan of reorganization for the resolution of the outstanding Claims against and Interests in the Debtor. Reference is made to the Disclosure Statement combined with this Plan for a discussion of (a) certain information relating to the Debtor, (b) a summary and analysis of this Plan, and (c) certain matters related to the confirmation and the consummation of this Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Plan Sponsor reserves the right to alter, amend, modify, revoke, or withdraw this Plan.

## ARTICLE I

### **DEFINED TERMS AND RULES OF INTERPRETATION**

***Rules Of Interpretation And Computation Of Time.*** For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions with any modifications; (c) any reference in this Plan to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified, or supplemented pursuant to this Plan; (d) any reference to an entity as a Holder of a Claim or Interest includes that entity's successors and assigns; (e) all references in this Plan to Sections and Articles are references to Sections and Articles of or to this Plan; (f) the words “herein,” “hereunder,” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) subject to the provisions of any contract, certificates of incorporation, by-laws, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (j) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply; (k) “including” means including without limitation;” and (l) with reference to any distribution under this Plan, “on” a date means on or as soon as reasonably practicable after that date.

***Exhibits.*** All Exhibits are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits shall be filed with the Bankruptcy Court in the form of a Plan Supplement, no later than seven days prior to the Confirmation Hearing and shall be in form and substance satisfactory to the Plan Sponsor.

***Defined Terms.*** As used herein, capitalized terms shall have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.1 ***Administrative Claim*** means a Claim for costs and expenses of

administration of the Chapter 11 Case under sections 503(b) or 507(b) of the Bankruptcy Code.

1.2 **Allowed** means: (a) listed in the Schedules in an amount greater than zero

and (i) not listed as disputed, contingent or unliquidated, as to which any objection or motion to estimate, equitably subordinate, reclassify, or otherwise limit the recovery thereon has been resolved, and (ii) as to which no proof of claim has been filed; (b) as to which a timely proof of claim has been filed in a sum certain, as to which any objection or motion to estimate, equitably subordinate, reclassify, or otherwise limit the recovery thereon has been resolved; (c) allowed in accordance with Section 502(h) of the Bankruptcy Code; or (d) allowed under this Plan or by Final Order of the Bankruptcy Court. A claim shall not be deemed Allowed until any period to object to such claim has expired.

1.3 **Amended Crittenton Note** – Intentionally left blank.

1.4 **Assumed Contract** is defined in Section 7.1.

1.5 **Assumed Contract List** means the list, attached hereto as Exhibit D, of the

Executory Contracts and Unexpired Leases to be assumed under Section 7.1 hereof.

1.6 **Avoidance Action** means any claim or cause of action of the Estate arising

out of or maintainable pursuant to sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552(b) or 553 of the Bankruptcy Code or under any other similar applicable law, regardless of whether or not such action has been commenced prior to the Effective Date.

1.7 **Bankruptcy Code** means title 11 of the United States Code, as now in effect or hereafter amended to the extent such amendments apply to the Chapter 11 Case.

1.8 **Bankruptcy Court** means the United States Bankruptcy Court for the Eastern District of Michigan or any other court with jurisdiction over the Chapter 11 Case.

1.9 **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure, as now in effect or hereafter amended to the extent such amendments apply to the Chapter 11 Case.

1.10 **Benefit Plans** is defined in Section 7.4 hereof.

1.11 **Business Day** means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

1.12 **Cash** means legal tender of the United States of America, and equivalents thereof.

1.13 **Cash Collateral Order** means the Bankruptcy Court’s *Final Order (I) Authorizing (A) Use of Cash Collateral Pursuant to 11 U.S.C. 363, and (B) Granting of Security Interests, Superpriority Claims, and Adequate Protection, and (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(c)* [DE 130].

1.14 **Causes of Action** means any action, claim, cause of action, controversy, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt. “Causes of Action” include: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity, (b) the right to object to Claims or Interests, (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code, (d) any claim or defense including fraud, mistake, duress and usury; and any other defenses set forth in section 558 of the Bankruptcy Code, (e) any state or foreign law fraudulent transfer or similar claim; and (f) any cause of action described on the Debtor’s Schedules or Statement of Financial Affairs.

1.15 **Chapter 11 Case** means the bankruptcy case of the Debtor, Case No. 15-51011-wsd, pending before the Bankruptcy Court.

1.16 **Chapter 11 Trustee** means Basil T. Simon, in his capacity as chapter 11 trustee in the Chapter 11 Case or any successor trustee appointed by the United States Trustee and approved by the Bankruptcy Court.

1.17 **Claim** means a “claim” as defined in section 101(5) of the Bankruptcy Code.

1.18 **Claims Objection Deadline** is defined in Section 6.5 hereof.

1.19 **Class** means a category of Claims or Interests, as described in Article III hereof.

1.20 **CMS** means The Center for Medicare & Medicaid Services.

1.21 **CMS Overpayment Claim** means the claim of CMS for overpayments made to the Debtor under 42 U.S.C. 1395c – 1395i-5 (Part A).

1.22 **Combined Disclosure Statement and Plan** means this Combined Disclosure Statement and Plan of Reorganization of Oakland Physicians Medical Center Proposed by the Plan Sponsor.

1.23 **Confirmation** means the confirmation of this Plan by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code.

1.24 **Confirmation Date** means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court.

1.25 **Confirmation Hearing** means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

1.26 **Confirmation Order** means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.27 **Creditors' Committee** means the statutory committee of unsecured creditors, appointed in the Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code.

1.28 **Crittenton** means Crittenton Hospital Medical Center, a Michigan not-for-profit corporation.

1.29 **Crittenton Assumed Affiliation Agreement** means the Crittenton 2011-2016 Prepetition Affiliation Agreement as modified in the form attached as Exhibit H to the Plan.

1.30 **Crittenton Deficiency Claim** means the portion of the Claim of Crittenton arising under the Crittenton Loan Documents that is not a Secured Claim.

1.31 **Crittenton Loan Documents** means that certain "Loan Agreement" between Crittenton and the Debtor dated April 14, 2011 and all related "Loan Documents" (as such term is defined in the Loan Agreement).

1.32 **Crittenton Secured Claim** means the Secured Claim of Crittenton under the Crittenton Loan Documents.

1.33 **Crittenton 2016-2018 Affiliation Agreement** means the certain Graduate Medical Education Affiliation Agreement for the 2016-2017 and 2017-2018 academic years in the form attached as Exhibit I to the Plan to be executed by the Reorganized Debtor, by a CMS recognized responsible representative of hospital Medicare provider number 23-0013, and Crittenton on the Effective Date.

1.34 **Crittenton 2011-2016 Prepetition Affiliation Agreement** means that certain Graduate Medical Education Affiliation Agreement between Crittenton and the Debtor dated April 14, 2011.

1.35 **Crittenton 2015-2016 Prepetition Affiliation Agreement** means that certain Doctors Hospital of Michigan and Crittenton Hospital Medical Center Medicare GME Affiliation Agreement Academic Year July 1, 2015 through June 30, 2016 Projected Counts dated July 14, 2015.

1.36 **Cure** means the payment of cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order), as necessary to cure defaults under an executory contract or unexpired lease of the Debtor and to permit that Debtor to assume the contract or lease under Section 365(a) of the Bankruptcy Code.

1.37 **Debtor** means Oakland Physicians Medical Center, L.L.C. d/b/a Doctors' Hospital of Michigan, a Michigan limited liability company.

1.38 **DIP Facility** means that certain debtor-in-possession financing facility approved by the DIP Order.

1.39 **DIP Facility Claims** means the obligations owed to the DIP Lender under the DIP Facility.

1.40 **DIP Lender** mean Sant Partners, LLC in its capacity as lenders under the DIP Facility.

1.42 **DIP Order** means the Bankruptcy Court's *Final Order (I) Authorizing the Debtor to Obtain Post-Petition Financing on a Senior Secured, Superpriority Basis, (II) Authorizing the Use of Cash Collateral, and (III) Granting Adequate Protection to Prepetition Secured Parties* [DE 131], as amended.

1.43 **Disclosure Statement** means the Disclosure Statement contained in this Combined Disclosure Statement and Plan.

1.44 **Disputed Claim** means (a) any Claim as to which an objection or request for estimation has been made in accordance with the Bankruptcy Code and the Bankruptcy Rules, or any claim otherwise disputed by the Chapter 11 Trustee, the Liquidating Trust Trustee, the Debtor, the Reorganized Debtor, the Plan Sponsor or other party-in-interest in accordance with applicable law, which objection has not been withdrawn or determined by a Final Order, (b) any Claim scheduled by the Debtor as contingent, unliquidated, or disputed, (c) any Claim which amends a Claim scheduled by the Debtor as contingent, unliquidated, or disputed, or (d) any Claim prior to it having become an Allowed Claim.

1.45 **Distribution Date** means the date, occurring on or as soon as practicable after the Effective Date, on which the Liquidating Trust Trustee first makes distributions to holders of Allowed General Unsecured Claims.

1.46 **Effective Date** means a Business Day on or after the Confirmation Date specified by the Plan Sponsor on which (a) no stay of the Confirmation Order is in effect and (b) the conditions to effectiveness set forth in Article XI hereof have been satisfied or waived.

1.47 **Estate** means the estate of the Debtor created under section 541 of the Bankruptcy Code.

1.48 **Exculpated Parties** means each of the following in their capacity as such (a) the Debtor, (b) the Reorganized Debtor, (c) the Creditors' Committee, (d) the members of the Creditors' Committee, (e) the DIP Lender, (f) the Plan Sponsor, (g) any member of the Infrahealth Group of Companies, (h) the Chapter 11 Trustee and (i) for each of the foregoing, each such Person's current equity holders, including shareholders, partnership and limited partnership interest holders, and limited liability company membership interest holders, affiliates, partners, subsidiaries, members, officers, directors, managers, principals, employees, agents, managed funds, advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, together with their respective predecessors, successors, and assigns (in each case, solely in their capacity as such); provided that Dr. Yatinder Sigal, Dr. Anuj Mittal, Dr. Michael Short, Dr. Brijinder Gupta, Butzel Long and the Law Offices of Melvin M. Raznick shall not be within the definition of Exculpated Parties.

1.49 ***Executory Contracts and/or Unexpired Leases*** means all executory contracts and unexpired leases to which the Debtor is a party.

1.50 ***Exhibit*** means an exhibit annexed to the Combined Disclosure Statement and Plan or contained in the Plan Supplement, as such exhibit may be amended, modified or supplemented from time to time.

1.51 ***Executory Contract Objection Deadline*** is defined in Section 7.1 hereof.

1.52 ***Face Amount*** means (a) when used in reference to a Disputed Claim, the full stated amount claimed by the holder thereof in any proof of claim timely filed with the Bankruptcy Court, and (b) when used in reference to an Allowed Claim, the amount thereof.

1.53 ***Final Order*** means an order or judgment, the operation or effect of which has not been reversed, stayed, modified, or amended, and as to which order or judgment (or any reversal, stay, modification, or amendment thereof) (a) the time to appeal, seek certiorari, or request reargument or further review or rehearing has expired and no appeal, petition for certiorari, or request for reargument or further review or rehearing has been timely filed, or (b) any appeal, that has been or may be taken or any petition for certiorari or request for reargument or further review or rehearing that has been or may be filed, has been resolved by the highest court to which the order or judgment was appealed, from which certiorari was sought, or to which the request was made, and no further appeal or petition for certiorari or request for reargument or further review or rehearing has been or can be taken for granted.

1.54 ***General Unsecured Claim*** means a Claim against the Debtor that is not an Administrative Claim, DIP Facility Claim, Priority Tax Claim, Non-Tax Priority Claim, Crittenton Secured Claim, CMS Overpayment Claim, Michigan Overpayment Claim, WRC Secured Claim or Other Secured Claim.

1.55 ***Holder*** means a holder of a Claim or Interest, as applicable.

1.56 ***Impaired*** means when used in reference to a Claim or Interest, a Claim or Interests that is in a Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.57 ***Interest*** means the legal, equitable, contractual (including, without limitation, any contractual right to acquire equity in the Debtor contingent upon future events), and other rights of any Person with respect to any membership interest or other ownership interest in the Debtor, whether or not transferable, and any option, warrant, or right to purchase, sell, or subscribe for an ownership interest or other equity security in the Debtor.

1.58 ***Lien*** means any lien, security interest, pledge, title retention agreement, encumbrance, charge, mortgage or hypothecation, other than, in the case of securities and any other equity ownership interests, any restrictions imposed by applicable United States or foreign securities laws.



1.59 **Liquidating Trust Trustee** means the trustee of the Trust, or any successor trustee designated or selected in accordance with the terms of the Plan and the Trust Agreement. The initial Liquidating Trust Trustee shall be Basil T. Simon.

1.60 **Local Rules** means the local rules of the United States Bankruptcy Court for the Eastern District of Michigan, as now in effect or hereafter amended to the extent such amendments apply to the Chapter 11 Case.

1.61 **Medicare Act** means 42 U.S.C. §§ 1395*et seq.* and all related regulations, policies and procedures.

1.62 **Medicaid** means the program adopted by the State of Michigan 42 CFR 430.10 in conformity with the requirements of Title XIX of the Social Security Act.

1.63 **Michigan** means the State of Michigan.

1.64 **Michigan Overpayment Claims** means claims of Michigan for Medicaid Over payments and unpaid QAAP Taxes.

1.65 **New Membership Interests** means the new membership interests to be issued under the Plan and the Amended and Restated Operating Agreement, representing 100% of the equity in the Reorganized Debtor.

1.66 **New Credit Facility** Intentionally Left blank.

1.67 **New Membership Interest** means, collectively, the membership interests in the Reorganized Debtor to be issued under the Plan and the Amended and Restated Operating Agreement, representing 100% of the equity interests in the Reorganized Debtor.

1.68 **Non-Tax Priority Claim** means a Claim, other than an Administrative Claim or Priority Tax Claim, which is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

1.69 **Old Equity Interests** means the Interests, whether or not evidenced by a security, in the Debtor issued and outstanding immediately before the Effective Date.

1.70 **Other Secured Claim** means a Secured Claim that is not a DIP Facility Claim, Crittenton Secured Claim, CMS Overpayment Claim, Michigan Overpayment Claim, or WRC Secured Claim.

1.71 **Oversight Committee** has the meaning set forth in Section 9.5 hereof.

1.72 **Periodic Distribution Date** means each of (a) the Distribution Date, (b) the first Business Day occurring as least six months after the Distribution Date, or such earlier date as the Trustee shall select and (c) the first Business Day occurring at least six months after the immediately preceding Periodic Distribution Date or such earlier date as the Liquidating Trust Trustee shall select.

1.73 **Person** means a “person” as defined in section 101(41) of the Bankruptcy Code and also includes any natural person, corporation, general or limited partnership, limited liability company, joint venture, joint stock company, firm, trust, estate, unincorporated organization, association, government, governmental agency, or other entity, in each case whether acting in an individual, fiduciary or other capacity.

1.74 **Petition Date** means July 22, 2015, the date on which the Debtor filed its petition for relief commencing its Chapter 11 Case.

1.75 **Plan** means this chapter 11 plan of reorganization contained in the Combined Disclosure Statement and Plan, including the Exhibits and all supplements, appendices, and schedules hereto, either in its current form or as the same may be amended, modified or supplemented from time to time with the consent of the Plan Sponsor.

1.76 **Plan Sponsor** is defined in the Introduction.

1.77 **Priority Tax Claim** means a Claim of a governmental unit of the kind specified in sections 502(i), 507(a)(8), or 1129(a)(9)(D) of the Bankruptcy Code.

1.78 **Professional** means (a) any professional employed in the Chapter 11 Case pursuant to sections 327, 328, or 1103 of the Bankruptcy Code or otherwise and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to section 503(b)(4) of the Bankruptcy Code.

1.79 **Purchase Price** means \$4,500,000.00.

1.80 **Professional Fee Claim** means an Administrative Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred on or after the Petition Date and prior to and including the Effective Date.

1.81 **QAAP Taxes** means Quality Assurance Assessment Program taxes under MCL 333.20161.

1.82 **Rejected Contract** is defined in Section 7.1.

1.83 **Rejected Contract List** means the list, attached hereto as Exhibit E, of the Executory Contracts and Unexpired Leases to be rejected under Section 7.1 hereof.

1.84 **Reinstated** means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim so as to leave the Class including such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (c) curing any such default that occurred before or after the Petition Date, other than a default of

a kind specified in section 365(b)(2) of the Bankruptcy Code, (d) reinstating the maturity of such

Claim as such maturity existed before such default, (e) compensating the holder of a Claim for any damages incurred as a result of any reasonable reliance by such holder of a Claim on such contractual provision or such applicable law, and (f) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder of such Claim; provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence, prohibiting certain transactions, change of control or actions contemplated by this Plan, or conditioning such transactions or actions on certain factors, shall not be required to be cured to achieve reinstatement.

1.85 ***Released Parties*** means each of the following in their capacity as such(a) the Creditors' Committee, (b) the members of the Creditors' Committee, (c) the DIP Lender, (d) the Plan Sponsor, (e) any member of the Infrahealth Group of Companies, (f) the Chapter 11 Trustee and (g) with respect to part of the foregoing such Person's current equity holders, including shareholders, partnership and limited partnership interest holders, and limited liability company membership interest holders, affiliates, partners, subsidiaries, members, officers, directors, managers, principals, employees, agents, managed funds, advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, together with their respective predecessors, successors, and assigns (in each case, solely in their capacity as such); provided that Dr. Yatinder Sigal, Dr. Anuj Mittal, Dr. Michael Short, Dr. Brijinder Gupta, Butzel Long and the Law Offices of Melvin M. Raznick shall not be within the definition of Released Parties.

1.86 ***Reserve Surplus*** has the meaning set forth in Section 8.3 of the Plan.

1.87 ***Reorganized Debtor*** means the Debtor on and after the Effective Date.

1.88 ***Retained Actions*** means all Causes of Action other than Trust Causes of Action; provided, however, that Retained Actions shall not include those claims, causes of action, rights of action, suits and proceedings, whether in law or in equity, whether known or unknown, released under Article XII herein.

1.89 ***Sant*** means Sant Partners, LLC.

1.90 ***Schedules*** means the schedules of assets and liabilities filed in the Bankruptcy Court by the Debtor, as may be amended from time to time.

1.91 **Secured Claim** means a Claim that is secured by a Lien on property in which the Debtor's Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder's interest in the applicable Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of setoff, pursuant to section 553 of the Bankruptcy Code.

1.92 **SOFAs** means the Statement of Financial Affairs filed by the Debtor.

1.93 **Transaction Documents** means, collectively, the Amended and Restated Operating Agreement, the Trust Agreement, the Crittenton 2016-2018 Affiliation Agreement, the Crittenton Assumed Affiliation Agreement and any agreement, contract, instrument, and other agreement or document executed or delivered in connection with the foregoing.

1.94 **Trust** means the trust created pursuant to this Plan and the Trust Agreement, as described in Article IX of the Plan. The Trust will receive all of the Trust Property, conclude the liquidation of such assets, and make distributions to the persons entitled thereto in accordance with the terms of the Plan.

1.95 **Trust Agreement** means the Liquidation Trust Agreement and Declaration of Trust which will be in substantially the form contained in the Plan Supplement.

1.96 **Trust Beneficial Interests** means, collectively, the interests of the holders of Allowed General Unsecured Claims in the Trust and in all distributions to be made by the Trust on account of Allowed General Unsecured Claims. The Trust Beneficial Interests (a) shall be noted in the books and records of the Trust, (b) shall not be evidenced by a writing, and (c) may not be transferred, sold, assigned, hypothecated or pledged, except that they may be assigned or transferred by will, intestate succession or operation of law.

1.97 **Trust Beneficiaries** means the holders of Trust Beneficial Interests, as of any point in time.

1.98 **Trust Causes of Action** means all Causes of Action of the Debtor or Debtor's Estate against Dr. Yatinder Sigal, Dr. Anuj Mittal, Dr. Michael Short, and Dr. Brijinder Gupta, including, without limitation, any Avoidance Actions against such individuals; all Avoidance Actions against Butzel Long and the Law Offices of Melvin M Raznick; and all Causes of Action identified on Exhibit G.

1.99 **Trust Expenses** means all costs, expenses and obligations incurred by the Trust, the Liquidating Trust Trustee, the Liquidating Trust Trustee's Professionals or the Oversight Committee in administering the Trust or in any manner incidental or related thereto.

1.100 **Trust Property** means \$150,000 and the Trust Causes of Action.

1.101 **Unclassified Claims** means the Administrative Claims and Priority Tax Claims.

1.102 ***Unimpaired*** means a Claim or Interest that is not Impaired.

1.103 ***U.S. Government*** is defined in Section 12.7.

1.104 ***UST Fees*** is defined in Section 14.3.

1.105 ***Waterford Property*** means the real estate commonly known as 1305 North Oakland Boulevard, Waterford, MI as more specifically described in the mortgage between the Debtor and Crittenton dated April 14, 2011. 1.106 ***WPS*** means the Wisconsin Physicians Service Insurance Corporation.

1.107 ***WRC*** means Oakland County – WRC Wastewater treatment division.

1.108 ***WRC Secured Claim*** means the Secured Claim of the WRC as a water utility in the Allowed amount of \$794,265.51.

## ARTICLE II

### **TREATMENT OF UNCLASSIFIED CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and are not entitled to vote on this Plan.

2.1 ***Administrative Claims.*** On, or as soon as reasonably practicable after, the latest of (a) the Effective Date, (b) the date on which an Administrative Claim becomes an Allowed Administrative Claim, or (c) the date on which an Allowed Administrative Claim becomes payable under any agreement relating thereto, each Holder of such Allowed Administrative Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim. Notwithstanding the foregoing, (y) any Allowed Administrative Claim based on a liability incurred by a Debtor in the ordinary course of business during the Chapter 11 Case may be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto and (z) any Allowed Administrative Claim may be paid on such other terms as may be agreed to between the Holder of such Claim and the Debtor or the Reorganized Debtor.

2.2 ***Priority Tax Claim.*** On, or as soon as reasonably practicable after, the later of (a) the Effective Date or (b) the date on which a Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Priority Tax Claim, in the sole discretion of the Reorganized Debtor, (a) Cash equal to the unpaid portion of such Holder's Allowed Priority Tax Claim, (b) payment in accordance with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code over a period not ending later than five years from the Petition Date, or (c) such other treatment as to which the Plan Sponsor, Reorganized Debtor and such Holder shall have agreed upon in writing.

2.3 ***Professional Fee Claims.*** Professional Fee Claims shall be paid in full in Cash on, or as soon as reasonably practicable after, the allowance of such claims by Final Order of the Bankruptcy Court. Each Professional requesting compensation pursuant to sections 330, 331 or 503(b) of the Bankruptcy Code for services rendered in connection with the Chapter 11 Case prior to the Effective Date shall file with the Bankruptcy Court an application for allowance of final compensation and reimbursement of expenses in the Chapter 11 Case on or before the 45th day following the Effective Date. Without limiting the foregoing, the Reorganized Debtor may pay the charges incurred by the Reorganized Debtor on and after the Effective Date for any Professional's fees, disbursements, expenses or related support services, without application to or approval by the Bankruptcy Court. None of the fees and expenses of the Professionals engaged by the DIP Lender shall be subject to separate approval by the Bankruptcy Court and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto.

2.4 ***DIP Facility Claims.*** The Plan Sponsor shall satisfy its obligations to fund the Purchase Price to acquire the New Membership Interests through the payment of DIP in full from the proceeds of the purchase price.

### **ARTICLE III**

#### **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

##### **3.1 *Introduction.***

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims against and Interests in the Debtor. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified, and the respective treatment of such Unclassified Claims is set forth in Article II of this Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

### 3.2 *Summary of Classes.*

<i>Class</i>	<i>Impaired/Unimpaired; Entitlement To Vote</i>
Class 1 - Non-Tax Priority Claims	Unimpaired - Deemed to have accepted this Plan and not entitled to vote
Class 2 – Other Secured Claims	Unimpaired - Deemed to have accepted this Plan and not entitled to vote
Class 3 – Crittenton Secured Claims	Impaired – Entitled to vote
Class 4 – CMS Overpayment Claims	Impaired – Entitled to vote
Class 5 – Michigan Overpayment Claims	Impaired – Entitled to vote
Class 6 – WRC Secured Claims	Impaired – Entitled to vote
Class 7 – General Unsecured Claims	Impaired – Entitled to vote
Class 8 - Old Equity Interests	Impaired – Deemed to have rejected this Plan and not entitled to vote

### 3.3 *Treatment of Classes.*

#### *Class 1 – Non-Tax Priority Claims*

*Claims In Class:* Class 1 consists of all Non-Tax Priority Claims against the Debtor.

*Treatment:* Except to the extent that the Holder of an Allowed Non-Tax Priority Claim has agreed to a less favorable treatment of such Claim, on, or as soon as reasonably practicable after the latest of (a) the Effective Date, (b) the date on which such Non-Tax Priority Claim becomes an Allowed Non-Tax Priority Claim, (c) the date on which such Allowed Non-Tax Priority Claim is otherwise due and payable, and (d) such other date as mutually may be agreed to by and between the Reorganized Debtor and the Holder of such Non-Tax Priority Claim, each Holder of an Allowed Non-Tax Priority Claim shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed Non-Tax Priority Claim, Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim.

*Voting:* Class 1 is Unimpaired and the Holders of Allowed Class 1 Non-Tax Priority Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Non-Tax Priority Claims are not entitled to vote to accept or reject this Plan.

*Class 2 – Other Secured Claims*

*Claims In Class:* Class 2 consists of all Other Secured Claims against the Debtor. (Each Other Secured Claim shall constitute a separate Class numbered 2.1, 2.2, 2.3, etc.)

*Treatment:* On the Effective Date, or as soon thereafter as is reasonably practicable, each Holder of an Allowed Class 2 Other Secured Claim shall, at the option of the Reorganized Debtor, be entitled to the treatment set forth below in option A, B, C, or D. The Reorganized Debtor specifically reserves the right to challenge the validity, nature and perfection of, and to avoid pursuant to the provisions of the Bankruptcy Code and other applicable law, any purported Liens relating to the Other Secured Claims.

Option A: Allowed Other Secured Claims with respect to which the applicable Debtor elects option A shall be Reinstated. The failure of the Debtor to file an objection, prior to the Effective Date, with respect to any Other Secured Claim that is Reinstated hereunder shall be without prejudice to the rights of the Reorganized Debtor to contest or otherwise defend against such Claim in an appropriate forum when and if such Claim is sought to be enforced. Any Cure amount that the Debtor may be required to pay pursuant to section 1124(2) of the Bankruptcy Code on account of any such Reinstated Other Secured Claim shall be paid on, or as soon as practicable after, the latest of (a) the Effective Date, (b) the date on which such Other Secured Claim becomes Allowed, or (c) such other date as mutually may be agreed to by and between such Holder and the Debtor or Reorganized Debtor.

Option B: Allowed Other Secured Claims with respect to which the Reorganized Debtor elects option B shall be paid in Cash, in full, including any amounts owed under section 506 of the Bankruptcy Code, on, or as soon as reasonably practicable after, the latest of (a) the Effective Date, (b) the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, (c) the date on which such Other Secured Claim is otherwise due and payable and (d) such other date as mutually may be agreed to by and between such Holder and the Reorganized Debtor.

Option C: Allowed Other Secured Claims with respect to which the applicable Debtor elects option C shall be satisfied by the surrender to the Holder of the Claim of the collateral securing the applicable Other Secured Claim.



Option D: Allowed Other Secured Claims with respect to which the applicable Debtor elects option D shall be satisfied in accordance with such other terms and conditions as may be agreed upon by the Reorganized Debtor and the Holder of such Allowed Secured Claim.

The Reorganized Debtor shall be deemed to have elected Option A with respect to all Allowed Other Secured Claims except those with respect to which the Plan Sponsor elects another option in writing prior to the Confirmation Hearing.

*Voting*: Class 2 is Unimpaired and the Holders of Allowed Class 2 OtherSecured Claims are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Other Secured Claims are not entitled to vote to accept or reject this Plan.

### *Class 3 – Crittenton Secured Claims*

*Claims In Class*: Class 3 consists of all Crittenton Secured Claims.

*Treatment*: Crittenton shall receive, in full and final satisfaction, release, and discharge of, and in exchange for payment of \$1,000,000.00 on Effective Date.

*Crittenton Prepetition Affiliation Agreement*. On the Effective Date, the Crittenton 2011-2016 Prepetition Affiliation Agreement, as modified in the form

of the Crittenton Assumed Affiliation Agreement, will be assumed. On the Effective Date, the Crittenton 2015-2016 Prepetition Affiliation Agreement will be assumed. No Cure shall be payable and Crittenton waives any pre-Effective Date defaults. On the Effective Date, the Reorganized Debtor and Crittenton shall enter into the Crittenton 2016-2018 Affiliation Agreement.

*Voting*: Class 3 is Impaired. Pursuant to section 1126 of the Bankruptcy Code, each Holder of an Allowed Class 3 Crittenton Secured Claim is entitled to vote to accept or reject this Plan.

### *Class 4 – CMS Overpayment Claim*

*Claims In Class*: Class 4 consists of all CMS Overpayment Claims.

*Treatment*: On the Effective Date, the CMS Overpayment Claim shall be Reinstated and the participation agreements between the Debtor and CMS shall be deemed assumed; provided, that it is a condition precedent to the Effective Date that the Plan Sponsor and CMS have agreed, in form and substance, to a repayment plan with respect to the CMS Overpayment Claim.

*Voting:* Class 4 is impaired and CMS is entitled to vote to accept or reject this Plan.

#### *Class 5 – Michigan Overpayment Claims*

*Claims In Class:* Class 5 consists of all Michigan Overpayment Claims.

*Treatment:* On the Effective Date, the Michigan Overpayment Claim shall be Reinstated and the participation agreements between the Debtor and Michigan shall be deemed assumed; provided, that it is a condition precedent to the Effective Date that the Plan Sponsor and Michigan have agreed in form and substance to a re-payment plan with respect to the Michigan Overpayment Claim.

*Voting:* Class 5 is Impaired, and Michigan is entitled to vote to accept or reject this Plan.

#### *Class 6 – WRC Secured Claim*

*Claims In Class:* Class 6 consists of all Allowed WRC Secured Claims.

*Treatment:* The WRC shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, the WRC Secured Claim, sixty (60) equal fixed monthly payments of \$13,237.76 over a five year period commencing on the first day of the month following the Effective Date. The WRC Secured Claim shall not accrue interest for the period after the Petition Date.

*Voting:* Class 6 is Impaired. Pursuant to section 1126 of the Bankruptcy Code, each Holder of an Allowed WRC Secured Claim is entitled to vote to accept or reject this Plan.

#### *Class 7 – General Unsecured Claims*

*Claims In Class:* Class 7 consists of all General Unsecured Claims.

*Treatment:* Each Holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction, release, and discharge of, and in exchange for, such Allowed General Unsecured Claim its *pro rata* share of the Trust Beneficial Interests.

*Crittenton Deficiency Claim.* The Crittenton Deficiency Claim is deemed an Allowed General Unsecured Claim in the amount of \$3,250,000.

*Voting:* Class 7 is Impaired. Pursuant to section 1126 of the Bankruptcy Code, each Holder of an Allowed General Unsecured Claim is entitled to vote to accept or reject this Plan.

#### *Class 8 – Old Equity Interests*

*Claims In Class:* Class 8 consists of Old Equity Interests and all Claims arising from or related to Old Equity Interests that are subject to subordination under section 510(b) of the Bankruptcy Code.

*Treatment:* On the Effective Date, all Old Equity Interest shall be cancelled and Holders of Old Equity Interests and Claims arising from or related to Old Equity Interests that are subject to subordination under section 510(b) of the Bankruptcy Code shall not receive or retain any property on account thereof.

*Voting:* Class 8 is Impaired, and the Holders of Allowed Class 8 Old Equity Interests are conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the Holders of Class 8 Old Equity Interests are not entitled to vote to accept or reject this Plan.

3.4 ***Alternative Treatment.*** Notwithstanding any provision herein to the contrary, any Holder of an Allowed Claim or Interest may receive, instead of the distribution or treatment to which it is entitled hereunder, any other distribution or treatment to which it and the Reorganized Debtor agree.

3.5 ***Special Provision Regarding Unimpaired Classes of Claims.*** Except as otherwise provided in this Plan, nothing shall affect the Debtor's or the Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Claims in Unimpaired Classes, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs against or recoupments of Claims in Unimpaired Classes.

## ARTICLE IV

### **ACCEPTANCE OF THIS PLAN**

4.1 ***Classes Entitled to Vote.*** Classes 3, 4, 5, 6, and 7 are entitled to vote to accept or reject this Plan. By operation of law, Classes 1, 2, 4 and 5 are deemed to have accepted this Plan and are not entitled to vote. By operation of law, Class 8 is deemed to have rejected this Plan and is not entitled to vote.

4.2 ***Acceptance by Impaired Classes.*** An Impaired Class of Claims shall have accepted this Plan if, not counting the vote of any holder designated under section 1126(e) of the Bankruptcy Code, (a) the Holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept this Plan and (b) the Holders of more than one-half in number of the Allowed Claims actually voting in the Class have voted to accept this Plan.

4.3 ***Elimination of Classes.*** To the extent applicable, any Class that does not contain any Allowed Claims or any Claims temporarily allowed for voting purposes under Bankruptcy Rule 3018, as of the date of the commencement of the Confirmation Hearing, shall be deemed to have been deleted from this Plan for purposes of (a) voting to accept or reject this Plan and (b) determining whether it has accepted or rejected this Plan under section 1129(a)(8) of the Bankruptcy Code.

4.4 ***Cramdown.*** To the extent necessary, the Plan Sponsor shall request confirmation of this Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Plan Sponsor reserves the right to modify this Plan to the extent, if any, that confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

## **ARTICLE V**

### **MEANS FOR IMPLEMENTATION OF THIS PLAN**

5.1 ***Continued Legal Existence and Revesting of Assets.*** On the Effective Date, the Reorganized Debtor shall be deemed to have adopted the Amended and Restated Opproperating Agreement and the Debtor will continue to exist after the Effective Date as a Michigan limited liability company. The Amended and Restated Operating Agreement shall include a provision to prohibit the Reorganized Debtor from issuing non-voting equity securities to the extent necessary to comply with section 1123(a) of the Bankruptcy Code. In accordance with section 12.2 hereof, and except as otherwise explicitly provided in this Plan, on the Effective Date, all property comprising the Estate (including Retained Actions, but excluding Trust Property), shall revert in the Reorganized Debtor.

5.2 ***Sources of Cash for Distribution.*** All Cash necessary for the Reorganized Debtor to make payments required by this Plan shall be obtained from (a) existing Cash balances, (b) the operations of the Debtor or Reorganized Debtor, and (c) the \$4,500,000 equity investment by the Plan Sponsor.

5.3 ***Issuance of New Membership Interests.*** On the Effective Date, upon the terms and subject to the conditions set forth in this Plan and the Amended and Restated Operating Agreement, the Reorganized Debtor shall issue, sell and deliver to the Plan Sponsor all of the New Membership Interests. The aggregate Purchase Price is \$4,500,000. Notwithstanding the foregoing, the Plan Sponsor may, but is not required to, allow other Persons to acquire New Membership Interests, which may be separately classified, on the Effective Date under the Amended and Restated Operating Agreement and the Plan. If the following conditions are met, the participation of additional new members shall not constitute a material modification of the Plan that requires re-solicitation of the Plan, and a Holder of a Claim that has accepted this Plan shall be deemed to have accepted this Plan as modified: (a) the aggregate Purchase Price is not less than \$4,500,000; (b) the identify of any person to acquire New Membership Interests on the Effective Date is disclosed prior to the Confirmation Hearing; (c) any amendments to the Amended and Restated Operating Agreement contained in the Plan Supplement are filed with the Bankruptcy Court prior to the Confirmation Hearing; and (d) the Plan Sponsor Allied Global Consulting acquires a majority equity interest in, or otherwise obtains operational control of, the Reorganized Debtor. When used with respect to a particular purchaser, "Purchase Price" shall mean such purchaser's pro rata share of the Purchase Price.

5.4 ***Section 1145 Exemption.*** Pursuant to section 1145 of the Bankruptcy Code, the issuance and allocation of shares of the New Membership Interests to the Plan Sponsor pursuant to the Plan shall be exempt from registration under the Securities Act of 1933 and any state or local law requiring registration for offer or sale of a security.

5.5 ***Company Action.*** Each of the matters provided for under this Plan or the Transaction Documents involving the company structure of the Debtor or Reorganized Debtor or any company action to be taken by, or required of, the Debtor or Reorganized Debtor shall be deemed to have occurred and be effective as provided herein, and shall be authorized, approved and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by members, creditors, directors, offices or managers of the Debtor or the Reorganized Debtor or the Chapter 11 Trustee.

5.6 ***Preservation of Causes of Action.*** In accordance with section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor will retain and may (but is not required to) enforce all Retained Actions. After the Effective Date, the Reorganized Debtor, in its sole and absolute discretion, shall have the right to bring, settle, release, compromise, or enforce such Retained Actions (or decline to do any of the foregoing), without further approval of the Bankruptcy Court. The Reorganized Debtor or any successors, in the exercise of its sole discretion, may pursue such Retained Actions so long as it is in the best interests of the Reorganized Debtor or any successors holding such rights of action. The failure of the Debtor to specifically list any claim, right of action, suit, proceeding, or other Retained Action in this Plan or the Disclosure Statement does not, and will not be deemed to, constitute a waiver or release by the Debtor or the Reorganized Debtor of such claim, right of action, suit, proceeding or other Retained Action, and the Reorganized Debtor will retain the right to pursue such claims, rights of action, suits, proceedings, and other Retained Actions in their sole discretion and, therefore, no preclusion doctrine, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches will apply to such claim, right of action, suit, proceeding, or other Retained Action upon or after the confirmation or consummation of this Plan.

5.7 ***Effectuating Documents; Further Transactions.*** Each of the Chapter 11 Trustee, the Liquidating Trust Trustee, the Debtor, the Reorganized Debtor and Allied Global Consulting, and their respective officers and designees, is authorized to execute, deliver, file, or record the Transaction Documents and such other contracts, instruments, releases, indentures, and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, or to otherwise comply with applicable law.

5.8 ***Exemption From Certain Transfer Taxes and Recording Fees.*** Pursuant to section 1146(a) of the Bankruptcy Code, any transfers from the Debtor to the Reorganized Debtor or Trust to any other Person or entity pursuant to this Plan, or any agreement regarding the transfer of title to or ownership of any of the Debtor's real or personal property, will not be subject to any document recording tax, stamp tax, conveyance fee, sales tax, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

5.9 ***Further Authorization.*** The Reorganized Debtor shall be entitled to seek such orders, judgments, injunctions, and rulings as it deems necessary to carry out the intentions and purposes, and to give full effect to the Provisions of this Plan.

5.10 ***Dissolution of Creditors' Committee.*** The Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code. On the Effective Date, the Creditors' Committee, shall be dissolved and the Creditors' Committees members, in their capacity as such, shall be deemed released of all their duties, responsibilities, and obligations in connection with the Chapter 11 Case or this Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, accountants, professionals, and other agents shall terminate, except with respect to (i) all Professional Fee Claims and (ii) any appeals of the Confirmation Order.

5.11 ***Chapter 11 Trustee.*** On the Effective Date, the Chapter 11 Trustee, in his capacity as such, shall be deemed released of all of his duties, responsibilities, and obligations in connection with the Chapter 11 Case or this Plan and its implementation, and the retention or employment of the Chapter 11 Trustee's attorneys, accountants, professionals, and other agents shall terminate, except with respect to (a) all Professional Fee Claims and (b) any appeals of the Confirmation Order.

5.12 ***Cancellation of Existing Securities and Agreements.*** Except as provided in this Plan or in the Confirmation Order or for the purpose of evidencing a right to distribution hereunder on the Effective Date, all notes, stock, instruments, certificates, agreements, side letters, fee letters and other documents evidencing or giving rise to Claims and Interests in the Debtor shall be canceled, and the obligations of the Debtor thereunder or in any way related thereto shall be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote, or other approval or authorization by any Person. The Holders of or parties to such notes, stock, instruments, certificates, agreements, side letters, fee letters, and other documents shall have no rights arising from or relating to such notes, stock, instruments, certificates, agreements, side letters, fee letters, and other documents or the cancellation thereof, except the rights provided pursuant to this Plan and the Confirmation Order.

5.13 ***Officers and Directors of Reorganized Debtor.*** On the Effective Date, each of the members of the existing board of directors of the Debtor shall be deemed to have resigned in such capacity, and the members of the existing board of directors shall return all property of the Debtor in their possession to the Debtor or Reorganized Debtor on or before such date. The Plan Supplement will designate the members of the board of directors of the Reorganized Debtor. It is anticipated that the Debtor's businesses will continue to be managed, as of the Effective Date, by existing management, subject to replacement by the new board of directors after the Effective Date. On the Effective Date, the officers and directors of the Reorganized Debtor will be appointed automatically without any requirement of further action by members, creditors, directors, or managers of the Debtor or the Reorganized Debtor or the Chapter 11 Trustee.

## ARTICLE VI

### **ALLOWANCE AND RESOLUTION OF CLAIMS**

6.1 ***Allowed Claims and Interests.*** Notwithstanding any provision herein to the contrary, the Reorganized Debtor or Trust, as applicable, shall make distributions only to Holders of Allowed Claims. A Holder of a Disputed Claim shall only receive a distribution on account thereof when and to the extent that such Holder's Disputed Claim becomes an Allowed Claim. The Reorganized Debtor or Liquidating Trust Trustee, as applicable, shall withhold distributions otherwise due hereunder to the holder of a Claim for a reasonable period of time to enable the Liquidating Trust Trustee or Reorganized Debtor, as applicable, to determine whether to object to the Claim. The presence of a Disputed Claim in any class will not be a cause to delay distribution to Allowed Claims in that Class or in other Classes, as long as a reserve is created for the Disputed Claim in accordance herewith. A holder of a General Unsecured Claim that becomes an Allowed Claim after the Distribution Date will receive its distribution on the next Periodic Distribution Date.

6.2 ***Full Satisfaction.*** The Reorganized Debtor or Liquidating Trust Trustee, as applicable, shall make, and each holder of an Allowed Claim shall receive, the distributions provided for in the Plan in full satisfaction and discharge of the Claim.

6.3 ***Interest and Penalties on Claims.*** Unless otherwise specifically provided for in this Plan or the Confirmation Order, required by applicable bankruptcy law, or necessary to render a Claim Unimpaired, postpetition interest and penalties shall not accrue or be paid on any Claims, including Priority Tax Claims, Non-Tax Priority Claims, WRC Secured Claims, and General Unsecured Claims, and no Holder of a Claim shall be entitled to interest and penalties accruing on or after the Petition Date through the date such Claim is satisfied in accordance with the terms of this Plan.

6.4 ***Post Confirmation Claim and Asset Resolution.*** After the Effective Date the Reorganized Debtor may defend, pursue or settle, without Bankruptcy Court approval, any Disputed Claim or Claim or Cause of Action of the Estate other than with respect to General Unsecured Claims and Trust Property. After the Effective Date, the Liquidating Trust Trustee may defend, pursue or settle, without Bankruptcy Court approval, any Disputed Claim or Claim or Cause of Action of the Estate constituting Trust Property or related to a General Unsecured Claim; provided, however, that the Liquidating Trust Trustee in its discretion may seek Bankruptcy Court approval of any such settlement.

6.5 ***Deadline to Object to Claims.*** No later than 90 days after the Effective Date (the “**Claims Objection Deadline**”) (unless extended by an order of the Bankruptcy Court upon motion of the Reorganized Debtor or the Liquidating Trust Trustee), the Reorganized Debtor or the Liquidating Trust Trustee, as the case may be, shall file objections to Claims with the Bankruptcy Court and serve such objections upon the holders of each of the Claims to which objections are made. Nothing contained herein, however, shall limit the Reorganized Debtor's or Liquidating Trust Trustee's right to object to Claims, if any, filed or amended after the Claims Objection Deadline and unless subsequently ordered for good cause the Reorganized Debtor or the Liquidating Trust Trustee shall continue to have the right to amend any objections and to file and prosecute supplemental objections and counterclaims to a Disputed Claim until such Disputed Claim is Allowed.

