

WEISS ZARETT BROFMAN SONNENKLAR & LEVY, P.C.
3333 New Hyde Park Road, Suite 211
New Hyde Park, New York 11042
Telephone: (516) 627-7000
Facsimile: (516) 877-1172
Michael D. Brofman, Esq.
Akshara Kannan, Esq.

*Counsel for Molham M. Solomon, M.D.
a member of Creditor Sound Shore Medical Center
of Westchester Physicians*

**UNITED STATES BANKRUPTCY COURT,
SOUTHERN DISTRICT OF NEW YORK**

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In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹

Chapter 11 Case
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

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**MOTION OF MOLHAM M. SOLOMON, M.D.
FOR ENTRY OF AN ORDER, INTER ALIA, ENFORCING
THE COVERED MEDICAL PROFESSIONAL INJUNCTION**

TO THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE:

Molham M. Solomon, M.D. (“Dr. Solomon”), a former employee of debtor Sound Shore Medical Center of Westchester (“Sound Shore”) in the above referenced Chapter 11 case (“Chapter 11 Case”), by his attorneys Weiss Zarett Brofman Sonnenklar & Levy, P.C. hereby moves for entry of an order, substantially in the form annexed hereto as **Exhibit A**, (i) enforcing the order

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

confirming the Plan which includes the Covered Medical Professionals Injunction (as such terms are defined below) as to Dr. Solomon; (ii) declaring as void *ab initio* any order actions taken against Dr. Solomon is the action commenced in violation of the Covered Medical Professionals Injunction captioned *Diaz v. Solomon, et al.*, Index No. 22922/2014E in the Supreme Court of the State of New York, Bronx County (the “State Court Action”); and (iii) awarding Dr. Solomon costs and attorneys’ fees in connection with this Motion. In support of the Motion, Dr. Solomon respectfully represents as follows:

JURISDICTION

1. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for relief requested herein are sections 11 U.S.C. §§ 105(a) and 1142.

GENERAL BACKGROUND

3. On May 29, 2013 (the “Petition Date”), each Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the “Bankruptcy Code”).

4. This Court subsequently approved and confirmed the First Amended Plan of Liquidation under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center, et al. (the “Plan”)², annexed hereto as **Exhibit B**, on November 6, 2014, pursuant to the order confirming the Plan (the “Confirmation Order”), annexed hereto as **Exhibit C**.

² All terms not defined herein are defined in the Plan.

5. The Plan specifically provides in Section 13.1(b) that “all Persons³ are permanently enjoined from commencing or continuing any medical malpractice or related action against any Covered Medical Professional⁴ and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Covered Medical Professional with respect to such actions...” (the “Covered Medical Professionals Injunction”). In exchange for the Covered Medical Professionals Injunction, each Covered Medical Professional waived any potential indemnification claim against the Debtors, which, if pursued, could defeat the Plan’s objective and directly and adversely impact the estates and their property.

6. On June 25, 2014, Solange Diaz and Juan Ortiz (“Plaintiffs”), commenced the State Court Action against Dr. Solomon, Andrew Wan, M.D., Riverdale Family Medical Practice, P.C. (“Riverdale”) and St. Joseph’s Hospital, Yonkers (“St. Joseph’s”), alleging, *inter alia*, medical malpractice on March 5, 2013. The Dr. Solomon, as an employee of Sound Shore, had rendered services to St. Joseph’s pursuant to a Teaching and Professional Services Agreement dated May 31, 2011 between Sound Shore and St. Joseph’s” (the “Services Agreement”) **Exhibit D** (*See* Declaration of Molham M. Solomon dated April 18, 2016 (“Solomon Dec.”) ¶ 3.

7. On August 1, 2014, counsel for Dr. Solomon provided actual notice to Plaintiffs’ counsel, Samuel Rosmarin, Esq. of Worby Groner Edelman, LLP, of the Plan and its specific application to any action against Dr. Solomon and also provided a copy of the Plan and Dr. Solomon’s employment contract with Sound Shore (the “Employment Agreement”), annexed

³ Defined in the Plan as “an individual, corporation partnership, limited liability company, joint venture, association, joint stock company, trust, estate, unincorporated organization, governmental unit (or agency or political subdivision thereof), or other entity.”

⁴ Defined in Section 1.1 of the Plan as “any doctor, intern, resident, fellow, nurse or other employee of the Debtors to the extent that such Person as a right of indemnification from, or another Claim against, any Debtor with respect to claims of medical malpractice alleged to have occurred during the scope of their services to any of the Debtors, whether such services were rendered **on or off the premises of the hospitals, nursing homes or clinics of the Debtors**” (emphasis added).

hereto as **Exhibit E**. The August 1, 2014 letter also notified Mr. Rosmarin that pursuing the State Court Action would be in violation of the Covered Medical Professionals Injunction and the Confirmation Order. A copy of the August 1, 2014 letter is annexed hereto as **Exhibit F**.

8. After acknowledging actual receipt of Dr. Solomon's notice, thereafter Plaintiffs' counsel filed a proof of claim (the "Proof of Claim") in the instant bankruptcy case, annexed hereto as **Exhibit G**. The Proof of Claim noted that Dr. Solomon was an employee of Sound Shore and attached the Employment Agreement as evidence thereof. Indeed, thereafter, Plaintiffs opposed a motion by the Debtor seeking to expunge or disallow their claim. (*See* **Exhibit H**).

9. Plaintiffs subsequently alleged that Dr. Solomon was acting outside the scope of his Employment Agreement when providing medical treatment to Plaintiff Diaz. In support of that allegation, Plaintiffs claimed that the services were not provided at Sound Shore and that Dr. Solomon billed for and retained payment for some of the medical services rendered. Disregarding the Covered Medical Professional Injunction, by the motion in the State Court dated October 22, 2014, counsel for Plaintiffs obtained an order dated November 10, 2014 (**Exhibit I**) from the State Court which extended the time to serve the Complaint in the State Court Action until 120 days after this Court's determination that Dr. Solomon was or was not an employee of Sound Shore. Ignoring even the order of the State Court, Plaintiffs' counsel had Dr. Solomon served with the Summons & Complaint on December 7, 2015. Dr. Solomon has not appeared in the State Court action and has deemed the service of the Summons and Complain to be a nullity.

10. Dr. Solomon first saw Plaintiff Diaz as a consultant at Riverdale, and advised her to go to the St. Josephs emergency room. Sound Shore, not Dr. Solomon, billed and collected payment for the services rendered at Riverdale. Because Dr. Solomon was providing call coverage at St. Josephs' emergency room pursuant to the Employment Agreement and the Services

Agreement, he performed emergency surgery on Ms. Diaz (Solomon Dec. ¶ 4). Dr. Solomon had a biller prepare a bill for the services rendered at St. Josephs. (Solomon Dec. ¶ 6).

11. The Employment Agreement (**Exhibit E**) and the Services Agreement (**Exhibit D**) specifically require Dr. Solomon to provide medical services at St. Josephs, with which Riverdale is affiliated (Solomon Dec. ¶ 3). In addition to providing sixteen (16) hours per week of clinical services at St. Josephs, the Employment Agreement required Dr. Solomon to provide call coverage for St. Josephs' emergency room 182.5 days a year (exactly half of the year). Dr. Solomon would not have been providing call coverage in the St. Josephs emergency room but for the Employment Agreement that explicitly requires it (Solomon Dec. ¶ 3).⁵

12. The Employment Agreement also provides that all of the medical records relating to patients treated by Dr. Solomon at St. Joseph's remain St. Joseph's property. Indeed, Ms. Diaz' medical records were retained by St. Josephs, not Dr. Solomon. (Solomon Dec. ¶ 5). Dr. Solomon is further obligated to remit all payment received from services rendered at St. Josephs to Sound Shore.