## ARTICLE VII

### **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### 7.1 *Assumption/Rejection of Executory Contracts and Unexpired Leases.*

On the Effective Date, the Reorganized Debtor shall (a) assume the Executory Contracts and Leases on the Assumed Contract List and (b) reject the Executory Contracts and Leases on the Rejected Contract List. The Plan Sponsor reserves the right to amend the Assumed Contract List and Rejected Contract List at any time prior to the Confirmation Hearing. Each Executory Contract and Unexpired Lease not listed on either the Assumed Contract List or Rejected Contract List shall be deemed automatically rejected in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless such Executory Contract or Unexpired Lease:

- (i) has been previously assumed by the Debtor by Final Order of the Bankruptcy Court;
- (ii) has been assumed by the Debtor by order of the Bankruptcy Court in effect as of the Effective Date (which order may be the Confirmation Order); or
- (iii) is the subject of a motion to assume filed by the Debtor under section 365 of the Bankruptcy Code pending as of the Effective Date.

An Executory Contract or Unexpired Lease that is assumed pursuant to the foregoing sentence shall be referred to as an “**Assumed Contract.**” An Executory Contract or Unexpired Lease that is rejected as described above shall be referred to as a “**RejectedContract.**” Each non-debtor party to an Assumed Contract or Rejected Contract shall receive at least twenty-one days’ notice of the deadline to object to assumption or rejection, as the case may be, of the identified Executory Contract or Unexpired Lease, which date will be the deadline set by the Bankruptcy Court to object to confirmation of the Plan (the “**Executory Contract Objection Deadline**”). If the Assumed Contract List or Rejected Contract List is modified less than twenty-one days prior to the Executory Contract Objection Deadline, the affected party will be provided at least twenty-one days’ notice of the time to object to assumption or rejection of the identified Assumed Contract or Rejected Contract

Entry of the Confirmation Order by the Bankruptcy Court shall constitute findings by the Bankruptcy Court that (a) the Reorganized Debtor has properly provided for adequate assurance of payment of the cure of any defaults that might have existed consistent with the requirements of section 365(b)(1) of the Bankruptcy Code, (b) each assumption (or rejection, as the case may be) is in the best interest of the Debtor and its Estate and that each Assumed Contract is assumed as of the Effective Date and each Rejected Contract rejected as of the Effective Date or such other date identified in the Rejected Contract List, and (c) the requirements for assumption, or rejection, as the case may be, of any Executory Contract or



Unexpired Lease to be assumed or rejected, as the case may be, have been satisfied. No provision of any agreement or other document that permits a person to terminate or modify an agreement or to otherwise modify the rights of the Debtor based on the filing of the Chapter 11 Case or the financial condition of the Debtor or which would restrict the assumption of any Assumed Contract under a “change in control” prohibition or similar restriction shall be enforceable.

**7.2 Rejection Damages Claim Deadline.** Unless otherwise provided by an order of the Bankruptcy Court, any asserted Claims arising from the rejection of an Executory Contract or Unexpired Lease must be filed by Holders of such Claims with the Bankruptcy Court and served on the parties entitled to notice under this Plan no later than sixty (60) days after the later of (a) the Effective Date or (b) the effective date of such rejection, subject to the Liquidating Trust Trustee's and Reorganized Debtor's right to object thereto. In the event of such objection, the Liquidating Trust Trustee shall not be obligated to make any distribution in respect of such Claim until such dispute is resolved by Final Order of the Bankruptcy Court or the agreement of the parties.

**7.3 Cure Amounts.** Any monetary amounts by which any Executory Contract and Unexpired Lease to be assumed under the Plan is in default shall be satisfied, under Section 365(b)(1) of the Bankruptcy Code, by Cure. If the Assumed Contract List indicates a specific Cure amount for a contract or lease, the payment of the amount so specified shall be conclusively deemed to constitute Cure with respect to that contract or lease, and no other payment or performance on account of a prepetition default thereunder shall be required. If the amount so specified is zero, no payment shall be required. Notwithstanding the foregoing, if the other party to a contract or lease on the Assumed Contract List files, no later than the Executory Contract Objection Deadline, an objection disputing the Cure amount so specified with respect to its contract or lease, or otherwise raising an objection as to the nature or amount of any Cure, (a) except as provided in Section 7.1, any other matter relating to assumption, Cure shall occur following the entry of a Final Order by the Bankruptcy Court resolving the dispute and approving the assumption; if an objection to Cure is sustained by the Bankruptcy Court, the Reorganized Debtor, in its sole option, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming it.

**7.4 Compensation and Benefit Programs.** All of the Debtor's existing programs, plans, agreements, and arrangements relating to employee compensation and benefits (other than as set forth in or related to any Rejected Contract), including, without limitation, all medical, dental, pharmacy, vision, dental, and disability plans entered into before the Petition Date, as amended from time to time and to the extent and as in effect immediately prior to the Effective Date (“**Benefit Plans**”), will be deemed to be, and will be treated as though they are, executory contracts that are assumed under Section 7.1 of this Plan, and the Debtor's and Reorganized Debtor's obligations and rights under such programs, plans, agreements, and arrangements will survive confirmation of this Plan, subject to the terms and conditions of such Benefit Plans. The Debtor does not have any retiree plans (as defined in Section 1114 of the Bankruptcy Code). Nothing contained herein shall be deemed to modify the existing terms of the Benefit Plans, including, without limitation, the Debtor's and the Reorganized Debtor's rights of termination and amendment thereunder.

7.5 ***Employment Contracts.*** To the extent not previously rejected by Final Order, the employment agreement of Brijinder Gupta dated June 2, 2015 is hereby rejected as of the Effective Date. The Debtor has not identified any other employment agreements. To the extent any party asserts that it has an employment agreement with the Debtor, whether in writing or not, such employment agreement shall be deemed rejected as of the Effective Date. For avoidance of doubt or not, the foregoing sentence does not apply to any collective bargaining agreement of the Debtor, which agreements are Assumed Contracts.

7.6 ***Indemnification.*** The Debtor's obligation to indemnify any former director, officer, or member under its operating agreement, employee indemnification policy, or any other agreement shall be deemed rejected as of the Effective Date.

## ARTICLE VIII

### **PROVISIONS GOVERNING DISTRIBUTIONS**

8.1 ***Disbursing Agent.*** Except with respect to distributions on account of the Trust, the Reorganized Debtor shall make all distributions under the Plan. The Liquidating Trust Trustee shall make all distributions of Trust Property under the Trust Agreement. Any entity other than the Liquidating Trust Trustee that acts as a disbursing agent for the Trust shall be an agent of the Liquidating Trust Trustee and not a separate taxable entity with respect to, for example, the assets held, income received or disbursements or distributions made for the Liquidating Trust Trustee. Neither the Liquidating Trust Trustee nor the Reorganized Debtor shall be required to provide a bond in connection with the making of any distributions pursuant to the Plan.

8.2 ***Delivery of Distributions.*** Distributions shall be made to each holder of an Allowed Claim (a) at the address shown on the list of creditors filed with the petitions commencing the Chapter 11 Case, (b) at the address listed in the Schedules if different from the address shown on the list creditors filed with the petitions commencing the Chapter 11 Case, or (c) if a proof of claim is filed, and the address is different from that listed in the Schedules, at the address set forth in the proof of claim.

8.3 ***Distribution Reserve.***

(i) ***Distribution Reserve; Estimation of Claims***

(1) On the Effective Date, the Liquidating Trust Trustee shall establish a Distribution Reserve from the Trust Property on account of Disputed Claims. The Distribution Reserve shall initially include Cash and other property to be distributed under the Plan in amounts sufficient to distribute to each holder of a Disputed Claim the full amount that it would receive hereunder if its Claim shall ultimately become an Allowed Claim in its full Face Amount.

(2) Notwithstanding the foregoing, prior to making distributions to holders of Trust Beneficial Interests, the Liquidating Trust Trustee shall move on written notice to any affected party for a Bankruptcy Court order determining the maximum allowable amount of all unliquidated Class 7 General Unsecured Claims that are Disputed Claims and shall adjust the amount held in the Distribution Reserve on account of such Disputed Claim, in accordance therewith. Additionally, the Liquidating Trust Trustee may move for a Bankruptcy Court order on written notice to any affected party determining, before allowance of the Claim, the maximum allowable amount of any specific Disputed Claim.

(3) After any Disputed claim becomes an Allowed Claim, the Liquidating Trust Trustee shall, on the next Periodic Distribution Date, make the distributions that would have been made to such holder if the Disputed claim had been an Allowed Claim on or before the Effective Date.

(ii) *Reserve Surplus.*

If a Disputed Claim becomes (i) a Disallowed Claim, (ii) an Allowed Claim in an amount less than the amount held as the Distribution Reserve on account thereof, or (iii) subordinated, the amount attributable to the Claim's disallowed or subordinated portion shall constitute reserve surplus ("**Reserve Surplus**"). Should the amount of an Allowed Claim exceed the amount held as the Distribution Reserve on account thereof, the Holder shall be entitled to receive any shortfall in the distribution that it would otherwise be entitled to receive solely from the Reserve Surplus, but in no event shall such Holder have recourse to any payments or distributions theretofore made to or for the benefit of any Holder from the Distribution Reserve or Reserve Surplus. If more than one Holder has a right to receive distributions from the Reserve Surplus, then they shall receive their *pro rata* share of the Reserve Surplus. After Final Orders have been entered, or other final resolutions have been reached, with respect to all Disputed Claims, any remaining cash or other property held in the Distribution Reserve or the Reserve surplus will be distributed in accordance with the Trust Agreement.

8.4 ***Distributions Relating to Allowed Insured Claims.*** If any Claim otherwise payable under the Plan is covered by an insurance policy held by the Debtor or Reorganized Debtor, the Claim may be satisfied, in whole or in part, with the proceeds of the policy, if any.

8.5 ***No De Minimis Distributions.*** Other than the final distribution made by the Trust in accordance with the Trust Agreement, no distribution in an amount of less than \$50.00 shall be made on account of any Allowed General Unsecured Claim. Such undistributed amount will instead be retained by the Trust and added to subsequent distributions until such distribution equals or exceeds \$50.00.

8.6 ***Unclaimed Trust Distributions.*** If a Holder of an Allowed Claim fails to negotiate a check issued to such Holder within ninety (90) days of the date such check was forwarded to said Holder and such check was not returned due to an incorrect or incomplete address, the Liquidating Trust Trustee shall issue a "stop payment order" in connection with

such non-negotiated check and the amount of cash attributable to such check will be deemed vested in the Trust and such cash shall constitute Trust Property to be distributed in accordance with this Plan and the payee of such check and holder of the concomitant Claim will be deemed to have no further Claim in respect of such check and will not participate in any further distributions under this Plan. If a distribution under this Plan to any Holder of an Allowed Claim is returned to the Liquidating Trust Trustee due to an incorrect or incomplete address for such Holder and such Holder does not present itself within ninety (90) days of that such check was forwarded to said Holder, the amount of cash attributable to such check will be deemed vested in the Trust and such Cash shall constitute Trust Property to be distributed in accordance with this Plan and the payee of such check and holder of the concomitant Claim will be deemed to have no further claim in respect of such check and will not participate in any further distributions under this Plan.

8.7 ***Defenses; Setoff.*** Any defenses, counterclaims, rights of set off or recoupment of the Debtor with respect to a claim (other than a General Unsecured Claim) shall vest in and inure to the benefit of the Reorganized Debtor. Any defenses, counterclaims, rights of set off or recoupment of the Debtor with respect to a General Unsecured Claim shall vest in and inure to the benefit of the Trust. To the extent permitted by law, the Reorganized Debtor or the Liquidating Trust Trustee, as applicable, may, but shall not be required to, set off against any claim, the payments or other distributions to be made in respect thereof, and claims of any nature whatsoever that the Debtor, Reorganized Debtor or the Trust may have against the Claim's holder, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release of a claim or Cause of Action of the Reorganized Debtor or the Liquidating Trust Trustee. This Plan does not affect any defenses or rights of set off or recoupment of the holder of a Claim against the Reorganized Debtor or the Trust or to the extent the Trust or Reorganized Debtor are successors to the Claims of the Debtor.

10.4 ***Distributions for Claims Allowed as of the Effective Date.*** Except as otherwise provided herein or as ordered by the Bankruptcy Court, distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Effective Date or as soon thereafter as is practicable. Any distribution to be made on the Effective Date pursuant to this Plan shall be deemed as having been made on the Effective Date if such distribution is made on the Effective Date or as soon thereafter as is practicable. Any payment or distribution required to be made under this Plan on a day other than a Business Day shall be made on the next succeeding Business Day. New Membership Interests shall not be certificated. Membership Interests shall be evidenced by the official registry maintained by the Reorganized Debtor under the Amended and Restated Operating Agreement.

8.9 ***Means of Cash Payment.*** Payments of Cash made pursuant to this Plan shall be made, at the option and in the sole discretion of the applicable Reorganized Debtor, Liquidating Trust Trustee, as applicable, by checks drawn on, or wire transfer from, a domestic bank selected by the Reorganized Debtor or Liquidating Trust Trustee, as applicable, Cash payments to foreign creditors may be made, at the option of the applicable Reorganized Debtor or Liquidating Trust Trustee, as applicable, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

8.10 ***Withholding and Reporting Requirements.*** In connection with this Plan and all distributions hereunder, the Reorganized Debtor and Liquidating Trust Trustee, as applicable, shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Reorganized Debtor and Liquidating Trust Trustee, as applicable, shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

## **ARTICLE IX**

### **THE TRUST**

9.1 ***Transfer of the Trust Property to the Trust.*** On the Effective Date, title to and possession of the Trust Property shall be deemed transferred and delivered to the Trust without further act or action under any applicable agreement, law, regulation, order or rule of law.

9.2 ***Purposes of the Trust.*** The purposes of the Trust are, among other things:

(a) to liquidate, sell or dispose of the Trust Property; (b) to cause all net proceeds of the Trust Property, including proceeds of Trust Causes of Action on behalf of the Trust, to be deposited into the Trust; (c) to initiate actions to resolve any remaining issues regarding the allowance and payment of General Unsecured Claims including, as necessary, initiation and/or participation in proceedings before the Bankruptcy Court; (d) to take such steps as are necessary or useful to maximize the value of the Trust; (e) to make the payments and distributions to creditors and holders of Trust Beneficial Interests as required by the Plan; (f) to pursue Trust Causes of Action and (g) to enforce all rights with respect to the Trust Property. It is intended that the Trust (other than as relating to Trust Property allocable to Disputed Claims) will be classified for U.S. federal income tax purposes as a “liquidating trust,” with the primary objective of liquidating the Trust Property and distributing the net proceeds thereof, with no objective to continue or engage in the conduct or a trade or business in accordance with Treasury Regulation 301.7701-4(d), except to the extent reasonably necessary to and consistent with the liquidating purposes of the Trust and the Plan, and, notwithstanding anything to the contrary in the Plan, all actions taken by the Trust or any person acting on behalf of the Trust shall be necessary to and consistent with accomplishing such primary objective.

9.3 ***Trust Agreement.*** A copy of the Trust Agreement shall be contained in the Plan Supplement. The Trust Agreement shall be approved by the Bankruptcy Court, and the Liquidating Trust Trustee shall accept his or her duties thereunder on the Effective Date. The Trust Agreement shall, among other matters, create the Trust, identify the Liquidating Trust Trustee as the initial trustee of the Trust, identify the compensation of the Liquidating Trust Trustee, and specify the authorities and powers of the Liquidating Trust Trustee and the Oversight Committee, consistent with this Plan. If there are any inconsistencies between the Plan and the Trust Agreement, the terms of the Trust Agreement shall govern.

9.4 ***Operations of the Trust.*** From and after the Effective Date, the Trust may use, acquire and dispose of Trust Property, and take any of the actions set forth in this Plan or in the Trust Agreement without the approval of the Bankruptcy Court and free of the restrictions of the Bankruptcy Code, the Bankruptcy Rules or the prior orders of the Bankruptcy Court, other than restrictions expressly imposed by the Plan, the Confirmation Order or the Trust Agreement, provided that the Trust is administered so that it qualifies as a liquidating trust under Treasury Regulation § 301.7701-4(d) (other than as relating to the Trust Property allocable to Disputed Claims). The actions of the Trust and the Liquidating Trust Trustee shall be subject to the supervision and approval of the Oversight Committee as provided in the Plan and the Trust Agreement.

Under the Plan, and subject to the Trust Agreement, the Liquidating Trust Trustee shall have the power and authority to perform the following acts:

- (1) Perfect and secure his right, title and interest to the properties comprising the Trust Property;
- (2) Reduce the Trust Property to Cash and hold the same;
- (3) Determine when to sell Trust Property and on what terms, and sell and convert the Trust Property to cash and distribute the net proceeds in accordance with the Plan and the Trust Agreement;
- (4) Manage and protect the Trust Property;
- (5) Grant options to purchase, contract to sell and sell the Trust Property, or any part or parts thereof, for such purchase price and for cash or on such terms as the Liquidating Trust Trustee deems appropriate;
- (6) Exchange and re-exchange the Trust Property or any part or parts thereof for other personal property;
- (7) Release, convey or assign any right, title or interest in or about the Trust Property;
- (8) Pay and discharge any costs, expenses, collection fees or obligations deemed necessary to preserve the Trust Property, or any part thereof;
- (9) Purchase insurance to protect the Trust Property, as well as to protect the Liquidating Trust Trustee, the Oversight Committee and its members, from liability for such risks and in such amounts as the Liquidating Trust Trustee or the Oversight Committee shall determine is appropriate;

- (10) Deposit funds of the Trust and draw checks and make disbursements thereof;
- (11) Employ and have such professionals, including, without limitation, attorneys and accountants, and such other agents, consultants and employees on behalf of the Trust as the Liquidating Trust Trustee shall deem necessary; provided, however, that the Liquidating Trust Trustee's authority to pay, such professionals shall be governed by the provisions of the Trust Agreement.
- (12) Except as expressly required by the Plan, determine when distributions should be made to the Trust Beneficiaries;
- (13) Exercise any and all powers granted to the Liquidating Trust Trustee by any agreements or by common law or any statute which serve to increase the extent of the powers granted to the Liquidating Trust Trustee hereunder.
- (14) Take any action required or permitted by the Plan;
- (15) Negotiate, renegotiate and enter into contracts and execute obligations negotiable and non-negotiable;
- (16) Sue and be sued; provided, however that any suit commenced after the Effective Date against the Trust, or against the Liquidating Trust Trustee acting in his or her capacity as trustee of the Trust, must be commenced in the Bankruptcy Court; provided, further, however, that the Court may abstain from hearing any such suit;
- (17) With respect to Trust Property, institute, settle or compromise or abandon on behalf of the Trust all claims and Trust Causes of Actions which could be brought by a trustee, Debtor or the Creditors' Committee under the Bankruptcy Code, and prosecute or defend all appeals on behalf of the Debtor, as representative of the Estate within the meaning of section 1123(b)(3)(B) of the Bankruptcy Code;
- (18) Object to Claims of General Unsecured Creditors;
- (19) Settle, compromise or adjust, by arbitration or otherwise, any claims, disputes or controversies in favor of or against the Trust;
- (20) Waive or release rights of any kind;

- (21) Appoint, remove and act through agents, managers and employees and confer upon them such power and authority as may be necessary or advisable;
- (22) File all income and informational tax returns and forms of the Trust and the reserve for Disputed Claims as required by law, and pay all taxes required to be paid by the Trust or the reserve for Disputed Claims; and
- (23) In general, without in any manner limiting any of the foregoing, deal with the Trust Property, or any part or parts thereof, and the affairs of the Trust, in all other ways as would be lawful for any person owning the same to deal therewith, whether similar to or different from the ways above specified, at any time or times hereafter;

9.5 ***Supervision by Oversight Committee.*** The Liquidating Trust Trustee, and the activities of the Trust, shall be subject to the review and supervision of an oversight committee (the “**Oversight Committee**”). The Oversight Committee shall have the powers and duties with respect to the Trust, the Liquidating Trust Trustee and the Trust Property as set forth in the Trust Agreement. In the event of a dispute between the Liquidating Trust Trustee and the Oversight Committee, the Bankruptcy Court shall have jurisdiction to determine whether the proposed action should be taken, upon motion made by the Liquidating Trust Trustee or the Oversight Committee.

9.6 ***Resignation or Replacement of Liquidating Trust Trustee.*** The Liquidating Trust Trustee may resign or be terminated at any time in accordance with the terms of the Trust Agreement. Upon such resignation or termination, the Liquidating Trust Trustee shall be entitled to receive any unpaid compensation or expense reimbursement owing to the Liquidating Trust Trustee in accordance with the terms of the Trust Agreement. In case of the resignation, termination, death or inability to act of the Liquidating Trust Trustee, a successor Liquidating Trust Trustee may be appointed by the Oversight Committee without Bankruptcy Court approval in accordance with the terms of the Trust Agreement, whereupon such successor Liquidating Trust Trustee shall assume all duties and obligations from the resigned, terminated or incapacitated Liquidating Trust Trustee. The successor Liquidating Trust Trustee shall be vested with all the rights, privileges, powers and duties of the Liquidating Trust Trustee named herein. Each succeeding Liquidating Trust Trustee may in like manner resign and another may in like manner be appointed in his or her place.

9.7 ***Payment of Trust Expenses.*** Trust Expenses shall be paid, or adequate reserves created for Trust Expenses, prior to any distribution to the Trust Beneficiaries.

9.8 ***Distributions.*** The Liquidating Trust Trustee shall be responsible for making the distributions to Trust Beneficiaries in accordance with the terms of the Trust Agreement and the Plan.



9.9 ***No Payment of Transfer-Related Fees to the Trust.*** The Trust shall not be required to pay any fees to the United States Trustee based on any transfers of Trust Property to the Trust from the Estate.

9.10 ***Books and Records of Trust.*** The Liquidating Trust Trustee shall maintain an accounting of receipts and disbursements of the Trust. The Liquidating Trust Trustee shall maintain the books and records of the Trust, or provide storage for such book and records, for the longer of six (6) years, or while the Trust is in existence, provided that the Court may, upon application by the Liquidating Trust Trustee, authorize the Liquidating Trust Trustee to destroy all of the Trust's books and records at such time as the Trust has no further need for such books and records. The Trust books and records shall be open to inspection by the representatives of the Oversight Committee at all reasonable times.

9.11 ***Limitations on Liability.*** The Liquidating Trust Trustee shall not be liable for any act he or she may do or fail to do as Liquidating Trust Trustee hereunder while acting in good faith and in the exercise of his or her best judgment, and the fact that such act or omission was approved by the Oversight Committee or advised or approved by counsel acting for the Trust, shall be conclusive evidence of such good faith and best judgment. The Liquidating Trust Trustee shall not be liable in any event for any claims, liabilities or damages based upon or arising out of any conduct of the Liquidating Trust Trustee in the course of his or her activities as trustee, unless such claims, liabilities or damages arise from his or her personal gross negligence or willful misconduct.

The Liquidating Trust Trustee, the Oversight Committee and the members of the Oversight Committee shall not be liable for any indebtedness, liability or obligation incurred or entered into on behalf of the Trust, including, without limitation, indebtedness, liabilities or obligations under agreements, undertakings or commitments entered into or executed on behalf of the Trust by the Liquidating Trust Trustee or by any person employed by the Liquidating Trust Trustee or the Trust, it being expressly understood that all such indebtedness, liabilities and obligations of and claims against the Trust, shall be the sole responsibility of the Trust and shall be satisfied only from the Trust Property, or such portion thereof as shall, under the terms of any agreement, be stated to be liable therefor. No claim or cause of action may be asserted against the Liquidating Trust Trustee, the Oversight Committee or any member of the Oversight Committee on account of any indebtedness, liability or obligation entered into on behalf of the Trust, whether by legal or equitable proceedings, or by virtue of any bankruptcy or non-bankruptcy statute, rule or regulation.

Any undertaking, contract or agreement entered into in writing by the Trust may, except as otherwise provided by the Plan or the Trust Agreement, expressly disclaim the personal liability of the Liquidating Trust Trustee and the members of the Oversight Committee.

9.12 ***No Credit Reporting.*** The Liquidating Trust Trustee shall have no duty or responsibility to provide any person with any credit or other information with respect to the Trust except as provided in the Plan or the Trust Agreement.

9.13 ***United States Federal Income Tax Treatment of the Holders of Trust Beneficial Interests.*** Except to the extent the Trust Property is allocable to Disputed Claims, for all United States federal income tax purposes, the transfers by the Debtor to the Trust shall be treated by the Debtor, the Trust and the Trust Beneficiaries as a transfer of the Trust Property by the Debtor to the Trust Beneficiaries followed by a transfer of the Trust Property by such Trust Beneficiaries to the Trust. The Trust Beneficiaries shall be treated as the grantors and deemed owners of the Trust for United States federal income tax purposes. The Liquidating Trust Trustee and the Trust Beneficiaries are required to value their interests in the Trust Property consistently with the values placed upon the Trust Property by the Trust, and to use such valuations for all purposes. The Trust Agreement shall provide for consistent valuations of the Trust Property by the Liquidating Trust Trustee and the Trust Beneficiaries, and shall provide that the Trust will determine the fair market value of the Trust Property within thirty (30) days after the Effective Date, and send such determination to each Trust Beneficiary. By its acceptance of a Trust Beneficial Interest, each recipient of such an interest will be conclusively deemed to agree to use such valuations for all purposes, including, without limitation, in computing any gain recognized upon the exchange of such holder's claim for purposes of determining any United States Federal income tax, and shall be required to include those items of income, deductions and tax credits that are attributable to its Trust Beneficial Interest in computing its taxable income.

9.14 ***Termination of the Trust.*** The Trust shall continue in effect until the earlier of: (a) the date that all Trust Property has been liquidated, all proceeds have been converted to cash or distributed in kind, all Trust Expenses have been paid, all claims to be paid under the Plan for which the Liquidating Trust Trustee is obligated to make distributions on have been paid, all distributions to be made with respect to the Trust Beneficial Interests have been made, all litigation to which the Trust is a party has been concluded by dismissal or an order issued by the court in which such litigation is pending and such order has become "final" (consistent with the definition of Final Order in this Plan for orders issued by the Bankruptcy Court), and the Chapter 11 Case has been closed; and (b) the expiration of five (5) years from the Effective Date; provided, however that the Liquidating Trust Trustee may request the Bankruptcy Court to extend the permitted life of the Trust for such additional period as is reasonably necessary to conclude the liquidation and distributions, not to exceed a total of ten (10) years from the Effective Date, which request shall be filed so the Bankruptcy Court may consider and rule on the request within six (6) months prior to the expiration of the initial five-year term.

## **ARTICLE X**

### **OVERSIGHT COMMITTEE**

10.1 ***Oversight Committee As Representative Of Creditors.*** The Oversight Committee shall constitute a representative of holders of Class 7 General Unsecured Claims formed for the purpose, *inter alia*, of monitoring the implementation of the Plan, supervising the activities of the Trust, and monitoring the distributions to holders of Allowed General Unsecured Claims under the Plan. The members of the Creditors' Committee on the Effective Date shall constitute the initial members of the Oversight Committee.

10.2 ***Oversight Committee Procedures.*** The Oversight Committee shall prescribe its own rules of procedure and bylaws; provided, however, that such rules of procedure and bylaws shall not be inconsistent with the terms of the Plan or the Trust Agreement. The Oversight Committee rules of procedure may provide that, in the event of the reorganization, termination, death or inability to act of any member of the Oversight Committee, the Oversight Committee may appoint a replacement for the resigned member without approval by the Bankruptcy Court.

10.3 ***No Oversight Committee Compensation.*** Except for the reimbursement of reasonable actual costs and expenses incurred in connection with their duties as Oversight Committee members, the members of the Oversight Committee shall serve without compensation. Reasonable expenses incurred by members of the Oversight Committee may be paid by the Trust without need for Bankruptcy Court approval.

10.5 ***Retention Of Professionals by the Oversight Committee.*** The Oversight Committee shall have the authority to employ, at the expense of the Trust, counsel and such other professionals as may be reasonably necessary, in its discretion, to assist in the Oversight Committee's duties under the Plan, including the oversight of the Trust and the Liquidating Trust Trustee regarding liquidation of the assets in the Trust and distributions to holders of Allowed Claims. Nothing contained herein shall prohibit the Oversight Committee from retaining counsel or such other Professional that has already been retained by the Liquidating Trust Trustee or previously retained by Chapter 11 Trustee or Creditors' Committee. The Oversight Committee is authorized to employ such professionals without approval by the Bankruptcy Court; provided, however, that notwithstanding the foregoing, the Oversight Committee must disclose to the Bankruptcy Court, in advance, with notice to the Office of the United States Trustee, the Reorganized Debtor and any other person that specifically requests notice of post-Effective Date matters brought before the Bankruptcy Court, the identity of any insider (as such term is defined in section 101(31) of the Bankruptcy Code) of the Liquidating Trust Trustee or any member of the Oversight Committee that the Oversight Committee intends to employ at the expense of the Trust. Under the Trust Agreement, the Liquidating Trust Trustee shall have authority to dispute the proposed employment of any professional by the Oversight Committee, the rendering of particular services or the payment of any items of compensation or expense reimbursement for such professionals, only in the event the Liquidating Trust Trustee asserts that such employment or payment constitutes a significant waste of Trust Property. In the event of such a dispute, the Bankruptcy Court shall have jurisdiction to resolve such dispute.

10.5 ***Limitations on Oversight Committee Liability.*** The Oversight Committee and its members shall not be liable for any act any member may do or fail to do as a member of the Oversight Committee while acting in good faith and in the exercise of the member's best judgment, and the fact that such act or omission was advised, directed or approved by counsel acting for the Oversight Committee, shall be conclusive evidence of such good faith and best judgment. No Oversight Committee member shall be liable in any event for claims, liabilities or damages unless they arise from such member's personal gross negligence or willful misconduct.

10.6 ***Termination Of Oversight Committee.*** The Oversight Committee shall dissolve upon the completion of all distributions to Trust Beneficiaries and the termination of the Trust in accordance with the terms of the Plan and the Trust Agreement.

## ARTICLE XI

### **CONFIRMATION AND CONSUMMATION OF THIS PLAN**

11.1 ***Condition To Entry of the Confirmation Order.*** The following are conditions precedent to the entry of the Confirmation Order, each of which must be satisfied or waived by the Plan Sponsor in accordance with the terms hereof:

(a) The Plan and all schedules, documents, supplements and exhibits relating to this Plan shall have been filed in form and substance acceptable to the Plan Sponsor; and

(b) The proposed Confirmation Order shall be in form and substance acceptable to the Plan Sponsor.

11.2 ***Conditions To Effective Date.*** The Plan Sponsor shall request that the Confirmation Order include a finding by the Bankruptcy Court that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order shall take effect immediately upon its entry. The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived by the Plan Sponsor in accordance with the terms hereof:

(a) The Confirmation Order, in form and substance satisfactory to the Plan Sponsor shall have been entered by the Bankruptcy Court and be in full force and effect and not subject to any stay and shall, among other things, provide that the Chapter 11 Trustee, Debtor and Reorganized Debtor are authorized without further board or member approval or consent to take all actions necessary to enter into the Transaction Documents and other agreements or documents created in connection with this Plan. Without limiting the foregoing, the Chapter 11 Trustee, the board of directors, chief executive officer, or other appropriate officer of the Debtor shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan and the Transaction Documents;

(b) The Plan Sponsor and CMS shall have agreed, in form and substance, to a repayment plan with respect to the CMS Overpayment Claim;

(c) The Plan Sponsor and Michigan shall have agreed, in form and substance, to a repayment plan with respect to the Michigan Overpayment Claim;

(d) Allowed Priority Tax Claims shall be paid in full.

(e) All Transaction Documents shall have been executed and delivered, and all conditions precedent thereto shall have been satisfied (other than the occurrence of the Effective Date).

(f) All authorizations, consents, and regulatory approvals required, if any, in connection with the consummation of this Plan shall have been obtained;

(g) All other actions, documents, and agreements necessary to implement this Plan shall have been effected or executed,

and (h) The Debtor shall have sufficient Cash, on the Effective Date,

(i) The Effective Date shall have occurred on or prior to February 15, 2016.

11.3 ***Waiver Of Conditions.*** The Plan Sponsor may waive, in its sole discretion, in whole or in part, the conditions to the occurrence of the Effective Date, without any notice to parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive any condition to the Effective Date shall preclude the occurrence of the Effective Date, regardless of the circumstances giving rise to the failure of such condition to be satisfied. The waiver of a condition to the occurrence of the Effective Date shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

11.4 ***Notice of Effective Date.*** The Reorganized Debtor will file with the Bankruptcy Court a notice of the occurrence of the Effective Date on the date thereof or as soon thereafter or is practicable.

## ARTICLE XII

### **EFFECT OF PLAN CONFIRMATION**

12.1 ***Binding Effect.*** This Plan shall be binding upon and inure to the benefit of the Debtor, its Estates, all current and former Holders of Claims and Interests, and their respective successors and assigns, including, but not limited to, the Debtor, Reorganized Debtor and the Trust.

12.2 ***Revesting of Assets.*** Except as otherwise explicitly provided in this Plan, on the Effective Date, all property comprising the Estates (including Retained Actions, but excluding Trust Property) shall revert in the Reorganized Debtor, free and clear of all Claims, Liens, charges, encumbrances, rights, and Interests of creditors and equity security holders. As of the Effective Date, the Reorganized Debtor may operate its businesses and use, acquire, and dispose of property and settle and compromise Claims or Interests without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by this Plan or the Confirmation Order.

12.3 ***Releases.*** As of the Effective Date, for good and valuable consideration, including (without limitation) the service of the Released Parties in facilitating the expeditious implementation of the restructuring and reorganization contemplated by this Plan, the adequacy of which is hereby confirmed, the Debtor, its Estates, and the Reorganized Debtor shall be deemed forever to release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever (other than for fraud or willful misconduct) against the Released Parties in connection with or related to the Debtor or the Reorganized Debtor, the Chapter 11 Case, the Disclosure Statement or this Plan, and that could have been asserted by or on behalf of the Debtor, the Estate or the Reorganized

Debtor against such Persons; provided, however, that there shall be no such release, waiver or discharge on account of claims or obligations in respect of the rights and obligations under this Plan, the Transaction Documents, and the contracts, instruments, releases, and other agreements or documents delivered hereunder or contemplated hereby and thereby.

#### 12.4 ***Discharge of the Debtor.***

(a) Other than Claims arising from or related to the Transaction Documents and except as otherwise provided herein or in the Confirmation Order, all consideration distributed under this Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims of any nature whatsoever against the Debtor or Estate and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to this Plan on account of such Claims, upon the Effective Date, the Debtor, the Estate, and Reorganized Debtor shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (i) a proof of claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (ii) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (iii) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (iv) the holder of a Claim based upon such debt accepted this Plan.

(b) As of the Effective Date, other than Claims arising from or related to the Transaction Documents and except as provided in this Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtor or the Reorganized Debtor, any other or further Claims, debts, rights, causes of action, claims for relief, or liabilities relating to the Debtor or any Interest in the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, other than with respect to Claims arising from or related to the Transaction Documents and except as provided in this Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtor, and the termination of all such Interests, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim or a terminated Interest.

#### 12.5 ***Injunction.***

(a) ***General.*** Except as provided in this Plan or the Confirmation Order, from and after the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, cause of action, or liability that is released, terminated, exculpated, or discharged under this Article XII, along with their respective current and former employees, agents, officers, directors, managers, principals, affiliates, shareholders, and members are permanently enjoined from taking any of the following actions against the Debtor, the Reorganized Debtor and the

Exculpated Parties, and their respective agents, officers, directors, managers, employees, representatives, advisors, attorneys, affiliates, shareholders, or members, or any of their successors or assigns or any of their respective property on account of any such released, terminated or discharged Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or Interest: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (b) creating, perfecting, or enforcing any Lien or encumbrance; (d) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to any released Person; or (e) commencing or continuing any action, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of this Plan or the Confirmation Order.

12.6 ***Exculpation and Limitation of Liability.*** None of the Exculpated Parties shall have or incur any liability to any Person for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the Combined Disclosure Statement and Plan, the transactions contemplated by or described in the Transaction Documents, the formulation, negotiation, or implementation of this Plan or the Transaction Documents, the pursuit of Confirmation of this Plan, the operation of the Debtor during the Chapter 11 Case, the Confirmation of this Plan, the consummation of this Plan or the Transaction Documents, or the administration of Chapter 11 Case or this Plan or the property to be distributed under this Plan, except for acts or omissions that are the result of fraud or willful misconduct; provided, however, that the foregoing exculpation and limitation of liability shall not apply to and shall not operate to waive, release, or exculpate any Claims or causes of action arising from or related to the rights and obligations under this Plan, the Transaction Documents, and the contracts, instruments, releases, and other agreements or documents delivered hereunder or contemplated hereby and thereby. Without limiting the generality of the foregoing, Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

12.7 ***U.S. Government.*** Notwithstanding anything contained in this Plan or the Confirmation Order to the contrary, as to the United States, its agencies, departments, or agents (collectively, the “**U.S. Government**”), nothing in this Plan or the Confirmation Order shall discharge, release, or otherwise preclude: (a) any liability of the Debtor or Reorganized Debtor arising on or after the Effective Date to the U.S. Government; (b) any liability to the U.S. Government that is not a “claim” within the meaning of section 101(5) of the Bankruptcy Code; any valid right of setoff or recoupment of the U.S. Government against any of the Debtor; or any liability of the Debtor or Reorganized Debtor under environmental law to the U.S. Government as the owner or operator of property that such entity owns or operates after the Effective Date. Moreover, nothing in this Plan or the Confirmation Order shall release or exculpate any non-debtor, including any Released Party or Exculpated Party, from any liability to the U.S. Government, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against the Released Parties or the Exculpated Parties, nor shall anything in this Plan or the Confirmation Order enjoin the U.S. Government from bringing any claim, suit, action or other proceeding against the Released Parties or Exculpated Parties for any liability whatsoever; provided, however, that the foregoing sentence shall not limit the scope of discharge granted to the Debtor or Reorganized Debtor under sections 524 and 1141 of the Bankruptcy Code.

12.8 ***Term of Bankruptcy Injunction or Stays.*** Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date.

12.9 ***Post-Effective Date Retention of Professionals.*** Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date will terminate and the Reorganized Debtor may employ and pay professionals in the ordinary course of business.

### **ARTICLE XIII**

#### **RETENTION OF JURISDICTION**

13.1 ***Retention of Jurisdiction.*** Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction (unless otherwise indicated) over all matters arising out of, and related to, the Chapter 11 Case and this Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

- (a) resolve any matters related to the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease with respect to which any Debtor or Reorganized Debtor may be liable, and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;
- (b) decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications, involving the Debtor that may be pending on the Effective Date;
- (c) enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan, the Disclosure Statement, or the Confirmation Order;
- (d) resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to this Plan, or any entity's rights arising from, or obligations incurred in connection with, this Plan or such documents (other than a dispute arising after the Effective Date under, or directly with respect to, the Transaction Documents, which such disputes shall be adjudicated in accordance with the terms of the Transaction Documents);



(e) modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or modify the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, or remedy any defect or omission, or reconcile any inconsistency, in any Bankruptcy Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;

(f) hear and determine all applications for compensation and reimbursement of expenses of Professionals under this Plan or under sections 330, 331, 503(b) and 1129(a)(4) of the Bankruptcy Code; *provided, however*, that from and after the Effective Date the payment of fees and expenses of the Reorganized Debtor, including professional fees, shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(g) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;

(h) adjudicate controversies arising out of the administration of the Estate or the implementation of this Plan;

(i) recover all assets of the Debtor and property of the Estates, wherever located;

(j) hear and determine causes of action by or on behalf of the Debtor,  
the Reorganized Debtor or Trust;

(k) enter and implement such orders as are necessary or appropriate if  
the Confirmation Order is for any reason, or in any respect, modified, stayed, reversed, revoked, or vacated, or distributions pursuant to this Plan are enjoined or stayed;

(l) hear and resolve all matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(m) determine any other matters that may arise in connection with, or relate to, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order (other than a dispute arising after the Effective Date under, or directly with respect to, the Transaction Documents, which such disputes shall be adjudicated in accordance with the terms of the Transaction Documents);

(n) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case;

(o) hear and determine such other matters related hereto that are not inconsistent with the Bankruptcy Code or title 28 of the United States Code; and

(p) enter an order closing the Chapter 11 Case.

13.2 ***Failure of Bankruptcy Court to Exercise Jurisdiction.*** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter, including the matters set for in Section 13.1 of the Plan, the provisions of this Article XIII shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

## ARTICLE XIV

### **MISCELLANEOUS PROVISIONS**

14.1 ***Effectuating Documents and Further Transactions.*** Each of the Chapter 11 Trustee, the Liquidating Trust Trustee, the Debtor and the Reorganized Debtor shall be authorized to execute, deliver, file, or record the Transaction Documents and such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan.

14.2 ***Company Action.*** Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under this Plan or the Transaction Documents that would otherwise require approval of the members or directors of the Debtor or the Reorganized Debtor shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date (as appropriate) without any requirement of further action by the members or directors of the Debtor or the Reorganized Debtor.

14.3 ***Payment Of Statutory Fees.*** All fees payable pursuant to section 1930 of title 28 of the United States Code (“UST Fees”), as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date. The Reorganized Debtor shall pay any UST fees that become payable after the Effective Date for the quarter including the Effective Date. The Trust shall satisfy any UST Fees for any period commencing on the first quarter after the Effective Date through the closing of the Chapter 11 Case.

14.4 ***Amendment Or Modification Of This Plan.*** Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, Plan Sponsor reserves the right to alter, amend, or modify this Plan at any time prior to or after the Confirmation Date. A Holder of a Claim that has accepted this Plan shall be deemed to have accepted this Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such Holder.

14.5 ***Severability of Plan Provisions.*** If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power, upon the request of the Plan Sponsor to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

14.6 ***Successors and Assigns.*** This Plan shall be binding upon and inure to the benefit of the Debtor, and its successors and assigns, including, without limitation, the Reorganized Debtor and Trust. The rights, benefits, and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

14.7 ***Revocation, Withdrawal, or Non-Consummation.***

The Plan Sponsor reserves the right to revoke or withdraw this Plan at any time prior to the Confirmation Date and to file a different plan of reorganization. If the Plan Sponsor revokes or withdraw this Plan, or if Confirmation or consummation of this Plan does not occur, then (a) this Plan shall be null and void in all respects, (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount any Claim or Class of Claims or any release contemplated hereby), assumption of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (c) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (A) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtor or any other Person, (B) prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor, or (C) constitute an admission of any sort by the Debtor or any other Person.

14.8 ***Notice.*** All notices, requests, and demands to or upon the Reorganized Debtor or Chapter 11 Trustee to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Plan Sponsor, to:

Kenneth R. Beams, Esq.  
Kenneth R. Beams, PLLC  
2145 Crooks, Ste. 220  
Troy, MI 48084

If to the Chapter 11 Trustee or Debtor:

Basil T. Simon  
645 Griswold  
Suite 3466  
Detroit, MI 48226

14.9 ***Governing Law.*** Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed in accordance with, the laws of the State of Michigan without giving effect to the principles of conflicts of law of such jurisdiction.

14.10 ***Tax Reporting and Compliance.*** The Reorganized Debtor is hereby authorized, on behalf of each of the Debtor, to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtor for all taxable periods ending after the Petition Date through, and including, the Effective Date.

14.11 ***Conflicts.*** In the event that provisions of the Disclosure Statement and provisions of this Plan conflict, the terms of this Plan shall govern.

## **DISCLOSURE STATEMENT**

This Disclosure Statement is part of the Combined Disclosure Statement and Plan of Reorganization of Oakland Physicians Medical Center, L.L.C. proposed by Allied Global Consulting, Inc., a New Jersey corporation (the “**Plan Sponsor**”).

This Disclosure Statement has been prepared by the Plan Sponsor under section 1125(b) of the Bankruptcy Code and the Local Rules for use in the solicitation of votes on the Plan. In preparing this Disclosure Statement, the Plan Sponsor has relied on public filings made by the Debtor in the Bankruptcy Case. The Plan Sponsor does not have the ability to verify the accuracy of such filings.

The information contained in this Disclosure Statement is included solely for purposes of soliciting acceptances of the Plan and may not be relied upon for any other purpose. Capitalized terms used but not defined herein have the meanings set forth in the attached Plan.

**All creditors are advised and encouraged to read the Combined Disclosure Statement and Plan in its entirety before voting to accept or reject the Plan. Plan summaries in this Disclosure Statement are qualified in their entirety by the Plan and the exhibits and schedules annexed to the Plan and the Disclosure Statement or filed in the Plan Supplement. The statements contained in this Disclosure Statement are made only as of the date hereof. There can be no assurance that the statements will be correct at any later time.**

**This Disclosure Statement has been provisionally approved by the Bankruptcy Court and distributed in accordance with Section 1125 of the Bankruptcy Code, Rule 3016(b) and the Local Rules and not necessarily in accordance with federal or state securities laws or other non-bankruptcy law. No other statements or information concerning the Debtor or its assets have been authorized. This Disclosure Statement has been neither approved nor disapproved by the Securities and Exchange Commission.**

**This Disclosure Statement is not and may not be construed as an admission of any fact or liability, stipulation or waiver in contested matters, adversary proceedings or other actions or threatened actions, but rather shall be treated as a statement made in settlement negotiations. This Disclosure Statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed to be conclusive advice on the tax, securities, or other legal effects of the Plan as to holders of claims against, or equity interests in, the Debtor.**

### **I. INTRODUCTION**

#### **A. Executive Summary**

Allied Global Consulting is a privately owned organization which has performed turnaround, merger, acquisition and restructuring strategies for health, hospitality, manufacturing and retail industries for companies with revenues in excess of \$50 Million. The company formed January, 2006 and has been very aggressive in the market from November,

2009. We consistently increase market value in held companies by 200% in span of 24 months. Targeted strategies have consistently resulted in reduced clients' costs by 20-30% and increased revenues by strategic pricing, even with recessionary pressures.

Allied Global Consulting's management team has more than 100 years of experience in strategically expanding and operating Health Care Organizations and Acute Care Hospitals, with emphasis on utilization, market cap, pricing, marketing, market share, and margin performance by service line. Valuable employee and physician retention is our foremost trait, as they are the key stream to revenues.

Our team members have instrumental experience in acquiring a 7 hospital system for HMA valued at \$600 million. Worked on numerous acquisitions throughout tenure that evolved into a total net of 12 new hospitals. In market, acquired 2 surgery centers, numerous physician office practices and an imaging center. A list of health care reference projects are listed in Appendix A.

Allied Global Consulting is the proponent of the Plan. Under the Plan, existing equity in the Debtor will be cancelled and the Plan Sponsor will acquire 100% of the equity in the Reorganized Debtor for a purchase price of \$4,500,000. The purchase price may be satisfied in cash or the conversion of amounts owed to the Plan Sponsor under the debtor-in-possession financing facility. The treatment of claims against the Debtor is summarized below.

Allied Global Consulting is a creditor in this bankruptcy by a transfer of a claim from 7 Grand Service to Allied Global. This transfer took place on November 5, 2015. The transfer documents are attached as Exhibit \_\_ to this Plan and Disclosure Statement.

#### **B. Summary of Classification and Treatment of Claims and Interests**

The following table briefly summarizes the classification and treatment of claims and equity interests under the Plan. The proposed life of the Plan is for five years.

<i>Class</i>	<i>Description of Claims or Interests in Class</i>	<i>Treatment Under the Plan</i>
Priority Tax  Claims  Estimated Allowed Amount: \$2,500,000  Estimated Recovery: 100%	Federal, state and local governmental tax  claims entitled to priority under Bankruptcy Code § 507(a)(8).	Will Pay \$1,250,000.00 @ closing Appx 1,000,000.00 After closing in 12 Months Or As soon as we get \$1 Million line of Credit All Lien's to be removed



<i>Class</i>	<i>Description of Claims or Interests in Class</i>	<i>Treatment Under the Plan</i>
Class 1 – Non-Tax Priority Claims  Estimated Allowed Amount: \$55,000  Estimated Recovery: 100%	Unsecured claims, other than Administrative Claims and Priority Tax Claims, entitled to priority under Bankruptcy Code § 507(a).	Paid in full in cash.
Class 2 – Other Secured Claims  (Each Other Secured Claim shall constitute a Separate Class numbered 2.1, 2.2, 2.3, etc.)  Estimated Recovery: 100%	Secured claims other than DIP Facility Claims, Crittenton Secured Claims, CMS Overpayment Claims, Michigan Overpayment Claims, and WRC Secured Claims.	At the Reorganized Debtor's option, (a) reinstated, (b) paid in full in cash, or (c) the collateral surrendered to the secured creditor.
Class 3 – Crittenton Secured Claims  Estimated Allowed Amount: \$3,750,000  Estimated Recovery: 47% plus non-financial accommodation	Secured claims under the Crittenton Loan Documents.	See Ex E
Class 4 – CMS Overpayment Claims  Estimated Allowed Amount: \$6,700,000  Estimated Recovery: 100%	Secured claims for CMS overpayments.	Reinstated; provided, that it is a condition precedent to the Effective Date that the parties agree to a payment plan.



<i><b>Class</b></i>	<i><b>Description of Claims or Interests in Class</b></i>	<i><b>Treatment Under the Plan</b></i>
Class 5 – Michigan Overpayment Claims  Estimated Allowed Amount: \$1,909,000  Estimated Recovery: 100%	Secured claims of the State of Michigan for Medicaid overpayments and unpaid QAAP taxes.	Reinstated; provided, that it is a condition precedent to the Effective Date that the parties agree to a payment plan.
Class 6 – WRC Secured Claim  Estimated Allowed Amount: \$794,265.51  Estimated Recovery: 100%	Secured claim of the WRC as a water utility.	Paid in full by payment of sixty (60) equal monthly Installments of \$13,237.76 over a five year period.
Class 7 – General Unsecured Claims  Estimated Allowed Amount: \$16,370,000  Estimated Recovery: undetermined	Claims against the Debtor that are not Secured Claims or entitled to priority of payment under the Bankruptcy Code.	Right to receive proceeds in a liquidating trust that Will be funded with \$150,000 in cash and have the ability to pursue certain identified causes of action.
Class 8 – Old Equity Interests  Estimate Allowed Amount: N/A  Estimated Recovery: 0%	All equity interests in the Debtor and Claims arising from or related thereto that are subject to subordination under Bankruptcy Code § 510(b).	Cancelled, and the holders will not receive or retain any property on account thereof.

The foregoing is only a summary of the Plan's classification and treatment of Claims and Interests and is qualified in its entirety by the full text of the Plan. The Plan will control in the event of any discrepancy between the Plan and any summary or description herein.

## **II. DESCRIPTION OF THE DEBTOR**

### **A. The Debtor**

The Debtor is a Michigan limited liability company. Under the Plan, the Debtor will be reorganized. The Debtor's officers and directors are identified in Section II.B below.

### **B. The Principals**

#### **1. Board of Directors**

The Debtor currently has a three-member board of directors consisting of Dr. Yatinder Singhal, Dr. Anuj Mittal, and Dr. Michael Short. The three board members are also members of the Debtor and are, or have been, practicing physicians at the Debtor. The Debtor's Statement of Financial Affairs discloses that the directors received the following compensation in the one year prior to the Petition Date:

Director	Compensation	Board Fees
Dr. Singhal	\$112,690.44	\$20,001
Dr. Mittal	\$116,500.04	\$4,167
Dr. Short	\$40,761.02	\$12,501

The payment of board fees was discontinued in June, 2015. Upon the appointment of the Chapter 11 Trustee, the Debtor discontinued the payment of fees to the board members for serving as directors of their medical departments. The existing directors of the Debtor will not be affiliated with the Reorganized Debtor or receive any compensation from the Reorganized Debtor. The Plan Sponsor has no affiliation with the Debtor. As a result, further information regarding the compensation or other remuneration, including fringe benefits, provided to the members of the board pre-Petition is not available to the Plan Sponsor.

#### **2. Management**

John Ponczocha is the Debtor's Chief Executive Officer. Mr. Ponczocha was appointed Chief Executive Officer in July, 2013. He receives an annual compensation of \$175,000 and participates in the Debtor's Benefit Plan. The Plan Sponsor is unaware of any extraordinary fringe benefits offered to Mr. Ponczocha.

The Debtor's pre-petition Chief Financial Officer will be Hired.

As set forth in more detail in Article II.B.5 below, after the Petition Date, Dr. Sanjay Sharma was appointed by the Debtor's board of directors as Chief Information Officer of the Debtor to make recommendations to the Chief Executive Officer respecting the Debtor's information systems. Dr. Sharma is not compensated for these services.

The Plan contemplates that existing management will continue on and after the Effective Date, subject to removal by the new board.

3. Equity Ownership

The Debtor has reported that thirty-five percent of the equity in the Debtor is institutionally owned by S6 Holding, LLC, while the remaining sixty-five percent of the equity in the Debtor is owned by physicians individually, or in the case of Dr. Surindar Jolly, directly and indirectly through an investment vehicle. The specific holdings of the individual physicians, however, are uncertain. The board of directors has asserted that the membership registry filed with the Corporate Ownership Statement [DE 5] and Exhibit 21(b) to the Schedules [DE 93-2] is incorrect. However, the exact membership holdings are not relevant at this time as upon the appointment of the Chapter 11 Trustee the members were divested of any operational control of the Debtor. Further, under the Plan, existing membership interests in the Debtor will be cancelled, and the holders of such equity interests will not receive or retain any equity on account thereof.

4. The Plan Sponsor

a. *Allied Global Consulting*

Allied Global Consulting is a New Jersey corporation that was formed for the purpose of acquiring The Doctors Hospital with a plan of reorganization in which Allied Global Consulting would acquire an equity stake in the Reorganized Debtor.

The sole member of Allied Global Consulting is Syed Kazmi. Allied Global Consulting is not a subsidiary of any entity.

The source of funding for the plan proponent is Lawrence Evans & Co. LLC. Lawrence Evans & Co., LLC provides advisory and restructuring financial planning to Allied Global Consulting. Lawrence Evans & Co. will also provide the funding to Allied Global Consulting for its purchase of the Hospital.

Details regarding Lawrence Evans & Co., LLC's relationship with Allied Global Consulting are attached as Exhibit A. Lawrence Evans & Co., LLC has proposed a line of credit to the Allied Global Consulting in the amount of \$3,000,000.00, proposed to loan \$1,500,000.00 for the purchase of equipment, and another \$1,500,000.00 for the purchase of real estate.

### **C. The Debtor's Business; Causes for the Chapter 11 Filing**

On November 7, 2008, the Debtor, which was formed by a group of physicians and McLaren Health, purchased the assets of Pontiac General Hospital and Medical Center d/b/a North Oakland Medical Center (“**NOMC**”) in a §363 sale in the chapter 11 case of NOMC then pending before the Bankruptcy Court. Upon the closing of the sale, the Debtor d/b/a Doctors' Hospital of Michigan, emerged as Michigan's first acute-care, for-profit hospital with physician ownership.

The Debtor's main facility is located in the city of Pontiac, Michigan. It is a licensed 304-bed hospital that provides, primarily, behavioral and family medicine, including 24-hour urgent care, to patients residing in the surrounding communities. The Debtor provides other medical care services, including radiology services, respiratory therapy, occupational medicine and physical medicine and rehabilitation. Until recently, the Debtor also provided general surgical services. The Debtor also has operated an ambulatory care center in Waterford, Michigan.

The Debtor has struggled to attract or retain the kind of medical practices necessary to fill the hospital's bed count, facing neighboring competition from larger hospitals such as St. Joseph Mercy Hospital and McLaren Pontiac General Hospital.

The Debtor is in severe financial distress. For the year ending December 31, 2013, the Debtor had gross revenue of \$29,268,000 and a net loss of \$8,900,000. These losses continued through and after calendar year 2014.

Prior to commencing the Chapter 11 Case, the Debtor encountered a number of setbacks, including, among other things: (i) notice from the Joint Accreditation Commission of various violations which if not cured under a short timetable could lead to the loss of hospital accreditation and a closure of the hospital; (ii) on June 3, 2015, a current Debtor member and former director of Debtor, Dr. Surindar K. Jolly, and certain related persons or entities obtained a money judgment in the approximate amount of \$2,700,000.00 million against the Debtor on account of unsecured loans previously advanced to the Debtor; and (iii) garnishment and collection actions by other creditors.

To stave off the imminent threat of a judgment foreclosure, avoid disruption of patient care, preserve the value of hospital assets and obtain vital breathing room to formulate and implement an orderly plan, the Debtor commenced the Chapter 11 Case.

### **III. POST-PETITION EVENTS OF SIGNIFICANCE**

#### **A. Patient Care Ombudsman**

Pursuant to a stipulation by and between the United States Trustee and the Debtor, the Bankruptcy Court entered an order on July 27, 2015, directing the United States Trustee to appoint a patient care ombudsman. On July 28, 2015, Deborah L. Fish was appointed as the patient care ombudsman (the “**Patient Care Ombudsman**”).

## **B. Use of Cash Collateral**

### **1. Pre-Petition Secured Debt**

On April 14, 2011, the Debtor entered into a secured loan with Crittenton Hospital Medical Center in the original amount of \$4,000,000, secured by, among other things, a security interest in Debtor's accounts, including health care insurance receivables, deposit accounts, cash and the proceeds of the foregoing. The Crittenton loan is also secured by a mortgage on the Debtor's Waterford Ambulatory Clinic property located at 1305 North Oakland Blvd. in Waterford, Michigan.

The Debtor is indebted to The Centers for Medicare & Medicaid Services in the approximate amount of \$6,700,000 for Medicare overpayments. The Debtor is indebted to the State of Michigan for Medicaid overpayments and unpaid QAAP Taxes in the approximate amount of \$1,909,000. The Debtor has not identified any other party asserting an interest in the Debtor's cash collateral.

### **2. Cash Collateral Order**

On July 27, 2015, the Debtor filed its *First Day Motion for Entry of Interim Order(I) Authoring Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting of Superpriority Claims and Adequate Protection, and (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(C)* (“**Cash Collateral Motion**”) [DE 19]. The Debtor sought the use of cash collateral to avoid a then imminent shutdown and maintain critical patient care functions and in-patient and out-patient services.

On September 17, 2015, the Bankruptcy Court entered its *Final Order (I)Authorizing (A) Use of Cash Collateral Pursuant to 11 U.S.C. 363, and (B) Granting of Security Interests, Superpriority Claims, and Adequate Protection, and (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(c)* (the “**Cash Collateral Order**”) [DE 130]. Under the Cash Collateral Order: (i) the Debtor is authorized to use the cash collateral of Crittenton, CMS and Michigan (the “**Prepetition Cash Collateral Creditors**”); (ii) the Prepetition Cash Collateral Creditors received, as adequate protection for any diminution in the value of their collateral, perfected replacement liens in the same property of the Debtor's estate as held by the Prepetition Cash Collateral Creditors prior to the Petition Date; and (iii) as additional adequate protection the Prepetition Cash Collateral Creditors were granted superpriority administrative expenses status under Bankruptcy Code § 507(b). CMS and the State of Michigan reserved all rights under the Cash Collateral Order.

## **C. DIP Financing**

On August 18, 2015, the Debtor filed its *Emergency Motion for Entry of Interim Order (I) Authorizing (A) Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362 and 364(C), and (B) Granting Superpriority Claims and Adequate Protection, and (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(C)* (“**Motion for Postpetition**

**Financing**”)[DE 67] seeking postpetition financing pursuant to a debtor-in-possession credit facility (the “**DIP Facility**”) provided by Sant to fund its operations, including payroll, taxes, and other administrative expenses.

After a hearing (the “**Final Hearing**”) conducted on September 16, 2015, the Court entered its *Final Order (I) Authorizing the Debtor to Obtain Postpetition Financing on a Senior Secured, Superpriority Basis, (ii) Authorizing the Use of Cash Collateral, and (iii) Granting Adequate Protection to Prepetition Secured Parties*(the “**Final DIP Order**”) [DE 131]. The principal terms of the DIP Facility are as follows: (i) the maximum amount available and outstanding under the DIP Facility at one time was \$1,500,000 to be funded only pursuant to a budget attached to the Motion for Postpetition Financing; (ii) the obligations provided by the DIP Facility are secured by the Debtor’s property with the following priorities: (a) a first priority, perfected lien and security interest on the Debtor’s property that is not otherwise subject to a valid and perfected security interest as of the Petition Date, and (b) best available junior, perfected liens and security interest on the Debtor’s property that is subject to the security interests of the Prepetition Cash Collateral Creditors; and (iii) the obligations enjoy superpriority administrative expense status under 11 U.S.C. § 364(c)(1).

On October 19, 2015 the Chapter 11 Trustee filed the *Chapter 11 Trustee’s Motion for Order Amending Final Order (I) Authorizing the Debtor to Obtain Postpetition Financing on a Senior Secured, Superpriority Basis, (II) Authorizing the Use of Cash Collateral, (III) Granting Adequate Protection to Prepetition Secured Parties and (IV) Scheduling of a Final Hearing* (“**DIP Amendment Motion**”) to amend the terms of the DIP Facility to increase availability to \$2,000,000 and modify certain terms of the DIP Facility to provide covenant relief to the Debtor.

#### **D. Appointment of Chapter 11 Trustee**

The Debtor defaulted under the terms of the DIP Facility. Upon the occurrence of the subject events of default, Sant was relieved of any obligation to provide additional financing to the Debtor pursuant to the Final DIP Order or otherwise and had the ability to declare all outstanding obligations due and payable. Sant and the Debtor’s board of directors also reached an impasse in negotiations with respect to the formulation of a plan. Sant had concerns about the behavior of the board of directors, and was unwilling, and not obligated, to fund the operations of the Debtor so long as the existing board remained in control of the Debtor. On September 23, 2015, Sant filed the *Emergency Motion of Sant Partners, LLC for Appointment of a Chapter 11 Trustee Under 11 U.S.C. § 1104(a)* (the “**Trustee Motion**”) [DE 144]. Although the Debtor disagreed with certain statements made in the Trustee Motion, to avoid the potential immediate cessation of operations of the Debtor for lack of funding, the Debtor did not oppose the appointment of a trustee under section 1104(a)(2) of the Bankruptcy Code. On September 25, 2015, the Bankruptcy Court entered the *Order Granting Emergency Motion of Sant Partners, LLC for Appointment of a Chapter 11 Trustee Under 11 U.S.C. § 1104(a)* [DE 149]. On September 28, 2015, the Bankruptcy Court entered the *Order Approving Appointment of Trustee* [DE 154] whereby Basil T. Simon, Esq. was appointed as the chapter 11 trustee of the Debtor.

**E. Post-Petition Transfers Outside the Ordinary Course of Business.**

The Plan Sponsor is not aware of any such transfers.

**F. Litigation.**

Except as otherwise disclosed herein, the Plan Sponsor is not aware of any arising or continuing during the case, or which may be pending before the Court.

**IV. SUMMARY OF THE CHAPTER 11 PLAN OF REORGANIZATION**

**A. Treatment of Classes**

The Bankruptcy Code requires that a chapter 11 plan divide the different claims against, and equity interests in, the debtor into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are equity interests of a substantially similar legal nature. Administrative expenses and certain statutory priority claims are not classified.

A chapter 11 plan must designate each class as “impaired” (affected by the plan) or “unimpaired” (unaffected by the plan). If a class of claims is “impaired,” the Bankruptcy Code affords certain rights to the holders of the claims, such as the right to vote on the plan (unless the plan provides for no distribution to the holders of claims in the class, in which case they are deemed to reject the plan), and the right to receive, under the plan, property with a value at least equal to the value that they would receive if the debtor were liquidated under chapter 7.

The definition of “impaired” in Section 1124 of the Bankruptcy Code is highly technical. In general, a class of claims is not impaired if the plan provides either that (i) the rights of the holders are unaltered or (ii) all defaults with respect to the claims will be cured (other than defaults arising from the debtor’s insolvency, the commencement of the case or the nonperformance of a nonmonetary obligation), and the rights of the holders of the claims will be restored. The holder of a claim in an unimpaired class must be placed in the position it would have been in if the debtor had not commenced its case and the default had not occurred.

The Plan divides claims and equity interests into the following classes, which are described in more detail below.

**1. Unclassified Administrative Claims and Priority Tax Claims**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified.

Administrative Claims are the actual costs and expenses of the Debtor's reorganization case. These claims include post-petition salaries and other benefits owed to employees, amounts owed to vendors for goods and services delivered after the Petition Date, taxes incurred after the Petition Date, certain statutory fees and charges, and post-petition financing obligations. Other Administrative Claims include the actual, reasonable fees and expenses of professionals retained by the debtor-in-possession, chapter 11 trustee, and the official committee of unsecured creditors. The Plan Sponsor expects that the Debtor will honor its post-petition obligations in the ordinary course of business and that Administrative Claims outstanding on the Effective Date will consist primarily of professional fees, obligations owed under the DIP Facility, and post-petition obligations that have accrued but are not yet payable. The Plan provides for the payment in full of all Allowed Administrative Claims.

Section 2.3 of the Plan governs the payment of Professional Fee Claims. The Plan establishes a deadline of 45 days after the Effective Date for Professionals to file final fee applications with the Bankruptcy Court. Depending on how any objections to the Professional Fee Claims are resolved, the Plan Sponsor estimates that Allowed Professional Fee Claims will aggregate between \$600,000 and \$1,000,000. Allowed Professional Fee Claims will be paid in full upon their Allowance by the Bankruptcy Court.

Under Section 2.4 of the Plan, on the Effective Date, the Plan Sponsor shall satisfy its obligations to fund the Purchase Price to acquire the New Membership Interests through the conversion of DIP Facility Claims in an amount equal to the Purchase Price.

Section 507(a)(8) of the Bankruptcy Code gives priority to certain pre-petition tax claims. Under the Plan, Allowed Priority Tax Claims will be paid in full in cash. Under Section 1129(a)(9)(C) of the Bankruptcy Code, the Reorganized Debtor may elect to make such payments over a period not ending later than five years from the Petition Date. The Debtor's Schedules identify approximately \$1,250,000 in Priority Tax Claims and additional tax claims have been filed. It is a condition precedent to the Effective Date of the Plan that Allowed Priority Tax Claims do not exceed \$2,250,000 appx, Principal amount only.

## 2. Classifications of Claims

### a. *Summary of Classes*

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.



b. *Class 1 – Non-Tax Priority Claims*

Section 507(a) of the Bankruptcy Code gives priority of payment to certain claims, including certain employee compensation and benefit claims incurred within 180 days before the petition date. The Debtor scheduled one claim (other than payroll taxes which are treated as Priority Tax Claims) in the amount of \$55,000 constituting a Non-Tax Priority Claim. Allowed Non-Tax Priority Claims will be paid in full in cash.

c. *Class 2 – Other Secured Claims*

Other Secured Claims constitute all Secured Claims other than those separately classified or provided for under the Plan. Other Secured Claims will be rendered unimpaired. At the Reorganized Debtor's option, Other Secured Claims will be (a) reinstated, (b) paid in full in cash, or (c) the collateral surrendered to the secured creditor. No Other Secured Claims were listed in the Debtor's Schedules. However, this Class will include any secured claims, e.g., secured claims related to equipment financing, if any, that are subsequently identified.

d. *Class 3 – Crittenton Secured Claims*

On April 14, 2011, the Debtor entered into a secured loan with Crittenton Hospital Medical Center in the original amount of \$4,000,000 secured by, among other things, a security interest in Debtor's accounts, including health care insurance receivables, deposit accounts, cash, and the proceeds of the foregoing. The Crittenton loan is also secured by a mortgage on the Debtor's Waterford Ambulatory Clinic property located at 1305 North Oakland Blvd. in Waterford, Michigan.

Under the Plan, Crittenton's existing loan will be satisfied with a payment of \$1,000,000.00 on the Effective Date.

Further, as part of the pre-Petition Date loan transaction with Crittenton, pursuant to the Medicare regulation at 42 C.F.R. § 413.79(f) and as filed with and approved by the Medicare Administrative Contractor, the Debtor entered into a graduate medical education ("GME") affiliation with Crittenton, whereby the Debtor and Crittenton formed a GME affiliated group (the "**Crittenton GME Group**") for a residency training program under which 18 residents participated in training at Crittenton and/or the Debtor. Under the Plan, this agreement (the Crittenton 2011-2016 Prepetition Affiliation Agreement) is assumed, as modified in the form of the Crittenton Assumed Affiliation Agreement, a copy of which is attached as Exhibit H to the Plan. The Reorganized Debtor will also assume the 2015-2016 Prepetition Affiliation Agreement without modification. No Cure shall be payable and Crittenton will waive any pre-Effective Date defaults under these agreements. On the Effective Date, the Reorganized Debtor and Crittenton will also enter into a new affiliation agreement (the Crittenton 2016-2018 Affiliation Agreement) for the 2016-2017 and 2017-2018 academic years pursuant to Medicare regulation at 42 C.F.R. § 413.79(f) which will be filed with and for which it is anticipated approval will be received from the Medicare Administrative Contractor. The form of this agreement is attached as Exhibit I to the Plan. The effect of the foregoing assumption and new affiliation agreement will be that existing residents participating in the Crittenton GME Group

will continue to train, and a shared rotational arrangement for training consistent with pre-Petition practices will occur in both the 2016-2017 and 2017-2018 academic years. Under the Crittenton 2016-2018 Affiliation Agreement the Reorganized Debtor's Medicare certified hospital is sharing 12 Medicare FTE cap slots with Crittenton for the period July 1, 2016 through June 30, 2017 and sharing 6 Medicare FTE cap slots with Crittenton for the period July 1, 2017 through June 30, 2018. No subsequent FTE cap sharing under the Crittenton GME Group will occur unless the Reorganized Debtor enters into a subsequent agreement with Crittenton which it is not obligated to do. While this accommodation provides a material benefit to Crittenton, the net financial benefit to Crittenton is difficult for the Plan Sponsor to quantify. The Plan Sponsor believes, however, that Crittenton's treatment under the Plan provides Crittenton with value in excess of what Crittenton would receive in a chapter 7 liquidation.

e. *Class 4 – CMS Overpayment Claims*

The Debtor is indebted to The Centers for Medicare & Medicaid Services (Debtor's Schedule D lists this creditor as "Wisconsin Physicians Service, Medicare Part A") in the approximate amount of \$6,700,000 for Medicare overpayments. CMS has asserted a right to recoup the full amount of its claim against future payments that the Debtor or Reorganized Debtor would otherwise be entitled to receive under the Medicare Act from CMS. Under the Plan, the obligations to CMS will be Reinstated (i.e., assumed), but it is a condition precedent to the Effective Date that the parties agree to a payment plan. The Reorganized Debtor intends to move off of the Periodic Interim Payment (PIP) program and move to a "pay as you go" basis to avoid over-payments in the future.

f. *Class 5 – Michigan Overpayment Claims*

The Debtor is indebted to the State of Michigan for Medicaid overpayments and unpaid QAAP Taxes in the amounts of \$325,000 and \$1,584,000, respectively. Michigan has asserted a right to recoup the full amount of its claim against future payments that the Debtor or Reorganized Debtor would otherwise be entitled to receive under Michigan's Medicaid program. Under the Plan, the obligations to Michigan will be Reinstated (i.e., assumed), but it is a condition precedent to the Effective Date that the parties agree to a payment plan.

g. *Class 6 – WRC Secured Claim*

The Debtor is indebted to the WRC in the amount of \$794,265.51 for pre-petition water utility bills. This obligation is secured by a statutory lien. Under the Plan, the WRC will receive sixty (60) equal monthly payments of \$13,237.76 over a 5-year period commencing on the first day of the month following the Effective Date. WRC will not receive interest on its Claim for the period after the Petition Date.

h. *Class 7 – General Unsecured Claims*

General Unsecured Claims are claims against the Debtor that are not Secured Claims or entitled to priority of payment under the Bankruptcy Code. The Debtor's Schedules identify \$13,191,933.36 in General Unsecured Claims. General Unsecured Claims would also include any deficiency claims of under-secured creditors, and claims resulting from the rejection of executory contracts and unexpired leases. The unsecured deficiency claim of Crittenton under the Plan is Allowed in the amount of \$3,250,000. Each Holder of an Allowed General Unsecured Claim will receive its pro rata share of beneficial interests in a liquidating trust to be established on the Effective Date. The Trust will receive \$150,000 and the ability to pursue any causes of action that the Debtor or its Estate has against Dr. Yatinder Sigal, Dr. Anuj Mittal, Dr. Michael Short, and Dr. Brijinder Gupta, including, without limitation any avoidance actions against such individuals. These potential causes of action are described more fully in Article IV.C below. Trust Property will also include Avoidance Actions against Butzel, Long and the Law Offices of Melvin M. Raznick for potential preferential payments received within the 90 day period prior to the Petition Date as identified in the Debtor's Statement of Financial Affairs. Additional Causes of Action may be identified for inclusion in the Trust at the Plan Sponsor's sole discretion. Additional Trust Causes of Action will be identified on Exhibit G to the Plan to be filed as part of the Plan Supplement. The Plan Sponsor is unable to establish a range of recovery for General Unsecured Creditors as any potential recovery from the Trust Causes of Action is uncertain.

i. *Class 8 – Old Equity Interests*

All the equity in the Debtor and all Claims arising from or related thereto will be cancelled and the Holders of such Claims and Interest will not receive or retain any property on account thereof.

**B. Implementation Provisions of Plan**

1. Continued Legal Existence and Revesting of Assets

On the Effective Date, the Reorganized Debtor shall be deemed to have adopted the Amended and Restated Operating Agreement attached as an Exhibit to the Plan and the Debtor will continue to exist after the Effective Date as a Michigan limited liability company. The Amended and Restated Operating Agreement shall include a provision to prohibit the Reorganized Debtor from issuing non-voting equity securities to the extent necessary to comply with section 1123(a) of the Bankruptcy Code. In accordance with section 12.2 of the Plan, and except as otherwise explicitly provided in the Plan, on the Effective Date, all property comprising the Estate (including Retained Actions, but excluding Trust Property), shall revest in the Reorganized Debtor.

2. Sources of Cash for Distribution

All Cash necessary for the Reorganized Debtor to make payments required by the Plan shall be obtained from (i) existing Cash balances, (ii) the operations of the Debtor or Reorganized Debtor, (iii) the \$4,500,000 equity investment being made by the Plan Sponsor.

3. Issuance of New Membership Interest

On the Effective Date, upon the terms and subject to the conditions set forth in this Plan and the Amended and Restated Operating Agreement, the Reorganized Debtor shall issue, sell and deliver to the Plan Sponsor all of the New Membership Interests. The aggregate Purchase Price is \$4,500,000. Notwithstanding the foregoing, the Plan Sponsor may, but is not required to, allow other Persons to acquire New Membership Interests, which may be separately classified, on the Effective Date under the Amended and Restated Operating Agreement and the Plan. If the following conditions are met, the participation of additional new members shall not constitute a material modification of the Plan that requires re-solicitation of the Plan, and a Holder of a Claim that has accepted this Plan shall be deemed to have accepted this Plan as modified: (i) the aggregate Purchase Price is not less than \$4,500,000, (ii) the identify of any person to acquire New Membership Interests on the Effective Date is disclosed prior to the Confirmation Hearing, (iii) any amendments to the Amended and Restated Operating Agreement contained in the Plan Supplement are filed with the Bankruptcy Court prior to the Confirmation Hearing; and (iv) the Plan Sponsor acquires a majority equity interest in, or otherwise obtains operational control of, the Reorganized Debtor

When used with respect to a particular purchaser, "Purchase Price" shall mean such purchaser's pro rata share of the Purchase Price.

4. Section 1145 Exemption

Pursuant to section 1145 of the Bankruptcy Code, the issuance and allocation of shares of the New Membership Interests to the Plan Sponsor pursuant to the Plan shall be exempt from registration under the Securities Act of 1933 and any state or local law requiring registration for offer or sale of a security.

5. Company Action; Effectuating Documents

The Plan provides that any company action required or contemplated by the Plan shall be deemed to have occurred and be effective without any requirement of further action by members, creditors, directors, offices or managers of the Debtor or the Reorganized Debtor or the Chapter 11 Trustee. The Chapter 11 Trustee, the Debtor and Reorganized Debtor, and their respective officers and designees, will be authorized to execute, deliver, file, or record any documents necessary to implement the Plan.

6. Preservation of Causes of Action

The Plan provides that the Reorganized Debtor will retain and may (but is not required to) enforce, and take any other action with respect to, all Causes of Action of Debtor and the Estate other than with respect to the Trust Causes of Action that are being vested in the Trust for the benefit of General Unsecured Creditors.

7. Exemption From Certain Transfer Taxes and Recording Fees

The Plan provides for an exemption for transfer taxes under section 1146(a) of the Bankruptcy Code with respect to any transfers from the Debtor to the Reorganized Debtor or Trust or to any other Person or entity pursuant to the Plan.

8. Dissolution of Creditors' Committee

The Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code. On the Effective Date, the Creditors' Committee, shall be dissolved and the Creditors' Committees members, in their capacity as such, shall be deemed released of all their duties, responsibilities, and obligations in connection with the Chapter 11 Case or the Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, accountants, professionals, and other agents shall terminate, except with respect to (i) all Professional Fee Claims and (ii) any appeals of the Confirmation Order.

9. Chapter 11 Trustee

On the Effective Date, the Chapter 11 Trustee, in his capacity as such, shall be deemed released of all of his duties, responsibilities, and obligations in connection with the Chapter 11 Case or the Plan and its implementation, and the retention or employment of the Chapter 11 Trustee's attorneys, accountants, professionals, and other agents shall terminate, except with respect to (i) all Professional Fee Claims and (ii) any appeals of the Confirmation Order.

10. Cancellation of Existing Securities and Agreements

Except as provided in the Plan or in the Confirmation Order, any securities or other documents evidencing or giving rise to Claims and Interests in the Debtor shall be canceled.

11. Treatment of Executory Contracts and Unexpired Leases

a. *Assumption/Rejection of Executory Contracts and Unexpired Leases*

The Exhibits to the Plan contain a list of Assumed Contracts and a list of Rejected Contracts. The Plan Sponsor reserves the right to amend the Assumed Contract List and Rejected Contract List at any time prior to the Confirmation Hearing. The Plan provides that all Executory Contracts and Leases will be assumed or rejected, as the case may be, as set forth on such lists. Unless dealt with by separate motion, any Executory Contract or Unexpired Lease not listed on either the Assumed Contract List or the Rejected Contract List will be deemed rejected. Each non-debtor party to an Assumed Contract or Rejected Contract shall receive at least twenty-one days' notice of the deadline to object to assumption or rejection, as the case may be, of the identified Executory Contract or Unexpired Lease, which date will be the deadline set by the Bankruptcy Court to object to confirmation of the Plan (the "**Executory Contract ObjectionDeadline**"). If the Assumed Contract List or Rejected Contract List is modified less than twenty-one days prior to the Executory Contract Objection Deadline, the affected party will be provided at least twenty-one days' notice of the time to object to assumption or rejection of the identified Assumed Contract or Rejected Contract.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute findings by the Bankruptcy Court that (i) the Reorganized Debtor has properly provided for adequate assurance of payment of the cure of any defaults that might have existed consistent with the requirements of section 365(b)(1) of the Bankruptcy Code, (ii) each assumption (or rejection, as the case may be) is in the best interest of the Debtor and its Estate and that each Assumed Contract is assumed as of the Effective Date and each Rejected Contract rejected as of the Effective Date or such other date identified in the Rejected Contract List, and (iii) the requirements for assumption, or rejection, as the case may be, of any Executory Contract or Unexpired Lease to be assumed or rejected, as the case may be, have been satisfied. No provision of any agreement or other document that permits a person to terminate or modify an agreement or to otherwise modify the rights of the Debtor based on the filing of the Chapter 11 Case or the financial condition of the Debtor shall be enforceable.

b. *Rejection Damages Claim Deadline*

Unless otherwise provided by an order of the Bankruptcy Court, any asserted Claims arising from the rejection of an Executory Contract or Unexpired Lease must be filed by Holders of such Claims with the Bankruptcy Court and served on the parties entitled to notice under this Plan no later than sixty (60) days after the later of (1) the Effective Date or (2) the effective date of such rejection, subject to the Trustee's and Reorganized Debtor's right to object thereto. In the event of such objection, the Trustee shall not be obligated to make any distribution in respect of such Claim until such dispute is resolved by Final Order of the Bankruptcy Court or the agreement of the parties.

c. *Cure Amounts*

Any monetary amounts by which any Executory Contract and Unexpired Lease to be assumed under the Plan is in default shall be satisfied, under Section 365(b)(1) of the Bankruptcy Code, by Cure. If the Assumed Contract List indicates a specific Cure amount for a contract or lease, the payment of the amount so specified shall be conclusively deemed to constitute Cure with respect to that contract or lease, and no other payment or performance on account of a prepetition default thereunder shall be required. If the amount so specified is zero, no payment shall be required. Notwithstanding the foregoing, if the other party to a contract or lease on the Assumed Contract List files, no later than the Executory Contract Objection Deadline, an objection disputing the Cure amount so specified with respect to its contract or lease, or otherwise raising an objection as to (i) the nature or amount of any Cure, (ii) the ability of the Reorganized Debtor to provide "adequate assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (iii) any other matter relating to assumption, Cure shall occur following the entry of a Final Order by the Bankruptcy Court resolving the dispute and approving the assumption; if an objection to Cure is sustained by the Bankruptcy Court, the Reorganized Debtor, in its sole option, may elect to reject such executory contract or unexpired lease in lieu of assuming it.

d. *Compensation and Benefit Programs*

All of the Debtor's existing employee Benefit Plans (other than related to any rejected employment contracts) will be deemed to be assumed under the Plan, subject to the terms and conditions of such Benefit Plans, including without limitation, the Debtor's and the Reorganized Debtor's rights of termination and amendment there under.

e. *Employment Contracts*

To the extent not previously rejected by Final Order of the Bankruptcy Court, the employment agreement of Brijinder Gupta dated June 2, 2015 will be rejected as of the Effective Date. The Debtor has not identified any other employment agreements. To the extent any party asserts that it has an employment agreement with the Debtor, whether or not in writing, such employment agreement shall be deemed rejected as of the Effective Date. For avoidance of doubt, the foregoing sentence does not apply to any collective bargaining agreement of the Debtor, which agreements are Assumed Contracts.

f. *Indemnification*

The Debtor's obligation to indemnify any former director, officer, or member under its operating agreement, employee indemnification policy, or any other agreement shall be deemed rejected as of the Effective Date.

12. Liquidation Trust

On the Effective Date, the Trust Agreement will become effective and the Trust Property will be transferred to the Trust. The Trust Property shall be \$150,000 and the right to pursue the Trust Causes of Action against Dr. Yatinder Sigal, Dr. Anuj Mittal, Dr. Michael Short, Dr. Brijinder Gupta, The Law Offices of Melvin M. Raznick, and Butzel, Long described in Article V.C. and any other Trust Causes of Action set forth on Exhibit G of the Plan to be contained in the Plan Supplement. Basil T. Simon, if he accepts such position, will be appointed the initial Liquidating Trust Trustee of the Trust, and an Oversight Committee will be formed to oversee the Trust. The initial members of the Oversight Committee will be the members of the Creditors' Committee.

The Plan Sponsor expects that the costs alone, including filing fees, transcript costs, court reporter fees, expert witness fees and other litigation costs to pursue these claims to be approximately \$40,000.00. The Plan Sponsor expects that the attorney fees incurred to pursue these claims will be approximately \$100,000.00.



13. Distributions Relating to Allowed Insured Claims

If any Claim otherwise payable under the Plan is covered by an insurance policy held by the Debtor or Reorganized Debtor, the Claim may be satisfied, in whole or in part, with the proceeds of the policy, if any.

**V. LIQUIDATION ANALYSIS**

**A. Best Interest Test/Liquidation Analysis**

Even if a plan is accepted by each Class of Holders of Claims and Interests, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the “best interest” of any holder of a Claim or Interests whose Class is impaired by the plan and who has not accepted the plan. The “best interest” test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that (i) all Holders of Claims or Interests in an impaired class have accepted the plan or (ii) the plan will provide a Holder who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to members of each impaired class of holders of unsecured claims and interests if the debtor were liquidated under chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from the debtor’s unencumbered assets if its chapter 11 case were converted to a chapter 7 case under the Bankruptcy Code. This “liquidation value” would consist primarily of the proceeds from a forced sale of the debtor’s assets by a chapter 7 trustee.

The amount of liquidation value available to unsecured creditors would be reduced by the costs of liquidation under chapter 7 of the Bankruptcy Code, including the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, additional administrative claims and other wind-down expenses. Those priority claims would be paid in full from the liquidation proceeds before the balance would be made available to pay general unsecured claims or to make any distribution in respect of equity interests. The liquidation also would prompt the rejection of most (if not all) of the Debtor’s executory contracts and unexpired leases and thereby create a significantly higher number of unsecured claims.

Once the court ascertains the recoveries in liquidation of secured creditors and priority claimants, it must determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If such probable distribution has a value that is not greater than the distributions to be received by such creditors and equity security holders under the plan, then the plan meets the best interest test.

## **B. Preparation of Liquidation Analysis**

Attached as Schedule H hereto is a Liquidation Analysis of the Debtor. The Liquidation Analysis was prepared by the Debtor's financial advisor for use by any party-in-interest to develop and propose a plan of reorganization for the Debtor. The assumptions supporting the Liquidation Analysis are set forth in the notes included with the Liquidation Analysis.

The Plan Sponsor believes that any liquidation analysis is of necessity somewhat speculative. Notwithstanding the difficulties in quantifying recoveries to creditors with precision, the Plan Sponsor believes that the Liquidation Analysis prepared by the Debtor's financial advisor is reasonable and the Plan meets the "best interest" test of section 1129(a)(7) of the Bankruptcy Code. The Plan Sponsor believes that the members of each impaired class will receive at least as much under the Plan as they would in a liquidation in a hypothetical chapter 7 case. Creditors will receive a better recovery through the distributions contemplated by the Plan because the continued operation of the Reorganized Debtor as a going concern rather than a forced liquidation of the Debtor will allow the realization of more value for the Debtor's assets. Specifically, the Plan Sponsor believes a conversion to chapter 7 would cause the State of the Michigan to immediately implement an existing plan to relocate all in-patients to alternative hospital facilities, and could cause a precipitous decline in the value of the Debtor's assets because certain assets such as the Debtor's licenses, certificate of need and residency program could not be sold as part of the forced liquidation. Additionally, conversion to a chapter 7 would create additional costs to the estate. Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, and potential litigation costs. The liquidation itself may trigger certain priority payments that otherwise would be due in the ordinary course of business. Those priority claims would be paid in full from the liquidation proceeds before the balance would be made available to pay general unsecured claims or to make any distribution in respect of equity interests. All of these factors lead to the conclusion that recoveries under the Plan would be at least as much, and in many cases significantly greater, than the recoveries available in chapter 7 liquidation.

## **C. Potential Causes of Action**

The Debtor's SOFAs indicated that of the existing board members, Dr. Yatinder Singhal, Dr. Anuj Mittal, and Dr. Michael Short received the repayment of loans aggregating over \$550,000 during the one year period prior to Petition Date that are potentially avoidable under section 547 of the Bankruptcy Code. The Creditors' Committee is also investigating claims of insider dealings and other alleged wrongdoings of the existing board members. The Creditors' Committee is further investigating whether the employment agreement between the Debtor and Dr. Brijinder Gupta provided any benefit to the Debtor. Under the Plan, all potential causes of action against Dr. Yatinder Singhal, Dr. Anuj Mittal, Dr. Michael Short and Dr. Brijinder Gupta shall constitute Trust Property and will be pursued at the discretion of the Liquidating Trust Trustee. Trust Property will also include Avoidance Actions against Butzel, Long and the Law Offices of Melvin M. Raznick for potential preferential payments received within the 90 day period prior to the Petition Date as identified in the Debtor's Statement of Financial Affairs.

The Creditors' Committee is also investigating other potential Estate Causes of Action. Based on the results of this investigation, the Creditors' Committee may request that additional Causes of Action be deemed Trust Property. The Plan Sponsor will consider such requests, but is not obligated to expand the list of Trust Causes of Action. Any additional Trust Causes of Action will be identified in the Plan Supplement.

Dr. Yatinder Singhal, Dr. Anuj Mittal, Dr. Michael Short, Dr. Brijinder Gupta, the Law Offices of Melvin M. Raznick and Butzel, Long deny any wrongdoing or liability, and the Plan Sponsor does not take a position on the merits of such Causes of Action or the potential recovery that may be obtained by the Trust.

All other causes of action shall be revested in the Reorganized Debtor.

**D. Co debtors**

The Schedules do not identify any co debtors, and the Plan Sponsor is not aware of any.

**VI. DETAILS REGARDING IMPLEMENTATION OF PLAN**

**A. Summaries of Financial Information**

**1. Prepetition**

The Debtor stated that it is in severe financial distress, and that for the year ending December 31, 2013, the Debtor had gross revenue of \$29,268,000.00 and a net loss of \$8,900,000.00 and that these losses continued through and after calendar year 2014. The Plan Sponsor does not have additional detail regarding the Debtor's prepetition financial condition, but the Debtor has acknowledged that it has struggled from its formation to attract or retain the kind of medical practices necessary to fill the hospital's bed count.

**2. Postpetition**

The Debtor has not filed monthly operating reports, but on a cash flow basis the Debtor has continued to lose money. A summary of the Debtor's cash flow during the pendency of the Chapter 11 Case, which was prepared by the Debtor's financial advisor, is attached hereto as Exhibit I.