13. As stated above, Dr. Solomon billed for the services rendered to Ms. Diaz at St. Joseph's. The insurance payment for the medical services was sent directly to Plaintiff Diaz, who neither remitted payment to Dr. Solomon (or anyone else) nor informed Dr. Solomon that payment had been received. (Solomon Dec. ¶ 6). Upon information and belief, in December 2013, upon inquiry by Dr. Solomon's biller, Plaintiff Ortiz revealed that the Plaintiffs had kept the insurance payment themselves and threatened to sue Dr. Solomon if he tried to collect the money. Plaintiffs

⁵ While Dr. Solomon was permitted to engage in private medical practice for ten (10) hours per week, that outside activity could not compete directly or indirectly with the Hospital or interfere with his duties under the Employment Agreement. Engaging in private practice at the same hospital where he is contractually obligated to provide substantial services under his Employment Agreement would clearly be considered direct competition and would not have been permitted.

did subsequently remit payment of approximately \$7,500 to Dr. Solomon later that month. (Solomon Dec. ¶ 6).

14. While the Employment Agreement provides for Sound Shore to bill for services rendered by Dr. Solomon at St. Joseph's and retain the payment, it also recognizes that Dr. Solomon might do the billing. Accordingly, the Employment Agreement requires Dr. Solomon to remit any payment to Sound Shore in the event he collects it himself. The assets of Sound Shore were sold on November 6, 2013 pursuant to the Plan and Sound Shore ceased business operations. When Ms. Diaz finally sent the money she had received from the health insurance to Dr. Solomon in December 2013, he was unsure of how to proceed, despite being contractually obligated to remit the funds to Sound Shore, since there was no one at Sound Shore to speak with about the payment. (Solomon Dec. ¶ 6).

15. In a letter by Theresa Driscoll, Esq. of Moritt Hock & Hamroff, LLP, acting as Plaintiffs' counsel, dated August 25, 2015 (the "August 25, 2015 Letter"), annexed hereto as **Exhibit J**, Plaintiffs again contended that Dr. Solomon was not a Covered Medical Professional under the Plan and threatened to seek sanctions against Dr. Solomon's counsel should Dr. Solomon continue to take the position that the covered Medical Professionals Injunction applied without providing "proof" that Dr. Solomon was acting under the scope of his employment with Sound Shore.

16. In response to the August 25, 2015 Letter, Dr. Solomon's counsel sent yet another letter explaining why Dr. Solomon was a Covered Medical Professional under the Plan and was covered under the Covered Medical Professionals Injunction (the "September 3, 2015 Letter"). It was further explained that Dr. Solomon is not and has never been an employee of Riverdale or St. Joseph's and that any services rendered there were pursuant to the Employment Agreement which

explicitly requires such activity. It was further clarified that Dr. Solomon fully acknowledged his contractual obligation to the remit payment he received to Sound Shore. A copy of the September 3, 2015 Letter is annexed hereto as **Exhibit K**.

17. Prior to filing the instant Motion, Dr. Solomon's counsel made multiple attempts over the course of a year to resolve this matter without this Court's intervention. In addition to the letters exchanged by counsel, there were several phone calls in which the details of the Plan and the Employment Agreement were discussed. Dr. Solomon's counsel further suggested on numerous occasions that Plaintiffs seek a determination from this Court as to whether the Plan applies to the services rendered by Dr. Solomon to Ms. Diaz before proceeding further in the State Court. Plaintiffs failed to do so. Instead, they have violated the Covered Medical Professionals Injunction and served Dr. Solomon with the Complaint in the State Court Action; violating even the State Court Order requiring them to seek this Court's determination of Dr. Solomon's status before proceeding.

18. It has become clear that Plaintiffs will not withdraw the State Court Action and intend on proceeding against Dr. Solomon, in violation of the Plan, thereby mandating the instant Motion. Accordingly, Dr. Solomon is forced to seek the relief set forth below in order to enforce the Covered Medical Professionals Injunction established pursuant to the Plan.

RELIEF REQUESTED

19. Dr. Solomon respectfully requests entry of an order pursuant to 11 U.S.C. §§ 105(a) and 1142 (i) enforcing the Plan and Covered Medical Professionals Injunction in favor of Dr. Solomon and against the Plaintiffs and their counsel; (ii) declaring as void *ab initio* any action taken against Dr. Solomon based on the improperly commenced State Court Action; and (iii) awarding Dr. Solomon costs and attorneys' fees in connection with this Motion.

BASIS FOR RELIEF

20. If the State Court Action were allowed to continue, absent the injunctions in the Plan, Dr. Solomon, as an employee of Sound Shore, would otherwise be entitled to indemnification for any incurred liability from Sound Shore, as the Employment Agreement required Sound Shore to provide Dr. Solomon with medical malpractice insurance coverage. The possibility that former Sound Shore employees could seek indemnification from the Debtors was specifically contemplated in the Plan. In an effort to avoid adverse effects to the Debtors' estate, an integral part of the Plan is the Covered Medical Professionals Injunction. In exchange for the injunction, the Covered Medical Professionals, including Dr. Solomon, waived any potential indemnification claims.

21. If the State Court Action is permitted to go forward, the Covered Medical Professionals Injunction and this Court's Confirmation Order would be rendered meaningless. Therefore, the State Court Action, while not naming Sound Shore as a defendant, is in violation of the Covered Medical Professional Injunction and the Confirmation Order. It is respectfully submitted that the Court should therefore enforce the Covered Medical Professionals Injunction for the benefit of Dr. Solomon as permitted under 11 U.S.C. §1142(b) and "issue any order, process, judgment that is necessary or appropriate" (11 U.S.C. §105(a)).

22. This Court clearly has jurisdiction over the Plaintiffs who knowingly subjected themselves to the jurisdiction of this Court by the filing of a proof of claim against the Sound Shore estate, asserting that Dr. Solomon was an employee of Sound Shore. "When a creditor files a proof of claim, the bankruptcy court has core jurisdiction to determine that claim," even if it involves state law. Enron Corp. v. Citigroup, Inc. (In re Enron Corp.), 349 B.R. 108, 112 (Bankr. S.D.N.Y. August 12, 2006); EXDS, Inc. v. RK Electric, Inc. (In re EXDS, Inc.), 301 B.R.436, 440 (Bankr.

D. Del. October 31, 2003). Once a proof of claim is filed, bankruptcy court retains exclusive jurisdiction, even if the claimant later changes its mind and seeks to withdraw the claim. In re EXDS, Inc., 301 B.R. at 443.

23. Notably, Plaintiffs have not sought to withdraw their Proof of Claim and instead insisted on its validity. Indeed, when Debtors sought to disallow the Proof of Claim, Plaintiffs vigorously defended it, thereby confirming their desire to participate in distributions under the Plan as claimants of Sound Shore. They cannot argue that Dr. Solomon is not covered by the injunction, while and at the same time assert that the surgery performed on Ms. Diaz was in the scope of his employment at Sound Shore in order to receive a distribution.

24. Section 12.1(i) of the Plan also explicitly provides that this Court retains jurisdiction to “hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan.” This matter boils down a dispute over whether the Covered Medical Professionals Injunction applies to Dr. Solomon; effectively whether he was acting in the scope of employment with Sound Shore and under the Services Agreement between Sound Shore and St. Joseph’s when he performed surgery on Ms. Diaz. It is for this Court to hear and determine such an issue before the State Court Action can proceed against Dr. Solomon, something recognized by the State Court as well.