**3. Financial Projections**

To confirm the Plan, the Bankruptcy Court must find that confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor. This requirement is imposed by section 1129(a)(1) of the Bankruptcy Code and is referred to as the "feasibility" requirement. The Plan Sponsor believes that the Reorganized Debtor will be able to timely perform all obligations described in the Plan, and, therefore, that the Plan is feasible.

To demonstrate the feasibility of this five year Plan, the Plan Sponsor has prepared financial Projections for the five years after the Effective Date, which are set forth in Schedule F. These Projections indicate that the Reorganized Debtor should have sufficient liquidity to pay and service its Plan obligations and to fund its operations. Initial liquidity will be provided by the equity investment and exit financing provided by the Plan Sponsor until the Reorganized Debtor's operational restructuring is completed. At the request of the Plan Sponsor, the Debtor's financial advisor reviewed the Projections, and believes that they are reasonable and consistent with the current financial performance of the Debtor and the plans for capital improvements, rebranding, marketing, and business operations. Accordingly, the Plan Sponsor believes that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. The Plan Sponsor cautions that no representations can be made as to the accuracy of the Projections or as to the Reorganized Debtor's ability to achieve the projected results. Many of the assumptions upon which the Projections are based are subject to uncertainties outside the control of Reorganized Debtor. Some assumptions inevitably will not materialize, and events and circumstances occurring after the date on which the projections were prepared may be different from those assumed or may be unanticipated and may adversely affect the Reorganized Debtor's financial results. Therefore, the actual results may vary from the projected results, and the variations may be material and adverse.

**The Projections were not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants, the practices recognized to be in accordance with generally accepted accounting principles, or the rules and regulations of the U.S. Securities and Exchange Commission regarding projections. Furthermore, the Projections have not been audited by the Debtor's or Plan Sponsor's independent accountants. Although presented with numerical specificity, the Projections are based upon a variety of assumptions, some of which in the past have not been achieved and which may not be realized in the future, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Plan Sponsor. Consequently, the Projections should not be regarded as a representation or warranty by the Plan Sponsor, or any other person, that the Projections will be realized. Actual results may vary materially and adversely from those presented in the Projections.**

## **B. Principals and Management of Reorganized Debtor**

### **1. Board of Directors**

The Reorganized Debtor will have a six member board of directors. On the Effective Date, the initial directors will be Ali Mehdi, Syed Kazmi and Lloyd Floyd. Without prejudice to the ability of the Reorganized Debtor to establish board fees at a later date, the directors will initially serve without compensation from the Reorganized Debtor. The Plan Sponsor anticipates not being able to provide any sort of compensation, including fringe benefits, to its board members until 2018. Syed Kazmi will be the person deciding if and when compensation will be paid to board members.

The principal of the Plan Sponsor, Syed Kazmi, anticipates that for the first two years under the plan, he will receive no compensation, including salary, draws, or fringe benefits. After 2017, the Plan Sponsor anticipates that it will be provide an annual salary to Syed Kazmi in an amount to be determined based on the performance of the hospital at that time. His salary may include fringe benefits.

Syed Kazmi has over 21 Years of finance turnaround, restructuring and operational experience from mid to large cap businesses in healthcare and hospitality. He has a history of providing leadership in corporate and operational financial functions, cost accounting, business integration, capital formation, treasury, financial reporting, strategic planning, budgeting, risk management, tax strategy, insurance, internal audit, information systems, investments, mergers and acquisitions, contract analysis and negotiations.

Restructured health care organizations, conducted due diligence liquidity analysis to project success of corporate restructuring effort, Identified failure of initial turnaround plan and debt restructuring required in second phase reorganization. Developed customer service strategy reducing overhead expenses by 30% and delivery times by 25%.

Lloyd Ford An accomplished healthcare leader with 25 years of progressively responsible experience including 19 years as CFO, COO, CEO and Division President in an investor-owned hospital management company. Proven skill with leading hospital turnarounds, building market share, recruiting physicians, strengthening employee engagement, improving patient and physician satisfaction, improving operating efficiencies, and enhancing profitability. with a progressive career of success building healthcare systems recognized in the industry for service delivery and quality, and executing strategies that led to revenue growth and profitability. Visionary leader who creates strategic plans for service expansion, orchestrating development of new facilities, and meeting ongoing customer and community needs. Inspires collaboration, builds high-performing teams, and creates environments that attract patients, physicians, and industry specialists. Operations leader who influences strategic decisions and organizational direction as member of community and healthcare Board of Directors.

Ali Mehdi MD. Medical information management, medical quality improvement, utilization management innovative, quality focused medical administrator and clinician with more than 33 years of diversified health care industry experience Offer uniquely broad perspective of financial, quality, utilization, and strategic issues within health care arena due to strong combination of experience as Internal medicine physician, Administration, and extensive high level financial analysis, administrative, program management, requirements management and contract management experience.

## **2. Management**

The Plan provides that the existing management will continue on and after the Effective Date, subject to removal by the new board of directors. John Ponczocha will continue in his position of Chief Executive Officer but at a reduced salary of \$175,000 per annum. Reorganized Debtor.

John Ponczocha is a results-driven executive with over thirty years' experience directing positive organizational change. He has held his current position as President and Chief Executive Officer of the Debtor since July 8, 2015. Prior to holding his current position, he was Executive Director of Operations of the Debtor from October 1, 2012 to July 2015. Mr. Ponzochoa spent most of his career at what is now Trinity Health Systems where he acquired a broad-based knowledge of hospital operations in clinical and support service departments, including a Supply Chain Professional (CSCP) certification. He has been a project manager for more than \$20 million in renovation and construction projects and was featured twice in national industry magazines for his reengineering roles in "Great Comebacks" hospital awards. John has extensive knowledge and hand-on experience with Joint Commission Standards, CMS Conditions of Participation, and Regulatory requirements. Mr. Ponczocha holds a bachelor's degree from Central Michigan University.

### **C. Certain United States Federal Income Tax Consequences of the Plan**

Set forth below is a very general discussion of certain U.S. federal income tax consequences of the Plan to certain Holders of Claims and Interests that are Impaired under the Plan. Unless otherwise noted, the following summary does not discuss the U.S. federal income tax consequences to Holders whose Claims are entitled to payment in full in cash or are otherwise Unimpaired under the Plan, or with respect to Claims of nontaxable entities (such as a governmental entity, agency, instrumentality or authority).

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), final, temporary or proposed Treasury regulations promulgated thereunder, judicial opinions, published positions of the Internal Revenue Service (the "Service") and all other applicable authorities, all of which are subject to change (possibly with retroactive effect). There can be no assurance that the Service will not take a contrary view. No ruling from the Service has been or will be sought nor will any counsel provide a legal opinion as to any of the expected U.S. federal income tax consequences set forth below.

Legislative, judicial or administrative changes or interpretations may be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes may or may not be retroactive and could affect the tax consequences to the Holders, the Debtor and the Reorganized Debtor. It cannot be predicted whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences to the Debtor, Reorganized Debtor, or Holders.

The following discussion assumes that a Holder of an Allowed Claim holds such Claim as a "capital asset" within the meaning of IRC section 1221 (generally, property held for investment). It also assumes that Debtors' debt obligations constitute indebtedness for U.S. federal income tax purposes.

This discussion is for general information only and addresses only certain U.S. federal income tax consequences and does not address all of the tax consequences that may be relevant to a Holder, such as the potential application of the alternative minimum tax or any state, local or foreign tax. This discussion does not purport to address all U.S. federal income tax consequences or any facts or limitations applicable to any particular Holder in light of that Holder's particular circumstances or to any Holder subject to special rules under the U.S. federal income tax laws, such as financial institutions, banks, thrifts, mutual funds, insurance companies, brokers, dealers or traders in securities, commodities or currencies, tax-qualified retirement plans, partnerships and other pass-through entities, investors in such pass-through entities, small business investment companies, regulated investment companies, real estate investment trusts, foreign corporations, foreign trusts, foreign estates, Holders who are not citizens or residents of the United States, Holders holding Claims as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment, Holders who are citizens or residents of the United States with a "functional currency" other than the U.S. dollar, Holders that acquired Interests in connection with the performance of services, or tax-exempt organizations. All Holders should consult their tax advisors regarding the tax consequences to them of the Plan.

The potential U.S. federal income tax consequences with respect to the Plan to a Holder of a Claim will depend, among other things, upon the origin of the Holder's Claim, whether or not the Holder holds the Claim as a capital asset, whether the Holder reports income using the accrual or cash method (or other method) of accounting, the manner in which the Holder acquired the Claim and its timing in acquiring the Claim, whether the Claim constitutes a "security" for U.S. federal income tax purposes, whether the Holder has taken a bad debt deduction or worthless security deduction, if applicable, with respect to such Claim (or portion of its Claim) in the current year or any prior year, the length of time the Claim has been held, whether the Claim was acquired at a discount, whether the Holder has previously included in its taxable income accrued but unpaid interest with respect to the Claim, whether the Holder's Claim is modified such that it constitutes a "significant modification" or "retirement of debt" for U.S. federal income tax purposes, and whether the Claim is an installment obligation for U.S. federal income tax purposes.

**EACH HOLDER SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISER WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO IT UNDER THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS.**

## **U.S. Federal Income Tax Consequences to the Debtors**

### ***Gain or Loss on Consummation of the Plan***

The Debtor is a limited liability company treated as a partnership for U.S. federal income tax purposes. The Debtor may recognize gain or loss on its assets under the Plan. If gain or loss is recognized, it would then flow up to the Debtor's members under the partnership tax rules. The U.S. federal income tax consequences of the Plan to the Debtor are uncertain.

### ***Cancellation of Indebtedness***

The Debtor generally will realize cancellation of debt income ("CODI") with respect to the exchange or satisfaction of certain Claims against the Debtor for Cash, other property (including, without limitation, the Crittenton Note), and Trust Beneficial Interests. The amount of such CODI will depend upon a number of factors. Under IRC section 108, CODI is not recognized if the CODI occurs in a case brought under the Bankruptcy Code, provided the taxpayer is under the jurisdiction of a court in such case and the cancellation of indebtedness is granted by the court or is pursuant to the plan approved by the court (the "Bankruptcy Exception"). Generally, under IRC section 108(b), any CODI excluded from gross income under the Bankruptcy Exception must be applied against and reduce certain tax attributes of the taxpayer. Unless the taxpayer elects to have such reduction apply first against the basis of its depreciable property, such reduction is first applied against net operating losses ("NOLs") of the taxpayer (including NOLs from the taxable year of discharge and any NOL carryover to such taxable year), and then to certain tax credits, capital loss and capital loss carryovers, and tax basis. Under IRC section 108(d)(6), when a partnership realizes CODI, the partners of such partnership are treated as receiving their allocable share of such CODI and the Bankruptcy Exception (and related attribute reduction) is applied at the partner level rather than the partnership level. Accordingly, the partners of the Debtor will be treated as receiving their allocable share of CODI realized by the Debtor. The Debtor's partners include another partnership, so the potential applicability of the Bankruptcy Exception would be tested under Section 108(d)(6) at the level of the partners of such partnership.

## **U.S. Federal Income Tax Consequences to Holders**

The following discussion applies to a Holder who (or that) is (i) an individual that is a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or a political subdivision thereof, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, if a U.S. court can exercise primary supervision over the administration of the trust and one or more U.S. persons can control all substantial trust decisions or, if the trust was in existence on



August 20, 1996, and it has elected to continue to be treated as a U.S. person. As noted above, this discussion is further limited to Holders of Impaired Claims that are not subject to special U.S. federal income tax rules. Accordingly, the discussion below does not address any U.S. federal income tax consequences to certain Holders of Claims.

***Class 7—General Unsecured Claims.*** Under the Plan, each Holder of an Allowed Claim in Class 7 (General Unsecured Claims) shall receive in full satisfaction of such Claim its pro rata share of the Trust Beneficial Interests. The U.S. federal income tax consequences of the Plan to a Holder of an Allowed Claim in Class 7 will depend upon the factors mentioned above, including in particular the nature of the Claim held by such Holder. Holders of such Claims should therefore consult their tax advisors as to the particular tax consequences resulting to them as a consequence of the Plan.

***Class 8 Claims—Old Equity Interests***

Under the Plan, each Holder of Old Equity Interests in Class 8 shall not receive or retain any interest or property under the Plan and all such Old Equity Interests will be cancelled. The U.S. federal income tax consequences of the Plan to a Holder of an Equity Interest in Class 8 are uncertain. Holders of such Old Equity Interests should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of the Plan.

***Accrued but Unpaid Interest***

A portion of the consideration received by a Holder of a Claim may be attributable to accrued but unpaid interest on such Claim. Such amount should be taxable to that Holder as interest income if such accrued but unpaid interest has not been previously included in the Holder's gross income for U.S. federal income tax purposes.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a Chapter 11 plan of reorganization is binding for U.S. federal income tax purposes. The Service could take the position, however, that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. **EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE DETERMINATION OF THE AMOUNT OF CONSIDERATION RECEIVED UNDER THE PLAN THAT IS ATTRIBUTABLE TO INTEREST.**

***Information Reporting and Backup Withholding***

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or

(b) provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided, however, that the required information is timely provided to the Service.

### ***U.S. Holders of Equity of the Reorganized Debtor***

The U.S. federal income taxation of U.S. Holders of equity in the Reorganized Debtor will depend upon the entity classification of the Reorganized Debtor for U.S. federal income tax purposes.

**NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT A TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.**

## **VII. LEGAL REQUIREMENTS**

### **A. Voting Procedures**

Under the Bankruptcy Code, the only classes that are entitled to vote to accept or reject a Plan are classes of claims, or equity interest, that are impaired under the Plan. Accordingly, classes of claims or interests that are not impaired are not entitled to vote on the Plan.

Creditors that hold claims in more than one impaired class are entitled to vote separately in each class. Such a creditor will receive a separate ballot for all of its claims in each class (in accordance with the records of the Clerk of the Court) and should complete and sign each ballot separately. A creditor who asserts a claim in more than one class and who has not been provided with sufficient ballots may photocopy the ballot received and file multiple ballots.

Votes on the Plan will be counted only with respect to claims:

- (1) that are listed on the Debtor's Schedules of Assets and Liabilities other than as disputed, contingent or unliquidated; or
- (2) for which a proof of claim was filed on or before the bar date set by the Court for the filing of proofs of claim (except for certain claims expressly excluded from that bar date or which are allowed by Court order).

However, any vote by a holder of a claim will not be counted if such claim has been disallowed or is the subject of an unresolved objection, absent an order of the Court allowing such claim for voting purposes pursuant to 11 U.S.C. § 502 and Bankruptcy Rule 3018.

Voting on the Plan by each holder of a claim or interest in an impaired class is important. After carefully reviewing the Plan and disclosure statement, each holder of such a claim or interest should vote on the enclosed ballot either to accept or to reject the Plan, and then return the ballot by mail to the Debtor's attorney by the deadline previously established by the Court.

Any ballot that does not appropriately indicate acceptance or rejection of the Plan will not be counted.

A ballot that is not received by the deadline will not be counted.

If a ballot is damaged, lost, or missing, a replacement ballot may be obtained by sending a written request to the Debtor's attorney.

## **B. Acceptance**

The Bankruptcy Code defines acceptance of a Plan by an impaired class of claims as acceptance by the holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots. The Bankruptcy Code defines acceptance of a Plan by an impaired class of equity interests as acceptance by holders of at least two-thirds in number of the equity interests of that class that actually cast ballots. If no creditor or interest holder in an impaired class votes, then that class has not accepted the Plan.

## **C. Confirmation**

11 U.S.C. § 1129(a) establishes conditions for the confirmation of a Plan. These conditions are too numerous and detailed to be fully explained here. Parties are encouraged to seek independent legal counsel to answer any questions concerning the Chapter 11 process.

Among the several conditions for confirmation of a Plan under 11 U.S.C. § 1129(a) are these:

- (1) Each class of impaired creditors and interests must accept the Plan, as described in Section IV, above.
- (2) Either each holder of a claim or interest in a class must accept the Plan, or the Plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.

## **D. Modification**

The Debtor reserves the right to modify or withdraw the Plan at any time before confirmation.

**E. Effect of Modification**

If the Plan is confirmed by the Court:

- (1) Its terms are binding on the Debtor, all creditors, shareholders and other parties in interest, regardless of whether they have accepted the Plan;
- (2) Except as provided in the Plan:
  - (a) In the case of a corporation that is reorganizing and continuing business:
    - (i) All claims and interests will be discharged;
    - (ii) Creditors and shareholders will be prohibited from asserting their claims against or interest in the Debtor or its assets.

ALLIED GLOBAL CONSULTING

By: /s/ Syed Kazmi

Name: Syed Kazmi

Title: Managing Director

KENNETH R. BEAMS, PLLC

/s/Kenneth R. Beams

Kenneth R. Beams (P63248)

Attorney for the Allied Global Consulting

2145 Crooks, Ste. 220

Troy, Michigan 48084

(248) 396-3987

Dated: November 17, 2015

## **EXHIBIT A**



**CHEMICAL BANK.**

Member FDIC

T: 800.667.9737 | W: ChemicalBankMI.com

November 09, 2015

To Whom It May Concern:

Please know that our client, Mr. Syed Kazmi, has requested that I release to you the following letter containing confidential information.

Chemical Bank is working with Mr. Kazmi to evaluate financing for the Doctors Hospital of Michigan transaction. Once we have the determined structure in place from the court, our client, and other parties and reports within the due diligence chain, we can seek the appropriate decisions on any such final approvals. On an item with this level of complexity, if we were in a position to move forward, we would estimate closing no sooner the sometime in Q1 of 2016 (an estimate).

Please feel free to contact me with any questions or concerns, subject to Mr. Kazmi's express permission to reply to any such question.

Thank you.

Sincerely,

Brett Bowen  
Vice President, Commercial Lender  
(989) 705-2935



# LAWRENCE, EVANS & CO., LLC

Investment Banking • Healthcare Finance • Consulting

November 12, 2015

Allied Global Consulting Inc  
Syed Kazmi  
Managing Director  
1812 Front St  
Scotch Plains, NJ 07076

RE: Allied Global Consulting Inc. proposed Restructuring of Oakland Physicians Medical Center LLC d/b/a Doctors Hospital of Michigan

To whom it may concern,

This letter serves to confirm that if the restructuring plan submitted by Allied Global Consulting is accepted, we will be working closely with Allied Global Consulting Inc to finalize the plan and assist in securing the necessary financing to execute the proposed hospital restructuring plan to exit bankruptcy. The financing is expected to be funded through private lenders in an amount up to \$6,000,000. The use of proceeds would be used to payoff existing creditors including mortgage debt, accounts payable, amounts owing the Internal Revenue Service and working capital to ramp up service lines. The proposed timeline is at least one to three months to underwrite and gain approvals from the lenders. Furthermore any market changes could affect the amount, the pricing, or the timing of this transaction.

We are experience in working with distressed community hospitals throughout the country. Attached please find our firms experience and reference to similar situations. Furthermore, having grown up in the nearby community of Rochester Hills, I have a local understanding of the healthcare needs and emotional ties to wanting to see this hospital succeed.

Sincerely,



Neil Johnson  
Managing Partner

Encl.

Below are a few references and attached overview of our hospital transaction services

**Shawn M. Riley**      **Healthcare Bankruptcy Attorney**  
McDonald Hopkins  
Cleveland Managing Member  
600 Superior Avenue, East Suite 2100  
Cleveland, OH 44114  
sriley@mcdonaldhopkins.com  
216-348-5773 phone

**Frank Schuckmann, Esq.**   **Healthcare Bankruptcy Attorney**  
DINSMORE & SHOHL, LLP  
191 W. Nationwide Blvd. Suite 300  
Columbus, OH 43215  
Main Phone: (614) 221-8448  
E-mail: frank.schuckmann@dinslaw.com

**Rick L. Brunner, Esq.**      (wife is former OH Sec of State and current OH Tenth District Court of Appeals)  
Partner  
Brunner Quinn  
35 North Fourth Street, Suite 200  
Columbus, Ohio 43215  
(614) 241-5550, Ext. 226  
(614) 241-5551, Fax  
rlb@brunnerlaw.com

**MICHAEL A. CRAWFORD** (WORKED WITH HIM ON A BATON ROUGE HOSPITAL BANKRUPTCY WHERE WE  
WORKED WITH CREDITORS THRU LIQUIDATION)  
*Partner*  
Taylor, Porter, Brooks & Phillips LLP  
8th Floor Chase Tower South  
451 Florida Street (70801)  
Baton Rouge, Louisiana 70821  
(225) 387-3221 *Telephone*  
(225) 381-0201 *Direct Dial*  
mike.crawford@taylorporter.com

**Robert A. Guy, Jr.**      **Healthcare Bankruptcy Attorney**  
Polsinelli  
Nashville, TN  
615.259.1511 Main  
bguy@polsinelli.com

**Nolan Greak** (involved with Highland Hospital BK in Lubbock TX)  
Attorney at Law  
8008 Slide Road, Suite 30  
Lubbock, Texas 79424-2828  
806/783-0081 (Telephone)

**Michael E. D'Eramo, MHA**      **Community Hospital Operations Consulting and Management**  
Vice President Operations  
**SOUTHWIND** (Now at Medic Management Group)  
A Division of the Advisory Board Company  
210 25th Avenue North, Suite 1200  
Nashville, TN 37203



**Lawrence, Evans & Co., LLC**  
Investment Banking, Healthcare Finance, and Consulting

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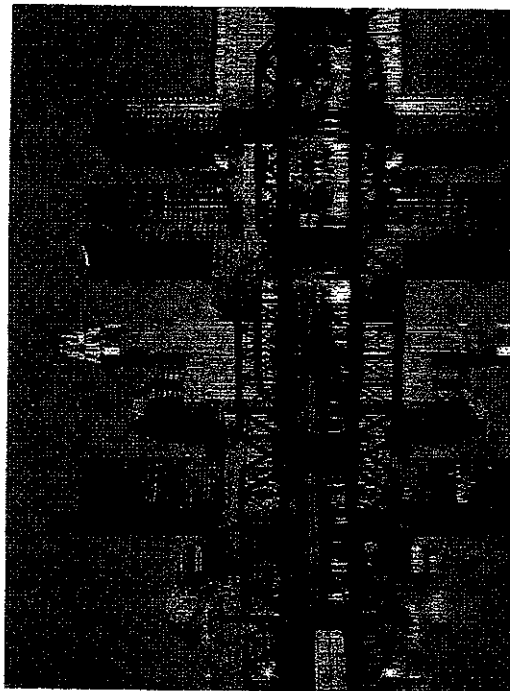
**Hospitals and Related Health Facilities**

**2015**



**LAWRENCE, EVANS & CO., LLC**  
Investment Banking, Healthcare Finance, and Consulting

**Lawrence, Evans & Co., LLC ("LECO")** is a boutique financial advisory and investment banking firm comprised of senior level professionals who provide lead advisory services to private healthcare companies, lenders, and other parties-in-interest that are executing financial and strategic transactions. LECO provides a full range of capital raising, mergers and acquisitions, and financial and operational restructuring services. The LECO team can help an organization more clearly and fully define and execute its long-term strategy through value maximizing merger and acquisition transactions, cost-effective capital raises, and in-court or out-of-court restructurings. Headquartered in Columbus, Ohio.



**Lawrence, Evans & Co. LLC**  
88 E. Broad St; Suite 1750  
Columbus, OH  
614.448.1304  
[www.lawrenceevans.com](http://www.lawrenceevans.com)



# SERVICES

## ▪ Investment Banking & Corporate Finance

- Private Company Sales
- Division/Subsidiary Divestitures
- Distressed Transaction Advisory
- Acquisition Advisory Services
- Private Market Financings
- LBO's and Recapitalizations

## ▪ Turnaround & Restructuring

- Turnaround Management
- Debt Restructuring/Refinancing
- Orderly Liquidations
- Chief Restructuring Officer (CRO)
- Bankruptcy Planning/ 363 Sales
- Receivership/Trustee

## ▪ Consulting

- Strategic Options Analysis
- Valuations & Financial Assessments
- Interim CEO/CFO
- Strategic Planning
- Organizational Reviews
- Expert Testimony & Opinions



## ADVISORY SERVICES

- Sell-Side Advisory
- Buy-Side Advisory
- Distressed Asset Advisory
  - Restructure
  - Liquidation
- Real Estate Advisory
  - Sale-leaseback
  - Development

## CORPORATE FINANCE

- Capital Raising
  - Senior Debt, First Mortgage, Working Capital Lines of Credit
  - Mezzanine and subordinated debt
  - Equity, Buyout, Growth Capital, Recapitalization
  - Equipment, Sale leaseback, physician joint venture, master lease lines
- Bond Financing –
  - FHA mortgage insurance, USDA, Private Placements
  - letters of credit, credit enhancements, High Yield
  - Real Estate monetization and financing
  - Development – project finance and joint ventures

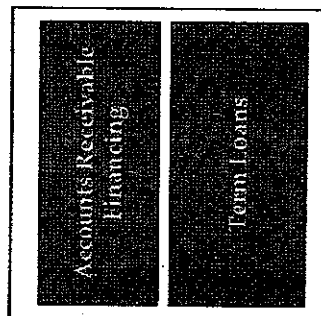
## CONSULTING

- Strategic Options Analysis
- Revenue Cycle Management Consulting
- Business plan development
- Financial modeling
- Market analysis
- Bankruptcy plan
- Valuation
- Fairness Opinion

# CORPORATE FINANCE

## Sources of Financing

### Senior Secured Credit Facilities



## Uses of Financing

- ♦ Refinancing
- ♦ Acquisitions
- ♦ Working Capital
- ♦ Equipment
- ♦ Bridge financings to Permanent
- ♦ Debtor-in-possession facilities
- ♦ Recapitalizations (including equity monetizations)



## CAPITAL RAISING – Representative Transactions

**Cleveland Regional  
Medical Center**  
Texas

Acquisition Capital  
Private Placement

Acted as advisor



**Community Hospital**  
IN and PA

\$9,000,000  
Working Capital  
Financing

Acted as advisor



**KARE Healthcare LLC**

Received an equity  
commitment to acquire  
Acute Care Hospitals

Acted as advisor



**Community Hospital**  
Alabama

\$12,000,000  
Acquisition Financing

Acted as advisor



**Community Hospital**  
California

\$1,000,000  
Working Capital  
Financing

Acted as advisor



**Community Hospital**  
Texas

\$1,500,000  
Working Capital  
Financing

Acted as advisor



## SELL-SIDE and BUY-SIDE – Representative Transactions

**Southeastern US  
Hospital Operator**

\$65,000,000  
3 Hospitals

Acted as buy-side  
exclusive advisor



**Community Hospital**

\$15,000,000  
Purchase of Accounts  
Receivables

Acted as buy-side  
exclusive advisor



**Health System Group**

Acquire an Acute Care  
Hospital in Texas

Acted as advisor



**Community Hospital  
California**

\$35,000,000  
Bid of Assets

Acted as advisor



**Community Hospital  
and MOB  
California**

Sale to a strategic buyer

Acted as sell-side  
exclusive advisor



**Community Hospital  
Illinois**

\$10,000,000  
Sale of Accounts  
Receivables

Acted as sell-side  
exclusive advisor



## CONSULTING – Representative Transactions

Community Hospital  
Cincinnati, Ohio

Special Collateral  
Consultant to Bankruptcy

Community Hospital  
Cincinnati, Ohio

Acted as chairman of  
unsecured creditors  
committee

Medical Mall  
Cincinnati, Ohio

Strategic Options Analysis  
on Restructuring

Community Hospital  
Cincinnati, Ohio

Acted as consultant on a  
plan of reorganization

Community Hospital  
Cincinnati, Ohio

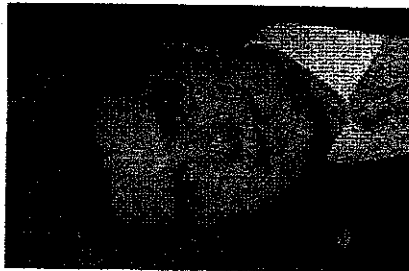
Strategic Options Analysis

Community Hospital  
Cincinnati, Ohio

Acted as consultant on  
buy-side plan of  
reorganization



## **Neil Johnson - Healthcare Managing Partner**



Neil Johnson has more than 15 years of healthcare investment banking and private equity experience and has completed over 70 corporate finance transactions involving merger and acquisitions, equity and corporate debt financings as well as distressed asset acquisitions and divestitures. As Managing Partner of Lawrence, Evans & Co., LLC, Mr. Johnson's responsibilities primarily include deal sourcing and evaluation, transaction structuring, the securing of financing including debt and equity, and fundraising. Many of the completed transactions have been with acute care hospitals, revenue cycle management or other services related companies.

Prior to forming Lawrence, Evans & Co., LLC, Mr. Johnson worked at one of the largest asset based healthcare lenders in the country and spent time with a national healthcare investment bank as an underwriter. Mr. Johnson's relevant experiences include time as a healthcare bond trader managing over \$100 million in assets at a regional based investment advisor. Neil spent time in Germany with an internet start-up and was involved with a successful sale of an internet consumer marketing company. Additionally, he spent time early on in his career with the bank First Chicago NBD now JPMorganChase.

Neil is a board member and executive of several other companies including 1212 Capital LLC, NS Fund I LLC. He is a member of the Association of Corporate Growth and a participant in the Industry Outreach Project for the Entrepreneurship through Education course at the Harvard Business School.

He has a Bachelor of Arts degree in Economics and Management from Albion College. Mr. Johnson received his Masters of Business Administration degree from The Ohio State University Max M. Fisher College of Business.





# LAWRENCE, EVANS & CO., LLC

Investment Banking • Healthcare Finance • Consulting

November 16, 2015

Addendum to Letter November 12<sup>th</sup> 2015

RE: Allied Global Consulting Inc. proposed Restructuring of Oakland Physicians Medical Center LLC d/b/a Doctors Hospital of Michigan

To whom it may concern,

To further outline the proposed exit plan financing expected to be funded through private lenders in an amount up to \$6,000,000 to support the Allied Global Consulting Inc restructuring proposal the following details apply:

The use of proceeds would be used to payoff existing creditors including mortgage debt, accounts payable, amounts owing the Internal Revenue Service and working capital to ramp up service lines. Please reference the Proposed Plan.

Proposed funding:

- i) Line of Credit \$3,000,000 (subject to eligible accounts receivable)
- ii) Equipment Finance \$1,500,000 (based on initial review of equipment lists available)
- iii) Real Estate/Other \$1,500,000 (based on real estate or other assets available)

This financing package is subject to due diligence and final approvals of lenders in their sole discretion. Detailed term sheet would be available within 30 days. Due diligence, final approval, including necessary court approvals we expect to take an additional 30-60 days.

**Lawrence, Evans & Co., LLC has recently or is currently working on the following:**

Medical Park Hospital	Hope AR	Distressed buy-side
Cleveland Regional Medical Center	Cleveland TX	Acquisition Buy-side Capital Raise
New Directions Health Systems LLC	Louisville KY	Buy-side Capital Raise
St Catherines Hospital	Charlestown IN	Buy-side finance; distressed buy-side
St Catherine Medical Center Fountain Springs	Ashland PA	Buy-side finance; distressed buy-side
New Horizons Health Systems Inc	Owen County KY	Restructure; refinance
Lincolnway Behavioral Health Hospital	Middlepoint OH	Distressed Sell-side
Coast to Coast Healthcare Inc.	Columbus OH	Buy-side Capital Raise
Santa Paula Memorial Hospital	Santa Paula CA	Plan of Reorganization
KARE Healthcare Inc.	Los Angeles CA	Buy-side Capital Raise
Clanton Hospital LLC	Atlanta GA	Buy-side Capital Raise
Sunlink Health Systems	Atlanta GA	Buy-side Capital Raise
Spring Branch Medical Center	Houston TX	Refinance; Restructure
Highland Medical Center	Lubbock TX	Buy-side Capital Raise
Granada Hills Community Hospital	Granada Hills CA	Buy-side Capital Raise Ch7
Monrovia Community Hospital	Monrovia CA	Refinance; Sell-side; Capital Raise

**Summary of Selected Clients**

**Hospital Bankruptcy in Arkansas** – assisted buyer with acquisition strategy of distress hospital.

**Hospital Bankruptcy in Texas** – assisted debtor with a 300 bed hospital liquidation of assets including equipment and accounts receivables,

**Hospital Bankruptcy in Louisiana** – Neil Johnson was Chairman of the Official Committee of Unsecured Creditors until we were able to move our clients claim up as a secured creditor  
Assisted debtor with strategic buyers

**Hospital Bankruptcy in Texas** – assisted debtor with strategic options including assisting with buyers in a 363 sale, Provided analysis of lender recovery under various situations including cost of that recovery and likely range.  
Liquidation of accounts receivables and equipment as well as provider number and license versus sale of going concern  
Hired as special asset consultant to court to verify receivables valuation weekly for cash collateral liens and ongoing working capital.

**Specialty Pharmacy and Home Infusion in Ohio** – Offered bridge \$2 million line of credit to payoff debt while working on restructuring  
Assisted buyer with a conditional commitment of \$10 million line of credit as part of a restructuring -Neither of the above closed  
Worked with management group to buyout assets in liquidation sale (outbid by competing group)

**Ambulance Company TN** - Acted as advisor with restructuring  
Secured senior and subdebt financing  
Assisted with several equity fund bids for change of control transaction  
Provided bridge capital for acquisition in new state to bridge working capital during provider number change  
Provided analysis of acquisition targets

**Nursing Home Michigan** - Provided strategic option analysis  
Cashflow limitation and over leverage of business assets suggested only a quick sale would be exit for all parties  
A buyer was sourced and provided bridge capital in advance of acquisition closing. All creditors paid in full.

**Nursing Homes Michigan** - Provided strategic option analysis

- Reviewed sale of selected assets to paydown debt and restructure with lender
- 3 buyers unsuccessful with closing a purchase transaction due to lack of financing
- Continue to work with lender on exit strategy including sale/leasback or HUD

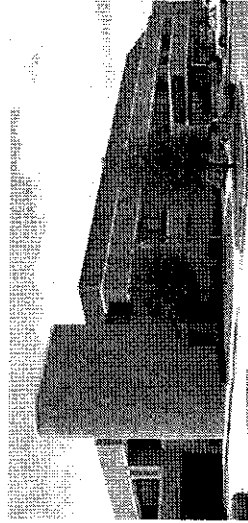
**Home Health and Durable Medical Equipment Minnesota** - Refinance of debt and tax liens

- After several unsuccessful refinancing attempts due to IRS subordination language and uncomfortable structure for Mezzanine loans
- Tri-party agreement between lender/borrower and our fund to move forward as ongoing concern until exit by bank
- Sale of business and all parties paid in full

We would be open to discuss a few of the restructuring healthcare transactions mentioned above.

# ACUTE CARE HOSPITAL TRANSACTION CASE STUDY

Acquisition of Regional Medical Center



## Hospital Overview

The Hospital is licensed for over 100 beds situated on a 5 acre tract of land and provides emergency room, radiology, laboratory, physical therapy, surgery, cardiology, pharmacy and other standard hospital services.

## Transaction Overview

Lawrence, Evans & Co., LLC ("LECO") was engaged by the Buyer to structure and raise the capital to acquire the facility and operations. The non-core asset combined with excess corporate overhead resulted in years off significant losses, therefore, traditional financing was not possible. LECO structured and arranged a private placement note secured by the real estate, an equipment loan against existing equipment and an asset based revolver for working capital. Even with the underperforming historical performance and complex transaction, the private placement note was oversubscribed by investors. Under new ownership, the hospital has since turned around with several newly recruited physicians and additional services to the local community.



## **EXHIBIT B**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In Re:

OAKLAND PHYSICIANS MEDICAL  
CENTER, L.L.C. d/b/a DOCTORS'  
HOSPITAL OF MICHIGAN, a Michigan  
limited liability company,

Case No. 15-51011-wsd  
Chapter 11

Debtor.

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**ALLIED GLOBAL CONSULTING'S  
PROPOSED SOLICITATION PROCEDURES ORDER**

For the reasons set forth on the record, and the Court being duly advised in the  
premises:

**IT IS HEREBY ORDERED THAT:**

1. Allied Global Consulting ("Allied") shall mail or caused to be mailed to  
holders of Claims entitled to vote on the Plan no later than November 20, 2015 (the  
"Solicitation Deadline") a solicitation package containing (a) written notice (the Confirmation  
Hearing Notice") of (i) the Court's order granting preliminary approval of the Disclosure  
Statement, (ii) the deadline for voting on the Plan, (iii) the date of the Confirmation Hearing, and  
(iv) the deadline and procedures for filing objections to confirmation of the Plan and Disclosure  
Statement (either by paper copy or "pdf" format on CD-ROM, at Allied's discretion); (c) a ballot  
and ballot return envelope; (d) a cover letter from Allied urging such parties to vote in favor of  
the Plan; and (e) such other information as the court may direct or approve (collectively, the  
"Solicitation Package"). The Solicitation Package and the manner of service of the Solicitation  
Package satisfies the Requirements of Bankruptcy Rule 3017(d).

2. Allied shall mail or cause to be mailed to each of the known counterparties to the

Contracts and Leases a Confirmation Hearing Notice and the combined Plan and Disclosure Statement (either by paper copy or in "pdf" format on a CD-ROM, at Allied's discretion).

3. Pursuant to Bankruptcy Rule 3017(d) Allied is not required to transmit a Solicitation Package to the Non-Voting Parties. By the Solicitation Deadline, Allied shall mail or cause to be mailed to each Non-Voting Party a notice advising them of their treatment under the Plan, confirmation date, the deadline to object to confirmation and the plan.

4. Allied shall publish notice (the "**Publication Notice**"), substantially similar to the Exhibit 6-E set forth in Sant's proposed Solicitation Order, in: (i) the Detroit Free Press; and (ii) The Oakland Press within ten days after the entry of this order.

5. October 15, 2015 is established as the record date (the "**Record Date**") for the Purposes of determining the creditors and interest holders entitled to receive the Solicitation Package or the Non-Voting Creditor Notice and to vote on the Plan.

6. Allied is permitted to dispense with the mailing of Solicitation Packages or Non-Voting Creditor Notices to addresses and entities to which the notice of the Disclosure Statement Hearing was returned by the United States Postal Service as undeliverable, unless the Debtors are provided with an accurate address.

7. The Ballot, substantially in the form attached as **Exhibit 1** is hereby approved.

8. All Ballots must be properly executed, completed and delivered to the Balloting Agent in the provided return envelope by first class mail by overnight courier, or by hand, so that the Ballots are received on or before 4:30 p.m. (prevailing Eastern Time) on December 11, 2015 (the Voting Deadline"), unless extended by Allied. Ballots cast by facsimile, email or other electronic transmission will not be counted unless approved in advance by Allied in writing.



9. For purposes of voting on the Plan, the amount of a claim held by a creditor shall be determined pursuant to the following guidelines:

- a. The claim listed in the Debtor's schedule of liabilities, provided that (i) such Claim is not scheduled as contingent, unliquidated or disputed, and (ii) no proof of claim has been timely filed (or otherwise deemed timely filed by the Court under applicable law).
- b. The noncontingent and liquidated amount specified in a proof of claim timely filed with the Balloting Agent on or before October 15, 2015 (the "Claim Bar Date") to the extent the proof of claim is not the subject of (i) an objection as to its allowance or (ii) or an objection by the Debtors to a claim amount solely for voting purposes.
- c. The amount temporarily allowed by the Court for voting purposes pursuant to Bankruptcy Rule 3018(a), pursuant to a motion for voting purposes.
- d. Claims filed for zero dollars (\$0.00) will be disallowed for voting purposes.
- e. The amount resolved pursuant to a stipulation with the Debtor or order entered By the Court.
- f. Claims that are filed in wholly contingent, unliquidated or unknown amounts that are not the subject of an objection filed by the Claims Objection Deadline be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, in the amount of \$1.00 each.

10. Creditors seeking to have a claim temporarily allowed for purposes of voting to accept or reject the Plan pursuant to Bankruptcy Rule 3018(a) must file and serve the Claims Estimation Motion for such relief no later than 4:30 p.m. (Prevailing Eastern Time) on December 1, 2015. The Court will schedule a hearing on such motion to be heard at or prior to the Confirmation Hearing.

11. The following voting procedures and standard assumptions shall be used in tabulating the Ballots:

- a. For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate claims held by a single creditor in a particular Class will be aggregated as if such creditor held on claim against the Debtor in

such class, and the votes related to such claims will be treated as a single vote to accept or reject the Plan.

- b. Creditors must vote all of their claims within a particular class either to accept or reject the Plan and may not split their vote. Accordingly, a ballot (or multiple ballots with respect to multiple claims within a single class) that partially rejects and partially accepts the Plan will not be counted.
- c. Ballots that fail to indicate an acceptance or rejection of the Plan or that indicate both acceptance and rejection of the Plan, but which are otherwise properly executed and received prior to the Voting Deadline, will not be counted.
- d. Only ballots that are timely received with original signatures will be counted. Unsigned ballots will not be counted.
- e. Any ballots received after the Voting Deadline will not be counted, except in Allied's sole discretion.
- f. Ballots that are illegible, or contain insufficient information to permit the identification of the creditor, will not be counted.
- g. Whenever a creditor casts more than one ballot voting the same claim prior to the Voting Deadline, the last executed properly completed ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and supersede any prior ballots.
- h. If a creditor simultaneously casts inconsistent duplicate ballots, with respect to the same claim, such ballots shall not be counted.
- i. Each creditor shall be deemed to have voted the full amount of the claim. Unless otherwise ordered by the Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots shall be determined by Allied, which resolution shall be documented in voting results filed with this Court.
- j. Notwithstanding anything to the contrary contained herein, any Claimant/creditor who has filed a claim that is duplicative of another claim(s) Within the same Class, as determined by Allied, shall be provided with one Solicitation Package and one ballot for voting a single claim in such class,

Regardless of whether the Debtor has objected to such duplicate claim(s).

- k. Allied, in its discretion, subject to contrary order of the Court, may waive any defect in any ballot at any time, either before or after the close of voting and without voting and without notice. Except as provided below, unless the ballot being furnished is timely submitted on or prior to the Voting Deadline, Allied may, in its discretion, reject such ballot as invalid, and therefore, decline to utilize it in connection with confirmation of the Plan; provided, however, that such invalid ballots shall be documented in the voting results filed with this Court.
  - l. Subject to contrary order of the Court, Allied reserves the right to reject any ballot not proper in form, the acceptance of which would, in the opinion of Sant, not be in accordance with the provisions of the Bankruptcy Code; provided, however, that such invalid ballots shall be documented in the voting results filed with this court; and
  - m. Ballots transmitted to the Balloting Agent by facsimile or other electronic means, except in Allied's sole discretion, will not be counted.
12. Any objection, comment or response to confirmation of the Plan (including any supporting memoranda) must be in writing, served on the parties identified below, and filed with the Court, together with proof of service, such that the foregoing are received by such parties and the Court on or before 4:30 p.m. (prevailing Eastern Time) on December 11, 2015.
13. Objections to confirmation of the Plan should provide proposed language to remedy such objections and shall be served on the following parties:
- i) To Allied: Kenneth R. Beams, PLLC, 2145 Crooks Rd. Ste 220 Troy, MI 48084; Attn: Kenneth R. Beams;
  - ii) To the Chapter 11 Trustee: Simon, Stella & Zingas, P.C., 645 Griswold, Suite 3466, Detroit, MI 48226; Attn: Stephen P. Stella;

- iii) To the Committee: Simon PLC, 363 W. Big Beaver Rd., Suite 250, Troy, MI 48084; Attn: Craig T. Mierzwa;
- iv) To the Office of the United States Trustee, 211 W. Fort Street, Suite 700, Detroit, MI 48226; Attn: Leslie K. Berg.

15. Any party supporting the Plan shall be afforded an opportunity to file a response to any objection to confirmation of the Plan.

16. A hearing shall be held before this Court at 11:30 (prevailing Eastern Time) on December 17, 2015 (the “Confirmation Hearing Date”) at Theodore Levin Courthouse, 231 Lafayette Street Courtroom 1042, Detroit Michigan 48226, or as soon as counsel can be heard, to consider final approval of the Disclosure Statement and confirmation of the Plan (the “**Confirmation Hearing**”)

17. The Confirmation Hearing may be adjourned from time to time without further notice To creditors and other parties-in-interest other than an announcement of the adjourned date at the Confirmation Hearing.

18. Prior to mailing the Disclosures Statement, Solicitation Packages, or the Non-Voting Creditor Notices, Allied may fill in any missing dates and other information, correct any typographical errors and make such other non-material, non-substantive changes as it deems appropriate.

19. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this order.

# EXHIBIT 1



\_\_\_\_\_ Class VI Claim (WRC Secured Claims)  
\_\_\_\_\_ Class VII Unsecured Claims

**Please see the Plan and Disclosure Statement for a more complete description of the Classes.**

Dated: \_\_\_\_\_ Print or type name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title (if not an individual): \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Return this ballot on or before December 11, 2015 to attorneys for Allied: Kenneth R. Beams, PLLC  
c/o Kenneth Beams  
2145 Crooks, Ste. 220  
Troy, Michigan 48084

## **EXHIBIT C**



November 12<sup>th</sup> 2015

Re: In re: Oakland Physicians Medical Center LLC d/b/a Doctors Hospital of Michigan, Case No 15-51011, United States bankruptcy court for the eastern district of Michigan .

Dear holder of Crittenton secured claims; WRC secured claims and or general unsecured claims.

Oakland Physician Medical Center LLC d/b/a Doctors Hospital of Michigan, the debtor in the above captioned chapter 11 case (the "Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the united states bankruptcy code in the united states bankruptcy court for the eastern district of Mi (the "Bankruptcy Court") on July 22, 2015.

You have received this letter and enclosed materials because you are entitled to vote on the combined disclosure statement and plan of Reorganization of Oakland Physicians Medical Center LLC d/b/a Doctors Hospital of Michigan, (as may be amended from time to time the "plan"). On (date) 2015, the bankruptcy court entered and order granting preliminary approval of disclosure statement (as containing adequate information pursuant to section 1125 of the Bankruptcy code (the "disclosure Statement Order")

YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN. THEREFORE, YOU SHOULD READ THIS LETTER CAREFULLY AND DISCUSS WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

In addition to the cover letter, the enclosed materials, referred to collectively as the "Solicitation package" were approved by the bankruptcy court on (date), 2015, for distribution to holders of Crittenton secured claims, WRC secured Claims, and General Unsecured Claims in connection with the solicitation of votes to accept the plan and consist of the following:

- A. Written notice of (i) the bankruptcy's order granting preliminary approval of disclosure statement , (ii) the deadline for voting on the plan, (iii) the date of confirmation hearing (iv) the deadline and procedures for filing objections to the confirmation of the plan;
- B. The plan and disclosure statement (either by paper copy or in "pdf" format on a CD- ROM ; and
- C. Ballot and Ballot return envelope;

Allied Global Consulting the creditor proposing the plan, believes that the acceptance of the plan is in the plan is in your best interest. The plan provides the highest possible recoveries for creditors and Allied group believes that any alternative other than confirmation of the plan could result in extensive delays and increased administrative expenses.

<p><b>THE PLAN SPONSOR STRONGLY URGES YOU TO PROPERLY AND TIMELY CAST YOUR BALLOT TO ACCEPT THE PLAN</b></p>
--

The materials in the solicitation package are intended to be self- explanatory. If you received solicitation package materials in CD ROM format and desire paper copies, or If you need to obtain additional solicitation packages you may

- a. Write to Allied counsel at:

Kenneth Beams

Kenneth R Beams PLLC

2145 Crooks Road, Suite 220

Troy MI 48084

- b. Download such documents (for a fee) by visiting Bankruptcy court's website at <http://www.mieb.uscourts.gov> . Please be advised that Allied counsel may answer questions about, and provide additional copies of, solicitation, materials, but may not advise you as to whether should vote to accept or reject the plan.

Sincerely

Allied Global Consulting

## **EXHIBIT D**



# Comparison of Combined Plan

## DOCTORS HOSPITAL OF MICHIGAN

Description	Actual Balance	Allied Consulting Down payment	Allied Consulting payment in 2016	Sant LLC
DIP Funding / Admin cost	2,000,000.00	2,000,000.00		2,000,000.00
Priority Tax Claim	2,500,000.00	1,250,000.00	1,000,000.00	-
Non Tax	55,000.00	55,000.00		55,000.00
Crittenton Secured Claim/ Loan				
Crittenton Secured Claim/ Loan	3,750,000.00	1,000,000.00		-
WRC water utility	794,265.00	-		
Unsecured Creditors	16,370.00	260,000.00		
CMS Overpayment	6,700,000.00	-		
Mich Health Over Payment	1,909,000.00	-		
	15,724,635.00	4,565,000.00	1,000,000.00	2,055,000.00

Additional Cash flow for Operations

Immediate line of credit to Pay Priority Taxes

Additional line of credit

Total

Total Cash Inflow

500,000.00

1,000,000.00

5,065,000.00

1,000,000.00

2,055,000.00

## **EXHIBIT E**

November 6, 2015

## FIVE YEAR MEDICARE GME AFFILIATION AGREEMENT

OAKLAND PHYSICIANS MEDICAL CENTER, LLC  
AND  
CRITTENTON HOSPITAL MEDICAL CENTER  
FIVE YEAR MEDICARE GME AFFILIATION AGREEMENT  
ACADEMIC YEARS  
JULY 1, 2016 THROUGH JUNE 30, 2017  
AND  
JULY 1, 2017 THROUGH JUNE 30, 2018  
AND  
JULY 1, 2018 THROUGH JUNE 30, 2019  
AND  
JULY 1, 2019 THROUGH JUNE 30, 2020  
AND  
JULY 1, 2020 THROUGH JUNE 30, 2021

### PROJECTED COUNTS

During the academic years July 1, 2016 through June 30, 2017 (Year One) and July 1, 2017 through June 30, 2018 (Year Two), July 1, 2018 through June 30, 2019 (Year Three), July 1, 2019 through June 30, 2020 (Year Four), and July 1, 2020 through June 30, 2021 (Year Five) Oakland Physicians Medical Center, LLC, [previously] d/b/a Doctors Hospital of Michigan (Hospital), Pontiac, Michigan, and Crittenton Hospital Medical Center (CHMC), Rochester, Michigan agree to affiliate as a group for Medicare reimbursement purposes. The hospitals agree to aggregate their Direct Medical Education and Indirect Medical Education resident FTE caps for Medicare reimbursement purposes during the five year period of this agreement in accordance with regulatory criteria in 42 CFR § 413.79 and other applicable Medicare rules. These hospitals are located in the same urban Medical Service Area and have entered into a shared rotational arrangement for the years ending June 30, 2016 and June 30, 2017. Each hospital agrees to complete their projected resident FTE count to allow timely reporting of the Affiliated Group's residency programs, and the submission of a copy of this Agreement, to the Medicare fiscal intermediary or Medicare Administrative Contractor and Centers of Medicaid and Medicare Services (CMS) by June 30, 2016, and, if requested by CHMC, June 30, 2017 to cover both of the years addressed by this five year agreement.

### YEAR ONE

#### GME 2016-2017

	Medicare Provider Number	DGME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	DGME Affiliation Adj	DGME Adjusted Count
Hospital	23-0013	36.49	0.00	(2.31)	(3.74)	(18.00)	12.44
CHMC	23-0254	0.00	55.00	0.00	1.55	18.00	74.55
Total		36.49	55.00	(2.31)	(2.19)	0.00	86.99

November 6, 2015

IME 2016-2017

	Medicare Provider Number	IME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	IME Affiliation Adj	IME Adjusted Count
Hospital	23-0013	34.36	0.00	(0.71)	0.00	(18.00)	15.65
CHMC	23-0254	0.00	55.00	0.00	0.33	18.00	73.33
Total		34.36	55.00	(0.71)	0.33	0.00	88.98

YEAR TWO

GME 2017-2018

	Medicare Provider Number	DGME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	DGME Affiliation Adj	DGME Adjusted Count
Hospital	23-0013	36.49	0.00	(2.31)	(3.74)	(18.00)	12.44
CHMC	23-0254	0.00	55.00	0.00	1.55	18.00	74.55
Total		36.49	55.00	(2.31)	(2.19)	0.00	86.99

IME 2017-2018

	Medicare Provider Number	IME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	IME Affiliation Adj	IME Adjusted Count
Hospital	23-0013	34.36	0.00	(0.71)	0.00	(18.00)	15.65
CHMC	23-0254	0.00	55.00	0.00	0.33	18.00	73.33
Total		34.36	55.00	(0.71)	0.33	0.00	88.98

YEAR THREE

GME 2017-2018

	Medicare Provider Number	DGME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	DGME Affiliation Adj	DGME Adjusted Count
Hospital	23-0013	36.49	0.00	(2.31)	(3.74)	(18.00)	12.44
CHMC	23-0254	0.00	55.00	0.00	1.55	18.00	74.55
Total		36.49	55.00	(2.31)	(2.19)	0.00	86.99



November 5, 2015

**IME 2017-2018**

	Medicare Provider Number	IME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	IME Affiliation Adj	IME Adjusted Count
Hospital	23-0013	34.36	0.00	(0.71)	0.00	(18.00)	15.65
CHMC	23-0254	0.00	55.00	0.00	0.33	18.00	73.33
Total		34.36	55.00	(0.71)	0.33	0.00	88.98

**YEAR FOUR**

**GME 2017-2018**

	Medicare Provider Number	DGME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	DGME Affiliation Adj	DGME Adjusted Count
Hospital	23-0013	36.49	0.00	(2.31)	(3.74)	(18.00)	12.44
CHMC	23-0254	0.00	55.00	0.00	1.55	18.00	74.55
Total		36.49	55.00	(2.31)	(2.19)	0.00	86.99

**IME 2017-2018**

	Medicare Provider Number	IME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	IME Affiliation Adj	IME Adjusted Count
Hospital	23-0013	34.36	0.00	(0.71)	0.00	(18.00)	15.65
CHMC	23-0254	0.00	55.00	0.00	0.33	18.00	73.33
Total		34.36	55.00	(0.71)	0.33	0.00	88.98

**YEAR FIVE**

**GME 2017-2018**

	Medicare Provider Number	DGME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	DGME Affiliation Adj	DGME Adjusted Count
Hospital	23-0013	36.49	0.00	(2.31)	(3.74)	(18.00)	12.44
CHMC	23-0254	0.00	55.00	0.00	1.55	18.00	74.55
Total		36.49	55.00	(2.31)	(2.19)	0.00	86.99

November 5, 2015

**IME 2017-2018**

	Medicare Provider Number	IME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	IME Affiliation Adj	IME Adjusted Count
Hospital	23-0013	34.36	0.00	(0.71)	0.00	(18.00)	15.65
CHMC	23-0254	0.00	55.00	0.00	0.33	18.00	73.33
Total		34.36	55.00	(0.71)	0.33	0.00	88.98

Each year, at the request of CHMC, Hospital shall 1) timely execute and file with the MAC and CMS an annual Medicare GME Affiliation Agreement, substantially in the form of this Agreement, but limited to one year, sufficient to effect the FTE cap temporary transfer as described above, and 2) consent to the modification of such one year agreement as determined by CHMC to conform the one year agreement to the then current facts; for example but not limited to, if either CHMC or Hospital experience a change in its Medicare FTE cap, such modified numbers shall be included on the annual agreements. CHMC may terminate this Agreement and/or any annual one year agreement, if any, at any time on 30 days prior written notice to Hospital.

Hospital acknowledges that CHMC may in turn affiliate with other hospitals to form a chain of affiliations and shared rotational arrangements, and CHMC may further share its adjusted FTE caps with other hospitals of CHMC's choosing.

The parties agree to fully comply with the applicable CMS Medicare rules and regulations for the purpose of effecting the temporary FTE cap transfer as described above, for the five years identified.

**IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be executed as of the \_\_\_\_ day of \_\_\_\_, 2015, effective for five years as described above.

**OAKLAND PHYSICIANS MEDICAL CENTER, LLC**

\_\_\_\_\_  
Its: \_\_\_\_\_ Print Name: \_\_\_\_\_

**CRITTENTON HOSPITAL MEDICAL CENTER**

\_\_\_\_\_  
Its: President \_\_\_\_\_ Print Name: \_\_\_\_\_

**The individuals executing this Agreement above are responsible representatives of the hospitals as recognized by the Medicare program.**

DOCTORS HOSPITAL OF MICHIGAN  
AND  
CRITTENTON HOSPITAL MEDICAL CENTER  
MEDICARE GME AFFILIATION AGREEMENT  
ACADEMIC YEAR JULY 1, 2015 THROUGH JUNE 30, 2016  
PROJECTED COUNTS

During the academic year July 1, 2015 through June 30, 2016, Doctors Hospital of Michigan (DHM), Pontiac, Michigan, and Crittenton Hospital Medical Center (CHMC), Rochester, Michigan agree to affiliate as a group for Medicare reimbursement purposes. The hospitals agree to aggregate their Direct Medical Education and Indirect Medical Education resident FTE caps for Medicare reimbursement purposes during the period of this agreement in accordance with regulatory criteria in 42 CFR § 413.86(b)(1). These hospitals are located in the same Medical Service Area and meet the shared rotational requirements. As 2015 resident FTE counts are finalized, this agreement will be amended to identify each hospital's actual resident FTE for Direct Medical Education and Indirect Medical Education Medicare reimbursement purposes. Each hospital agrees to complete their projected resident FTE count to allow timely reporting of the Affiliated Group's residency programs to the Medicare fiscal intermediary and Centers of Medicaid and Medicare Services (CMS) by June 30, 2015.


GME							
	Medicare Provider Number	DGME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	DGME Affiliation Adj	DGME Adjusted Count
DHofM	23-0013	36.49	0.00	(2.31)	(3.74)	(18.00)	12.44
CHMC	23-0254	0.00	55.00	0.00	1.55	18.00	74.55
Total		<u>36.49</u>	<u>55.00</u>	<u>(2.31)</u>	<u>(2.19)</u>	<u>0.00</u>	<u>86.99</u>

IME							
	Medicare Provider Number	IME 1996 FTE Count	New Programs	422 Cap (reduction)	5503/5506 Cap Adjustment	IME Affiliation Adj	IME Adjusted Count
DHofM	23-0013	34.36	0.00	(0.71)	0.00	(18.00)	15.65
CHMC	23-0254	0.00	55.00	0.00	0.33	18.00	73.33
Total		<u>34.36</u>	<u>55.00</u>	<u>(0.71)</u>	<u>0.33</u>	<u>0.00</u>	<u>88.98</u>

Page 2 of 2

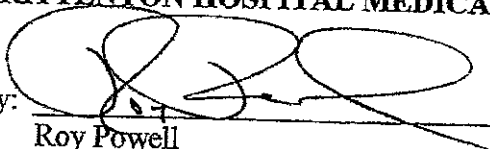
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed  
as of the 14th day of July, 2015.

OAKLAND PHYSICIANS MEDICAL CENTER, LLC  
D/B/A DOCTORS HOSPITAL OF MICHIGAN

By:  7-14-2015  
John Ponczocha

Its: CEO

CRITTENTON HOSPITAL MEDICAL CENTER

By:   
Roy Powell

Its: President and CEO

**GRADUATE MEDICAL EDUCATION AFFILIATION AGREEMENT MODIFICATION**

THIS confirmation of assumption, as modified herein, of the Graduate Medical Education Affiliation Agreement made and entered into April 14, 2011 ("Agreement") is effective by and between **Oakland Physicians Medical Center, L.L.C. [previously] d/b/a Doctors' Hospital of Michigan ("OPMC")** and **Crittenton Hospital Medical Center ("CHMC")**.

**Recitals**

**WHEREAS**, OPMC and CHMC entered into a Graduate Medical Education Affiliation Agreement made and entered into April 14, 2011 ("Agreement") a copy of which is attached hereto and incorporated herein; and

**WHEREAS**, on July 22, 2015 OPMC filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, Case No. 15-51011-wsd (the "Bankruptcy Case"). Basil T. Simon is the duly appointed and acting chapter 11 trustee (the "Trustee") for the Debtor.

**WHEREAS**, on \_\_\_\_\_ a the Bankruptcy Court in the Bankruptcy Case issued an order (the "Order Date") confirming OPMC's plan of reorganization (the "Confirmed Plan").

**WHEREAS**, pursuant to the Confirmed Plan, the Agreement was assumed as modified by the terms set forth herein.

Based upon the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

**Terms and Conditions**

1. The recitals set forth above are incorporated in this Agreement as though fully set forth herein.
2. The Agreement is affirmed, ratified and restated in its entirety with the modifications set forth below.
3. Section 2 of the Agreement is modified to read as follows: "The term of this Agreement shall commence on July 1, 2011 and shall remain in effect through June 30, 2016." The remaining text in Section 2 of the Agreement is DELETED.
4. Section 3.2 of the Agreement is DELETED.
5. Section 4.2 of the Agreement is DELETED.

October 26, 2015

6. Section 6 of the Agreement is DELETED.

7. Section 8 of the Agreement is DELETED.

This confirmation of assumption of the Agreement as modified is effective as of the Order Date.

**CRITTENTON HOSPITAL**

**MEDICAL CENTER**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

**The individuals executing this Agreement above are responsible representatives of the providers as recognized by the Medicare program.**

2002583v6

## Graduate Medical Education Affiliation Agreement

This Agreement is made and entered into this 14th day of April, 2011 (the "Effective Date"), by and between **Crittenton Hospital Medical Center**, a Michigan nonprofit corporation ("CHMC"), and **Oakland Physicians Medical Center, L.L.C. d/b/a Doctors' Hospital of Michigan**, a Michigan limited liability company ("OPMC") (collectively referred to as the "parties").

**WHEREAS**, CHMC and OPMC desire to form a graduate medical education ("GME") affiliated group with a residency training program under which one or more residents participate in training at CHMC and OPMC.

**NOW THEREFORE**, in consideration of the premises and the mutual agreements contained herein, the parties to this Agreement agree as follows:

### 1. GME Affiliated Group

1.1 CHMC and OPMC agree to participate in a GME affiliated group throughout the term of this Agreement. The GME affiliated group shall consist solely of CHMC and OPMC and shall have a residency training program under which eighteen (18) residents at CHMC and/or OPMC participate in training at CHMC and OPMC (the "Shared Rotational Arrangement"). The Shared Rotation Arrangement will be mutually agreed within ten (10) days of the date hereof and attached as an Addendum to this Agreement.

1.2 Throughout the term of this Agreement, the parties shall count the proportionate amount of the time spend by the resident(s) in the parties' respective full-time equivalent ("FTE") resident counts. No resident may be counted in the aggregate as more than one FTE.

### 2. Term

The term of this Agreement shall commence on July 1, 2011 and shall remain in effect through June 30, 2016, subject to automatic renewal for additional one (1) year terms until all obligations owed by OPMC to CHMC pursuant to that certain Loan Agreement dated as of April 14, 2011 between the parties (the "Loan Agreement") have been paid in full.

### 3. Termination

3.1 This Agreement may be terminated only upon mutual agreement of the parties or as required by law.

3.2 In the event of termination of this Agreement as provided herein, both parties agree to cooperate with the other to ensure the continuity of the graduate medical education program. OPMC agrees that it will not take any action that would impair the right of CHMC to be given preference in the allocation of OPMC's direct and indirect GME/FTE caps.

#### 4. GME Full-time Equivalent Caps and Counts

4.1 Exhibit A sets forth (a) the parties' direct and indirect GME FTE caps in effect prior to the Effective Date of this Agreement, (b) the total adjustment to the parties' direct and indirect GME FTE caps in each year that this Agreement is in effect, and (c) the adjustment to the parties' FTE counts resulting from the resident's (or residents') participation in the Shared Rotational Arrangement for each year the Agreement is in effect.

4.2 If OPMC decides to close its hospital or cease operations or if OPMC declares bankruptcy or insolvency during the term of this Agreement, it is the intent of the parties that CHMC be given preference in the allocation of OPMC's direct and indirect GME FTE caps. OPMC shall provide at least one hundred and eighty (180) days' prior written notice to CHMC of any change in its operation or its intent to declare bankruptcy.

## 5. Compliance with Laws

It is the intent of the parties hereto that this Agreement and the parties' rights and obligations pursuant to this Agreement comply with all federal and state laws and regulations, including those applicable to the Medicare program. It is the further intent of the parties that in the event any provision of this Agreement or any action taken hereunder is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, which shall be construed and enforced without reference to such illegal or invalid portion and shall be deemed to be effective or taken in the manner and to the full extent permitted by law.

## 6. Default

**The following actions shall constitute a default under this Agreement:**

6.1 Any default under the Loan Agreement;

**6.2 Any breach of this Agreement.**

## 7. Medicare Provider Numbers

Exhibit B sets forth the parties' Medicare provider numbers.

## 8. Notices

Any and all notices required pursuant to this Agreement shall be delivered in person or by electronic submission to the addresses set forth below. The notices shall be effective upon delivery.

If to: **Crittenton Hospital Medical  
Center  
Attn: Lynn C. Orfgen  
1101 W. University Drive  
Rochester, MI 48307**



If to:

Oakland Physicians Medical  
Center, L.L.C. d/b/a Doctors'  
Hospital of Michigan  
Attn: Yatinder Singhal, M.D.  
461 West Huron  
Pontiac, MI 48341

9. General Provisions

This Agreement may be amended at any time by mutual agreement of the parties hereto, provided that before any amendment shall be operative or valid, it shall be reduced to writing and signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan. This Agreement may not be assigned or transferred by either party without the express written consent of the other party. The parties shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations. Each provision of this Agreement shall be interpreted in a way that is valid under applicable law. If any provision of this Agreement is held invalid, the remaining provisions of the Agreement shall remain in full effect. This Agreement sets forth the entire understanding of the parties and supersedes all prior arrangements or understandings, whether written or oral, with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

Witnesses:



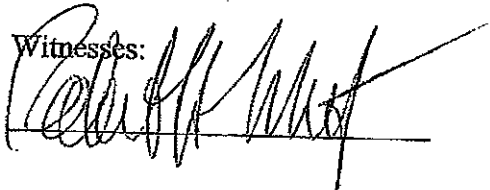
Crittendon Hospital Medical Center

By: 

Lynn C. Orfgen

Its: President and Chief Executive Officer

Witnesses:



Oakland Physicians Medical Center, L.L.C.

By: 

Yatinder Singhal, M.D.

Its: Chairman

**EXHIBIT A**

**GME FULL-TIME EQUIVALENT CAPS AND COUNTS**

**Direct and Indirect GME FTE Caps – Prior to Affiliation Agreement's Effective Date**

	<u>CHMC</u>	<u>OPMC</u>
Direct GME FTE Caps	12.00	34.18
Indirect GME FTE Caps	12.00	34.18

**Adjustment to Direct and Indirect GME FTE Caps – Year 1 (July 1, 2011 – June 30, 2012)**

	<u>CHMC</u>	<u>OPMC</u>
Direct GME FTE Caps	18.00	-18.00
Indirect GME FTE Caps	18.00	-18.00

**Adjustment to Direct and Indirect GME FTE Caps – Year 2 (July 1, 2012 – June 30, 2013)**

	<u>CHMC</u>	<u>OPMC</u>
Direct GME FTE Caps	18.00	-18.00
Indirect GME FTE Caps	18.00	-18.00

**Adjustment to Direct and Indirect GME FTE Caps – Year 3 (July 1, 2013 – June 30, 2014)**

	<u>CHMC</u>	<u>OPMC</u>
Direct GME FTE Caps	18.00	-18.00
Indirect GME FTE Caps	18.00	-18.00

**Adjustment to Direct and Indirect GME FTE Caps – Year 4 (July 1, 2014 – June 30, 2015)**

	<u>CHMC</u>	<u>OPMC</u>
Direct GME FTE Caps	18.00	-18.00
Indirect GME FTE Caps	18.00	-18.00

**Adjustment to Direct and Indirect GME FTE Caps – Year 5 (July 1, 2015 – June 30, 2016)**

	<u>CHMC</u>	<u>OPMC</u>
Direct GME FTE Caps	18.00	-18.00
Indirect GME FTE Caps	18.00	-18.00

**Adjustment to FTE Counts – Year 1 (July 1, 2011 – June 30, 2012)**

	<u>CHMC</u>	<u>OPMC</u>
FTE Counts	30.00	16.18

**Adjustment to FTE Counts – Year 2 (July 1, 2012 – June 30, 2013)**

	<u>CHMC</u>	<u>OPMC</u>
FTE Counts	30.00	16.18

**Adjustment to FTE Counts – Year 3 (July 1, 2013 – June 30, 2014)**

	<u>CHMC</u>	<u>OPMC</u>
FTE Counts	30.00	16.18

**Adjustment to FTE Counts – Year 4 (July 1, 2014 – June 30, 2015)**

	<u>CHMC</u>	<u>OPMC</u>
FTE Counts	30.00	16.18

**Adjustment to FTE Counts – Year 5 (July 1, 2015 – June 30, 2016)**

	<u>CHMC</u>	<u>OPMC</u>
FTE Counts	30.00	16.18

## Plan Crittenton

- Reduction of secured loan to the principal amount of \$1,000,000.00. (Crittenton will remove all Liens, Mortgages and all encumbrances.
- In addition the Reorganized debtor will assume, as modified graduate medical affiliation agreement between the debtor and Crittenton and enter into a new affiliation agreement for year 2016-2018 academic year.
- In addition Allied Group has the option Pay 250K-500k (Unsecured note) goodwill amount to be paid in 2016-2018

## **EXHIBIT F**

## **Financial Projected financial Statement – Explanation**

Financial projections for 2016-2020 are created to demonstrate feasibility report of the combined disclosure statement and plan of reorganization of Oakland physician medical center LLC proposed by Allied group.

The projections were prepared under the following assumptions.

**Effective date:** The Projections assume Jan 1 2016 as effective date. The debtor does not emerge from chapter 11 cases by such date, additional bankruptcy expenses will be incurred.

If the debtor emerges before the aforesaid date there would be less expense and the reorganized debtor will be able to implement the new business strategy focusing on the business optimization and controlling the costs.

**Claims :** The projections assume that the Debtor's schedules accurately reflect the amount and priority of pre petition date claims. A detailed description regarding claim assumptions is contained in the disclosure statement.

**Professional Fee claims:** The projections assume the allowed professional fees will be paid on effective date.

**Opening Cash Balance:** Reflects the proposed equity investment of \$ 4,500,000.00 plus remaining \$500,000.00 cash on hand.

There will be a list of services added to the hospital upon the which would increase the patient admission by the 20% initially.

- a) We would mainly focus on the follow OR surgeries,
- b) ER ,
- c) Urgent care,
- d) Increase in Mental and Behavioral health inpatient beds,
- e) Rehab services,
- f) Physical therapy and other services
- g) Chemical dependency
- h) Ortho Surgeries

- i) Ortho Rehab
- j) Cardiology Surgery
- k) Maternity Services and departments:

**Cash Disbursement:**

**Gross payroll:** The increase of the personnel will be required to accommodate the increased volume expected from marketing efforts, new specialty additions, reopening of surgery and other departments. Significant volume of doctors increase with addition on new doctors and surgery residents begin to rotate at hospital.

**Contractors:** Contractors / or new hires will be brought in to fill in the requirements generated by new influx of patient volume.

**Information Technology:** New Information technology will be in place to track and input all the patient records electronically. That would reduce the redundancy of work and hence help quicker reimbursement of the accounts receivable.

**Insurance:** Insurance costs include maintaining insurance as of today and covering all liabilities moving forward.

**Marketing :** Bring back the Hospital Image to a new height better than before. Therefore work has to be done at many levels :

- Social Media
- Public Relation
- Obtaining help from Non Profit sectors
- Anything that brings a new Improved Image for the Hospital.

**Professional Fees:** Professional fees Includes fees for the consultants, Any services provided by surgeons and for re- opening of surgery department, rearranging accounting, billing and audit

department. Any services required to complete the work on interim basis or for Annual closing of the books or required to efficiently and smooth running of the hospital.

**Vendors:** Going forward we would try to get the best pricing from the vendors with coalition with a major health system in the area and get better and leveraged pricing on all the products services from the vendors.

The disbursement s for different departments are listed that shows the money disbursement on monthly basis as agreed or to be agreed.

**Exit Strategy:** Under the plan Allied group will 1-3 Million line of credit moving forward to improve the cash flow of the organization and moving forward will have 3-5 Million in line of credit.



## Projections for 2016

## Doctors Hospital Of Michigan

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	YEAR
Hospital Revenue					
Gross Patient Revenue	10,848,956	14,851,461	19,741,782	21,715,961	67,158,160
Contractual Adjustments	(4,882,030)	(6,683,157)	(8,883,802)	(9,772,182)	(30,221,172)
Net Patient Revenue	5,966,926	8,168,303	10,857,980	11,943,778	36,936,988
Other Operating Revenue	-	-	-	-	-
Total Patient Revenue	5,966,926	8,168,303	10,857,980	11,943,778	36,936,988
Expenses	-	-	-	-	-
Salaries	2,152,848	2,798,703	3,767,484	4,144,233	12,863,268
Benefits and Taxes	547,787	753,570	1,014,421	1,115,863	3,431,642
Supplies	493,029	678,241	913,017	1,004,319	3,088,606
Professional Fees Base	305,110	419,729	565,019	621,521	1,911,380
Purchased Services	396,559	545,531	734,369	807,806	2,484,266
Insurance	63,788	87,750	118,125	129,938	399,600
Utilities	334,688	460,417	619,792	681,771	2,096,667
Depreciation and Amortization	418,457	575,656	774,921	852,413	2,621,448
Other Expenses	484,583	666,622	897,375	987,113	3,035,692
Information Technology	-	-	-	-	-
Marketing	-	-	-	-	-
License and Regulatory Fees	-	-	-	-	-
Marketing	-	-	-	-	-
Maint and Other Expenses	-	-	-	-	-
Total Expenses	5,196,850	6,986,218	9,404,524	10,344,977	31,932,568
Net Profit	770,076	1,182,086	1,453,456	1,598,802	5,004,420
New line of Credit usage	1,500,000	-	-	-	1,500,000
Medicaid Payment	120,000	300,000	350,000	375,000	1,145,000
State of MI payments	70,000	100,000	120,000	120,000	410,000
Loan Payment	60,000	180,000	180,000	180,000	600,000
WRC Claim	39,713	39,713	39,713	39,713	158,852
Final Payment for Priority Tax/ Cap Inv	240,000	280,000	360,000	360,000	1,240,000
Total Cash out	529,713	899,713	1,049,713	1,074,713	3,553,852
Period-Cash Flow	1,740,363	282,373	403,743	524,089	1,210,205
Nett Cash Flow	3,926,347	4,208,719	4,612,462	5,136,551	2,950,568

Cash Flow Projections for 2017  
Doctors Hospital Of Michigan

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	YEAR
Hospital Revenue					
Gross Patient Revenue	20,147,448	20,147,448	20,147,448	20,147,448	80,589,792
Contractual Adjustments	(9,066,352)	(9,066,352)	(9,066,352)	(9,066,352)	(36,265,406)
Net Patient Revenue	11,081,096	11,081,096	11,081,096	11,081,096	44,324,385
Other Operating Revenue	-	-	-	-	-
Total Patient Revenue	11,081,096	11,081,096	11,081,096	11,081,096	44,324,385
Expenses					
Salaries	-	-	-	-	-
Benefits and Taxes	3,858,980	3,858,980	3,858,980	3,858,980	15,435,922
Supplies	1,072,388	1,072,388	1,072,388	1,072,388	4,289,552
Professional Fees Base	965,189	965,189	965,189	965,189	3,860,758
	597,306	597,306	597,306	597,306	2,389,225
Purchased Services	-	-	-	-	-
Insurance	776,333	776,333	776,333	776,333	3,105,333
Utilities	124,875	124,875	124,875	124,875	499,500
Depreciation and Amortization	655,208	655,208	655,208	655,208	2,620,833
Other Expenses	819,202	819,202	819,202	819,202	3,276,809
Information Technology	948,654	948,654	948,654	948,654	3,794,615
Marketing	-	-	-	-	-
License and Regulatory Fees	-	-	-	-	-
Marketing	-	-	-	-	-
Maint and Other Expenses	-	-	-	-	-
Total Expenses	9,818,137	9,818,137	9,818,137	9,818,137	39,272,547
Net Profit	1,262,960	1,262,960	1,262,960	1,262,960	5,051,839
Cash flow from Last year	-	-	-	-	-
	1,250,000	-	-	-	1,250,000
	-	-	-	-	-
	-	-	-	-	-
Medicaid Payment	450,000	500,000	450,000	450,000	1,850,000
State of MI payments	70,000	100,000	120,000	120,000	410,000
Loan Payment	60,000	180,000	180,000	180,000	600,000
WRC Claim	39,713	39,713	39,713	39,713	158,852
Medicaid Extra Payments / Capital Inv	250,000	250,000	250,000	250,000	1,000,000
Total Cash out	869,713	1,069,713	1,039,713	1,039,713	4,018,852
	-	-	-	-	-
Period-Cash Flow	1,643,247	193,247	223,247	223,247	639,740
	-	-	-	-	-
Nett Cash Flow	4,856,493	5,049,740	5,272,987	5,496,233	2,282,987

Cash Flow Projections for 2018						
Doctors Hospital Of Michigan	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	YEAR	
Hospital Revenue						
Gross Patient Revenue	24,176,938	24,176,938	24,176,938	24,176,938	96,707,750	
Contractual Adjustments	(10,879,622)	(10,879,622)	(10,879,622)	(10,879,622)	(43,518,488)	
Net Patient Revenue	13,297,316	13,297,316	13,297,316	13,297,316	53,189,263	
Other Operating Revenue	-	-	-	-	-	
Total Patient Revenue	13,297,316	13,297,316	13,297,316	13,297,316	53,189,263	
Expenses						
Salaries	4,630,777	4,630,777	4,630,777	4,630,777	18,523,106	
Benefits and Taxes	1,286,866	1,286,866	1,286,866	1,286,866	5,147,462	
Supplies	1,158,227	1,158,227	1,158,227	1,158,227	4,632,909	
Professional Fees Base	716,767	716,767	716,767	716,767	2,867,070	
Purchased Services	970,416	970,416	970,416	970,416	3,881,666	
Insurance	156,094	156,094	156,094	156,094	624,375	
Utilities	819,010	819,010	819,010	819,010	3,276,042	
Depreciation and Amortization	1,024,003	1,024,003	1,024,003	1,024,003	4,096,012	
Other Expenses	1,185,817	1,185,817	1,185,817	1,185,817	4,743,269	
Information Technology	-	-	-	-	-	
Marketing	-	-	-	-	-	
License and Regulatory Fees	-	-	-	-	-	
Marketing	-	-	-	-	-	
Maint and Other Expenses	-	-	-	-	-	
Total Expenses	11,947,978	11,947,978	11,947,978	11,947,978	47,791,911	
Net Profit	1,349,338	1,349,338	1,349,338	1,349,338	5,397,352	
Cash flow from Last year	1,000,000	-	-	-	1,000,000	
Medicaid Payment	450,000	500,000	450,000	450,000	1,850,000	
State of Mi payments	135,000	135,000	135,000	135,000	540,000	
Loan Payment	180,000	180,000	180,000	180,000	720,000	
WRC Claim	39,713	39,713	39,713	39,713	158,852	
Medicaid Extra Payments / Capital Inv	-	-	-	-	-	
Total Cash Out	804,713	854,713	804,713	804,713	3,268,852	
Period-Cash Flow	4,089,250	5,623,125	7,207,000	8,840,874	21,670,999	
Nett Cash Flow	-	5,623,125	12,830,124	21,670,999	3,128,500	

Cash Flow Projections for 2019						
Doctors Hospital Of Michigan						
	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	YEAR	
Hospital Revenue						
Gross Patient Revenue	29,012,325	29,012,325	29,012,325	29,012,325	116,049,300	
Contractual Adjustments	(13,055,546)	(13,055,546)	(13,055,546)	(13,055,546)	(52,222,185)	
Net Patient Revenue	15,956,779	15,956,779	15,956,779	15,956,779	63,827,115	
Other Operating Revenue	-	-	-	-	-	
Total Patient Revenue	15,956,779	15,956,779	15,956,779	15,956,779	63,827,115	
Expenses						
Salaries	5,788,471	5,788,471	5,788,471	5,788,471	23,153,883	
Benefits and Taxes	1,608,582	1,608,582	1,608,582	1,608,582	6,434,328	
Supplies	1,447,784	1,447,784	1,447,784	1,447,784	5,791,136	
Professional Fees Base	860,121	860,121	860,121	860,121	3,440,484	
Purchased Services	1,213,021	1,213,021	1,213,021	1,213,021	4,852,082	
Insurance	195,117	195,117	195,117	195,117	780,469	
Utilities	900,911	900,911	900,911	900,911	3,603,646	
Depreciation and Amortization	1,126,403	1,126,403	1,126,403	1,126,403	4,505,613	
Other Expenses	1,482,272	1,482,272	1,482,272	1,482,272	5,929,086	
Information Technology	-	-	-	-	-	
Marketing	-	-	-	-	-	
License and Regulatory Fees	-	-	-	-	-	
Marketing	-	-	-	-	-	
Maint and Other Expenses	-	-	-	-	-	
Total Expenses	14,622,682	14,622,682	14,622,682	14,622,682	58,490,727	
Net Profit	1,334,097	1,334,097	1,334,097	1,334,097	5,336,388	
Cash flow from Last year	1,000,000	-	-	-	1,000,000	
Medicaid Payment	450,000	450,000	450,000	450,000	1,800,000	
State of Mi payments	135,000	135,000	135,000	135,000	540,000	
Loan Payment	180,000	180,000	180,000	180,000	720,000	
WRC Claim	39,713	39,713	39,713	39,713	158,852	
Medicaid Extra Payments / Capital Inv	-	-	-	-	-	
Total Cash out	804,713	804,713	804,713	804,713	3,218,852	
Period-Cash Flow	4,058,768	5,646,920	7,235,072	8,823,224	21,705,217	
Nett Cash Flow	-	5,646,920	12,881,992	21,705,217	3,117,536	

Cash Flow Projections for 2020					
Doctors Hospital Of Michigan					
	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	YEAR
Hospital Revenue					
Gross Patient Revenue	34,814,790	34,814,790	34,814,790	34,814,790	139,259,160
Contractual Adjustments	(15,666,656)	(15,666,656)	(15,666,656)	(15,666,656)	(62,666,622)
Net Patient Revenue	19,148,135	19,148,135	19,148,135	19,148,135	76,592,538
Other Operating Revenue	-	-	-	-	-
Total Patient Revenue	19,148,135	19,148,135	19,148,135	19,148,135	76,592,538
Expenses					
Salaries	-	-	-	-	-
Benefits and Taxes	6,946,165	6,946,165	6,946,165	6,946,165	27,784,659
Supplies	1,930,298	1,930,298	1,930,298	1,930,298	7,721,194
Professional Fees Base	1,737,341	1,737,341	1,737,341	1,737,341	6,949,364
	1,032,145	1,032,145	1,032,145	1,032,145	4,128,580
Purchased Services	1,334,323	1,334,323	1,334,323	1,334,323	5,337,291
Insurance	234,141	234,141	234,141	234,141	936,563
Utilities	1,090,103	1,090,103	1,090,103	1,090,103	4,360,411
Depreciation and Amortization	1,351,684	1,351,684	1,351,684	1,351,684	5,406,736
Other Expenses	1,778,726	1,778,726	1,778,726	1,778,726	7,114,903
Information Technology	-	-	-	-	-
Marketing	-	-	-	-	-
Licence and Regulatory Fees	-	-	-	-	-
Marketing	-	-	-	-	-
Maint and Other Expenses	-	-	-	-	-
Total Expenses	17,434,925	17,434,925	17,434,925	17,434,925	69,739,701
Net Profit	1,713,209	1,713,209	1,713,209	1,713,209	6,852,838
Cash flow from Last year	1,000,000	-	-	-	1,000,000
Medicaid Payment	-	-	-	-	-
State of MI payments	-	-	-	-	-
Loan Payment	180,000	180,000	180,000	180,000	720,000
WRC Claim	-	-	-	-	-
Medicaid Extra Payments / Capital Inv	-	-	-	-	-
Total Cash out	180,000	180,000	180,000	180,000	720,000
Period-Cash Flow	6,066,419	10,666,047	15,265,675	19,865,303	45,797,025
Nett Cash Flow	-	10,666,047	25,931,722	45,797,025	7,132,838

Details of Revenue and Other Expenses

Doctors Hospital Of Michigan	2016	2017	2018	2019	2020
<b>Hospital Revenue</b>					
Medicare Revenue	14,774,795.20	17,729,754.00	21,275,705.20	25,530,846.00	30,637,015.20
Medicaid Revenue	9,234,247.00	11,081,096.25	13,297,315.75	15,956,778.75	19,148,134.50
Other Insurance Companies	11,081,096.40	13,297,315.50	15,956,778.90	19,148,134.50	22,977,761.40
Cash	1,846,849.40	2,216,219.25	2,659,463.15	3,191,355.75	3,829,626.90
Other Operating Revenue					
<b>Total Patient Revenue</b>	36,936,988.00	44,324,385.00	53,189,263.00	63,827,115.00	76,592,538.00
<b>Total Other Expenses</b>	3,035,692.00	3,794,615.00	4,743,269.00	5,929,086.00	7,114,903.00
Information Technology	1,000,000.00	1,200,000.00	1,440,000.00	1,440,000.00	1,728,000.00
Marketing	300,000.00	360,000.00	432,000.00	518,400.00	622,080.00
License and Regulatory Fees	160,000.00	192,000.00	230,400.00	276,480.00	331,776.00
Maintenance	120,000.00	144,000.00	172,800.00	207,360.00	248,832.00
Operating, Maint and Other Expenses	1,455,692.00	1,898,615.00	2,468,069.00	3,486,846.00	4,184,215.00

Hospital Management System - Average Cost \$ 6-8 Million ( Information Technology)

Upon Opening of More Departments - Would incur lot of Money on Operational and Maintenance expenses to make everything upto date

QAAP is included in Medicare and Medicaid categories

## **EXHIBIT - G**

DOCTORS HOSPITAL OF MICHIGAN  
OPERATING/INCOME STATEMENT  
FOR THE 8 MONTHS ENDING 08/31/15

	CURRENT MONTH	LAST-YEAR MONTH	VARIANCE MONTH	CURRENT Y-T-D	LAST-YEAR Y-T-D	VARIANCE Y-T-D
REVENUE						
INPATIENT REVENUE	598,848.03	1,955,713.97	(1,356,865.94)	8,728,379.32	12,987,803.09	(4,259,423.77)
OUTPATIENT REVENUE	1,156,164.94	4,990,231.44	(3,834,066.50)	23,820,549.27	24,412,246.70	(591,697.43)
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GROSS PATIENT REVENUE	1,755,012.97	6,945,945.41	(5,190,932.44)	32,548,928.59	37,400,049.79	(4,851,121.20)
ALLOWANCE	27,097.45	(733,884.75)	760,982.20	222,809.10	(2,047,981.00)	2,270,790.10
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NET PATIENT REVENUE	1,727,915.52	7,679,830.16	(5,951,914.64)	32,326,119.49	39,448,030.79	(7,121,911.30)
OTHER OPERATING REVENUE	(1,771,912.78)	(2,688,318.57)	916,405.79	(29,643,326.11)	(21,297,440.72)	(8,345,885.39)
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TOTAL OPERATING REVENUE	(43,997.26)	4,991,511.59	(5,035,508.85)	2,682,793.38	18,150,590.07	(15,467,796.69)
SALARIES AND WAGES	669,683.75	929,058.09	(259,374.34)	6,491,370.53	7,215,119.04	(723,748.51)
FRINGE BENEFITS	111,474.45	174,052.18	(62,577.73)	1,327,955.03	1,758,658.61	(430,703.58)
MEDICAL / SURGICAL SUPPLIES	44,224.83	(294.23)	44,519.06	195,307.52	369,142.20	(173,834.68)
CONTRACT LABOR	81,502.78	107,266.53	(25,763.75)	508,841.62	1,064,444.16	(555,602.54)
PURCHASED SERVICES	196,211.72	131,530.10	64,681.62	1,670,773.55	1,404,245.56	266,527.99
MALPRACTICE	32,179.89	56,000.00	(23,820.11)	198,859.18	288,000.00	(89,140.82)
UTILITIES	78,590.10	70,095.50	8,494.60	780,580.46	932,173.12	(151,592.66)
REPAIR AND MAINTENANCE	21,499.54	3,971.10	17,528.44	5,700.43	(39,521.22)	45,221.65
OTHER	119,421.68	180,610.83	(61,189.15)	1,714,998.11	1,611,062.58	103,935.53
UNCOMPENSATED SERVICE	30,891.31	338,979.03	(308,087.72)	975,998.65	1,740,330.85	(764,332.20)
DEPRECIATION	38,432.55	38,432.55	.00	307,460.40	307,460.40	.00
INTEREST	61,151.72	32,449.39	28,702.33	581,261.06	470,746.33	110,514.73
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TOTAL EXPENSE	1,485,264.32	2,062,151.07	(576,886.75)	14,759,106.54	17,121,861.63	(2,362,755.09)
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OPERATING INCOME (LOSS)	(1,529,261.58)	2,929,360.52	(4,458,622.10)	(12,076,313.16)	1,028,728.44	(13,105,041.60)
NONOPERATING REVENUE	.00	.00	.00	.00	.00	.00
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NET INCOME (LOSS)	(1,529,261.58)	2,929,360.52	(4,458,622.10)	(12,076,313.16)	1,028,728.44	(13,105,041.60)
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DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 08/31/15