25. There is no dispute that Plaintiffs were aware of the Covered Medical Professionals Injunction well before they served Dr. Solomon with the Complaint in December 2015. In blatant disregard for the authority of this Court, the Confirmation Order and the State Court’s order, Plaintiffs and their counsel have intentionally violated the Covered Medical Professionals Injunction by proceeding with the State Court Action. In light of Plaintiffs’ contemptuous conduct, they should be required to reimburse Dr. Solomon for all costs and legal fees incurred with respect

to this Motion. *See Cuffee v. Atlantic Bus. & Cmty. Dev. Corp. (In re Atlantic Bus & Cmty. Dev. Corp.)*, 901 F.2d 325, 329 (3rd Cir. 1990); *Fidelity Mortgage Investors v. Camelia Builders, Inc.*, 550 F.2d 47 (2d Cir. 1976). Dr. Solomon should not be burdened with the costs incurred in defending against Plaintiffs' blatant refusal to abide by the Plan and the Confirmation Order.

NOTICE

26. Notice of this Motion has been given to (a) counsel for the Plaintiffs; (b) counsel for the Plan Administrator; (c) counsel to the Committee; and (d) the Office of the United States Trustee. Dr. Solomon submits that no other notice of this Motion need be given.

NO PREVIOUS REQUEST

27. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested and such other and further relief as is just, proper and equitable.

Dated: New Hyde Park, New York
April 22, 2016

WEISS ZARETT BROFMAN SONNENKLAR & LEVY, P.C.
Counsel for Molham M. Solomon, M.D.

By: s/ Michael D. Brofman
Michael D. Brofman, Esq.
Akshara Kannan, Esq.
3333 New Hyde Park Road, Suite 211
New Hyde Park, NY 11042
Telephone: (516) 627-7000
Facsimile: (516) 877-1172
Email: mbrofman@weisszarett.com
Email: akannan@weisszarett.com

Weiss Zarett Brofman Sonnenklar & Levy, P.C.
3333 New Hyde Park Road, Suite 211
New Hyde Park, New York 11042
Telephone: (516) 627-7000
Facsimile: (516) 877-1172
Michael D. Brofman, Esq.
Akshara Kannan, Esq.

Hearing Date: May 18, 2016
Hearing Time: 10:00 A.M. (EST)
Objection Deadline: May 11, 2016

Counsel for Molham M. Solomon, M.D.

**UNITED STATES BANKRUPTCY COURT,
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹

Chapter 11 Case
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**NOTICE OF MOTION FOR ENTRY OF AN ORDER, INTER ALIA,
ENFORCING THE COVERED MEDICAL PROFESSIONAL INJUNCTION**

PLEASE TAKE NOTICE that Molham M. Solomon, M.D. (“Dr. Solomon”), a Covered Medical Professional under the First Amended Plan of Liquidation (“Plan”) of debtor Sound Shore Medical Center of Westchester (“Sound Shore”) in the above referenced Chapter 11 case (“Chapter 11 Case”) will move (the “Motion”) before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

Bankruptcy Court, 300 Quarropas Street, Room 248, White Plains, NY 10601, on **May 18, 2016 at 10:00a.m.**, or as soon thereafter as counsel may be heard, seeking entry of an order (the “Order”)² (i) enforcing the Plan and Covered Medical Professionals Injunction as to Dr. Solomon; (ii) declaring as void *ab initio* any order directing that judgment be entered against Dr. Solomon based on the improperly commenced State Court Action; and (iii) awarding Dr. Solomon costs and attorneys’ fees in connection with this Motion.

PLEASE TAKE FURTHER NOTICE that written objections to the Motion must be filed with the Clerk of the United States Bankruptcy Court, 300 Quarropas Street, Room 248, White Plains, NY 10601, so as to be received by **no later than 4:00p.m. on May 11, 2016** (with a courtesy copy delivered to the chambers of the Honorable Robert D. Drain) and must be served upon (a) Weiss Zarett Brofman Sonnenklar & Levy, P.C., counsel for Dr. Solomon, 3333 New Hyde Park Road, Suite 211, New Hyde Park, New York 11042, Attn: Michael D. Brofman, Esq. and Akshara Kannan, Esq.; and (b) Garfunkel Wild, P.C., counsel for the Plan Administrator, 111 Great Neck Road, Great Neck, New York 11021, Attn: Burton S. Weston, Esq. and Adam T. Berkowitz, Esq.; and (c) counsel to the Committee, Alston & Bird LLP, 90 Park Avenue, New York, New York 10016, Attn: Martin G. Bunin, Esq. and Craig E. Freeman, Esq.; and (d) the Office of the United States Trustee for the district, so as to be received by such parties no later than May 11, 2016 at 4:00 p.m.

PLEASE TAKE FURTHER NOTICE that if no response is filed and served with respect to the Motion, Dr. Solomon may submit to the Bankruptcy Court an order

² A form of the proposed order is annexed hereto as Exhibit A.

substantially in the form of the proposed order annexed to the Motion as Exhibit “A”, which
may be entered with no further opportunity to be heard.

Dated: New Hyde Park, New York
April 22, 2016

Respectfully Submitted,

WEISS ZARETT BROFMAN SONNENKLAR & LEVY, P.C.
Counsel for Molham M. Solomon, M.D.

By: s/ Michael D. Brofman

Michael D. Brofman, Esq.

Akshara Kannan, Esq.

3333 New Hyde Park Road, Suite 211

New Hyde Park, NY 11042

Telephone: (516) 627-7000

Facsimile: (516) 877-1172

Email: mbrofman@weisszarett.com

Email: akannan@weisszarett.com

WEISS ZARETT BROFMAN SONNENKLAR & LEVY, P.C.
3333 New Hyde Park Road, Suite 211
New Hyde Park, New York 11042
Telephone: (516) 627-7000
Facsimile: (516) 877-1172
Michael D. Brofman, Esq.
Akshara Kannan, Esq.

*Counsel for Molham M. Solomon, M.D.
a Covered Medical Professional*

**UNITED STATES BANKRUPTCY COURT,
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.

Chapter 11 Case
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**DECLARATION OF MOLHAM M. SOLOMON, M.D.
IN SUPPORT OF MOTION FOR ENTRY OF AN
ORDER, INTER ALIA, ENFORCING THE
COVERED MEDICAL PROFESSIONAL INJUNCTION**

Molham M. Solomon, M.D. hereby declares the following to be true under the penalty of perjury:

1. I am a former employee of debtor Sound Shore Medical Center of Westchester (“Sound Shore”) in the above referenced Chapter 11 case (“Chapter 11 Case”), and I make this Declaration in support of the motion (“Motion”) which seeks (i) enforcement of the Plan and the order confirming the Plan which includes the Covered Medical Professionals Injunction (as such terms are defined in the Motion); (ii) declaring as void *ab initio* any actions taken against me in the action commenced in violation of the Covered Medical Professionals Injunction captioned *Diaz v. Solomon, et al.*, Index No. 22922/2014E, in the Supreme Court of the State of New York,

Bronx County (the “State Court Action”); and (iii) awarding me costs and attorneys’ fees in connection with this Motion.

2. Prior to the closing on the sale of the Sound Shore assets on November 6, 2013, I was employed by Sound Shore pursuant to an employment contract (“the “Employment Agreement”, Exhibit E to the Motion).

3. As an employee of Sound Shore, I rendered services to St. Joseph’s Medical Center (“St. Joseph’s”) pursuant to a Teaching and Professional Services Agreement dated May 31, 2011 between Sound Shore and St. Joseph’s” (the “Services Agreement”), Exhibit D to the Motion. As part of those services, I consulted with clinic physicians affiliated with St. Joseph’s, including the physicians at Riverdale. Family Medical Practice, P.C. (“Riverdale”) Under the Services Agreement, and pursuant to the Employment Agreement with Sound Shore, I was also required to be “on call” at St. Joseph’s for patients who were admitted through the emergency room, in order to perform surgery or other procedures on those patients as needed. At no time did I have an independent medical practice affiliated with St. Joseph’s. Any services I rendered at St. Joseph’s was solely through my employment at Sound Shore.

4. I first saw Solange Diaz (a plaintiff in the State Court Action) on March 5, 2013 as a consultant for Riverdale. I advised her to go to the St. Joseph’s emergency room for treatment, which she did. Sound Shore billed and collected payment for the consultation services rendered by me at Riverdale. Because I was also providing call coverage at St. Joseph’s emergency room pursuant to the Employment Agreement and the Services Agreement, I ultimately performed life-saving surgery on Ms. Diaz.

5. The Employment Agreement also provides that all of the medical records relating to patients treated by me at St. Josephs remain St. Josephs' property. Indeed, the medical records of Ms. Diaz's treatment at St. Joseph's were retained by St. Joseph's, not by me.

6. I had a biller render a bill for the physician services provided by me to Ms. Diaz at St. Joseph's. The insurance payment for the physician services was sent directly to Ms. Diaz, who neither remitted payment to me (or anyone else) nor informed me that payment for the surgical services had been received by her. I was told by the biller in December 2013 that Ms. Ortiz and/or her husband had admitted keeping the insurance payment and had threatened to sue me if I tried to collect the money from them. Payment of approximately \$7,500 was eventually turned over to me later that month. Although the Employment Agreement required me to turn the funds I received over to Sound Shore, that did not occur. Since Sound Shore was sold and ceased operating on November 6, 2013, when I finally received payment in December 2013, I was unsure of how to proceed, since there was no one at Sound Shore to speak with about the payment. Therefore, I erroneously allowed the funds to remain in my account.

7. On June 25, 2014, Solange Diaz and Juan Ortiz ("Plaintiffs"), commenced the State Court Action against me, Andrew Wan, M.D., Riverdale Family Medical Practice, P.C. ("Riverdale") and St. Joseph's Hospital, Yonkers, alleging, *inter alia*, medical malpractice on March 5, 2013. On August 1, 2014, at my request, my attorney provided actual notice to Plaintiffs' counsel, Samuel Rosmarin, Esq. of the Plan and its specific Section prohibiting the commencement of any malpractice action against me due to the Covered Medical Professional's Injunction. Notwithstanding, the Plaintiffs have continued the State Court Action.

8. It has become clear that Plaintiffs will not withdraw the State Court Action and intend on proceeding against me in violation of the provisions of the Plan. Accordingly, I am

forced to seek the assistance of this Court in order to enforce the Covered Medical Professionals
Injunction established pursuant to the Plan

9. I hereby declare that all of the foregoing is true under the penalty of perjury.

Dated: April 18, 2016

s/ Molham M. Solomon
Molham M. Solomon, M.D.

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹

Chapter 11 Case
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**ORDER ENFORCING, INTER ALIA, THE
COVERED MEDICAL PROFESSIONAL INJUNCTION**

Upon the motion (the “Motion”)² of Molham M. Solomon, M.D. a Covered Medical Professional under the First Amended Plan of Liquidation (“Plan”) of debtor Sound Shore Medical Center of Westchester (“Sound Shore”) and certain of its affiliates, for entry of an order pursuant to sections 105(a) and 1142 of the Bankruptcy Code enforcing the Covered Medical Professional Injunction contained in Section 13.1(b) of the Plan; and the Court having subject matter jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and the Motion being a core proceeding under 28 U.S.C. § 157(b); and venue being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (a) Worby Groner Edelman, LLP and Maritt Hock & Hamroff, LLP as counsel to Solangel Diaz and Juan Ortiz; and (b) Garfunkel Wild, P.C., counsel for the Plan Administrator; (c) Alston & Bird LLP, counsel for the Committee; and (d) the Office of the United States Trustee and no further notice having been needed; and the Court having determined that the legal and factual bases set

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

² Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion.

forth in the Motion and at the Hearing before the Court establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDER THAT:

1. The Motion is granted as provided for herein.
2. Any judgment obtained by Solangel Diaz and Juan Ortiz in the action commenced by them as against Molham M. Solomon, M.D. in the Supreme Court of the State of New York, County of Bronx ("State Court Action") is hereby declared void *ab initio* as it relates to Dr. Solomon as being in violation of the Covered Medical Professionals Injunction in the Plan.
3. Solangel Diaz and Juan Ortiz are hereby permanently enjoined from taking any action to prosecute the State Court Action as against Dr. Solomon.
4. Dr. Solomon is awarded costs and attorneys' fees in connection with this Motion in the amount of \$_____, to be paid by _____ within sixty (60) days of the entry of this Order.
5. This Court retains jurisdiction with respect to all matters arising from or relating to the implementation of this Order.

Dated: White Plains, New York
May _____, 2016

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

GARFUNKEL WILD, P.C.
111 Great Neck Road
Great Neck, New York 11021
Telephone: (516) 393-2200
Telefax: (516) 466-5964
Burton S. Weston
Afsheen A. Shah
Adam T. Berkowitz

*Counsel for Debtors
And Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re:
SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹
Debtors.
-----X

Chapter 11 Case
Case No. 13- 22840 (RDD)

(Jointly Administered)

**FIRST AMENDED PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, ET AL.**

Dated: September 17, 2014
New Rochelle, New York

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital (0115), Howe Avenue Nursing Home, Inc., d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

Sound Shore Medical Center of Westchester (“SSMC”), Sound Shore Health System, Inc., Sound Shore Medical Center of Westchester, The Mount Vernon Hospital, Howe Avenue Nursing Home, Inc., d/b/a Helen and Michael Schaffer Extended Care Center, NRHMC Services Corporation, The M.V.H. Corporation and New Rochelle Sound Shore Housing, LLC as debtors and debtors in possession, propose this first amended plan of liquidation for the resolution of outstanding Claims against the Debtors pursuant to Chapter 11 of the Bankruptcy Code. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I.

DEFINITIONS AND CONSTRUCTION OF TERMS

Section 1.1. Definitions; Interpretation; Application of Definitions and Rules of Construction. For purposes of the Plan, the following terms shall have the meanings specified in this Article I. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction hereof. Headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. The words “herein”, “hereof”, “hereto”, “hereunder” and other words of similar import refer to the Plan as a whole and not to any particular Section, sub-Section or clause contained in the Plan. Any reference in the Plan to a contract, instrument, release, indenture, 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. Any reference in the Plan to an existing document or an exhibit filed or to be filed (in connection with the Disclosure Statement, or the Plan) means such document or exhibit, as it may have been or may be amended, modified, or supplemented. Any reference to a Person as a holder of a Claim includes that Person’s successors, assigns, and affiliates. Wherever the Plan provides that a payment or distribution shall occur “on” any date, it shall mean “on or as soon as reasonably practicable after” such date. Further, where appropriate, from a contextual reading of a term, each term includes the singular and plural form of the term regardless of how the term is stated and each stated pronoun is gender neutral.

“*Administrative Claim*” means a Claim against the Debtors for payment of an administrative expense of the kind specified in Section 503(b) of the Bankruptcy Code that is entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including, without limitation, the actual, necessary costs and expenses incurred after the Petition Date of preserving the Estates, administering the Cases, and operating the Debtors’ businesses; provided, however, that the term “Administrative Claim” shall not include any Professional Fee Claims.

“*Administrative/Priority Claims*” means all Administrative Claims, Priority Tax Claims, Professional Fee Claims, U.S. Trustee Fees, and Other Priority Claims.