	Current Year	Prior Year	Net Change
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	195,919.69	(80,530.91)	276,450.60
ACCOUNTS RECEIVABLE	5,387,583.69	18,726,650.60	(13,339,066.91)
ALLOWANCE FOR CONTRACTUALS	(21,273,966.77)	(10,951,399.60)	(10,322,567.17)
DUE TO/FROM THIRD PARTY	7,000.00	.00	7,000.00
ALLOWANCE FOR BAD DEBTS	(4,100,264.54)	(3,629,409.15)	(470,855.39)
NET ACCOUNTS RECEIVABLE	(19,979,647.62)	4,145,841.85	(24,125,489.47)
INVENTORIES	1,192,361.46	1,270,162.65	(77,801.19)
PREPAID EXPENSES	84,921.42	521,892.44	(436,971.02)
OTHER ASSETS	33,818.85	29,603.26	4,215.59
TOTAL CURRENT ASSETS	(18,472,626.20)	5,886,969.29	(24,359,595.49)
ASSETS WHOSE USE IS LIMITED			
WORKERS COMP COLLATERAL	.00	.00	.00
PROPERTY AND EQUIPMENT			
LAND AND LAND IMPROVEMENTS	725,129.00	725,129.00	.00
BUILDINGS	2,650,618.70	2,650,618.70	.00
EQUIPMENT	2,390,921.17	2,390,921.17	.00
CONSTRUCTION IN PROGRESS	225,301.99	.00	225,301.99
TOTAL PROPERTY AND EQUIPMENT	5,991,970.86	5,766,668.87	225,301.99
ACCUMULATED DEPRECIATION	(2,407,679.49)	(1,946,488.89)	(461,190.60)
NET PROPERTY AND EQUIPMENT	3,584,291.37	3,820,179.98	(235,888.61)
TOTAL ASSETS	(14,888,334.83)	9,707,149.27	(24,595,484.10)

DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 08/31/15

	Current Year	Prior Year	Net Change
LIABILITIES			
ACCOUNTS PAYABLE	15,115,065.39	13,586,693.65	1,528,371.74
ACCRUED PAYROLL LIABILITIES			
SALARIES AND WAGES	1,614,121.16	777,640.19	836,480.97
VACATION AND SICK	125,723.29	240,433.49	(114,710.20)
WORKERS COMP RESERVE	.00	.00	.00
TAXES PAYABLE	.00	.00	.00
TAXES PAYABLE	33,591.22	1,276,266.42	(1,242,675.20)
TAXES PAYABLE	325,000.05	325,000.05	.00
TAXES PAYABLE	.00	.00	.00
TOTAL ACCRUED PAYROLL LIABILITIES	2,098,435.72	2,619,340.15	(520,904.43)
DUE TO THIRD PARTIES	.00	.00	.00
ESCROW ACCOUNT PAYABLE	200,000.00	.00	200,000.00
CURRENT DUE TO CRITTENTON	157,240.00	157,240.00	.00
CURRENT DUE TO DOCTORS & OPMG	(233,355.84)	(84,355.84)	(149,000.00)
TOTAL CURRENT LIABILITIES	17,337,385.27	16,278,917.96	1,058,467.31
PROMISORY NOTE-CRITTENTON HOSPITAL	3,700,982.73	3,700,982.73	.00
PROMISORY NOTE-GREAT OAKS PHYS INV	.00	.00	.00
PROMISORY NOTE-DOCTORS LOAN	6,434,431.65	5,381,013.02	1,053,418.63
ACCRUED INTEREST DR LOANS	518,900.05	518,900.05	.00
OPMG LOAN FOR SIGN	16,945.34	16,945.34	.00
MALPRACTICE	4,431,566.68	4,204,247.00	227,319.68
DUE TO THIRD PARTIES	2,904,479.36	4,834,334.30	(1,929,854.94)
TOTAL LONG TERM LIABILITIES	18,007,305.81	18,656,422.44	(649,116.63)
EQUITY			
CLASS A B & C	3,485,000.00	3,485,000.00	.00
CLASS D & E	2,510,764.17	2,510,764.17	.00
NET INCOME	(12,076,313.16)	1,028,728.44	(13,105,041.60)
EQUITY	(44,152,476.92)	(32,252,683.74)	(11,899,793.18)
TOTAL LIABILITIES AND EQUITY	(14,888,334.83)	9,707,149.27	(24,595,484.10)

DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 12/31/14

	Current Year	Prior Year	Net Change
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	472,844.61	305,131.87	167,712.74
ACCOUNTS RECEIVABLE	18,627,013.73	17,279,392.62	1,347,621.11
ALLOWANCE FOR CONTRACTUALS	(23,162,582.55)	(11,291,005.86)	(11,871,576.69)
DUE TO/FROM THIRD PARTY	.00	.00	.00
ALLOWANCE FOR BAD DEBTS	(3,551,930.57)	(3,792,021.20)	240,090.63
NET ACCOUNTS RECEIVABLE	(8,087,499.39)	2,196,365.56	(10,283,864.95)
INVENTORIES	1,243,465.36	1,393,558.56	(150,093.20)
PREPAID EXPENSES	70,114.42	295,793.82	(225,679.40)
OTHER ASSETS	34,122.06	11,679.11	22,442.95
TOTAL CURRENT ASSETS	(6,266,952.94)	4,202,528.92	(10,469,481.86)
ASSETS WHOSE USE IS LIMITED			
WORKERS COMP COLLATERAL	.00	.00	.00
PROPERTY AND EQUIPMENT			
LAND AND LAND IMPROVEMENTS	725,129.00	725,129.00	.00
BUILDINGS	2,650,618.70	2,650,618.70	.00
EQUIPMENT	2,390,921.17	2,390,921.17	.00
CONSTRUCTION IN PROGRESS	.00	(50,000.07)	50,000.07
TOTAL PROPERTY AND EQUIPMENT	5,766,668.87	5,716,668.80	50,000.07
ACCUMULATED DEPRECIATION	(2,100,219.09)	(1,639,028.49)	(461,190.60)
NET PROPERTY AND EQUIPMENT	3,666,449.78	4,077,640.31	(411,190.53)
TOTAL ASSETS	(2,600,503.16)	8,280,169.23	(10,880,672.39)

DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 12/31/14

	Current Year	Prior Year	Net Change
LIABILITIES			
ACCOUNTS PAYABLE	14,320,715.99	13,469,034.31	851,681.68
ACCRUED PAYROLL LIABILITIES			
SALARIES AND WAGES	880,365.51	535,686.82	344,678.69
VACATION AND SICK	300,346.91	291,866.50	8,480.41
WORKERS COMP RESERVE	.00	.00	.00
TAXES PAYABLE	.00	.00	.00
TAXES PAYABLE	1,005,066.42	1,584,444.42	(579,378.00)
TAXES PAYABLE	325,000.05	325,000.05	.00
TAXES PAYABLE	.00	.00	.00
TOTAL ACCRUED PAYROLL LIABILITIES	2,510,778.89	2,736,997.79	(226,218.90)
DUE TO THIRD PARTIES	.00	.00	.00
ESCROW ACCOUNT PAYABLE	.00	.00	.00
CURRENT DUE TO CRITTENTON	157,240.00	157,240.00	.00
CURRENT DUE TO DOCTORS & OPMG	(133,355.84)	.00	(133,355.84)
TOTAL CURRENT LIABILITIES	16,855,379.04	16,363,272.10	492,106.94
PROMISORY NOTE-CRITTENTON HOSPITAL	3,700,982.73	3,700,982.73	.00
PROMISORY NOTE-GREAT OAKS PHYS INV	.00	.00	.00
PROMISORY NOTE-DOCTORS LOAN	5,954,431.65	5,271,009.95	683,421.70
ACCRUED INTEREST DR LOANS	518,900.05	518,900.05	.00
OPMG LOAN FOR SIGN	16,945.34	16,945.34	.00
MALPRACTICE	4,240,247.00	3,916,247.00	324,000.00
DUE TO THIRD PARTIES	4,269,323.78	5,260,495.80	(991,172.02)
TOTAL LONG TERM LIABILITIES	18,700,830.55	18,684,580.87	16,249.68
EQUITY			
CLASS A B & C	3,485,000.00	3,485,000.00	.00
CLASS D & E	2,510,764.17	2,000,000.00	510,764.17
NET INCOME	.00	.00	.00
EQUITY	(44,152,476.92)	(32,252,683.74)	(11,899,793.18)
TOTAL LIABILITIES AND EQUITY	(2,600,503.16)	8,280,169.23	(10,880,672.39)

DOCTORS HOSPITAL OF MICHIGAN  
OPERATING/INCOME STATEMENT  
FOR THE 12 MONTHS ENDING 12/31/13

	CURRENT MONTH	LAST-YEAR MONTH	VARIANCE MONTH	CURRENT Y-T-D	LAST-YEAR Y-T-D	VARIANCE Y-T-D
REVENUE						
INPATIENT REVENUE	1,270,360.34	(41,721,093.55)	42,991,453.89	29,594,713.36	.00	29,594,713.36
OUTPATIENT REVENUE	2,077,657.57	(49,539,905.49)	51,617,563.06	34,158,096.82	.00	34,158,096.82
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GROSS PATIENT REVENUE	3,348,017.91	(91,260,999.04)	94,609,016.95	63,752,810.18	.00	63,752,810.18
ALLOWANCE	4,169,637.00	(49,385,397.41)	53,555,034.41	36,314,943.09	.00	36,314,943.09
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NET PATIENT REVENUE	(821,619.09)	(41,875,601.63)	41,053,982.54	27,437,867.09	.00	27,437,867.09
OTHER OPERATING REVENUE	(301,381.83)	(2,195,913.36)	1,894,531.53	1,372,615.02	.00	1,372,615.02
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TOTAL OPERATING REVENUE	(1,123,000.92)	(44,071,514.99)	42,948,514.07	28,810,482.11	.00	28,810,482.11
SALARIES AND WAGES	1,104,194.86	(17,791,360.72)	18,895,555.58	15,631,388.71	.00	15,631,388.71
FRINGE BENEFITS	312,978.86	(4,438,488.14)	4,751,467.00	4,167,356.81	.00	4,167,356.81
MEDICAL / SURGICAL SUPPLIES	55,538.59	(3,839,181.30)	3,894,719.89	1,322,108.72	.00	1,322,108.72
CONTRACT LABOR	219,783.74	(5,079,663.50)	5,299,447.24	3,904,994.28	.00	3,904,994.28
PURCHASED SERVICES	182,806.53	(3,677,292.84)	3,860,099.37	4,011,050.69	.00	4,011,050.69
MALPRACTICE	50,000.00	(774,691.14)	824,691.14	602,288.67	.00	602,288.67
UTILITIES	74,711.34	(1,198,899.96)	1,273,611.30	1,148,311.22	.00	1,148,311.22
REPAIR AND MAINTENANCE	23,872.35	(854,012.12)	877,884.47	509,075.74	.00	509,075.74
OTHER	240,502.74	(3,102,600.20)	3,343,102.94	2,300,892.12	.00	2,300,892.12
UNCOMPENSATED SERVICE	276,745.52	(4,310,115.74)	4,586,861.26	5,508,642.71	.00	5,508,642.71
DEPRECIATION	38,432.55	(305,284.82)	343,717.37	445,073.42	.00	445,073.42
INTEREST	81,190.42	(1,228,236.98)	1,309,427.40	1,256,788.08	.00	1,256,788.08
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TOTAL EXPENSE	2,660,757.50	(46,599,827.46)	49,260,584.96	40,807,971.17	.00	40,807,971.17
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OPERATING INCOME (LOSS)	(3,783,758.42)	2,528,312.47	(6,312,070.89)	(11,997,489.06)	.00	(11,997,489.06)
NONOPERATING REVENUE	.00	.00	.00	.00	.00	.00
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NET INCOME (LOSS)	(3,783,758.42)	2,528,312.47	(6,312,070.89)	(11,997,489.06)	.00	(11,997,489.06)
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DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 12/31/13

	Current Year	Prior Year	Net Change
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	305,131.87	1,223,742.07	(918,610.20)
ACCOUNTS RECEIVABLE	17,279,392.62	28,193,239.59	(10,913,846.97)
ALLOWANCE FOR CONTRACTUALS	(11,291,005.86)	(24,127,251.37)	12,836,245.51
DUE TO/FROM THIRD PARTY	.00	1,352,620.00	(1,352,620.00)
ALLOWANCE FOR BAD DEBTS	(3,792,021.20)	(975,306.93)	(2,816,714.27)
NET ACCOUNTS RECEIVABLE	2,196,365.56	4,443,301.29	(2,246,935.73)
INVENTORIES	1,393,558.56	1,094,202.03	299,356.53
PREPAID EXPENSES	295,793.82	360,341.60	(64,547.78)
OTHER ASSETS	11,679.11	1,209,513.53	(1,197,834.42)
TOTAL CURRENT ASSETS	4,202,528.92	8,331,100.52	(4,128,571.60)
ASSETS WHOSE USE IS LIMITED			
WORKERS COMP COLLATERAL	.00	.00	.00
PROPERTY AND EQUIPMENT			
LAND AND LAND IMPROVEMENTS	725,129.00	725,129.00	.00
BUILDINGS	2,650,618.70	2,299,838.30	350,780.40
EQUIPMENT	2,390,921.17	2,186,175.69	204,745.48
CONSTRUCTION IN PROGRESS	(50,000.07)	467,240.31	(517,240.38)
TOTAL PROPERTY AND EQUIPMENT	5,716,668.80	5,678,383.30	38,285.50
ACCUMULATED DEPRECIATION	(1,639,028.49)	(1,193,955.07)	(445,073.42)
NET PROPERTY AND EQUIPMENT	4,077,640.31	4,484,428.23	(406,787.92)
TOTAL ASSETS	8,280,169.23	12,815,528.75	(4,535,359.52)

DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 12/31/13

	Current Year	Prior Year	Net Change
LIABILITIES			
ACCOUNTS PAYABLE	13,469,034.31	8,956,629.27	4,512,405.04
ACCRUED PAYROLL LIABILITIES			
SALARIES AND WAGES	535,686.82	432,608.21	103,078.61
VACATION AND SICK	291,866.50	1,189,251.04	(897,384.54)
WORKERS COMP RESERVE	.00	.00	.00
TAXES PAYABLE	.00	.00	.00
TAXES PAYABLE	1,584,444.42	957,756.66	626,687.76
TAXES PAYABLE	325,000.05	.00	325,000.05
TAXES PAYABLE	.00	.00	.00
TOTAL ACCRUED PAYROLL LIABILITIES	2,736,997.79	2,579,615.91	157,381.88
DUE TO THIRD PARTIES	.00	.00	.00
ESCROW ACCOUNT PAYABLE	.00	.00	.00
CURRENT DUE TO CRITTENTON	157,240.00	156,583.00	657.00
CURRENT DUE TO DOCTORS & OPMG	.00	1,040,000.00	(1,040,000.00)
TOTAL CURRENT LIABILITIES	16,363,272.10	12,732,828.18	3,630,443.92
PROMISORY NOTE-CRITTENTON HOSPITAL	3,700,982.73	3,629,071.73	71,911.00
PROMISORY NOTE-GREAT OAKS PHYS INV	.00	2,000,000.00	(2,000,000.00)
PROMISORY NOTE-DOCTORS LOAN	5,271,009.95	1,299,369.51	3,971,640.44
ACCRUED INTEREST DR LOANS	518,900.05	.00	518,900.05
OPMG LOAN FOR SIGN	16,945.34	27,741.95	(10,796.61)
MALPRACTICE	3,916,247.00	3,316,247.00	600,000.00
DUE TO THIRD PARTIES	5,260,495.80	4,009,702.06	1,250,793.74
TOTAL LONG TERM LIABILITIES	18,684,580.87	14,282,132.25	4,402,448.62
EQUITY			
CLASS A B & C	3,485,000.00	2,885,000.00	600,000.00
CLASS D & E	2,000,000.00	2,000,000.00	.00
NET INCOME	.00	.00	.00
EQUITY	(32,252,683.74)	(19,084,431.68)	(13,168,252.06)
TOTAL LIABILITIES AND EQUITY	8,280,169.23	12,815,528.75	(4,535,359.52)

DOCTORS HOSPITAL OF MICHIGAN  
OPERATING/INCOME STATEMENT  
FOR THE 12 MONTHS ENDING 12/31/12

	CURRENT MONTH	LAST-YEAR MONTH	VARIANCE MONTH	CURRENT Y-T-D	LAST-YEAR Y-T-D	VARIANCE Y-T-D
REVENUE						
INPATIENT REVENUE	3,505,742.44	.00	3,505,742.44	45,226,835.99	.00	45,226,835.99
OUTPATIENT REVENUE	2,799,214.77	.00	2,799,214.77	52,339,120.26	.00	52,339,120.26
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GROSS PATIENT REVENUE	6,304,957.21	.00	6,304,957.21	97,565,956.25	.00	97,565,956.25
ALLOWANCE	3,393,819.82	34,932,315.65	(31,538,495.83)	383,791,962.08	334,932,315.65	48,859,646.43
	-----	-----	-----	-----	-----	-----
NET PATIENT REVENUE	2,911,137.39	(34,932,315.65)	37,843,453.04	(286,226,005.83)	(334,932,315.65)	48,706,309.82
OTHER OPERATING REVENUE	255,518.11	.00	255,518.11	2,451,431.47	.00	2,451,431.47
	-----	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	3,166,655.50	(34,932,315.65)	38,098,971.15	(283,774,574.36)	(334,932,315.65)	51,157,741.29
SALARIES AND WAGES	2,367,406.45	.00	2,367,406.45	20,158,650.53	.00	20,158,650.53
FRINGE BENEFITS	152,752.88	.00	152,752.88	4,591,241.02	.00	4,591,241.02
MEDICAL / SURGICAL SUPPLIES	119,078.23	.00	119,078.23	3,958,104.59	.00	3,958,104.59
CONTRACT LABOR	391,777.62	.00	391,777.62	5,471,441.12	.00	5,471,441.12
PURCHASED SERVICES	661,981.07	.00	661,981.07	4,339,273.91	.00	4,339,273.91
MALPRACTICE	70,000.00	.00	70,000.00	844,691.14	.00	844,691.14
UTILITIES	181,896.60	.00	181,896.60	1,380,796.56	.00	1,380,796.56
REPAIR AND MAINTENANCE	29,643.14	.00	29,643.14	883,655.26	.00	883,655.26
OTHER	129,988.40	.00	129,988.40	3,232,588.60	.00	3,232,588.60
UNCOMPENSATED SERVICE	350,315.32	.00	350,315.32	4,660,431.06	.00	4,660,431.06
DEPRECIATION	31,077.11	.00	31,077.11	336,361.93	.00	336,361.93
INTEREST	167,585.27	.00	167,585.27	1,395,822.25	.00	1,395,822.25
	-----	-----	-----	-----	-----	-----
TOTAL EXPENSE	4,653,502.09	.00	4,653,502.09	51,253,057.97	.00	51,253,057.97
	-----	-----	-----	-----	-----	-----
OPERATING INCOME (LOSS)	(1,486,846.59)	(34,932,315.65)	33,445,469.06	(335,027,632.33)	(334,932,315.65)	(95,316.68)
NONOPERATING REVENUE	.00	.00	.00	.00	.00	.00
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	(1,486,846.59)	(34,932,315.65)	33,445,469.06	(335,027,632.33)	(334,932,315.65)	(95,316.68)
	=====	=====	=====	=====	=====	=====



DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 12/31/12

	Current Year	Prior Year	Net Change
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	1,223,742.07	983,393.92	240,348.15
ACCOUNTS RECEIVABLE	28,193,239.59	21,601,606.46	6,591,633.13
ALLOWANCE FOR CONTRACTUALS	(24,127,251.37)	(18,819,818.71)	(5,307,432.66)
DUE TO/FROM THIRD PARTY	1,352,620.00	488,872.00	863,748.00
ALLOWANCE FOR BAD DEBTS	(975,306.93)	(1,503,583.66)	528,276.73
NET ACCOUNTS RECEIVABLE	4,443,301.29	1,767,076.09	2,676,225.20
INVENTORIES	1,094,202.03	1,067,080.24	27,121.79
PREPAID EXPENSES	360,341.60	377,595.93	(17,254.33)
OTHER ASSETS	1,209,513.53	1,049,307.70	160,205.83
TOTAL CURRENT ASSETS	8,331,100.52	5,244,453.88	3,086,646.64
ASSETS WHOSE USE IS LIMITED			
WORKERS COMP COLLATERAL	.00	.00	.00
PROPERTY AND EQUIPMENT			
LAND AND LAND IMPROVEMENTS	725,129.00	725,129.00	.00
BUILDINGS	2,299,838.30	2,243,919.00	55,919.30
EQUIPMENT	2,186,175.69	1,881,349.48	304,826.21
CONSTRUCTION IN PROGRESS	467,240.31	192,456.65	274,783.66
TOTAL PROPERTY AND EQUIPMENT	5,678,383.30	5,042,854.13	635,529.17
ACCUMULATED DEPRECIATION	(1,193,955.07)	(857,593.14)	(336,361.93)
NET PROPERTY AND EQUIPMENT	4,484,428.23	4,185,260.99	299,167.24
TOTAL ASSETS	12,815,528.75	9,429,714.87	3,385,813.88

DOCTORS HOSPITAL OF MICHIGAN  
BALANCE SHEET  
FOR THE MONTH ENDING: 12/31/12

	Current Year	Prior Year	Net Change
LIABILITIES			
ACCOUNTS PAYABLE	8,956,629.27	5,331,922.41	3,624,706.86
ACCRUED PAYROLL LIABILITIES			
SALARIES AND WAGES	432,608.21	302,775.77	129,832.44
VACATION AND SICK	1,189,251.04	386,853.57	802,397.47
WORKERS COMP RESERVE	.00	.00	.00
TAXES PAYABLE	.00	100,238.50	(100,238.50)
TAXES PAYABLE	957,756.66	.00	957,756.66
TAXES PAYABLE	.00	.00	.00
TAXES PAYABLE	.00	.00	.00
TOTAL ACCRUED PAYROLL LIABILITIES	2,579,615.91	789,867.84	1,789,748.07
DUE TO THIRD PARTIES	.00	.00	.00
ESCROW ACCOUNT PAYABLE	.00	.00	.00
CURRENT DUE TO CRITTENTON	156,583.00	419,974.00	(263,391.00)
CURRENT DUE TO DOCTORS & OPMG	1,040,000.00	1,040,000.00	.00
TOTAL CURRENT LIABILITIES	12,732,828.18	7,581,764.25	5,151,063.93
PROMISORY NOTE-CRITTENTON HOSPITAL	3,629,071.73	3,330,026.00	299,045.73
PROMISORY NOTE-GREAT OAKS PHYS INV	2,000,000.00	2,000,000.00	.00
PROMISORY NOTE-DOCTORS LOAN	1,299,369.51	.00	1,299,369.51
ACCRUED INTEREST DR LOANS	.00	.00	.00
OPMG LOAN FOR SIGN	27,741.95	.00	27,741.95
MALPRACTICE	3,316,247.00	2,476,247.00	840,000.00
DUE TO THIRD PARTIES	4,009,702.06	4,154,911.06	(145,209.00)
TOTAL LONG TERM LIABILITIES	14,282,132.25	11,961,184.06	2,320,948.19
EQUITY			
CLASS A B & C	2,885,000.00	2,885,000.00	.00
CLASS D & E	2,000,000.00	2,000,000.00	.00
NET INCOME	.00	.00	.00
EQUITY	(19,084,431.68)	(14,998,233.44)	(4,086,198.24)
TOTAL LIABILITIES AND EQUITY	12,815,528.75	9,429,714.87	3,385,813.88

DOCTORS HOSPITAL OF MICHIGAN  
OPERATING/INCOME STATEMENT  
FOR THE 12 MONTHS ENDING 12/31/12

	CURRENT MONTH	LAST-YEAR MONTH	VARIANCE MONTH	CURRENT Y-T-D	LAST-YEAR Y-T-D	VARIANCE Y-T-D
REVENUE						
INPATIENT REVENUE	3,505,742.44	.00	3,505,742.44	45,226,835.99	.00	45,226,835.99
OUTPATIENT REVENUE	2,799,214.77	.00	2,799,214.77	52,339,120.26	.00	52,339,120.26
	-----	-----	-----	-----	-----	-----
GROSS PATIENT REVENUE	6,304,957.21	.00	6,304,957.21	97,565,956.25	.00	97,565,956.25
ALLOWANCE	3,393,819.82	34,932,315.65	(31,538,495.83)	383,791,962.08	334,932,315.65	48,859,646.43
	-----	-----	-----	-----	-----	-----
NET PATIENT REVENUE	2,911,137.39	(34,932,315.65)	37,843,453.04	(286,226,005.83)	(334,932,315.65)	48,706,309.82
OTHER OPERATING REVENUE	255,518.11	.00	255,518.11	2,451,431.47	.00	2,451,431.47
	-----	-----	-----	-----	-----	-----
TOTAL OPERATING REVENUE	3,166,655.50	(34,932,315.65)	38,098,971.15	(283,774,574.36)	(334,932,315.65)	51,157,741.29
SALARIES AND WAGES	2,367,406.45	.00	2,367,406.45	20,158,650.53	.00	20,158,650.53
FRINGE BENEFITS	152,752.88	.00	152,752.88	4,591,241.02	.00	4,591,241.02
MEDICAL / SURGICAL SUPPLIES	119,078.23	.00	119,078.23	3,958,104.59	.00	3,958,104.59
CONTRACT LABOR	391,777.62	.00	391,777.62	5,471,441.12	.00	5,471,441.12
PURCHASED SERVICES	661,981.07	.00	661,981.07	4,339,273.91	.00	4,339,273.91
MALPRACTICE	70,000.00	.00	70,000.00	844,691.14	.00	844,691.14
UTILITIES	181,896.60	.00	181,896.60	1,380,796.56	.00	1,380,796.56
REPAIR AND MAINTENANCE	29,643.14	.00	29,643.14	883,655.26	.00	883,655.26
OTHER	129,988.40	.00	129,988.40	3,232,588.60	.00	3,232,588.60
UNCOMPENSATED SERVICE	350,315.32	.00	350,315.32	4,660,431.06	.00	4,660,431.06
DEPRECIATION	31,077.11	.00	31,077.11	336,361.93	.00	336,361.93
INTEREST	167,585.27	.00	167,585.27	1,395,822.25	.00	1,395,822.25
	-----	-----	-----	-----	-----	-----
TOTAL EXPENSE	4,653,502.09	.00	4,653,502.09	51,253,057.97	.00	51,253,057.97
	-----	-----	-----	-----	-----	-----
OPERATING INCOME (LOSS)	(1,486,846.59)	(34,932,315.65)	33,445,469.06	(335,027,632.33)	(334,932,315.65)	(95,316.68)
NONOPERATING REVENUE	.00	.00	.00	.00	.00	.00
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	(1,486,846.59)	(34,932,315.65)	33,445,469.06	(335,027,632.33)	(334,932,315.65)	(95,316.68)
	=====	=====	=====	=====	=====	=====

## **EXHIBIT – H**

**OAKLAND PHYSICIANS MEDICAL CENTER, L.L.C.**  
**d/b/a DOCTOR'S HOSPITAL OF MICHIGAN**  
**HYPOTHETICAL LIQUIDATION ANALYSIS**

**A. Introduction**

Under the "best interests" of creditors test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization ("Plan") unless the Plan provides each holder of a claim or interest who does not otherwise vote in favor of the Plan with property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would receive or retain if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. To demonstrate that the Plan satisfies the "best interests" of the creditors test, the Debtor and its professionals have prepared the following liquidation analysis (the "Liquidation Analysis").

The Liquidation Analysis estimates potential cash distributions to holders of allowed claims in a hypothetical Chapter 7 liquidation of the assets of the Debtor. The assumptions used in the Liquidation Analysis may be affected by events or conditions not presently contemplated. These assumptions are also subject to significant uncertainties, many of which are outside of the control of the Debtor. As a result, there can be no assurance that the values set forth in the Liquidation Analysis would be realized if the Debtor was to undergo a Chapter 7 liquidation.

**B. Scope, Intent, and Purpose of the Liquidation Analysis**

The determination of the costs of, and hypothetical proceeds from, the liquidation of the assets of the Debtor is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtor, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtor, its management, and its professionals. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual Chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual Chapter 7 liquidation. In addition, neither management of the Debtor nor its professionals can judge with any degree of certainty the impact of the liquidation asset sales on the recoverable value of the assets of the Debtor. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good-faith estimate of the proceeds that would be generated if the Debtor was liquidated in accordance with Chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended, and should not be used, for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. No independent appraisals were conducted in preparing the Liquidation Analysis. Neither the Debtor nor its professionals make any representation or warranty that the actual results would or would not approximate the estimates and assumptions represented in the Liquidation Analysis. Actual results could vary materially.

### C. General Notes

#### 1. Conversion Date and Appointment of a Chapter 7 Trustee

The Liquidation Analysis assumes conversion of the Chapter 11 case of the Debtor to a Chapter 7 liquidation case as of September 30, 2015 (the "Conversion Date"). As of the Conversion Date, it is assumed that the Bankruptcy Court would appoint a Chapter 7 trustee (the "Trustee") to oversee the liquidation of the estate of the Debtor.

#### 2. Assets to be Liquidated

The Liquidation Analysis assumes a liquidation of all of the Debtors' assets which primarily consist of cash, accounts receivable, inventory, real property and equipment.

#### 3. Methodology

An asset-by-asset approach was used to estimate the approximate liquidation range of value for the assets of the Debtor. Under this approach, reductions were made to the estimated values of the assets of the Debtor to reflect the forced sale nature of a Chapter 7 liquidation. These reductions were derived by considering such factors as the shortened time period involved in the sale process, discounts buyers would require given a shorter due diligence period and therefore potentially higher risks buyers might assume, potentially negative perceptions involved in liquidation sales, the current state of the capital markets, the limited universe of prospective buyers, and the "bargain hunting" mentality of liquidation sales.

The estimated liquidation value of the assets of the Debtor was used to determine the recovery percentages based on the estimated claims against the Debtor as of September 30, 2015. The liquidation scenario assumes a liquidation of the assets of the Debtor over a three to six month time frame which reflects an estimate of the time required to dispose of the material assets.

#### 4. Estimated Costs of Liquidation

Wind-down costs consist of Chapter 7 Trustee fees and the related costs of any professionals the Trustee employs to assist with the liquidation process, including investment bankers, attorneys, and other advisors necessary to facilitate the sale of the assets of the Debtor. These fees would be used specifically for developing marketing materials and facilitating the solicitation process for the parties. This estimate also takes into account the time that will be required for the Trustee and any professionals to become educated with respect to the business of the Debtor and the Chapter 11 case. The total Chapter 7 Trustee fees and related professional fees have been estimated at \$250,000 to \$300,000. The Debtor has also assumed that retention pay would be required to keep key employees on the job for a short period of time to assist with the liquidation. Such retention pay is estimated to cost \$100,000 to \$200,000, or \$100,000 per month for one to two months. Additionally, the Debtor estimates that wind-down costs, including

utilities, document retention, and other costs will approximate \$300,000 to \$600,000, or \$100,000 per month for three to six months.

#### **D. Key Assumptions**

##### **1. Cash and Cash Equivalents**

Cash is assumed to be recovered at 100% of the stated value.

##### **2. Accounts Receivable**

Estimated recoveries on accounts receivable are based upon a detailed review of the September 30, 2015 accounts receivable aging of the Debtor. The Liquidation Analysis assumes that the Debtor would collect 15% to 25% of its outstanding net accounts receivable aged less than one year which represents historical collection rates resulting from contractual allowances and bad debt write-offs with modest discounting to reflect the assumed impacts of the liquidation.

##### **3. Inventory**

Inventory consists of pharmaceuticals and general medical supplies. The pharmaceutical inventory is likely not saleable and the general medical supplies inventory is assumed to have a low recovery rate. As a result, the Liquidation Analysis assumes that the Debtor would collect 5% to 10% of its estimated overall inventory balance as of September 30, 2015.

##### **4. Prepaid Expenses and Other Current Assets**

The Liquidation Analysis assumes that there would be zero recovery on prepaid expenses as it assumes that all prepaid assets would be fully amortized by the completion of the liquidation and would have zero recovery. Based on a review of other current assets, the Debtor also assumes that there will be zero recovery on other current assets.

##### **5. Land, Buildings and Improvements**

The Debtor owns various parcels of real property together with related buildings and improvements. The real estate can be broken down into three distinct categories: 1) the hospital facility located at 461 West Huron in Pontiac, Michigan; 2) the Waterford Ambulatory Care Center ("WACC") which is closed in Waterford, Michigan; and 3) various small parcels of real estate located in Pontiac, Michigan. The Debtor is not aware of any appraisals of these assets. For purposes of the Liquidation Analysis, the Debtor has assumed that the value to be obtained for these assets would equal the state equalized value of these parcels less a 6% real estate broker fee with further discounts as follows:

Doctor's Hospital	0% recovery in low scenario; 50% recovery in high scenario
WACC	80% recovery in low scenario; 100% recovery in high scenario
Other Parcels	60% recovery in low scenario; 80% recovery in high scenario

6. Equipment and Vehicles

In a liquidation, equipment and vehicles of the Debtor would be sold in a situation where there is no operating business. Accordingly, the Debtor believes this would impact the value which could be generated in a liquidation sale. The Debtor is not aware of any appraisals of these assets. The Liquidation Analysis assumes that the Debtor would collect 5% to 10% of the estimated book value of these assets.

7. Other Assets

The Debtor has various licenses and other assets including 336 bed licenses, a certificate of needs and a residency program. The Debtor believes that these licenses and other assets are non-transferable and, accordingly, assumes zero value for these assets in a liquidation scenario.

8. Avoidance Actions

The Debtor has not undertaken a detailed review of potential avoidance actions. Accordingly, the Liquidation Analysis does not include any potential value to be obtained through pursuit of any potential avoidance actions.

**E. Estimated Recoveries**

In preparing the Liquidation Analysis, the Debtor estimated the amount of allowed claims based upon internal information and claims filed to date. In addition, the Liquidation Analysis includes estimates for claims not currently asserted in the Chapter 11 Cases, but which could be asserted and allowed in a Chapter 7 liquidation, including but not limited to administrative claims, wind-down costs, and trustee fees. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of allowed claims used for purposes of preparing this Liquidation Analysis. The estimate of allowed claims set forth in the Liquidation Analysis by the Debtor should not be relied on for any other purpose including determining the value of any distribution to be made on account of allowed claims under the Plan. Nothing contained in the Liquidation Analysis is intended to be or constitutes a concession or admission of the Debtor. The actual amount of allowed claims in the Chapter 11 case could materially differ from the estimated amounts set forth in the Liquidation Analysis.

1. Pre-Petition Secured Debt

Pre-petition secured debt is estimated to approximate \$13.7 million as of September 30, 2015. The pre-petition secured debt includes the indebtedness to Crittenton, CMS related to Medicare overpayments, the State of Michigan related to Medicaid overpayments and unpaid QAAP taxes, Waterford Township for real property taxes, and Oakland County for real and personal property taxes and unpaid water bills.



The Liquidation Analysis assumes that each of these claims would recover the value of the collateral securing these claims. Crittenton would receive the proceeds of any cash, non-Medicare and Medicaid accounts receivable, inventory and WACC (net of the real property taxes due to Waterford Township). CMS would receive the proceeds of Medicare accounts receivable. The State of Michigan would receive the proceeds of Medicaid accounts receivable. Waterford Township would receive the proceeds of WACC up to the amount of its claim. Oakland County would receive any proceeds from a sale of the hospital related to its water bill and real property taxes on that parcel, as well as a portion of the proceeds from the other parcels necessary to pay its real property taxes on those parcels. Oakland County would also receive proceeds from other assets (equipment and real property) related to its claim for personal property taxes.

The Liquidation Analysis also assumes that the pre-petition secured creditors would fund the costs of the liquidation out of the proceeds of the collateral since all of the projected proceeds are anticipated to be paid to the pre-petition secured creditors. The Liquidation Analysis estimates that, on an overall basis, these claims would receive between 3% and 12% of their value in a Chapter 7 liquidation.

2. DIP Loan

The DIP loan balance was \$920,000 as of September 30, 2015. The Liquidation Analysis estimates that there would be insufficient liquidation proceeds for any recovery related to this claim in a Chapter 7 liquidation.

3. Administrative and Priority Claims

Administrative and priority claims are projected to approximate \$2.2 million as of September 30, 2015. Such claims include accrued and unpaid professional fees, post-petition accounts payable and accrued expenses, as well as claims related to unpaid pre-petition payroll taxes, unemployment taxes, and McLaren Health Plan premiums. The Liquidation Analysis estimates that there would be insufficient liquidation proceeds for any recovery related to these claims in a Chapter 7 liquidation.

4. Trade and Other General Unsecured Claims

These claims are estimated to total approximately \$13.2 million as of September 30, 2015. The Liquidation Analysis estimates that there would be insufficient liquidation proceeds for any recovery related to these claims in a Chapter 7 liquidation.

5. Claims of Equity Interests

The Liquidation Analysis estimate that there would be insufficient liquidation proceeds for any recovery related to these claims in a Chapter 7 liquidation.

Description		09/30/15	Low	High	Notes
STATEMENT OF ASSETS					
Current Assets					
Cash and Cash Equivalents		365,835	265,928	265,928	100% of cash.
Accounts Receivable - Net					
Estimated Medicare		718,355	101,577	120,695	
Estimated Medicaid		481,417	83,884	83,151	
All Other		3,295,708	425,488	599,641	
Accounts Receivable - Net		4,485,550	610,949	813,487	Under one year A/R at ranges of 75% to 25%.
Inventory (pharmaceuticals and general medical)		63,098	3,000	4,000	Value per Schedule Inventory book value is likely overstated; low = 5%, high = 25%.
Prepaid Expenses		84,321	0	0	Assume all pre-paids are fully amortized by end of liquidation or otherwise uncollectable.
Other Current Assets (401K's, IRAs, etc.)		42,815	0	0	Assume no value in liquidation.
Total Current Assets		8,872,231	800,886	1,082,347	
Property and Equipment					
Land, Buildings and Improvements					
Doctors Hospital (401 West Huron, Pontiac, MI)			0	0	SCV \$641,550 less 6% broker fee (60% low, 50% high).
Waterford Ambulatory Care Center			405,891	557,364	SCV \$572,960 less 6% broker fee (60% low, 100% high).
Other Places (Pontiac, MI)			70,872	84,296	Total SCV \$118,170 less 6% broker fee (60% low, 80% high).
Total Land, Buildings and Improvements			516,763	1,041,660	
Equipment and Vehicles		3,035,967	105,375	230,750	Value per Schedule; no appraisals; low = 5%, high = 10%.
Construction in Progress		2,107,560	0	0	Amount is restated and would have no value in liquidation.
Lease Accumulated O&A		517,340	0	0	
		12,655,145	0	0	
Property and Equipment, Net		3,994,561	621,138	1,268,130	
Other Assets					
Good License		0	0	0	Non-transferable.
Certificate of Needs		0	0	0	Non-transferable.
Residence Program		0	0	0	Non-transferable.
Avoidance Action		0	0	0	Debtor has not investigated.
Total Other Assets		0	0	0	
Total Assets		8,811,787	1,421,124	2,342,535	
Estimated Costs of Chapter 7 Liquidation					
Chapter 7 Trustee Fees and Professional Fees			450,000	250,000	Estimate.
Retention Pay			200,000	100,000	Low = \$125K / month for 2 months; high = \$100K / month for 1 month.
Wind-down Costs (Utilities, reconnection, etc.)			600,000	300,000	Low = \$200K / month for 6 months; high = \$100K / month for 3 months.
Total Estimated Costs of Liquidation			1,250,000	650,000	
Estimated Asset Value Available for Distribution			271,124	1,692,535	

Description	Estimated Balance Sheet 9/30/2015	Chapter 7 Liquidation Recovery	
		Low	High
<b>Estimated Asset Value Available for Distribution</b>		422,124	1,872,585
<b>Pre-Petition Secured Debt</b>			
Citizen		4,000,000	4,000,000
CMS (Medicare overpayments)		5,700,000	6,700,000
State of Michigan (Medicaid overpayments and unpaid QAP taxes)		1,908,000	1,908,000
Waterford Township (real property taxes)		53,481	63,481
Oakland County (water bill and real property taxes on hospital)		894,203	894,203
Oakland County (real property taxes on non-hospital parcels)		14,209	14,209
Oakland County (personal property taxes)		91,737	91,737
<b>Total Pre-Petition Secured Debt</b>		13,653,530	13,671,630
<b>Secured Proceeds Available for Pre-Petition Secured Debt</b>			
Citizen (cash, other A/R, inventory, Waterford property)		1,117,825	1,368,430
CMS (Medicare A/R)		102,677	180,890
State of Michigan (Medicaid A/R)		53,894	85,131
Waterford Township (Waterford property)		63,481	63,481
Oakland County (Doctor's Hospital)		0	395,529
Oakland County (other parcels - Pontiac, MI)		14,209	14,209
Oakland County (equipment and vehicles)		91,737	91,737
<b>Total Secured Proceeds Available for Pre-Petition Secured Debt</b>		1,452,823	2,142,215
<b>Estimated Net Costs of Liquidation</b>			
Total Estimated Costs of Liquidation		(3,100,000)	(655,000)
Plus: Contribution of Unencumbered Assets to Liquidation Costs		70,801	190,300
<b>Total Estimated Net Costs of Liquidation</b>		(1,029,199)	(464,700)
<b>Pro Rata Allocation of Net Costs of Liquidation to Pre-Petition Secured Debt</b>			
Citizen		(792,267)	(381,143)
CMS (Medicare overpayments)		(73,094)	(127,885)
State of Michigan (Medicaid overpayments and unpaid QAP taxes)		(45,285)	(112,271)
Waterford Township (real property taxes)		(44,933)	(113,340)
Oakland County (water bill and real property taxes on hospital)		0	(43,176)
Oakland County (real property taxes on non-hospital parcels)		(10,571)	(13,988)
Oakland County (personal property taxes)		(65,059)	(18,291)
<b>Allocation of Net Costs of Liquidation to Pre-Petition Secured Debt</b>		(1,029,199)	(458,704)

Coastal Physicians Medical Center, L.L.C.  
 4000 Doctor's Hospital of Michigan, Detroit  
 Hyperbolic Liquidation Analysis  
 As of September 30, 2015

Description	Estimated Balance Sheet 09/30/15	Chapter 7 Liquidation	
		Low	High
Net Proceeds Available for Pre-Petition Secured Debt			
Clients (cash, other A/R, inventory, Waterford property)		245,569	1,076,310
CMS Medicare A/R		29,613	103,124
State of Michigan (Madcad A/R)		18,639	64,660
Waterford Township (real property taxes)		50,488	50,123
Oakland County (water bill + real property taxes - DMCH)		0	912,363
Oakland County (real property taxes - non-hospital parcels)		4,139	11,123
Oakland County (personal property taxes)		26,718	72,446
<b>Total Net Proceeds Available for Pre-Petition Secured Debt</b>		<b>475,136</b>	<b>1,892,596</b>
Excess (Deficiency) on Pre-Petition Secured Debt			
Criterion		11,579,442	(2,911,693)
CMS Medicare overpayments		(6,670,897)	(6,595,786)
State of Michigan (Medical overpayments and unpaid EMAP taxes)		(1,880,391)	(1,846,140)
Waterford Township (real property taxes)		(44,203)	(13,349)
Oakland County (water bill + real property taxes on hospital)		(993,205)	(580,860)
Oakland County (real property taxes - non-hospital parcels)		(10,612)	(1,968)
Oakland County (personal property taxes)		(65,019)	(19,243)
<b>Total Excess (Deficiency) on Pre-Petition Secured Debt</b>		<b>(13,248,566)</b>	<b>(11,979,095)</b>
Unsecured Proceeds Available		910,000	910,000
Excess (Deficiency) on Unsecured		0	0
<b>Total Excess (Deficiency) on Unsecured</b>		<b>910,000</b>	<b>910,000</b>
Administrative and Priority Claims			
Pre-Petition A/P and Interest Expenses		500,000	500,000
Unsecured Priority Claims (Payroll taxes, Vacation Health Plan)		841,341	841,341
Assessments/Unsecured Priority Claims (Unemployment taxes)		685,507	886,557
<b>Total Administrative and Priority Claims</b>		<b>2,026,848</b>	<b>2,227,898</b>
Liquidation Proceeds Available		0	0
Excess (Deficiency) on Administrative and Priority Claims		(2,026,848)	(2,227,898)
<b>Total Excess (Deficiency) on Administrative and Priority Claims</b>		<b>(2,026,848)</b>	<b>(2,227,898)</b>
Total Estimated Trade and General Unsecured Claims		13,291,833	13,291,833
Liquidation Proceeds Available		0	0
<b>Total Excess (Deficiency) on Trade and General Unsecured Claims</b>		<b>(13,291,833)</b>	<b>(13,291,833)</b>

5070,000 loan as of 9/30 plus 550,000 commitment fee

Estimated as of 9/30.  
 For Schedule.  
 Per Proof of Claim and as recommended by Debtor.

Oakland Physicians Medical Center, L.L.C.  
d/b/a Doctor's Hospital of Michigan, Debtor  
Hypothetical Liquidation Analysis  
As of September 30, 2015

Description	Amount of Claim		Estimated Recovery		Estimated Recovery %	
	Low	High	Low	High	Low	High
Pre-Petition Secured Debt						
Crittendon	4,000,000	4,000,000	325,559	1,078,310	8%	27%
CMS (Medicare overpayments)	6,700,000	6,700,000	29,513	103,214	0%	2%
State of Michigan (Medicaid overpayments and unpaid QAP taxes)	1,909,000	1,909,000	18,609	64,860	1%	3%
Waterford Township (real property taxes)	63,481	63,481	18,488	50,152	29%	79%
Oakland County (water bill and real property taxes on hospital)	893,203	893,203	0	312,353	0%	35%
Oakland County (real property taxes on non-hospital parcels)	14,209	14,209	4,138	11,221	29%	79%
Oakland County (personal property taxes)	91,737	91,737	26,718	72,446	29%	79%
Total Pre-Petition Secured Debt	13,671,630	13,671,630	423,124	1,692,535	3%	12%
DIP Loan	920,000	920,000	0	0	0%	0%
Estimated Administrative and Priority Claims	2,227,748	2,227,748	0	0	0%	0%
Estimated Allowed Trade and GUC	13,191,933	13,191,933	0	0	0%	0%

## **EXHIBIT - I**

Oakland Physicians Medical Center, L.L.C.  
d/b/a Doctor's Hospital of Michigan, Debtor  
Post-Petition Cash Receipts and Disbursements  
General and QAAP Accounts

Description	07/23/15 - 07/31/15	Month Ended 08/31/15	Month Ended 09/30/15	07/23/15 - 09/30/15
Opening Cash Balance	479,886	253,230	433,460	479,886
Cash Receipts				
CMS	0	0	0	0
OCMH	0	547,831	219,525	767,357
QAAP	0	247,990	244,020	492,010
Other Payors / Misc.	197,216	443,214	311,580	952,010
Total Cash Receipts	197,216	1,239,035	775,125	2,211,377
Cash Disbursements				
Net Payroll	277,805	515,297	504,559	1,297,661
Payroll Taxes and Other W/H's	0	230,665	298,342	530,007
CMH Payments - Doctors	0	2,630	40,897	43,527
Employee Benefits	0	31,790	118,006	149,796
IT	10,540	36,890	61,698	109,128
Utilities	0	23,265	113,815	137,080
Utility Deposit	0	0	60,000	60,000
Insurance	0	21,669	0	21,669
G&A, Contractors, R&M	59,512	272,544	226,199	558,255
State of Michigan Recoupment	0	25,000	50,000	75,000
QAAP Fees	71,065	143,834	58,097	272,996
Bank Fees	4,951	5,221	5,046	15,218
Professional Fees	0	0	25,000	25,000
US Trustee Fees	0	0	0	0
Total Cash Disbursements	423,873	1,308,805	1,562,659	3,295,337
Net Cash Inflow (Outflow)	(226,656)	(69,770)	(787,534)	(1,083,960)
Ending Cash Balance	253,230	183,460	(354,074)	
Proceeds of DIP Loan	0	250,000	620,000	870,000
Adjusted Ending Cash Balance	253,230	433,460	265,926	265,926

## **EXHIBIT – J**



**LIQUIDATION TRUST AGREEMENT  
AND DECLARATION OF TRUST**

This Liquidation Trust Agreement and Declaration of Trust (the "Liquidation Trust Agreement") is entered into as of \_\_\_\_\_, 2015, by (a) Basil T. Simon, in his respective capacities as (i) the Chapter 11 Trustee, and (ii) the Liquidation Trustee, and (b) the members of the Liquidation Trust Oversight Committee, all pursuant to the Plan, and as defined below.

**RECITALS**

- A. On the Petition Date, the Debtor filed its Chapter 11 Case in the Court.
- B. On September 23, 2015, there was filed in the Chapter 11 Case the Emergency Motion of Sant Partners, LLC for Appointment of a Chapter 11 Trustee Under 11 U.S.C. §1104(a) (the "Trustee Motion") [Docket No. 144]. On September 25, 2015, the Court entered an order granting the Trustee Motion. [Docket No. 149].
- C. On September 28, 2015, the Court entered its Order Approving Appointment of Trustee (the "Trustee Order") [Docket No. 154], thereby appointing Basil T. Simon as the Chapter 11 Trustee.
- D. On October 21, 2015, there was filed in the Chapter 11 Case the Combined Disclosure Statement (the "Disclosure Statement") and Plan of Reorganization (the "Plan") of Oakland Physicians Medical Center, L.L.C. d/b/a Doctors' Hospital of Michigan Proposed by Sant Partners, LLC [Docket No. 189]. On \_\_\_\_\_, 2015, the Disclosure Statement received final approval of the Court and, on the same date, the Court entered its Order confirming the Plan [Docket No. \_\_\_\_].
- E. Article IX of the Plan provides, among other things, for the creation of the Liquidating Trust. This Liquidation Trust Agreement is executed to establish the Liquidating Trust and to facilitate implementation of the Plan.
- F. The purposes of the Liquidating Trust are, among other things: (i) to liquidate, sell or dispose of the Trust Property; (ii) to cause all net proceeds of the Trust Property, including proceeds of Trust Causes of Action on behalf of the Liquidating Trust, to be deposited into the Liquidating Trust; (iii) to initiate actions to resolve any remaining issues regarding the allowance and payment of General Unsecured Claims, including, as necessary, initiation and/or participation in proceedings before the Court; (iv) to take such steps as are necessary or useful to maximize the value of the Liquidating Trust; (v) to make the payments and distributions to creditors and Beneficiaries of the Liquidating Trust as required by the Plan and this Liquidation Trust Agreement; (vi) to pursue Trust Causes of Action and (vii) to enforce all rights with respect to the Trust Property. It is intended that the Trust will be classified for U.S. federal income tax purposes as a "liquidating trust," with the primary objective of liquidating the Trust Property and distributing the net proceeds thereof, with no objective to continue or engage in the conduct of a trade or business in accordance with Treasury Regulation § 301.7701-4(d) except to the extent reasonable necessary to and consistent with the liquidating purposes of the Liquidating Trust and the Plan, and, notwithstanding anything to the contrary in the Plan, all actions taken by

the Liquidation Trustee or any other person acting on behalf of the Liquidating Trust shall be necessary to and consistent with accomplishing such primary objective.

G. This Liquidating Trust (other than as relating to the Trust Property allocable to Disputed Claims) is intended to qualify as a “grantor trust” for federal income tax purposes and the Liquidation Trustee shall operate and maintain the Liquidating Trust in compliance with the guidelines for liquidating trusts as set forth in the applicable provisions of Internal Revenue Service (“IRS”) Revenue Procedure 94-45, 1994-2 C.B. 684, and Treasury Regulation §§ 1.671-4(a) and 301.7701-4(d) and all subsequent guidelines regarding liquidating trusts issued by the IRS, U.S. Treasury Department and other applicable legislative, administrative, regulatory and judicial agencies and departments.

## **ARTICLE I. DEFINITIONS**

### **1.01 Definitions.**

For purposes of this Liquidation Trust Agreement, unless the context otherwise requires, the following terms shall have the definitions indicated below, all of which definitions are substantive terms of this Liquidation Trust Agreement. Capitalized terms used in this Liquidation Trust Agreement that are not otherwise defined herein, either below or in the above recitals, have the meanings ascribed to them in the Plan or the Bankruptcy Code, as appropriate. Defined terms include, as appropriate, all genders and the plural as well as the singular.

“Accounts” shall mean those interest-bearing accounts established by the Liquidation Trustee from time to time pursuant to Article V of this Liquidation Trust Agreement.

“Avoidance Action” means any claim or cause of action of the Estate arising out of or maintainable pursuant to Sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552(b) or 553 of the Bankruptcy Code or under any other similar applicable law, regardless of whether or not such action has been commenced prior to the Effective Date.

“Beneficiaries” means, collectively, the interests of the holders of Allowed General Unsecured Claims in the Liquidating Trust and in all distributions to be made by the Liquidating Trust on account of Allowed General Unsecured Claims. The interests of the Beneficiaries (a) shall be noted in the books and records of the Liquidating Trust, (b) shall not be evidenced by a writing, and (c) may not be transferred, sold, assigned, hypothecated or pledged, except that they may be assigned or transferred by will, intestate succession or operation of law.

“Business Day” means any day other than a Saturday, Sunday or “Legal Holiday,” as that term is defined in Bankruptcy Rule 9006(a).

“Case Professional” means a person retained, and/or to be compensated, pursuant to Sections 326, 327, 328, 330, 503(b) and 1103 of the Bankruptcy Code during the Chapter 11 Case, and to perform professional services regarding the Chapter 11 Case.

“Causes of Action” means any action, claim, cause of action, controversy, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense,

offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt. "Cause of Action" includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity, (b) the right to object to Claims or Interests, (c) any Claim pursuant to Section 362 or chapter 5 of the Bankruptcy Code, (d) any claim or defense including fraud, mistake, duress and usury; and any other defenses set forth in Section 558 of the Bankruptcy Code, (e) any state or foreign law fraudulent transfer or similar claim; (f) any cause of action listed on the list of retained causes of action set forth in the Plan Supplement; and (g) any cause of action described on the Debtor's Schedules or Statement of Financial Affairs, as amended.

"Chapter 11 Case" means the Chapter 11 case of the Debtor.

"Chapter 11 Trustee" means Basil T. Simon.

"Claim" means a claim as defined in Section 101(5) of the Bankruptcy Code.

"Confirmation Order" means the order entered by the Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

"Court" means the United States Bankruptcy Court for the Eastern District of Michigan, and any other court with jurisdiction over the Chapter 11 Case.

"Debtor" means Oakland Physicians Medical Center, L.L.C. d/b/a Doctor's Hospital of Michigan, a Michigan limited liability company.

"Disputed Claim" shall have the same meaning provided in Article I of the Plan.

"Disputed Claims Reserve" has the meaning ascribed thereto in Sections 5.01(c) and 5.04(b) of this Liquidation Trust Agreement.

"Effective Date" has the meaning provided in Article I of the Plan.

"Eligible Institution" means a depository institution organized under the laws of the United States of America or any one of its states or the District of Columbia, the deposits in which are insured by the Federal Deposit Insurance Corporation and that maintains a short-term unsecured debt rating of at least "A-1" by S&P or "P-1" by Moody's. Notwithstanding the foregoing, an institution that has corporate trust powers and that maintains any account for the benefit of the Beneficiaries as a fully segregated trust account with the trust department of the institution shall not be required to meet the foregoing rating requirements and need only maintain a long-term unsecured debt rating of at least "Baa3" by Moody's or at least "BBB2" by S&P.

"Eligible Investments" means book-entry securities entered on the books of the applicable registrar and held in the name of the Liquidation Trustee or its nominee and

negotiable instruments or securities represented by instruments in bearer or registered form (registered in the name of the Liquidation Trustee or its nominee) that evidence:

- (a) direct obligations of, or obligations fully guaranteed as to timely payment by, the United States of America or any agency thereof;
- (b) certificates of deposit (having original maturities of no more than 180 days) of depository institutions or trust companies incorporated under the laws of the United States of America or any one of its states (or domestic branches of foreign banks), subject to supervision and examination by federal or state banking or depository institution authorities, and having, at the time of the Liquidating Trust's investment or contractual commitment to invest therein, the highest short-term unsecured debt rating from either S&P or Moody's;
- (c) commercial paper (having original maturities of no more than 180 days) having, at the time of the Liquidating Trust's investment or contractual commitment to invest therein, the highest short-term rating from either S&P or Moody's;
- (d) notes (having original maturities of no more than 180 days) issued by any depository institution or trust company described in clause (b) above;
- (e) bank time deposit and demand deposit accounts (having original maturities of no more than 180 days) of depository institutions or trust companies incorporated under the laws of the United States of America or any one of its states (or domestic branches of foreign banks), subject to supervision and examination by federal or state banking or depository institution authorities, and having, at the time of the issuer's investment or contractual commitment to invest therein, the highest short-term unsecured debt rating from either S&P or Moody's; or
- (f) shares of entities (rated at least "AAA" by S&P or at least "AAA" by Moody's), commonly known as "money market" mutual funds or investment funds, the assets of which consist solely of the types of investments described in clauses (a) through (e) above.

Notwithstanding the foregoing, securities that meet the following criteria are not Eligible Investments: (a) any security to which S&P has attached the symbol "r" in its rating and (b) any security that contains a noncredit risk that the symbol "r" was intended to highlight, whether or not the security is rated. In addition, Eligible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treasury Regulation § 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other Internal Revenue Service pronouncements or otherwise.

"Estate" means the estate of the Debtor created under Sections 301 and 541 of the Bankruptcy Code.

“Final Decree” means the final decree which fully and finally closes the Chapter 11 Case.

“Liquidating Trust” means the liquidation trust created pursuant to this Liquidation Trust Agreement in accordance with the Plan.

“Liquidation Trust Administrative Reserve” has the meaning ascribed thereto in Section 5.01(b) of this Liquidation Trust Agreement.

“Liquidation Trustee” means Basil T. Simon.

“Moody’s” means Moody’s Investors Service, Inc.

“Person” shall have the same meaning as provided in Article I of the Plan.

“Petition Date” means July 22, 2015, being the date on which the Debtor filed its voluntary petition for relief commencing its Chapter 11 Case.

“Plan Supplement” shall have the same meaning as provided in Article I of the Plan.

“Professional” means any professional retained by the Liquidation Trustee or the Liquidation Trust Oversight Committee.

“Register” has the meaning provided in Section 3.02 of this Liquidation Trust Agreement.

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies.

“Trust Fund Account” has the meaning ascribed hereto in Section 5.01(a) of this Liquidation Trust Agreement.

“Trust Office” means 645 Griswold, Suite 3466, Detroit, Michigan 48226.

“Trust Property” means Trust Guaranteed Cash Payment and the Trust Causes of Action as transferred by the Debtor’s Estate on the Effective Date to the Liquidating Trust in accordance with the Plan.

“Undeliverable Distribution” means a distribution that is returned to the Liquidation Trustee as undeliverable.

“U.S. Trustee” means the United States Trustee appointed under Section 591, title 28, United States Code to serve in the Eastern District of Michigan.

#### 1.02 Rules of Construction.

Except as otherwise expressly provided in this Liquidation Trust Agreement or unless the context otherwise clearly requires:

(a) References to designated articles, sections, and other subdivisions of this Liquidation Trust Agreement refer to the designated article, section, or other subdivision of this

Liquidation Trust Agreement as a whole and to all subdivisions of the designated article, section, or other subdivision. The words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to this Liquidation Trust Agreement as a whole and not to any particular article, section or other subdivision of this Liquidation Trust Agreement.

(b) Any term that relates to a document or a statute, rule, or regulation includes any amendments, modifications, supplements or any other changes that may have occurred since the document, statute, rule, or regulation came into being, including changes that occur after the date of this Liquidation Trust Agreement.

(c) Unless a provision is restricted as to time or limited as to frequency, all provisions under this Liquidation Trust Agreement are implicitly available from time to time.

(d) The term "including" and all its variations mean "including but not limited to." Except when used in conjunction with the word "either," the word "or" is always used inclusively (for example, the phrase "A or B" means "A or B or both," not "either A or B but not both").

(e) All accounting terms used in an accounting context and not otherwise defined shall be construed in accordance with generally accepted accounting principles.

(f) In the computation of a period of time from a specified date to a later specified date or an open-ended period, the word "from" means "from and including" and the words "to" or "until" mean "to but excluding." Likewise, in setting deadlines or other periods, "by" means "on or before," and "after" means "from and after."

(g) All capitalized terms not defined herein shall have the same meanings ascribed to them in the Plan unless stated to the contrary herein. If there are any inconsistencies between the terms of the Plan and the Liquidation Trust Agreement, then the Liquidating Trust Agreement shall control.

## **ARTICLE II. ORGANIZATION**

### **2.01 Name.**

This Liquidating Trust shall be known as the "Oakland Physicians Medical Center, L.L.C. Liquidation Trust," in which name the Liquidation Trustee may conduct the affairs of the Liquidating Trust.

### **2.02 Office.**

The office of the Liquidating Trust shall be in care of the Liquidation Trustee at its Trust Office or at any other address that the Liquidation Trustee may designate by written notice to the Beneficiaries.

### 2.03 Declaration of Trust.

The Plan provides for the delivery to the Liquidation Trustee of all of the right, title and interest in and to the Trust Property in trust to and for the benefit of the Beneficiaries for the uses and purposes stated herein and in the Plan. As of the Effective Date, the Liquidation Trustee shall have all the rights, powers and duties set forth in the Plan, this Liquidation Trust Agreement and pursuant to applicable law for accomplishing the purposes of the Liquidating Trust. The Liquidation Trustee is hereby authorized to file with any governmental authority any documents necessary to establish, maintain or evidence the Liquidating Trust.

### 2.04 Appointment of Liquidation Trustee.

The Liquidation Trustee is hereby appointed as trustee of the Liquidating Trust effective as of the Effective Date, to have all the rights, powers and duties set forth in the Plan and this Liquidation Trust Agreement.

### 2.05 Acceptance of Liquidating Trust.

The Liquidation Trustee accepts the Trust Property and agrees to hold and administer the Trust Property for the benefit of the Beneficiaries subject to the terms and conditions of this Liquidation Trust Agreement and the Plan.

### 2.06 Tax Treatment of Liquidating Trust.

(a) For United States federal income tax purposes, the transfer of the Trust Property to the Liquidating Trust pursuant to and in accordance with the Plan shall be reported as a disposition of the Trust Property directly to and for the benefit of the Beneficiaries immediately followed by a contribution of the Trust Property by the Beneficiaries to the Liquidating Trust for the benefit of the Beneficiaries. The Beneficiaries shall be treated as the grantors and owners of the Liquidating Trust.

(b) It is intended that the Liquidating Trust (other than as relating to the Trust Property allocable to Disputed Claims) qualify as a liquidating trust under Treas. Reg. § 301.7701-4 (Procedure and Administration Regulations) and as a "grantor trust" for federal income tax purposes, (other than with respect to the Trust Property allocable to Disputed Claims), and the Liquidation Trustee shall operate and maintain the trust in compliance with the guidelines for liquidating trusts as set forth in Internal Revenue Procedure 94-45, 1994-2 C.B. 684, and Treasury Regulation § 1.671-4(a) and all subsequent guidelines regarding liquidating trusts issued by the IRS.

### 2.07 Conveyance of Trust Property.

Except as otherwise provided by the Plan or this Liquidation Trust Agreement, title to the Trust Property delivered to the Liquidating Trust shall pass to the Liquidating Trust free and clear of all Claims and Interests in accordance with Section 1141 of the Bankruptcy Code, except as otherwise provided in the Plan. The Liquidating Trust shall not be required to pay any fees to the United States Trustee based on any transfers of Trust Property to the Liquidating Trust from

the Estate or otherwise. The Liquidating Trust is the successor to the Debtor's and the Chapter 11 Trustee's rights to books and records pertaining to the Trust Property.

## 2.08 Nature and Purpose of the Liquidating Trust.

(a) Purpose. The purposes of the Liquidating Trust are, among other things: (i) to liquidate, sell or dispose of the Trust Property; (ii) to cause all net proceeds of the Trust Property, including proceeds of Trust Causes of Action on behalf of the Liquidating Trust, to be deposited into the Liquidating Trust; (iii) to initiate actions to resolve any remaining issues regarding the allowance and payment of General Unsecured Claims, including, as necessary, initiation and/or participation in proceedings before the Court; (iv) to take such steps as are necessary or useful to maximize the value of the Liquidating Trust; (v) to make the payments and distributions to creditors and Beneficiaries as required by the Plan and this Liquidation Trust Agreement; (vi) to pursue Trust Causes of Action and (vii) to enforce all rights with respect to the Trust Property. It is intended that the Liquidating Trust will be classified for U.S. federal income tax purposes as a "liquidating trust," with the primary objective of liquidating the Trust Property and distributing the net proceeds thereof, with no objective to continue or engage in the conduct or a trade or business in accordance with Treasury Regulation § 301.7701-4(d) except to the extent reasonably necessary to and consistent with the liquidating purposes of the Liquidating Trust and the Plan, and, notwithstanding anything to the contrary in the Plan, all actions taken by the Liquidating Trustee or any other person acting on behalf of the Liquidating Trust shall be necessary to and consistent with accomplishing such primary objective.

(b) Manner of Acting. The Liquidation Trustee shall oversee the administration and liquidation of the Trust Property in a cost-effective manner in a reasonable time subject to the limitations contained in this Liquidation Trust Agreement and the Plan. The Liquidation Trustee shall make continuing efforts to make timely distributions and not unduly prolong the duration of the Liquidating Trust. The liquidation of the Trust Property may be accomplished through the sale of Trust Property, the prosecution, compromise and settlement, abandonment or dismissal of any or all Claims, rights or Trust Causes of Action, or otherwise subject to the terms of the Plan and this Liquidation Trust Agreement and distributions to Beneficiaries under the Plan. Notwithstanding anything to the contrary contained herein, the Liquidating Trust shall not be permitted to retain cash or cash equivalents (including listed stocks or other securities) in excess of a reasonable amount to: (i) meet all distributions, Claims and contingent liabilities, (ii) pay expenses as provided in Article V of this Liquidation Trust Agreement and in the Plan, and (iii) preserve or enhance the liquidation value of the Trust Property during the term of the Liquidating Trust.

(c) Relationship. This Liquidation Trust Agreement is intended to create a trust and a trust relationship and to be governed and construed in all respects as a trust. The Liquidating Trust is not intended to be, and shall not be deemed to be or treated as, a general partnership, limited partnership, joint venture, corporation, joint stock company or association, nor shall the Liquidation Trustee or Beneficiaries, or any of them, for any purpose be, or be deemed to be or treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The relationship of the Beneficiaries to the Liquidation Trustee shall be solely that of beneficiaries of a trust and shall not be deemed a principal or agency relationship,



and their rights shall be limited to those conferred upon them by this Liquidation Trust Agreement or the Plan.

#### 2.09 Status of Liquidation Trustee.

(a) With respect to all Trust Property, the Liquidation Trustee shall directly and indirectly be the representative of the Estate as that term is used in Section 1123(b)(3)(B) of the Bankruptcy Code and shall have the rights, duties and powers granted in this Liquidation Trust Agreement and granted to the Liquidation Trustee in the Plan. The Liquidation Trustee shall be a party-in-interest as to all matters over which the Court has jurisdiction or retains jurisdiction under the Plan.

(b) The Liquidation Trustee shall not and is not authorized to engage in any trade or business with respect to the Trust Property or any proceeds therefrom, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. The Liquidation Trustee shall assume all of the fiduciary responsibilities, duties and obligations previously undertaken by the Chapter 11 Trustee, the Debtor, the Debtor's board of directors, managers, members and officers that arise after the date hereof and those of a chapter 7 trustee for those creditors of the Debtor's Estate that are Beneficiaries of the Liquidating Trust. The Liquidation Trustee will owe the fiduciary duties of the Chapter 11 Trustee, the Debtor and those of a chapter 7 trustee to all the Beneficiaries. The Liquidation Trustee is empowered and authorized to satisfy such responsibilities, duties and obligations without the necessity of corporate authority from the Chapter 11 Trustee or the Debtor.

(c) The Liquidation Trustee shall not pay any professional fees and expenses from the Liquidation Trust Administrative Reserve except in accordance with this Liquidation Trust Agreement or the Plan.

### **ARTICLE III. BENEFICIARIES**

#### 3.01 Rights of Beneficiaries.

Each Beneficiary shall be entitled to participate in the rights due to a Beneficiary hereunder. Each Beneficiary shall have an uncertificated beneficial interest subject to all of the terms and provisions of this Liquidation Trust Agreement. The interest of a Beneficiary of the Liquidating Trust is in all respects personal property, and upon the death, insolvency or incapacity of an individual Beneficiary, such Beneficiary's interest shall pass to the legal representative of such Beneficiary and such death, insolvency or incapacity shall not terminate or affect the validity of this Liquidation Trust Agreement. A Beneficiary shall have no title to, right to, possession of, management of, or control of, the Trust Property except as herein expressly provided. No surviving spouse, heir or devisee of any deceased Beneficiary shall have any right of dower, homestead, or inheritance, or of partition, or any other right, statutory or otherwise, in the Trust Property, but the whole title to all of the Trust Property shall be and is vested in the Liquidation Trustee and the sole interest of the Beneficiaries shall be and is the rights and benefits given to such persons under the Plan and this Liquidation Trust Agreement.

### 3.02 Limit on Transfer of Interests of Beneficiaries.

The interest of a Beneficiary in the Liquidating Trust shall not be transferable except (i) pursuant to applicable laws of descent and distribution (in the case of a deceased individual Beneficiary), (ii) by operation of law, (iii) to the extent caused by a transfer of such Beneficiary's Claim as provided in Federal Rule of Bankruptcy Procedure 3001, or (iv) as set forth in the Plan (the "Permitted Transferees"). The Liquidation Trustee shall cause to be kept a register (the "Register"), which may be the claims docket filed with the Court or a distribution matrix, that shall provide for the recordation of the beneficial interests of the Beneficiaries. The Register shall be kept at the Trust's Office and/or that of the Liquidating Trustee's professionals.

### 3.03 3.03 No Legal Title in Beneficiaries.

No transfer by operation of law or otherwise, of the right, title and interest of any Beneficiary in and to the Trust Property or hereunder shall operate to terminate this Liquidating Trust or entitle any successor or transferee of such Beneficiary (other than Permitted Transferees) to an accounting or to the transfer to it of legal title to any part of the Trust Property.

## **ARTICLE IV. THE LIQUIDATION TRUSTEE**

### 4.01 Appointment and Tenure of Liquidation Trustee.

The initial Liquidation Trustee shall be Basil T. Simon.

### 4.02 Tenure, Removal, and Replacement of the Liquidation Trustee.

The authority of the Liquidation Trustee shall be effective as of the Effective Date and shall remain and continue in full force and effect until the Liquidating Trust is terminated in accordance with Section 6.01 of this Liquidation Trust Agreement. The service of the Liquidation Trustee shall be subject to the following:

(a) The Liquidation Trustee shall serve until death, resignation pursuant to subsection (b) below, or removal pursuant to subsection (c) below;

(b) The Liquidation Trustee may resign at any time by providing a written notice of resignation to the Liquidation Trust Oversight Committee. Such resignation shall be effective when a successor is appointed as provided herein or within thirty (30) days after the date of the written notice of resignation, whichever is earlier. If a Liquidation Trustee is unwilling or unable to serve by virtue of his inability to perform his duties under this Agreement, due to death, illness, or other physical or mental disability, or is removed other than for cause, subject to a final accounting, such trustee shall be entitled to all accrued and unpaid fees, reimbursement, and other compensation, to the extent incurred or arising or relating to events occurring before such removal, and to any out-of-pocket expenses reasonably incurred in connection with the transfer of all powers and duties and all rights to any successor Liquidation Trustee;

(c) The Liquidation Trustee may be removed: (i) upon unanimous vote of the Liquidation Trust Oversight Committee or (ii) for cause upon motion to the Court by a party-in-interest in the Chapter 11 Case, including, without limitation, the Liquidation Trust Oversight Committee. If the Liquidation Trustee is removed for cause, he shall not be entitled to any accrued but unpaid fees, reimbursements or other compensation under the Plan, this Liquidation Trust Agreement or otherwise. Under the Plan and this Liquidation Trust Agreement the term "cause" shall mean (a) the trustee's gross negligence or willful misconduct; (b) breach of duty; (c) failure to perform any of his material duties and responsibilities under this Liquidation Trust Agreement; or (d) the trustee's misappropriation or embezzlement of any assets belonging to the Liquidating Trust or the proceeds thereof;

(d) In the event of a vacancy in the position of the Liquidation Trustee, the Liquidation Trust Oversight Committee, by majority vote, shall promptly select and appoint the successor Liquidation Trustee. Upon the selection of the successor Liquidation Trustee, the successor Liquidation Trustee shall tender and file with the Court and serve on parties in interest a notice of appointment, which notice shall include the name, address, and telephone number of the successor Liquidation Trustee;

(e) Immediately upon appointment of any successor Liquidation Trustee, all rights, powers, duties, authority, and privileges of the predecessor Liquidation Trustee hereunder shall be vested in and undertaken by the successor Liquidation Trustee without any further act and the predecessor Liquidation Trustee shall no longer have any rights, powers, duties, authority, privileges, or responsibilities hereunder; and the successor Liquidation Trustee shall not be liable personally for any act or omission of the predecessor Liquidation Trustee; and the predecessor Liquidation Trustee shall not be liable personally for any act or omission of the successor Liquidation Trustee; and upon such appointment, the predecessor Liquidation Trustee shall forthwith deliver all documents (in whatever form of media) in his possession or control, regarding the Liquidating Trust, to the successor Liquidation Trustee; and

(f) Upon the resignation or removal of the Liquidation Trustee and the appointment of a successor, the predecessor Liquidation Trustee shall, if applicable, convey, transfer, and set over to the successor by appropriate instrument or instruments all of the funds, if any, then un conveyed or otherwise undisposed of and all other assets then in its possession and held hereunder.

#### 4.03 Acceptance of Appointment by Successor Liquidation Trustee.

Any successor Liquidation Trustee appointed hereunder shall execute an instrument accepting such appointment and assuming all of the obligations of the predecessor Liquidation Trustee hereunder and thereupon the successor Liquidation Trustee shall, without any further act, become vested with all the estates, properties, rights, powers, trusts, and duties of its predecessor in the Liquidating Trust hereunder with like effect as if originally named herein; but the predecessor Liquidation Trustee nevertheless shall, if applicable, when requested in writing by the successor Liquidation Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Liquidation Trustee upon the trust herein expressed, all the estates, properties, rights, powers and trusts of such predecessor Liquidation Trustee, and shall

immediately assign, transfer, and deliver to such successor Liquidation Trustee all property and money held hereunder.

#### 4.04 Authority.

From and after the Effective Date, the Liquidating Trust may use, acquire and dispose of Trust Property, and take any of the actions set forth in the Plan or in the Liquidation Trust Agreement without the approval of the Court and free of the restrictions of the Bankruptcy Code, the Bankruptcy Rules or the prior orders of the Court, other than restrictions expressly imposed by the Plan, the Confirmation Order or this Liquidation Trust Agreement, provided that the Liquidating Trust is administered so that it qualifies as a liquidating trust under Treasury Regulation § 301.7701-4(d). The actions of the Liquidating Trust and the Liquidation Trustee shall be subject to the supervision and approval of the Liquidation Trust Oversight Committee as provided in the Plan and hereafter provided in this Liquidation Trust Agreement.

Under the Plan, and subject to the Liquidation Trust Agreement, the Liquidation Trustee shall have the power and authority to perform the following acts:

- (1) Perfect and secure his right, title and interest in and to the properties comprising the Trust Property;
- (2) Reduce the Trust Property to cash and hold the same;
- (3) Determine when to sell Trust Property and on what terms, and sell and convert the Trust Property to cash and distribute the net proceeds in accordance with the Plan and the Liquidation Trust Agreement;
- (4) Manage and protect the Liquidation Trust Property;
- (5) Grant options to purchase, contract to sell and sell the Trust Property, or any part or parts thereof, for such purchase price and for cash or on such terms as the Liquidation Trustee deems appropriate;
- (6) Exchange and re-exchange the Trust Property or any part or parts thereof for other personal property;
- (7) Release, convey or assign any right, title or interest in or about the Trust Property;
- (8) Pay and discharge any costs, expenses, collection fees or obligations deemed necessary to preserve the Trust Property, or any part thereof;
- (9) Purchase insurance to protect the Trust Property, as well as to protect the Liquidation Trustee, the Liquidation Trust Oversight Committee and its members, from liability for such risks and in

such amounts as the Liquidation Trustee or the Liquidation Trust Oversight Committee shall determine is appropriate;

- (10) Deposit funds of the Liquidating Trust and draw checks and make disbursements thereof;
- (11) Employ and have such professionals, including, without limitation, attorneys and accountants, and such other agents, consultants and employees on behalf of the Liquidating Trust as the Liquidation Trustee shall deem necessary; provided, however, that the Liquidation Trustee's authority to pay, such professionals shall be governed by the provisions of the Liquidation Trust Agreement;
- (12) Except as expressly required by the Plan, determine when distributions should be made to the Beneficiaries;
- (13) Exercise any and all powers granted to the Liquidation Trustee by any agreements or by common law or any statute which serve to increase the extent of the powers granted to the Liquidation Trustee hereunder and under the Plan;
- (14) Take any action required or permitted by the Plan;
- (15) Negotiate, renegotiate and enter into contracts and execute obligations negotiable and non-negotiable;
- (16) Sue and be sued; provided, however that any suit commenced after the Effective Date against the Liquidating Trust, or against the Liquidation Trustee acting in his or her capacity as trustee of the Liquidating Trust, must be commenced in the Court; provided, further, that the Court may abstain from hearing any such suit;
- (17) With response to Trust Property, institute, settle or compromise or abandon on behalf of the Liquidating Trust all claims and Trust Causes of Actions which could be brought by a trustee, including the Chapter 11 Trustee, the Debtor or the Creditors' Committee under the Bankruptcy Code, and prosecute or defend all appeals on behalf of the Debtor, as representative of the Estate within the meaning of section 1123(b)(3)(B) of the Bankruptcy Code;
- (18) Object to Claims of General Unsecured Creditors;
- (19) Settle, compromise or adjust, by arbitration or otherwise, any claims, disputes or controversies in favor of or against the Liquidating Trust;
- (20) Waive or release rights of any kind;

- (21) Appoint, remove and act through agents, managers and employees and confer upon them such power and authority as may be necessary or advisable;
- (22) File all income and informational tax returns and forms of the Liquidating Trust and the Disputed Claims Reserve as required by law, and pay all taxes required to be paid by the Liquidating Trust or the Disputed Claims Reserve; and
- (23) In general, without in any manner limiting any of the foregoing, deal with the Trust Property, or any part or parts thereof, and the affairs of the Liquidating Trust, in all other ways as would be lawful for any person owning the same to deal therewith, whether similar to or different from the ways above specified, at any time or times hereafter.

#### 4.05 Limitation of Authority.

Notwithstanding the power and authority granted to the Liquidation Trustee, the Liquidation Trustee, as otherwise provided in this Liquidation Trust Agreement, shall from time to time report all material matters to the Liquidation Trust Oversight Committee.

#### 4.06 Court Approval.

In addition, the Liquidation Trustee shall have the right to seek Court approval of any action to be undertaken by the Liquidating Trust, but shall not be required to do so unless the Liquidation Trustee is otherwise required to do so in accordance with this Liquidation Trust Agreement or the Plan or determines, in his sole discretion, that Court approval is necessary. In the case of settlement of Trust Causes of Action or objections to Claims where the amount in controversy equals or exceeds \$100,000, the Liquidation Trustee must obtain authorization from the Court pursuant to Fed.R.Bankr. 9019, following notice to the Liquidation Trust Oversight Committee and all parties requesting notice post-confirmation. The Liquidation Trust Oversight Committee and each creditor or party in interest individually shall have standing to object to any such settlement. With respect to all Trust Causes of Action or objections to Claims less than \$100,000, the Liquidation Trustee shall have the right to control and settle such actions without obtaining authorization from the Court; provided, however, the Liquidation Trustee shall consult with the Liquidation Trust Oversight Committee prior to and in connection with any such settlement.

#### 4.07 Establishment of the Liquidation Trust Oversight Committee.

(a) The Liquidation Trust Oversight Committee shall be appointed in accordance with and exercise the duties set forth in this Liquidation Trust Agreement, which duties shall be in the nature of and/or include advising the Liquidation Trustee with respect to administration of and actions pertaining to the Liquidating Trust.

(b) The initial members of the Liquidation Trust Oversight Committee, being the members of the Creditors' Committee as of the Effective Date, as designated in the Plan

Supplement, are (i) Rajinder Grewal, M.D., (ii) Surindar K. Jolly, (iii) N Squared, LLC, by its designated representative, Naveen Nandakumar, (iv) Prakash N. Sanghvi, M.D., and (v) Amarjeet Sethi, M.D.

(c) The purpose of the Liquidation Trust Oversight Committee shall be to oversee the liquidation and distribution of the Trust Property by the Liquidation Trustee, in accordance with the terms of this Liquidation Trust Agreement, the Plan and Confirmation Order. In the event of any dispute between the Liquidation Trustee and the Liquidating Trust Oversight Committee, the Court shall have jurisdiction to determine whether the proposed action should be taken, upon motion made by the Liquidation Trustee or the Liquidation Trust Oversight Committee.

(d) Except as provided in Section 4.02(c)(i) and 4.07(i) of this Liquidation Trust Agreement, the affirmative vote of a majority of the members of the Liquidation Trust Oversight Committee shall be the act of the Liquidation Trust Oversight Committee with respect to any matter that requires the determination, consent, approval or agreement of the Liquidation Trust Oversight Committee. In all matters submitted to a vote of any Liquidation Trust Oversight Committee, each Liquidation Trust Oversight Committee member shall be entitled to cast one vote, which vote shall be cast personally by such Liquidation Trust Oversight Committee member or by proxy. Votes shall only be taken after a meeting conducted upon reasonable prior notice to all members of the Liquidation Trust Oversight Committee, which meeting may be attended in person, telephonically or via video conferencing.

(e) Each member of the Liquidation Trust Oversight Committee may be reimbursed by the Liquidation Trustee for its actual reasonable out-of-pocket expenses incurred for serving on the Liquidation Trust Oversight Committee; provided, however, that such reimbursements shall not include reimbursement for counsel to assist such member in connection with his or her service on any Liquidation Trust Oversight Committee.

(f) The members of the Liquidation Trust Oversight Committee shall each owe the same fiduciary duties to all Beneficiaries as are owed by the Liquidation Trustee.

(g) In the event a member of the Liquidation Trust Oversight Committee believes there is a conflict of interest, breach of duty or abuse of process in respect of the Liquidation Trust Oversight Committee's or Liquidation Trustee's handling of a matter, that member may petition the Court to resolve the same, upon motion to the Court and notice to parties in interest and shall be entitled to payment of reasonable attorneys' fees by the Liquidating Trust from the Trust Property, as determined by the Court, provided such attorneys used shall not have been involved in the Chapter 11 Case as of the Effective Date.

(h) In the event of an actual conflict of interest between the Liquidation Trustee, as to a matter he is handling, and a claim, right, defense or interest of a member of the Liquidation Trust Oversight Committee, the Liquidation Trustee will seek Court approval, after notice and opportunity for hearing, of any proposed resolution, disposition or settlement of such claim, right, defense or interest.

(i) The Liquidation Trust Oversight Committee shall constitute a representative of holders of General Unsecured Claims in the Chapter 11 Case formed for the purpose, inter alia, of monitoring the implementation of the Plan, supervising the activities of the Liquidating Trust, and monitoring the distributions to Beneficiaries.

(j) The Liquidation Trust Oversight Committee shall prescribe its own rules of procedure and bylaws; provided, however, that such rules of procedure and bylaws shall not be inconsistent with the terms of the Plan or the Liquidation Trust Agreement. The Liquidation Trust Oversight Committee rules of procedure may provide that, in the event any member of the Liquidation Trust Oversight Committee resigns subsequent to the Effective Date, the Liquidation Trust Oversight Committee may appoint a replacement for the resigned member without approval by the Court.

(k) Except for the reimbursement of reasonable actual costs and expenses incurred in connection with their duties as Liquidation Trust Oversight Committee members, the members of the Liquidation Trust Oversight Committee shall serve without compensation. Reasonable expenses incurred by members of the Liquidation Trust Oversight Committee may be paid by the Liquidating Trust without need for Court approval.

(l) The Liquidation Trust Oversight Committee shall have the authority to employ, at the expense of the Liquidating Trust, counsel and such other professionals as may be reasonably necessary, in its discretion, to assist in the Liquidation Trust Oversight Committee's duties under the Plan and this Liquidation Trust Agreement, including the oversight of the Liquidating Trust and the Liquidation Trustee regarding liquidation of the assets in the Liquidating Trust and distributions to Beneficiaries. Nothing contained herein shall prohibit the Liquidation Trust Oversight Committee from retaining counsel or such other Professional that has already been retained by the Liquidation Trustee or previously retained by the Chapter 11 Trustee or Creditors' Committee. The Liquidation Trust Oversight Committee is authorized to employ such professionals without approval by the Court; provided, however, that notwithstanding the foregoing, the Liquidation Trust Oversight Committee must disclose to the Court, in advance, with notice to the Office of the United States Trustee, and any other person that specifically requests notice of post-Effective Date matters brought before the Court, the identity of any insider (as such term is defined in section 101(31) of the Bankruptcy Code) of the Liquidation Trustee or any member of the Liquidation Trust Oversight Committee that the Liquidation Trust Oversight Committee intends to employ at the expense of the Liquidating Trust. Under the Liquidation Trust Agreement, the Liquidation Trustee shall have authority to dispute the proposed employment of any professional by the Liquidation Trust Oversight Committee, the rendering of particular services or the payment of any items of compensation or expense reimbursement for such professionals, only in the event the Liquidation Trustee asserts that such employment or payment constitutes a significant waste of Trust Property. In the event of such a dispute, the Court shall have jurisdiction to resolve such dispute.

(m) The Liquidation Trust Oversight Committee and its members shall not be liable for any act any member may do or fail to do as a member of the Liquidation Trust Oversight Committee while acting in good faith and in the exercise of the member's best judgment, and the fact that such act or omission was advised, directed or approved by counsel acting for the Liquidation Trust Oversight Committee shall be conclusive evidence of such good



faith and best judgment. No Liquidation Trust Oversight Committee member shall be liable in any event for claims, liabilities or damages unless they arise from such member's personal gross negligence or willful misconduct.

(n) The Liquidation Trust Oversight Committee shall dissolve upon the completion of all distributions to Beneficiaries and the termination of the Liquidating Trust in accordance with the terms of the Plan and the Liquidation Trust Agreement.

#### 4.08 Approval of the Liquidation Trust Oversight Committee.

The Liquidation Trust Oversight Committee shall direct the Liquidating Trust to invest its corpus in prudent investments in compliance with Section 345 of the Bankruptcy Code, and may require a fidelity bond from the Liquidation Trustee in a reasonable amount.

#### 4.09 Compensation and Reimbursement of Liquidation Trustee and Professionals Retained by the Liquidation Trustee or the Liquidation Trust Oversight Committee and Payment of Other Expenses.

(a) The Liquidation Trustee shall be reasonably compensated for his services until this Liquidation Trust Agreement is terminated. The Liquidation Trustee is authorized, subject to the approval of the Liquidation Trust Oversight Committee, to hire Professionals necessary to perform the duties of the Liquidation Trustee under the Liquidation Trust Agreement.

(b) The Liquidation Trustee shall be entitled to compensation, to be paid from the Trust Property, for services rendered, and to payment or reimbursement of expenses as follows: (i) a flat fee of [\$\_\_\_\_\_] payable out of the Trust Property (or proceeds of Trust Property) on or as soon as reasonably practicable after the Effective Date; (ii) an amount equal to 3% of all Trust Property (or proceeds of Trust Property) contributed to or recovered or otherwise realized by the Liquidating Trust; and (iii) reimbursement of actual, reasonable, out-of-pocket expenses of the Liquidating Trustee. Professionals retained by the Liquidation Trustee and the Liquidation Trust Oversight Committee, including, but not limited to, attorneys, advisors, expert witnesses and financial consultants, shall be entitled to reasonable compensation, to be paid from the Trust Property (or proceeds of Trust Property), for services rendered and expenses incurred as agreed by the Liquidation Trustee, subject to the consent of the Liquidation Trust Oversight Committee. The fees and expenses of the Liquidation Trustee and any Professional shall be paid and reimbursed in accordance with Section 5.01(b) of this Liquidation Trust Agreement. Payment of such fees shall not require Court approval; provided, however, each month, any Professionals retained by the Liquidation Trustee or the Liquidation Trust Oversight Committee shall prepare and serve monthly fee statements on the Liquidation Trustee, the Liquidation Trust Oversight Committee, and the United States Trustee (the "Fee Notice Parties"). If no written objection to the payment of the requested Professional fees is served by one of the Fee Notice Parties on the Professional requesting payment of Professional fees and the other Fee Notice Parties within ten (10) days following the date of service of such monthly fee statements, the Liquidation Trustee shall immediately pay the Professional fees. If an objection is timely served by one of the Fee Notice Parties on the Professional requesting payment of Professional fees and the other Fee Notice Parties, and such objection is not resolved within thirty (30) days of being

served, then the objection shall be brought before the Court by motion filed by the Professional seeking payment of Professional fees. The Court shall retain jurisdiction to address any such objections. If an objection is filed to only a portion of any Professional fees and/or costs, the undisputed portion of the Professional's expenses and costs shall be paid immediately by the Liquidation Trustee.