“*Allowed*” means with reference to any Claim, (i) a Claim against the Debtors that is Allowed under the Plan and, therefore, is not subject to disallowance, defense, reduction, avoidance, setoff, recoupment, or subordination of any kind, and (ii) any Claim against the Debtors to the extent: (a) such Claim is scheduled by the Debtors pursuant to the Bankruptcy

Code and Bankruptcy Rules in a liquidated amount and not listed as contingent, unliquidated, zero, undetermined or disputed, or (b) a proof of such Claim was timely filed, or deemed timely filed, with the Court pursuant to the Bankruptcy Code, the Bankruptcy Rules, and/or any applicable Final Order; and, in either case, has not been previously satisfied (x) is not objected to within the period fixed by the Bankruptcy Code, the Bankruptcy Rules, this Plan, and/or applicable Final Orders of the Court, (y) has been settled pursuant to either Section 4.5 of the Plan or Mediation Procedures, or (z) has otherwise been allowed, or in respect of Medical Malpractice/Personal Injury Claims estimated for distribution purposes, by a Final Order. An "Allowed Claim" shall be net of any amounts previously paid, as well as any valid setoff or recoupment amount based on a valid setoff or recoupment right. Except as otherwise expressly provided herein, the term "Allowed Claim" shall not, for the purposes of computation of distributions under the Plan, include any amounts not allowable under the Bankruptcy Code or applicable law.

"*Assets*" means (a) all remaining assets and properties of every kind, nature, character and description, whether real, personal, or mixed, whether tangible or intangible (including contract rights), wherever situated and by whomever possessed, including the goodwill related thereto, operated, owned, or leased by the Debtors that constitute property of the Estates within the meaning of Section 541 of the Bankruptcy Code, including, without limitation, any and all Claims, Causes of Action, or rights of the Debtors under federal, state, or foreign law, letters of credit issued for or on behalf of any Debtor and the monies deposited to secure the performance of any contract or lease by any Debtor; and (b) the proceeds, products, rents, and/or profits of any of the foregoing.

"*Avoidance Actions*" means any Claims, rights, defenses, or other Causes of Action arising under any Section of Chapter 5 of the Bankruptcy Code, including, without limitation, Sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including state fraudulent transfer laws, whether or not such claims or actions have been asserted or commenced as of the Confirmation Date or the Effective Date.

"*Ballot*" means the form distributed to each holder of an Impaired Claim against the Debtors that is entitled to vote to accept or reject the Plan on which is to be indicated, among other things, acceptance or rejection of the Plan.

"*Bankruptcy Code*" means Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as such title has been, or may be, amended from time to time, to the extent that any such amendment is applicable to the Cases.

"*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, and the local rules and general orders of the Court, as each has been, or may be, amended from time to time, to the extent that any such amendment is applicable to the Cases.

"*Bar Date*" means the date(s) fixed by order of the Court by which Persons asserting a Claim against the Debtors must file a proof of Claim on account of such Claim or be forever barred from asserting a Claim against the Debtors or their property and from sharing in distributions hereunder.

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

"Cases" means the Debtors' jointly administered cases under Chapter 11 pending before the Court.

"Cash" means cash or cash equivalents, including, but not limited to, wire transfers, checks and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks.

"Causes of Action" means, whether or not described in the Disclosure Statement, the Schedules, the Plan or any Plan Supplement, any and all Claims, rights, defenses, offsets, recoupments, actions in law or equity or otherwise, choses in action, suits, damages, rights to legal or equitable remedies, judgments, third-party Claims, counterclaims and cross-claims against any Person, whether arising under the Bankruptcy Code or federal, state, common, or other law, regardless of whether such Cause of Action is the subject of pending litigation or proceedings on the Confirmation Date, the Effective Date, or thereafter, including, without limitation, as to Causes of Action of the Debtors: (a) all Avoidance Actions; (b) all other Claims in avoidance, recovery, and/or subordination; and (c) all other actions described in the Disclosure Statement, the Schedules, the Plan or any Plan Supplement.

"Chapter 11" means Chapter 11 of the Bankruptcy Code.

"Claim" means any claim within the meaning of Section 101(5) of the Bankruptcy Code, whether or not asserted.

"Class" means a Class of Claims or Interests against the Debtors described in Article III of the Plan.

"Committee" means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Cases, as constituted from time to time, in its official capacity, but does not mean the members of the Committee in their individual capacities.

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

"Confirmation Date" means the date of entry of the Confirmation Order on the docket maintained by the Clerk of the Court.

"Confirmation Hearing" means the hearing held by the Court to consider the Confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

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

"Covered Medical Professional" means any doctor, intern, resident, fellow, nurse or other employee of the Debtors to the extent that such Person has a right of indemnification from,

or another Claim against, any Debtor with respect to claims of medical malpractice alleged to have occurred during the scope of their services to any of the Debtors, whether such services were rendered on or off the premises of the hospitals, nursing home or clinics of the Debtors.

"Court" means the United States Bankruptcy Court for the Southern District of New York and any court having competent jurisdiction to hear appeals or certiorari proceedings therefrom, or any successor thereto that may be established by any act of Congress, or otherwise, and which has competent jurisdiction over the Cases or the Plan.

"Creditor" means any holder of a Claim against any Debtor or holder of any Claim against property of any Debtor.

"Debt" means liability on a Claim.

"Debtors" means Sound Shore Health System, Inc., Sound Shore Medical Center of Westchester, The Mount Vernon Hospital, Howe Avenue Nursing Home, Inc., d/b/a Helen and Michael Schaffer Extended Care Center, NRHMC Services Corporation, The M.V.H. Corporation and New Rochelle Sound Shore Housing, LLC, as the context dictates, whether as debtors or as debtors-in-possession, and *"Debtor"* means any one of them, as the context dictates.

"Debtors Release Parties" means each of the Debtors' present and former directors, officers, and trustees (solely in their capacities as such).

"Disallowed" means with reference to any Claim, a Claim against any Debtor or any portion thereof that: (i) has been disallowed or expunged by a Final Order; (ii) has been withdrawn, in whole or in part, by the holder thereof or by agreement with the Debtors or the Plan Administrator, as applicable; (iii) is scheduled at zero or as contingent, disputed or unliquidated and as to which no proof of Claim has been filed by the applicable bar date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order; or (iv) is not listed in the Schedules and as to which no proof of Claim has been timely filed by the applicable bar date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order.

"Disclosure Statement" means the disclosure statement filed with the Court by the Plan Proponents pursuant to Section 1125 of the Bankruptcy Code with respect to the Plan, including all exhibits and schedules thereto, which was approved by the Court pursuant to Section 1125 of the Bankruptcy Code, as it may be altered, amended, supplemented or modified from time to time.

"Disputed" means with reference to any Claim, a Claim against any Debtor that is not an Allowed Claim or a Disallowed Claim.

"Disputed Claims Reserve" means the reserve to be established and maintained by the Plan Administrator described in Section 5.16 of the Plan.

"District Court" means the United States District Court for the Southern District of New York.

"D&O Claim" means a claim against any of the Debtors Release Parties asserted on or before the D&O Release Effective Date; provided, however, that "D&O Claim" shall not include: (i) any Avoidance Actions of the Debtors; or (ii) any claim for gross negligence or willful misconduct.

"D&O Release Effective Date" means 11:59 p.m. prevailing eastern time on November 6, 2014.

"Effective Date" means the first Business Day upon which each of the conditions in Section 10.2 of the Plan have been satisfied or waived pursuant to Section 10.3 of the Plan.

"Estates" means the jointly administered Chapter 11 estates of the Debtors created by Section 541 of the Bankruptcy Code, and "Estate" means the Chapter 11 estate of one Debtor or another, as the context dictates.

"Executory Contract" means any executory contract or unexpired lease subject to Section 365 of the Bankruptcy Code, between any Debtor and any other Person.

"Final Order" means an order or judgment of the Court (or, with respect to estimation of Medical Malpractice/Personal Injury Claims, the District Court) that has not been reversed, stayed, modified, or amended and as to which the time to appeal or seek review, rehearing, reargument, or certiorari has expired and as to which no appeal or petition for review, rehearing, reargument, stay or certiorari is pending, or as to which any right to appeal or to seek certiorari, review, or rehearing has been waived, or if an appeal, reargument, petition for review, certiorari, or rehearing has been sought, the order or judgment of the Court (or, with respect to estimation of Medical Malpractice/Personal Injury Claims, the District Court) has been affirmed by the highest court to which the order was appealed or from which the reargument, review, or rehearing was sought, or certiorari has been denied, and as to which the time to take any further appeal, or seek further reargument, review, certiorari, or rehearing has expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

"Impaired" means "impaired" within the meaning of Section 1124 of the Bankruptcy Code.

"Indemnification Claim" means any claim by a Covered Medical Professional against the Debtors for indemnification, subrogation, contribution or reimbursement of all liabilities, losses, damages, costs and expenses of whatever kind, including attorneys fees, arising from any professional liability claim or lawsuit which may arise by reason of negligent acts committed or performed within the scope of such Covered Medical Professional's employment, studies, administrative or committee functions or responsibilities with the Debtors.

"Interests" means all legal, equitable, contractual and other ownership rights or interests in any Debtor, including, without limitation, common and preferred stock, membership interests, options to purchase such stock or interests, or any unpaid dividends or distributions thereon or any agreements or contracts to purchase or acquire the same.

"Mediation Order" means that certain Order of the Bankruptcy Court dated October 25, 2013 [Docket No. 402], which Order, among other things: (a) established the Mediation Procedures; and (b) enjoined the commencement or continuation of medical malpractice actions against, among others, certain Covered Medical Professionals.

"Mediation Procedures" means procedures established to resolve Medical Malpractice/Personal Injury Claims pursuant to the Mediation Order.

"Medical Malpractice/Personal Injury Claim" means any Claim asserted or which can be asserted against any of the Debtors on account of or related to such Debtor's purported liability resulting either from the provision of medical services including personal injury or wrongful death claims, or any other personal injury claim, net of the proceeds of any third party insurance available to pay the holder of such Claim.

"Net Proceeds" means the Remaining Cash together with the aggregate Cash received after the Effective Date from the liquidation of the Assets or otherwise, minus Cash necessary to fund Allowed Administrative/Priority Claims and Allowed Secured Claims, the costs to administer the Plan (including the costs and expenses of the Plan Administrator, the Post Effective Date Committee and their respective professionals), and the Disputed Claims Reserve.

"Other Priority Claim" means a Claim against the Debtors entitled to priority in payment pursuant to Section 507(a) of the Bankruptcy Code other than a Claim entitled to priority in payment pursuant to Section 507(a)(1), 507(a)(2), or 507(a)(8) of the Bankruptcy Code.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, estate, unincorporated organization, governmental unit (or agency or political subdivision thereof), or other entity.

"Petition Date" means May 29, 2013, the date on which the Debtors filed their voluntary petitions under Chapter 11 of the Bankruptcy Code.

"Plan" means this first amended plan of liquidation (including all exhibits and schedules hereto), as it may be modified, amended, or supplemented from time to time.

"Plan Administrator" means Monica Terrano, or such other Person designated by the Debtors and the Committee, and approved by the Bankruptcy Court pursuant to the Confirmation Order, or, after the Effective Date, such other person designated pursuant to Section 5.9 hereof, to administer the Plan.

"Plan Proponents" means the Debtors, in each case in their capacity as proponents of the Plan; provided, however, that after the Effective Date, such term shall mean the Plan Administrator.

"Plan Supplement" means the compilation of documents, if any, including any exhibits to the Plan not included herewith, that the Debtors shall file with the Court ten (10) days prior to the voting deadline for the Plan (or such later date as may be agreed to by the Debtors and the Committee).

"Post Effective Date Committee" means the Committee as it shall function after the Effective Date as more fully described in Section 5.10 of the Plan.

"Priority Tax Claim" means a Claim against the Debtors of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code. Priority Tax Claims shall include only such Claims for penalties that are related to a Claim specified in Section 507(a)(8) of the Bankruptcy Code and that seek compensation for actual pecuniary loss.

"Professional Fee Claims" means Claims against the Debtors of Professional Persons or any other Person for compensation and/or reimbursement of expenses pursuant to Sections 328, 330, 331, 363 or 503(b) of the Bankruptcy Code.

"Professional Fee Claims Bar Date" means 4:00 p.m. (prevailing Eastern time) on the date that is sixty (60) days after the Effective Date.

"Professional Persons" means all attorneys, accountants, financial advisors, investment bankers, appraisers, consultants, and other professionals retained or to be compensated by the Estates pursuant to an order of the Court entered under Sections 327, 328, 330, 331, 363 503(b) or 1103 of the Bankruptcy Code.

"Pro Rata" means, with respect to any monetary distribution on account of any Allowed Claim in any Class, the ratio of (a) the amount of such Allowed Claim to (b) the sum of (i) all Allowed Claims in such Class and (ii) the aggregate maximum allowable amount of all Disputed Claims in such Class for which any reserve must be established under the Plan.

"Remaining Cash" means all Cash held by or for the benefit of the Estates upon the Effective Date.

"Scheduled" means, with respect to any Claim, that such Claim is listed on the Schedules.

"Schedules" means the Schedules of Assets and Liabilities filed with the Court in the Cases, as amended from time to time in accordance with Bankruptcy Rule 1009.

"Secured Claim" means a Claim against the Debtors to the extent such Claim is secured by a valid lien, security interest, or other interest in property in which the Debtors have an interest, that has been perfected properly as required by applicable law and is not otherwise avoidable by the Debtors as debtors in possession or any other Person, but only to the extent of the value of the Debtors' interests in such property determined in accordance with Section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of such setoff.

"Stay Modification Option" means the election by the holder of a Medical Malpractice/Personal Injury Claim, pursuant to the Mediation Procedures, to liquidate his or her Medical Malpractice/Personal Injury Claim in a forum outside of this Court, but limiting all recovery solely to any available insurance coverage and otherwise waiving all claims against the Debtors and Covered Medical Professionals

"Unclaimed Property" shall have the meaning ascribed to that term in Section 5.24 of the Plan.

"Unimpaired" means, with respect to a Class of Claims, that such Class is not Impaired.

"Unsecured Claim" means a Claim against the Debtors that is not an Administrative Claim, Priority Tax Claim, Professional Fee Claim, Secured Claim, or Other Priority Claim.

"U.S. Trustee" means the Office of the United States Trustee for the Southern District of New York.

"U.S. Trustee Fees" means all fees and charges assessed against the Estates under Section 1930 of Title 28 of the United States Code, and interest, if any, for delinquent quarterly fees pursuant to Section 3717 of Title 31 of the United States Code.

Section 1.2. Computation of Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II.

TREATMENT OF UNCLASSIFIED CLAIMS

Section 2.1. Non-Classification. As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims against the Debtors are not classified for the purposes of voting on or receiving distributions under the Plan. All such Claims, as well as Professional Fee Claims and U.S. Trustee Fees, are instead treated separately upon the terms set forth in this Article II.

Section 2.2. Administrative Claims.

(a) *Supplemental Administrative Claims Bar Date.* Except as provided below for (1) Professional Persons requesting compensation or reimbursement for Professional Fee Claims, and (2) U.S. Trustee Fees, requests for payment of Administrative Claims, for which a Bar Date to file such Administrative Claim was not previously established, must be filed no later than forty-five (45) days after the occurrence of the Effective Date, or such later date as may be established by Order of the Court. **Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the applicable Bar Date shall be forever barred from asserting such Claims against the Debtors or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.**

(b) *Estimation of Administrative Claims.* The Debtors and the Plan Administrator reserve the right, for purposes of allowance and distribution, to seek to estimate any unliquidated Administrative Claims if the fixing or liquidation of such Administrative Claim would unduly delay the administration of and distributions under the Plan (including seeking to estimate post-petition indemnification, medical malpractice or personal injury Claims in the District Court).