(c) Case Professionals shall be paid for fees and expenses incurred during the Chapter 11 Case in accordance with the Plan but shall not be entitled to seek payment of any fees or expenses from the Liquidating Trust, the Trust Property or the proceeds thereof.

#### 4.10 No Implied Obligations.

No other or further covenants or obligations shall be implied by this Liquidation Trust Agreement. The Liquidation Trustee, and the members of the Liquidation Trust Oversight Committee shall not be responsible in any manner whatsoever for the correctness of any recital, statement, representation, or warranty herein, or in any documents or instrument evidencing or otherwise constituting a part of the Trust Property.

#### 4.11 Unknown Property and Liabilities.

The Liquidation Trustee shall be responsible for only that property delivered to him, and shall have no duty to make, nor incur any liability for failing to make, any search for unknown property or for any liabilities.

#### 4.12 Reports; Books and Records.

(a) The Liquidation Trustee shall file in the Chapter 11 Case and serve on the members of the Liquidation Trust Oversight Committee and the U.S. Trustee quarterly reports showing the activities of the Liquidating Trust for the preceding three month period; including, without limitation, the following information: all revenues received by the Liquidating Trust, all expenses of the Liquidating Trust, the assets and liabilities of the Liquidating Trust, a detail of any changes in the Trust Property of the Liquidating Trust and any material action taken by the Liquidation Trustee. The Trustee shall have no duty or responsibility to provide any person with any credit or other information with respect to the Liquidating Trust except as provided in the Plan or this Liquidation Trust Agreement.

(b) The Liquidation Trustee shall otherwise maintain an accounting of receipts and disbursements of the Liquidating Trust. The Liquidation Trustee shall maintain the books and records of the Liquidating Trust, or provide storage for such books and records, for the longer of six (6) years, or while the Liquidating Trust is in existence, provided that the Court may, upon application by the Liquidation Trustee, authorize the Liquidating Trustee to destroy all of the Liquidating Trust's books and records at such time as the Liquidating Trust has no further need for such books and records. The Liquidating Trust's books and records shall be open to inspection by the representatives of the Liquidating Trust Oversight Committee at all reasonable times.

**ARTICLE V.**  
**ADMINISTRATION OF THE TRUST**

5.01 Establishment of Accounts for Distributions Pursuant to the Plan; Creation of Accounts and Reserves.

(a) The Liquidation Trustee, on behalf of the Beneficiaries, shall establish and maintain the Trust Fund Account in the name of the Liquidation Trustee at an Eligible Institution as a segregated interest bearing trust account accessible only by the Liquidation Trustee, which shall be identified as the “Trust Fund Account for the Oakland Physicians Medical Center, L.L.C. Liquidation Trust” and shall bear a designation clearly indicating that the funds deposited therein are held on behalf of Beneficiaries.

(b) The Liquidating Trustee shall establish and maintain the Liquidation Trust Administrative Reserve to pay the Liquidation Trustee, appropriate expenses incurred by members of the Liquidation Trust Oversight Committee, and Professionals retained by the Liquidation Trustee and the Liquidation Trust Oversight Committee, including attorneys, financial consultants and other advisors, expert witnesses fees, storage, rental and office administrative costs, costs of temporary employees, or others utilized by the Liquidating Trust to fulfill its duties, including the sale of Trust Property, Claims reconciliation, pursuing Trust Causes of Action and making distributions. Moreover, the Liquidation Trust Administrative Reserve shall not fund any fees or expenses of any of the Debtor's, the Chapter 11 Trustee's or the Creditors' Committee's Case Professionals or employees, unless such professionals or employees are retained by the Liquidation Trustee, subject to the consent of the Liquidation Trust Oversight Committee, or the Liquidating Trust Oversight Committee. The Liquidation Trustee will determine the amount of the Liquidation Trust Administrative Reserve.

(c) The Liquidation Trustee shall establish and maintain the Disputed Claims Reserve in accordance with Section 5.04(b) of this Liquidation Trust Agreement on account of holders of Disputed General Unsecured Claims that become Allowed. The Liquidation Trustee shall determine the amount held in the Disputed Claims Reserve. Any excess amount remaining in the Disputed Claims Reserve after all Disputed General Unsecured Claims have been resolved, shall be distributed in accordance with Section 5.04 of this Liquidation Trust Agreement.

(d) The Liquidation Trustee shall not be required to, but is authorized to, establish separate accounts relating to the Liquidation Trust Administrative Reserve and the Disputed Claims Reserve, and shall keep accurate accountings of such funds.

(e) The Liquidation Trustee may establish and maintain at an Eligible Institution such additional accounts as may be appropriate to carry out his duties and functions under this Liquidation Trust Agreement and the Plan.

(f) Notwithstanding anything to the contrary herein or in the Plan, distributions of Trust Property (or proceeds of Trust Property) contributed to the Liquidating Trust shall be made in the following order:

(i) First, to all administrative expenses of the Liquidating Trust, including, without limitation, any amounts due to the Liquidation Trustee, the members of the Liquidation Trust Oversight Committee, and any and all Professionals, as provided in this Liquidation Trust Agreement; and

(ii) Second, to Beneficiaries, pro rata, on account of their Allowed General Unsecured Claims.

#### 5.02 Accounts; Eligible Investments.

Funds on deposit in the Accounts may be invested by the Liquidation Trustee in Eligible Investments selected by the Liquidation Trustee, subject to the approval of the Liquidation Trust Oversight Committee, that shall mature so that they shall be available by 12:00 noon (Eastern Time) on the day immediately preceding a distribution. All Eligible Investments shall be held by the Liquidating Trust on behalf of the Beneficiaries. Eligible Investments may include investments in, or for which, entities the Liquidation Trustee, or persons related to the Liquidation Trustee or an affiliate of such persons provides services.

#### 5.03 Maintenance of Accounts.

The Liquidation Trustee shall possess all right, title and interest in and to all funds on deposit in, and all Eligible Investments, if any, credited to, and in all proceeds of, the Accounts. The Accounts shall be under the sole dominion and control of the Liquidation Trustee on behalf of the Beneficiaries. If, at any time, any Account is held by an institution other than an Eligible Institution, the Liquidation Trustee shall within five (5) Business Days establish a new Account meeting the conditions for that account in Section 5.01 of this Liquidation Trust Agreement and shall transfer any cash and any investments to such new account. The Liquidation Trustee shall be the sole Person with authorization to withdraw any amount from any Account.

#### 5.04 Distribution Procedures.

(a) Timing of Distributions. The Liquidation Trustee shall make distributions to Beneficiaries as soon as administratively practicable. Interim distributions shall be made as and when reasonably practicable, as determined by the Liquidation Trustee in good faith, provided, however, the Liquidation Trustee will distribute at least annually to the Beneficiaries the net income of the Liquidating Trust plus all net proceeds from the liquidation of Trust Property in excess of the amounts reasonably necessary to maintain the value of the Trust Property or to meet claims or contingent liabilities (including Disputed Claims). When making an interim distribution, the Liquidation Trustee will confirm that there are sufficient funds in the Liquidation Trust Administrative Reserve and in the Disputed Claims Reserve.

#### (b) No Distributions to Disputed Claims.

(i) No payments or distributions shall be made with respect to all or any portion of a General Unsecured Claim until the same has become Allowed either as a result of (i) having been scheduled by the Debtor in an amount that is nondisputed, noncontingent and liquidated and to which no objection is filed by the Debtor, the Chapter 11 Trustee or the Liquidation Trustee, subject to the restrictions of Bankruptcy Code §502(d) (ii) having filed a

proof of claim to which no objection is filed by the Debtor, the Chapter 11 Trustee or the Liquidation Trustee, subject to the restrictions of Bankruptcy Codes §502(d), or (iii) having been subject to an objection filed by the Debtor, the Chapter 11 Trustee or the Liquidation Trustee and determined by entry of a Final Order, at which time prompt payment of the Allowed General Unsecured Claim will be made with no interest thereon. In lieu of making such distribution to such person, the distribution shall be accounted for in the Disputed Claims Reserve. If a Disputed Claim becomes a Disallowed Claim, the payments withheld, and interest earned thereon, pursuant to this paragraph will be returned to the Trust Fund Account to be distributed to holders of Allowed General Unsecured Claims on a pro rata basis.

(ii) On any date that distributions are to be made to Beneficiaries, the Liquidation Trustee shall make a reasonable reserve on account of Disputed General Unsecured Claims and shall adjust the reserve periodically, which shall be no less than the amount of the Disputed General Unsecured Claims multiplied by the pro rata distribution to be made on account of then Allowed General Unsecured Claims. If a General Unsecured Claim has been estimated under Section 502(c) of the Bankruptcy Code, the amount of the claim reserve will be based on the unpaid claim estimate. Such Disputed Claims Reserve shall be administered by the Liquidation Trustee. The Disputed Claims Reserve shall be closed and extinguished by the Liquidation Trustee upon the determination that all distributions and other dispositions of Cash, or other distributions required to be made under the Liquidation Trust Agreement have been made in accordance with the terms of the Liquidation Trust Agreement. Upon closure of the Disputed Claims Reserve, all Cash therein shall be subject to redistribution, in accordance with the provisions of the Liquidation Trust Agreement.

(c) Disallowance and Expungement of Claims. Except as otherwise expressly provided in the Plan or the Liquidation Trust Agreement, any General Unsecured Claim not deemed filed pursuant to Section 1111(a) of the Bankruptcy Code or timely filed pursuant to the Bankruptcy Code, Bankruptcy Rules, any applicable order of the Court or the provisions of the Plan, shall, based on stipulation or order of the Court entered after motion upon notice to the interested parties: (a) not be treated as an Allowed General Unsecured Claim and (b) be expunged from the Claims register in the Chapter 11 Case.

(d) Manner of Payments Under the Liquidating Trust. Payments to be made by the Liquidation Trustee pursuant to this Liquidation Trust Agreement shall be made in Cash or by check drawn from the appropriate Account. Distributions to Beneficiaries shall be made by the Liquidation Trustee: (i) at the addresses set forth on the proofs of claims filed with the Court in the Chapter 11 Case by such holders; (ii) at the addresses set forth in any written notices of address changes delivered to the Liquidation Trustee by such holders after the date of filing of any related proof of claim (in which event the notice of change will supersede and replace the address set forth on the related proof of claim and any address set forth in the Debtor's bankruptcy schedules); or (iii) at the addresses reflected in the Debtor's bankruptcy schedules, as amended, if no proof of claim has been filed and the Liquidation Trustee has not received a written notice of a change of address.

(e) Fractional Cents. No payment of fractional cents shall be made pursuant to this Liquidation Trust Agreement. Whenever any payment of a fraction of a cent under this Liquidation Trust Agreement would otherwise be required, the actual Distribution made shall

reflect a rounding of such fraction to the nearest whole penny (up or down), with half cents or more being rounded up and fractions less than half of a cent being rounded down.

(f) De Minimis Interim Distribution. If the amount distributable to a Beneficiary would be less than \$50.00 in the aggregate considering the distributions from the applicable Account for such Beneficiary (such distribution amount of less than \$50.00, a “De Minimis Interim Distribution”), then the Liquidation Trustee shall not make the De Minimis Interim Distribution, but rather shall hold the De Minimis Interim Distribution in reserve until such time as the aggregate amounts distributable to such holder of an Allowed General Unsecured Claim, combined, as of the next distribution, equals or exceeds \$50.00, but in all events not later than the final distribution. Notwithstanding the foregoing, if the De Minimis Interim Distribution does not equal or exceed \$50.00 prior to the date of the final distribution, then the Liquidation Trustee shall distribute such amount during the final distribution.

(g) Undeliverable Distributions.

(i) If any Beneficiary’s distribution is returned to the Liquidation Trustee as undeliverable, no further distributions to such holder shall be made unless and until the Liquidation Trustee is notified in writing of such holder’s then current address, at which time all missed distributions shall be made to such holder without interest. Any Undeliverable Distribution made by the Liquidation Trustee shall be held for redistribution under the Liquidation Trust Agreement. All claims for Undeliverable Distributions must be made on or before six months after the distribution is made, after which date all unclaimed property shall revert to the Liquidation Trustee free of any restrictions thereon, and the Claim of any holder or successor to such holder with respect to such property shall be discharged and forever barred notwithstanding any federal or state escheat laws to the contrary. Nothing contained in the Plan or in this Liquidation Trust Agreement shall require the Liquidation Trustee or any Professional retained by the Liquidation Trustee to attempt to locate any Beneficiary.

(ii) Checks issued by the Liquidation Trustee to a particular Beneficiary shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. After such date, all Claims in respect of void checks shall be forever barred, and the proceeds of such checks shall revert in the Liquidating Trust and be subject to redistribution, as appropriate, in accordance with this Liquidation Trust Agreement.

5.05 Interest on Distributions.

Any interest earned by the funds in the Accounts shall inure to the benefit of the Liquidating Trust generally, and not specifically for any party. Beneficiaries are not entitled to interest on their Claims with the exception of their pro rata share of any interest earned by the funds in the Accounts after payment in full of all administrative expenses of the Liquidating Trust and the payment in full of all principal indebtedness owed to Beneficiaries.

5.06 Limitations on Liquidation Trustee.

(a) The Liquidation Trustee shall not at any time, on behalf of the Liquidating Trust or Beneficiaries, (i) enter into or engage in any trade or business, and no part of the Trust Property or the proceeds, revenue or income therefrom shall be used or disposed of by the

Liquidating Trust in furtherance of any trade or business, except to the extent reasonably necessary to preserve and enhance the liquidation value of the Trust Property or (ii) take or fail to take any action that would jeopardize treatment of the Liquidating Trust as a liquidating trust for federal income tax purposes, (iii) except as provided below, reinvest any assets.

(b) All moneys and other assets received by the Liquidation Trustee shall, until distributed or paid over as herein provided, be held in trust for the benefit of the Beneficiaries, but need not be segregated from other Trust Property, unless and to the extent required by law or as otherwise specified in this Liquidation Trust Agreement.

(c) The Liquidation Trustee shall be restricted to the holding, collection, conservation, protection and administration of the Trust Property in accordance with the provisions of this Liquidation Trust Agreement, and the payment and distribution of amounts as set forth herein for the purposes set forth in this Liquidation Trust Agreement.

#### 5.07 Further Authorization.

The Liquidation Trustee shall be entitled to seek such orders, judgments, injunctions and rulings as the Liquidation Trustee deems necessary to carry out the intentions and purposes, and to give full effect to the provisions of the Plan and this Liquidation Trust Agreement. In the event of any conflict between the terms hereof and the terms of the Plan as modified and confirmed by the Confirmation Order, this Liquidation Trust Agreement shall control.

#### 5.08 Withholding and Reporting Requirements.

In connection with the Plan and this Liquidation Trust Agreement and all distributions hereunder, the Liquidation Trustee shall comply with all applicable tax withholding and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Liquidation Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan or this Liquidation Trust Agreement, each Beneficiary that is to receive a distribution from the Account shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution.

#### 5.09 Determination of Tax Information With Respect to Allowed Claims.

Prior to making any distribution to a Person or Entity that is a Beneficiary on account of, and/or a holder of, an Allowed General Unsecured Claim pursuant to this Liquidation Trust Agreement, in the event the Liquidating Trust has not already been provided with a valid, properly completed IRS Form W-9 or a valid, properly completed applicable IRS Form W-8 (any successor, or otherwise applicable, form) (individually, an “IRS Form” and, collectively, the “IRS Forms”), as applicable, for the Beneficiary, the Liquidating Trust must request that such Beneficiary provide the Liquidating Trust with the applicable valid, properly completed IRS Form, and the Liquidating Trust need not, but may, make any distribution to such Beneficiary until the Liquidating Trust receives from such Beneficiary a valid, effective IRS Form that is

applicable to such distribution. The Liquidation Trustee may in good faith rely upon the information received for the purposes of satisfying the Liquidation Trustee's tax reporting obligations. Such tax information shall be treated as confidential and shall only be disclosed as necessary to taxing authorities. If 90 days elapses and the Liquidation Trustee is unable to obtain a valid, properly completed IRS Form after a request, then the claimant shall not be entitled to a distribution from the Trust Fund Accounts.

#### 5.10 Tax Returns/Tax Matters.

(a) The Liquidation Trustee shall file all tax returns, tax reporting, and other filings with governmental authorities on behalf of the Liquidating Trust and the Trust Property it holds for time periods ending on or before termination of this Liquidating Trust. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the issuance of applicable Treasury Regulations, the receipt by the Liquidation Trustee of a private letter ruling if the Liquidation Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidation Trustee) the Liquidation Trustee shall file tax returns for the Liquidating Trust treating the Liquidating Trust (other than as relating to the Trust Property allocable to Disputed Claims) as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a). The Liquidation Trustee's filings shall also include requests for determination of tax under Section 505(b) of the Bankruptcy Code (to the extent applicable) and responses to any tax audits, solely with respect to the Trust Property. The Liquidation Trustee shall make available such information to the Beneficiaries as shall enable them to properly file their separate tax returns and withhold and pay over any amounts required by tax law.

(b) The Liquidation Trustee is authorized to withhold or pay over any amounts required by law (including tax law) to be withheld or paid in connection with the transfer and assignment of the Trust Property to the Liquidating Trust pursuant to the Plan. The Liquidation Trustee is further entitled to deduct any United States federal or applicable state withholding taxes from any payments made with respect to Allowed Claims, as appropriate, and shall otherwise comply with Section 346 of the Bankruptcy Code.

(c) Except to the extent the Trust Property is allocable to Disputed Claims, for all United States federal income tax purposes the transfers by the debtor to the Trust shall be treated by the Debtor, the Trust and the Trust Beneficiaries as a transfer of the Trust Property by the Debtor to the Trust Beneficiaries followed by a transfer of the Trust Property by such Trust Beneficiaries to the Trust. The Trust Beneficiaries shall be treated as the grantors and deemed owners of the Trust for United States federal income tax purposes. The Liquidation Trustee shall determine the fair market value of the Trust Property upon receipt and, to the extent necessary, such determined fair market value shall be used by the Liquidating Trust, the Liquidation Trustee and the Beneficiaries for all federal income tax purposes. The Liquidation Trustee will initially determine the fair market value of the Trust Property within thirty (30) days after the Effective Date, and send such determination to each potential Beneficiary. Each potential Beneficiary agrees to use such valuations for all purposes, including, without limitation, in computing any gain recognized upon the exchanges of such holder's claim for purposes of determining any United States Federal income tax, and shall be required to include those items of income, deductions and tax credits that are attributable to its interest in computing its taxable income.



(d) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the issuance of applicable Treasury Regulations, the receipt by the Liquidation Trustee of a private letter ruling if the Liquidation Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidation Trustee) the Liquidation Trustee shall (A) either timely elect to treat any Trust Property allocable to Disputed Claims as a "disputed ownership fund" governed by Treasury Regulation § 1.68B-9, or, if permitted under applicable law, treat such Trust Property as a "complex trust," in either case with the consent of the Oversight Committee, and (B) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All parties (including the Liquidation Trustee and the Beneficiaries) shall report for United States federal, state and local income tax purposes consistently with the foregoing.

#### 5.11 Remaining Funds.

If any distribution check is not timely cashed by the recipient, and there are more than \$15,000 in aggregate funds remaining when the Liquidation Trust is otherwise fully administered, the Liquidation Trustee shall make a subsequent final pro rata distribution to the Beneficiaries whose distributions have been claimed and not been returned. If there is less than \$15,000 in aggregate funds remaining when the Liquidation Trust is otherwise fully administered, the Liquidation Trustee may donate the remaining funds to a certified 503(c) charitable non-profit organization and unrelated to the Liquidation Trustee or the Liquidating Trust and any Claim in respect of such amount shall be discharged and forever barred from assertion against the Liquidation Trust and the Liquidation Trustee and their respective property, notwithstanding any federal or state escheat laws to the contrary.

### ARTICLE VI. DURATION OF LIQUIDATING TRUST

#### 6.01 Duration of Liquidating Trust.

The Liquidating Trust shall continue in effect until the earlier of: (a) the date that all Trust Property has been liquidated, all proceeds have been converted to cash or distributed in kind, all Trust expenses have been paid, all claims to be paid under the Plan for which the Liquidation Trustee is obligated to make distributions on have been paid, all distributions to be made with respect to the Beneficiaries have been made, all litigation to which the Liquidating Trust is a party has been concluded by dismissal or an order issued by the court in which such litigation is pending and such order has become "final" (consistent with the definition of Final Order in the Plan for orders issued by the Court), and the Chapter 11 Case has been closed; and (b) the expiration of five (5) years from the Effective Date; provided, however that the Liquidating Trustee may request the Court to extend the permitted life of the Liquidating Trust for such additional period as is reasonably necessary to conclude the liquidation and distributions, not to exceed a total of ten (10) years from the Effective Date, which request shall be filed so the Court may consider and rule on the request within six (6) months prior to the expiration of the initial five-year term.

#### 6.02 Closing of Chapter 11 Case.

When each Disputed General Unsecured Claim filed against the Debtor's Estate has become an Allowed General Unsecured Claim or a Disallowed General Unsecured Claim, and all Cash and property has been distributed in accordance with the terms of the Plan, as applicable, and this Liquidation Trust Agreement, the Liquidation Trustee shall seek authority from the Court to close the Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules and to enter the Final Decree.

#### 6.03 Continuance of Liquidating Trust for Winding Up.

After the termination of the Liquidating Trust and for the purpose of liquidating and winding up the affairs of the Liquidating Trust, the Liquidation Trustee shall continue to act as such until his duties have been fully performed. Upon termination of the Liquidating Trust, the Liquidation Trustee shall retain for a period of seven years the books, records, Beneficiary lists, Register, and certificates and other documents and files which shall have been delivered to or created by the Liquidation Trustee. At the Liquidation Trustee's discretion, all other records and documents may, but need not, be destroyed at any time after two years from the completion and winding up of the affairs of the Liquidating Trust. Except as otherwise specifically provided herein, upon the termination of the Liquidating Trust, the Liquidation Trustee shall have no further duties or obligations hereunder.

### **ARTICLE VII. INDEMNIFICATION; LIMITATIONS ON LIABILITY**

#### 7.01 General Indemnification.

The Liquidating Trust shall indemnify and hold harmless any person who was, or is, a party, or is threatened to be made a party, to any pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a member of the Liquidation Trust Oversight Committee, the Liquidation Trustee, or an agent, attorney, accountant or other Professional of the Liquidation Trustee or the Liquidation Trust Oversight Committee (each such person, an "Indemnified Person"), against all costs, expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Person in connection with such action, suit or proceeding, or the defense or settlement of any claim, issue or matter therein, to the fullest extent, except to the extent such liability is determined to be the result of willful misconduct, gross negligence, or fraud. Costs or expenses incurred by any such Indemnified Person in defending any such action, suit or proceeding shall be paid by the Liquidating Trust in advance of the institution or final disposition of such action, suit or proceeding, provided, however, that any such Indemnified Person shall promptly reimburse the Liquidating Trust for all such costs and expenses paid by the Liquidating Trust if it is finally adjudicated by a court of competent jurisdiction, that liability by such Indemnified Person is a result of willful misconduct, gross negligence, or fraud. The Liquidation Trustee may in his discretion purchase and maintain insurance on behalf of any Indemnified Person who is or was a beneficiary of this provision.

#### 7.02 No Recourse.

Except as provided in this Liquidation Trust Agreement, no recourse shall ever be had, directly or indirectly, against the members of the Liquidation Trust Oversight Committee, in their capacity as members of the Liquidation Trust Oversight Committee, or the Liquidation Trustee personally, or against any agent, representative, affiliate, attorney, accountant, financial consultant or other Professional of the Liquidation Trustee, or against any agent, affiliate, representative, attorney, accountant, financial consultant or Professional of the Liquidation Trust Oversight Committee by legal or equitable proceedings, or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant or agreement whatsoever executed by the Liquidation Trustee under this Liquidation Trust Agreement, or by reason of the creation of any indebtedness by the Liquidation Trustee under this Liquidation Trust Agreement for any purpose authorized by this Liquidation Trust Agreement, it being expressly understood and agreed that all such liabilities, covenants and agreements shall be enforceable only against and be satisfied only out of the Trust Property or such part thereof as shall under the terms of any such agreement be liable therefor or shall be evidence only of a right of payment out of the Trust Property. Notwithstanding the foregoing, (i) any member of the Liquidation Trust Oversight Committee or the Liquidation Trustee shall be subject to claims with recourse based upon its own willful misconduct, gross negligence, or fraud, as adjudicated by a court of competent jurisdiction and (ii) nothing herein modifies or expands the exculpation and release provisions in Articles XII of the Plan and in the Confirmation Order.

#### 7.03 No Liability.

No successor Liquidation Trustee shall be in any way responsible or liable for the acts or omissions of any predecessor Liquidation Trustee in office prior to the date on which such Person becomes the Liquidation Trustee, nor shall such successor Liquidation Trustee be obligated to inquire into the validity or propriety of any such act or omission unless such successor Liquidation Trustee expressly assumes such responsibility. Any successor Liquidation Trustee shall be entitled to accept as conclusive any final accounting and statement of liquidation trust assets furnished to such successor Liquidation Trustee by the predecessor Liquidation Trustee and shall further be responsible only for those Trust Property included in such statement.

No predecessor Liquidation Trustee shall be in any way responsible or liable for the acts or omissions of any successor Liquidation Trustee, nor shall such predecessor Liquidation Trustee be obligated to inquire into the validity or propriety of any such act or omission.

#### 7.04 Limitation on Liquidation Trustee's and Estate Representative's Liability.

The members of the Liquidation Trust Oversight Committee, in their capacity as such, and Liquidation Trustee and their respective agents, affiliates, attorneys, accountants, financial consultants or other professionals shall be exculpated from liability for any errors or omissions made in connection with their duties under this Liquidation Trust Agreement, except for liability for any errors or omissions arising from its own gross negligence, willful misconduct, or fraud. The foregoing limitation on liability shall apply equally to the agents, employees or professionals of the Liquidation Trustee acting on behalf of the Liquidation Trustee in the fulfillment of their duties under the Plan and this Liquidation Trust Agreement. Neither the Liquidation Trustee, nor

any agent, affiliate, representative, attorney, accountant, financial consultant or professional of the Liquidation Trustee, nor any Beneficiaries, shall be personally liable with respect to any liabilities or obligations of the Liquidating Trust or any liabilities or obligations relating to the Trust Property, including, without limitation, those arising under this Liquidation Trust Agreement or with respect to the Liquidating Trust or the Trust Property and all persons dealing with the Liquidating Trust must look solely to the Trust Property for the enforcement of any claims against the Liquidating Trust.

#### 7.05 Express Exculpatory Clauses in Instruments.

To the fullest extent reasonably practicable, the Liquidation Trustee shall cause any written instrument creating an obligation of the Liquidating Trust to include a reference to this Liquidation Trust Agreement and to provide that none of the Beneficiaries, the members of the Liquidation Trust Oversight Committee or the Liquidation Trustee or the Liquidation Trustee's respective agents, affiliates, attorneys, accountants, financial consultants or other Professionals shall be liable thereunder and that the other parties to such instrument shall look solely to the Trust Property for the payment of any claim thereunder or the performance thereof; provided, however, that the omission of such provision from any such instrument shall not render any Beneficiary or the Liquidation Trustee or the Liquidation Trust Oversight Committee, or their respective agents, affiliates, attorneys, accountants, financial consultants, or other Professionals liable nor shall the Liquidation Trustee, its agents, affiliates, attorneys, accountants, financial consultants or other professionals be liable to anyone for such omission.

### **ARTICLE VIII. MISCELLANEOUS PROVISIONS**

#### 8.01 Notices.

All notices, requests or other communications to the Liquidation Trustee hereto shall be in writing and shall be sufficiently given only if (i) delivered in person; (ii) sent by electronic mail or facsimile communication, as evidenced by a confirmed fax transmission report; (iii) sent by registered or certified mail, return receipt requested; or (iv) sent by recognized commercial delivery service or courier. Until a change of address is communicated, as provided below, all notices, requests and other communications shall be sent to the parties at the following addresses or facsimile numbers:

Liquidation Trustee:

Basil T. Simon  
645 Griswold Street, Suite 3366  
Detroit, MI 48226  
Email: bsimon@sszpc.com  
Facsimile: (313) 963-4614

Liquidation Trust Oversight Committee:

Rajinder Grewal, M.D.  
547 Bedlington Drive  
Rochester Hills, MI 48307  
Facsimile: \_\_\_\_\_  
Email: rajgrewalmd@yahoo.com

Surindar K. Jolly  
4020 Venoy Road, Suite 800  
Wayne, MI 48184  
Facsimile: \_\_\_\_\_  
Email: drjollymd@yahoo.com

Prakash N. Sanghvi, M.D.  
2111 Orchard Lake Road  
Sylvan Lake, MI 48320  
Facsimile: \_\_\_\_\_  
Email: amitej@aol.com

N Squared, LLC  
Attn: Naveen Nandakumar  
30700 Telegraph Rd., Suite 1645  
Bingham Farms, MI 48323  
Facsimile: \_\_\_\_\_  
Email: nvn@jjmedsys.com

Amarjeet Sethi, M.D.  
4566 Wabeek Forest Drive  
Bloomfield Hills, MI 48301  
Facsimile: \_\_\_\_\_  
Email: Doc\_Sethi@hotmail.com

All notices shall be effective and shall be deemed delivered (i) if by personal delivery, delivery service or courier, on the date of delivery; (ii) if by electronic mail or facsimile communication, on the date of transmission of the communication; and (iii) if by mail, on the date of receipt. Any party from time to time may change its address, email address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other party hereto.

8.02 Effectiveness.

This Liquidation Trust Agreement shall become immediately effective upon the Effective Date.

8.03 Counterparts; Facsimile Signatures.

This Liquidation Trust Agreement may be executed in one or more counterparts, all of which shall be taken together to constitute one and the same instrument. For purposes of the due execution hereof, facsimile or electronic imaging signatures shall be treated as originals for all purposes.

8.04 Governing Law.

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, this Liquidation Trust Agreement shall be governed by, construed under and interpreted in accordance with, the laws of the State of Michigan. Any and all disputes arising under this Liquidation Trust Agreement shall be raised and litigated before the Court.

8.05 Waiver of Jury Trial.

**THE LIQUIDATION TRUSTEE, THE LIQUIDATION TRUST OVERSIGHT COMMITTEE AND THE CHAPTER 11 TRUSTEE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTIONS, SUITS OR COUNTERCLAIMS ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS TRUST AGREEMENT.**

8.06 Severability of Provisions.

Any provision of this Liquidation Trust Agreement which is prohibited or unenforceable in any jurisdiction, as to such jurisdiction, shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Liquidation Trust Agreement or affecting the validity or enforceability of any of the terms or provisions of this Liquidation Trust Agreement in any other jurisdiction.

8.07 Entire Agreement.

This Liquidation Trust Agreement (including the Recitals) constitutes the entire agreement by and among the parties hereto and there are no representations, warranties, covenants or obligations except as set forth herein or therein. This Liquidation Trust Agreement supersedes all prior and contemporaneous agreements, understandings, negotiations, discussions, written or oral, of the parties hereto, relating to any transaction contemplated hereunder. Except as otherwise specifically provided herein, nothing in this Liquidation Trust Agreement is intended or shall be construed to confer upon or to give any person other than the parties thereto and their respective heirs, administrators, executors, successors, or assigns any right to remedies under or by reason of this Liquidation Trust Agreement.

8.08 Effect of Death, Incapacity or Bankruptcy of Beneficiary.

The death, incapacity or bankruptcy of a Beneficiary during the terms of this Liquidation Trust Agreement shall not operate to terminate the Liquidation Trust Agreement, nor shall it entitle the representatives or creditors of the deceased Beneficiary to an accounting, or to take any action in the courts or elsewhere for the distribution of the Trust Property or for a partition thereof, nor shall it otherwise affect the rights and obligations of any Beneficiary.

8.09 Effect of Trust on Third Parties.

There is no obligation on the part of any purchaser or purchasers from the Liquidation Trustee or any agent of the Liquidation Trustee, or on the part of any other persons dealing with the Liquidation Trustee or any agent of the Liquidation Trustee, to see the application of the purchase money or other consideration passing to the Liquidation Trustee or any agent of the Liquidation Trustee, or to inquire into the validity, expediency or propriety of any such transaction by the Liquidation Trustee or any agent of the Liquidation Trustee.

8.10 Waiver.

No failure or delay of any party to exercise any right or remedy pursuant to this Liquidation Trust Agreement shall affect such right or remedy or constitute a waiver by such party of any right or remedy pursuant thereto. Resort to one form of remedy shall not constitute a waiver of alternative remedies.

8.11 Relationship Created.

The only relationship created by this Liquidation Trust Agreement is the relationship between the Liquidation Trustee and the Beneficiaries. No other relationship or liability is created. Nothing contained in this Liquidation Trust Agreement shall be construed so as to construe the Beneficiaries or their successors-in-interest as creating an association, partnership, or joint venture of any kind.

8.12 Amendment of Liquidation Trust Agreement.

This Liquidation Trust Agreement may be amended from time to time upon the consent of the Liquidation Trust Oversight Committee and the Liquidation Trustee and, absent such consent, upon order of the Court, provided, however, that no amendment shall be made to the Liquidation Trust Agreement that makes it inconsistent with the provisions of the Plan.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Liquidation Trust Agreement or caused this Liquidation Trust Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first written above.

\_\_\_\_\_  
Basil T. Simon, as Chapter 11 Trustee  
of the Estate of Oakland Physicians Medical  
Center, L.L.C. d/b/a Doctors' Hospital of  
Michigan, a Michigan limited liability  
company

\_\_\_\_\_  
Basil T. Simon, as Liquidation Trustee of  
the Oakland Physicians Medical Center,  
L.L.C. Liquidation Trust

**THE LIQUIDATION TRUST  
OVERSIGHT COMMITTEE**

\_\_\_\_\_  
Rajinder Grewal, M.D.

\_\_\_\_\_  
Surindar K. Jolly

\_\_\_\_\_  
Prakash N. Sanghvi, M.D.

\_\_\_\_\_  
Amarjeet Sethi, M.D.

N Squared, LLC

By: \_\_\_\_\_  
Naveen Nandakumar

Its: \_\_\_\_\_

**[Signature Page to Liquidation Trust Agreement]**



## **EXHIBIT – K**

### CLAIM PURCHASE AGREEMENT

This Claim Purchase Agreement ("Agreement") is entered into effective as of the date of full execution ( 11/05/15 ), by and between [ Allied Global Consulting ] ("Purchaser") and the Creditor identified below ("Creditor"). Purchaser and Creditor (each, a "Party" and, together, the "Parties") agree as follows with respect to the outstanding debt owed to Creditor by the Company named below ("Company"):

Company Name: [DOCTORS HOSPITAL OF MI ]  
Creditor Name: [7 Grand Service ]  
Claim Amount: \$ 500.00\_  
(Total amount payable from Company to Creditor)  
Minimum Purchase Price: 20% of the Claim Amount  
(Amount for which Creditor is selling Claim to Purchaser)

1. **Purchase and Sale.** Purchaser hereby purchases from Creditor, and Creditor hereby sells, transfers, conveys and assigns to Purchaser, for the consideration set forth herein, all right, title and interest of Creditor in and to one or more claims of Creditor against Company and/or any affiliate of the Company, the Estate of Ira Winkler and any other person or entity who may be liable under any theory for any amount owed by the Company, any affiliate of the Company and/or the Estate of Ira Winkler ("Claim"). Creditor hereby sells, transfers and assigns all right, title and interest to Creditor in the Claim to Purchaser.

2. **Payment of Minimum Purchase Price.** The Minimum Purchase Price shall be paid to Creditor by Purchaser in one (1) installment of \$ 100.00 within 0 days following the Effective Date.

3. **Additional Purchase Price.** Any Additional Purchase Price may, if at all be paid to Creditor by Purchaser if Purchaser ultimately recovers on account of the Claim an amount that exceeds the aggregate of the Minimum Purchase Price and any fees and/or costs incurred by Purchaser.

4. **Appointment of Purchaser as Agent and Attorney-in-Fact.** Creditor transfers and Purchaser obtains any and all rights to pursue collection on the Claim in its own name. To the extent necessary, Creditor hereby irrevocably appoints Purchaser as its true and lawful agent and attorney-in-fact, solely with respect to the Claim, with the full power and authority to act in Creditor's name, place and stead, to demand, sue for, compromise and recover all such amounts as now are, or may hereafter become, due and payable for or on account of the Claim and to exercise all elections, voting rights and all other rights and remedies with respect thereto. Creditor further grants unto Purchaser full authority to do all things necessary to enforce the Claim and its rights thereunder pursuant to this Agreement. Creditor agrees that the powers granted by this paragraph are coupled with an interest, and are therefore irrevocable, and are

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discretionary in nature and that Purchaser may exercise or decline to exercise such powers at Purchaser's sole option. Purchaser shall have no obligation to take any action to prove or defend the Claim's validity or amount whatsoever. In the event that Purchaser chooses to pursue recovery of any additional amounts related to the Claim or the Company, and Purchaser in fact recovers any money related thereto, Purchaser will pay Creditor an Additional Purchase Price, if any, only after Purchaser ultimately recovers on account of the Claim an amount that exceeds the aggregate of the Minimum Purchase Price plus any fees and/or costs incurred by Purchaser. Creditor agrees to take such further actions, as requested by Purchaser as necessary or desirable to effect the transfer of the Claim to Purchaser (or its designees) and any payments or distributions on account of the Claim including, without limitation, the execution of appropriate transfer powers, corporate resolutions and consents.

5. **Cooperation.** Creditor will furnish to Purchaser all documentation and evidence supporting the Claim, and reasonably cooperate in providing any other information and taking any other action that Purchaser deems necessary or appropriate to effectuate the provisions and purposes of this Agreement. Upon Purchaser's reasonable request, Creditor will duly execute and deliver, or cause to be duly executed and delivered, to Purchaser such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Purchaser to effectuate the provisions and purposes of this Agreement.

6. **Representations, Warranties and Covenants.** Creditor hereby represents, warrants and covenants as follows:

- a. The Claim Amount is the total amount due to Creditor with respect to the Claim, net of any applicable discounts, allowances or other deductions to which Company is lawfully entitled.
- b. Creditor is the sole owner of the Claim, free and clear of all liens, encumbrances and rights of third parties. Creditor has not previously sold, transferred, encumbered or released any part of the Claim.
- c. There has been no modification, compromise, forbearance or waiver (written or oral) entered into or given with respect to the Claim. There is no action based on the Claim that is currently pending in any court or other legal venue, and no judgments based upon the Claim have been previously entered in any legal proceeding.
- d. Creditor has all necessary power and authority to (i) execute, deliver and perform all of its obligations under this Agreement, and (ii) sell, convey, transfer and assign the Claim to Purchaser. Creditor has such knowledge and experience in business and financial matters that it is capable to protect its own interests and evaluate the risks and benefits of entering into this Agreement. Creditor acknowledges and agrees that it has had an opportunity to conduct its own due diligence and consult with its own legal counsel, and tax, financial and other advisors, and that Creditor is not relying in that regard on Purchaser.

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- e. Creditor acknowledges that Purchaser is not making any representations or warranties whatsoever, including, without limitation, about the Company, except as may be explicitly provided in this Agreement.
- f. The execution, delivery and performance of this Agreement by Creditor has been duly authorized by all requisite action on the part of Creditor. This Agreement has been duly executed and delivered by Creditor and constitutes the legal, valid and binding obligation of Creditor, enforceable against Creditor in accordance with its terms.
- g. Creditor acknowledges that Purchaser is not a fiduciary of the Creditor to pursue and/or recover any additional money related to the Company or Claim whatsoever; and that if Purchaser, in his sole and unfettered discretion, chooses to pursue recovery of any additional money related to the Company or Claim, Creditor acknowledges, warrants and represents that Purchaser does not, and will not, owe any duty whatsoever to Creditor for the recovery, or inability to recovery, any such additional money.

7. **Excluded Information.** Creditor and Purchaser each hereby acknowledge to the other that (i) it currently has, or may in the future have, information with respect to the Claim, the Company or any of its affiliates that is not known to the other party and that may be material to a decision to sell or purchase the Claim (as applicable) ("**Excluded Information**"), (ii) it has determined to sell or purchase the Claim (as applicable) notwithstanding its lack of knowledge of the Excluded Information and (iii) neither Creditor nor Purchaser shall have any liability to the other or any other party whatsoever with respect to the nondisclosure of the Excluded Information in connection with the transactions contemplated in this Agreement.

8. **Fees and Expenses.** Each party shall pay the fees and expenses of its advisors, counsel, accountants, experts or other professionals, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. Creditor understands that Purchaser shall not be liable for any commissions, orders, purchases, contracts, withholding, or obligations of any kind resulting from any or arising out of settlement of the Claim. In the event that any additional money is recovered as provided in this Agreement, Purchaser shall be entitled to collect its fee and/or costs before payment of any Additional Purchase Price whatsoever.

9. **Liquidated Damages.** IN THE EVENT CREDITOR HAS PREVIOUSLY SOLD, ASSIGNED OR PLEDGED THIS CLAIM TO ANY THIRD PARTY, OTHERWISE LACKS SOLE TITLE THERETO, OR IN THE FUTURE PURPORTS TO SELL, ASSIGN OR PLEDGE THE CLAIM TO A THIRD PARTY, CREDITOR AGREES TO IMMEDIATELY PAY PURCHASER UPON DEMAND OF PURCHASER, LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO DOUBLE THE AMOUNT PAID TO CREDITOR HEREUNDER.

10. **Choice of Law.** This Agreement shall be governed and construed under the laws of the State of Michigan. The United States District Court for the Eastern District of

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Michigan shall have exclusive jurisdiction over all claims and defenses relating to this Agreement and the Parties consent to such jurisdiction.

11. **Notice.** Any notices required or permitted to be given under this Agreement shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by a commercial overnight courier that guarantees next day delivery and provides a receipt. In addition, courtesy copies of any notices may be sent via email. Any notice shall be effective only upon delivery. Such notices shall be addressed as follows:

To Creditor: 7 Grand Service  
25642 W Seven Mile Rd,  
Redford Charter Twp, MI 48240

To Purchaser: Allied Global Consulting  
1812 Front St  
Scotch Plains NJ 07078

12. **Modification.** No waiver, modification or amendment of any of the terms of this Agreement shall be effective unless made in writing and signed by the Parties.

13. **Interpretation; Survival.** Paragraph titles and headings are inserted for convenience of reference only and are not intended to be part of or affect the meaning or interpretation of any provisions in this Agreement. All references to subsections contained in this Agreement refer to the sections and subsections in this Agreement. All pronouns and any variation thereof will be deemed to refer to the masculine, feminine, neuter, singular or plural as the context may require. The representations, warranties and covenants contained in this Agreement shall survive the execution and delivery of the Agreement, closing of the transaction under this Agreement and the purchase of the Claim.

14. **No Third Party Beneficiaries.** This Agreement is intended for the benefit of Creditor and Purchaser and their respective successor and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

15. **Entire Agreement.** This Agreement constitutes the entire agreement between, and supersedes any and all other agreements, negotiations, discussions and representations, either written or oral, between, the Parties regarding the subject matter of this Agreement. Any such prior written or oral agreements, negotiations, discussions or representations are hereby revoked, cancelled and rescinded. Purchaser agrees that they are not relying upon any information or data that is not contained in this Agreement.

**PURCHASER AND CREDITOR HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY  
IN ANY SUIT BROUGHT BY EITHER PARTY.**

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This Agreement has been executed on \_\_\_\_\_ (11/05/15).

**PURCHASER:**

**Allied Global Consulting**

**Syed Kazmi**

By: Syed Kazmi  
Its: Owner

*[Signature]*  
11/05/15

**CREDITOR:**

**7 Grand Service**  
25642 W Seven Mile Rd,  
Redford Charter Twp, MI 48240

*[Signature]*  
By: Mr. Desh Deepak Bhatia  
Its: owner

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