(c) *Treatment.* Each holder of an Allowed Administrative Claim, in full and final satisfaction release and settlement of such Allowed Claim, shall receive Cash from the Remaining Cash in an amount equal to such Allowed Administrative Claim on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed or otherwise payable, unless such holder shall agree to a different and less favorable treatment of such Claim. After the Effective Date, the Plan Administrator may, in the ordinary course of business, satisfy any liabilities, expenses and other Claims incurred by the Plan Administrator in the ordinary course of business and without further order of the Court.

Section 2.3. Priority Tax Claims.

(a) *Treatment.* Unless the holder thereof shall agree to a different and less favorable treatment, each holder of an Allowed Priority Tax Claim, in full and complete satisfaction of such Allowed Claim, shall receive payment in Cash from the Remaining Cash in an amount equal to such Allowed Priority Tax Claim on or as soon as reasonably practicable after the later of (a) the Effective Date and (b) the date on which such Claim becomes Allowed.

Section 2.4. Professional Fee Claims.

(a) *Professional Fee Claims Bar Date.* All final applications for payment of Professional Fee Claims for the period through and including the Effective Date shall be filed with the Court and served on the Plan Administrator and the other parties entitled to notice pursuant to the Interim Compensation and Reimbursement Procedures Order [Docket No. 148] on or before the Professional Fee Claims Bar Date, or such later date as may be agreed to by the Plan Administrator. Any Professional Fee Claim that is not asserted in accordance with this Section 2.4(a) shall be deemed Disallowed under the Plan and the holder thereof shall be enjoined from commencing or continuing any Cause of Action, employment of process or act to collect, offset, recoup or recover such Claim against the Estates or any of their respective Assets or property.

(b) *Treatment.* Each holder of an Allowed Professional Fee Claim shall be paid in Cash from the Remaining Cash in an amount equal to such Allowed Professional Fee Claim on or as soon as reasonably practicable after the first Business Day following the date upon which such Claim becomes Allowed by Final Order, unless such holder agrees to a different and less favorable treatment of such Claim.

(c) *Post Effective Date Services.* The fees and expenses of professionals retained by the Plan Administrator and the Post Effective Date Committee on and after the Effective Date, shall be paid by the Plan Administrator upon receipt of invoice(s) therefor, or on such other terms as the Plan Administrator and the applicable professional may agree to, without the need for further Court authorization or entry of a Final Order, but subject to the approval of the Post Effective Date Committee, which approval shall not unreasonably be withheld. If the Plan Administrator and the professional cannot agree on the amount of post Effective Date fees and expenses to be paid to such professional, such amount shall be determined by the Court.

Section 2.5. U.S. Trustee Fees. The Debtors shall pay all United States Trustee quarterly fees under 28 U.S.C. §1930(a)(6), plus interest due and payable under 31 U.S.C.

§3717, if any, on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' business, until the entry of a final decree, dismissal of the case or conversion of the case to Chapter 7.

ARTICLE III.

CLASSIFICATION OF CLAIMS

Section 3.1. Classification; Elimination of Classes. For purposes of the Plan, Claims (other than Administrative Claims, Priority Tax Claims and Professional Fee Claims) are classified as provided below. A Claim against the Debtors is classified in a particular Class only to the extent that such Claim (or a portion of such claim) qualifies within the description of that Class and is classified in a different Class to the extent that such Claim (or a portion of such claim) qualifies within the description of such different Class. Any Class of Claims that is not occupied as of the date of the Confirmation Hearing by an Allowed Claim, or a Claim temporarily Allowed under Rule 3018 of the Bankruptcy Rules, and for which, on the Effective Date, there are no Disputed Claims in such Class pending, shall be deemed deleted from the Plan for all purposes.

Section 3.2. Class 1: Secured Claims. Class 1 consists of Allowed Secured Claims. For convenience of identification, the Plan describes Allowed Secured Claims in Class 1 as a single Class. Class 1 consists of separate subclasses, each based on the underlying property securing such Allowed Secured Claim, and each subclass is treated hereunder as a distinct Class for treatment and distribution purposes and for all other purposes under the Bankruptcy Code. Class 1 is Unimpaired by the Plan and, therefore, each holder of an Allowed Class 1 Claim is deemed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

Section 3.3. Class 2: Other Priority Claims. Class 2 consists of Allowed Other Priority Claims. Class 2 is Unimpaired by the Plan and, therefore, each holder of an Allowed Class 2 Claim is deemed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

Section 3.4. Class 3: Unsecured Claims. Class 3 consists of Allowed Unsecured Claims, including, without limitation, Allowed Medical Malpractice/Personal Injury Claims which arose prior to the Petition Date. Class 3 is Impaired by the Plan and, therefore, each holder of an Allowed Class 3 Claim is entitled to vote to accept or reject the Plan.

Section 3.5. Class 4: Interests. Class 4 consists of Interests. Class 4 is Impaired by the Plan. Class 4 is deemed to reject the Plan.

ARTICLE IV.

TREATMENT OF CLAIMS

Section 4.1. Class 1 (Secured Claims). Each holder of an Allowed Secured Claim, in full and final satisfaction, release and settlement of such Claim, shall receive one of the following alternative treatments, at the election of the Plan Administrator: (a) payment in full in Cash on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the

date the Claim becomes due and payable by its terms; (b) the legal, equitable and contractual rights to which such Claim entitles the holder, unaltered by the Plan; (c) the treatment described in Section 1124(2) of the Bankruptcy Code; or (d) all collateral securing such Claim, without representation or warranty by or recourse against the Debtors. To the extent that the value of the Collateral securing each Allowed Secured Claim is less than the amount of such Allowed Secured Claim, the undersecured portion of such Claim shall be treated for all purposes under the Plan as an Unsecured Claim in Class 3 and shall be classified as such. Class 1 is an Unimpaired Class and is deemed to have accepted the Plan.

Section 4.2. Class 2 (Other Priority Claims). Each holder of an Allowed Other Priority Claim, in full and final satisfaction, release and settlement of such Claim, shall be paid in full in Cash on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed, unless such holder shall agree to a different and less favorable treatment of such Claim (including, without limitation, any different treatment that may be provided for in the documentation governing such Claim or in a prior agreement with such holder).

Section 4.3. Class 3 (Unsecured Claims). The holders of Allowed Unsecured Claims, in full and final satisfaction, release and settlement of such Allowed Claims, shall from time to time receive Pro Rata distributions of Cash from the Net Proceeds.

Section 4.4. Class 4 (Interests). On the Effective Date, all Interests shall be cancelled and extinguished. Holders of Interests shall not receive or retain any property on account of such Interests.

Section 4.5. Liquidation and Treatment of Medical Malpractice/Personal Injury Claims. With respect to holders Medical Malpractice/Personal Injury Claims, pursuant to the Mediation Procedures:

(a) To the extent the Stay Modification Option was not previously exercised, each holder of a Medical Malpractice/Personal Injury Claim, for which a proof of claim was timely filed (or deemed timely filed), may elect to be granted relief from the automatic stay imposed under section 362(a) of the Bankruptcy Code, the injunction imposed by the Mediation Order and/or any plan injunction, as applicable, in order to litigate such holder's Medical Malpractice/Personal Injury Claim in state court provided that, if such election is made, any recovery on account of such Medical Malpractice/Personal Injury Claim shall be limited solely to available insurance, if any, and such holder shall not receive any distribution on account of such claim from the Debtors or from the Estate of such Debtors. Each holder of a Medical Malpractice/Personal Injury Claim that asserts a claim against any Covered Medical Professional for claims that would entitle such Covered Medical Professionals to an Indemnification Claim may not make this election unless such holder affirmatively elects to either release such Covered Medical Professional from any liability or look only to available insurance with respect to such Covered Medical Professional prior to pursuing such election.

(b) Any holder of a Medical Malpractice/Personal Injury Claim, for which a proof of claim was timely filed (or deemed timely filed), who neither elected the Stay Modification Option nor elects the treatment under Section 4.5(a) of the Plan, shall have such

holder's Medical Malpractice/Personal Injury Claim Allowed or Disallowed pursuant to the Mediation Procedures, which procedures shall remain in place after the Effective Date. If the Mediation Procedures do not result in an Allowed Medical Malpractice/Personal Injury Claim, such claim shall be estimated by the District Court pursuant to section 502(c) of the Bankruptcy Code together with any vicarious or other liability the Debtors may have related to such Claim.

(c) The holders of Allowed Medical Malpractice/Personal Injury Claims, whether estimated by the District Court or liquidated through the Mediation Procedures, in full and final satisfaction, release and settlement of such Allowed Claims, shall receive, as applicable either (x) the treatment afforded under the Plan for Administrative Claims, to the extent such claim is determined to be an Allowed Administrative Claim, or (y) the treatment afforded under the Plan for Class 3 Unsecured Claims, to the extent such claim is determined to be an Allowed Unsecured Claim. The Mediation Order shall remain in full force and effect, until all Medical Malpractice/Personal Injury Claims have been Allowed or Disallowed as the case may be pursuant to the Mediation Procedures, estimated by the District Court or an agreement as to the aggregate cap on the Medical Malpractice/Personal Injury Claim shall have been reached between the Plan Administrator and the holder of such Claim.

(d) If the holder of a Medical Malpractice/Personal Injury Claim elects the treatment under Section 4.5(a) to have the automatic stay and any relevant injunctions lifted, such election will be binding on such holder regardless of whether Class 3 accepts the Plan, provided that the Plan is confirmed and the Effective Date occurs. In addition, nothing contained in the Plan shall alter, modify, limit or impair the provisions of those heretofore "So Ordered" stipulations and orders lifting the automatic stay, resolving litigation claims and limiting recoveries to available insurance; such stipulations will remain in full force and effect and control the disposition of the Medical Malpractice/Personal Injury Claims subject to those stipulations.

(e) Nothing herein shall be deemed to be an assumption of any insurance policy or contract and the Debtors do not waive, and expressly reserve, their rights to assert that any insurance coverage is property of the Estates to which they are entitled. Nothing in this Section 4.5 of the Plan is intended to, shall, or shall be deemed to preclude any holder of an Allowed Medical Malpractice/Personal Injury Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors.

(f) The Plan shall not expand the scope, or alter in any other way, the rights and obligations of the Debtors' insurers under their policies, and the Debtors' insurers shall retain any and all defenses to coverage that such insurers may have, including, without limitation, the right to contest and/or litigate with any party, including the Debtors, the existence, primacy and/or scope of available coverage under any alleged applicable policy. The Plan shall not operate as a waiver of any other Claims the Debtors' insurers have asserted in any proof of claim or the Debtors rights and defenses to such proofs of claim.

ARTICLE V.

IMPLEMENTATION OF THE PLAN AND THE PLAN ADMINISTRATOR

Section 5.1. Implementation of the Plan. The Plan will be implemented by the Plan Administrator in a manner consistent with the terms and conditions set forth in the Plan and the Confirmation Order.

Section 5.2. Plan Funding. The funds utilized to make Cash payments under the Plan have been and/or will be generated from, among other things, collections, the proceeds of sale of substantially all of the Debtors' assets to date in the Cases, and the proceeds of the liquidation or other disposition of the remaining Assets of the Debtors.

Section 5.3. Vesting of Assets in the Debtors. Except as expressly provided otherwise in the Plan, on the Effective Date, all Assets shall vest in the Debtors free and clear of all Claims, liens, encumbrances, charges, interests and other rights and interests of Creditors and holders of Interests arising on or before the Effective Date, but subject to the terms and conditions of the Plan and the Confirmation Order.

Section 5.4. Continuing Existence. From and after the Effective Date, the Debtors shall continue in existence for the purposes of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash or other methods, of any remaining Assets as expeditiously as reasonably possible, (iii) enforcing and prosecuting Causes of Action, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims, (v) administering the Plan, (vi) filing appropriate tax returns and (vii) performing all such other acts and conditions required by and consistent with consummation of the terms of the Plan and the wind down of their affairs.

Section 5.5. Liquidation of Remaining Assets. From and after the Effective Date, the Plan Administrator, with the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), may, without further approval of the Court, use, sell at public or private sale, assign, transfer, or otherwise dispose of any remaining Assets and convert same to Cash.

Section 5.6. Management of Debtors. On the Effective Date, the members of the Debtors' boards shall be deemed to have resigned therefrom, and shall be relieved of all further responsibilities with the operation of the Debtors becoming the general responsibility of the Plan Administrator in accordance with the Plan.

Section 5.7. Powers and Obligations of the Plan Administrator.

(a) The Confirmation Order shall provide for the appointment of the Plan Administrator. The compensation for the Plan Administrator shall be \$160 per hour. The Plan Administrator shall be deemed the Estates' representative in accordance with section 1123 of the Bankruptcy Code and shall have all powers, authority and responsibilities specified under sections 704 and 1106 of the Bankruptcy Code.

(xi) to oversee the filing of final tax returns, audits and other corporate dissolution documents if required;

(xii) to perform any additional corporate actions as necessary to carry out the wind-down, liquidation and ultimate dissolution of the Debtors;

(xiii) to communicate regularly with and respond to inquiries from the Post Effective Date Committee and its professionals, including providing to the Post Effective Date Committee regular cash budgets, information on all disbursements on a monthly basis, and copies of bank statements on a monthly basis;

(xiv) subject to Section 9.1 of the Plan, to object to Claims against the Debtors;

(xv) subject to Section 9.2(b) of the Plan, to compromise and settle Claims against the Debtors;

(xvi) to act on behalf of the Debtors in all adversary proceedings and contested matters (including, without limitation, any Causes of Action), then pending or that can be commenced in the Court and in all actions and proceedings pending or commenced elsewhere, and to settle, retain, enforce, or dispute any adversary proceedings or contested matters (including, without limitation, any Causes of Action) and otherwise pursue actions involving Assets of the Debtors that could arise or be asserted at any time under the Bankruptcy Code or otherwise, unless otherwise specifically waived or relinquished in the Plan, *provided, however*, that settlements by the Plan Administrator of Causes of Action shall be subject to the approval of the Post Effective Date Committee, which approval shall not be unreasonably withheld, or further Order of the Court;

(xvii) to implement and/or enforce all provisions of the Plan;

(xviii) to implement and/or enforce all agreements entered into prior to the Effective Date, and

(xix) to use such other powers as may be vested in or assumed by the Plan Administrator pursuant to the Plan or Bankruptcy Court Order or as may be necessary and proper to carry out the provisions of the Plan.

Section 5.8. Plan Administrator's Bond. The Plan Administrator shall obtain and maintain a bond in an amount equal to one hundred and ten percent (110%) of Remaining Cash. As Remaining Cash is reduced through distributions and payments by the Plan Administrator and/or additional Cash comes into the Estates, the Plan Administrator shall, at the appropriate time, adjust the amount of the bond to an amount equal to at least 110% of the amount of Cash in the Estates.

Section 5.9. Resignation, Death or Removal of Plan Administrator. The Plan Administrator may resign at any time upon not less than 30 days' written notice to the Post Effective Date Committee. The Plan Administrator may be removed at any time by the Post Effective Date Committee for cause upon proper application to, and Final Order of, the Court.

In the event of the resignation, removal, death or incapacity of the Plan Administrator, the Post Effective Date Committee shall designate another Person to become the Plan Administrator, and thereupon the successor Plan Administrator, without further act, shall become fully vested with all of the rights, powers, duties and obligations of his predecessor. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of his or her predecessors.

Section 5.10. Post Effective Date Committee.

(a) On the Effective Date, the Committee shall continue as the Post Effective Date Committee. The Post Effective Date Committee shall be comprised of the members of the Committee, unless any particular member thereof opts not to be a member thereof. If a member of the Post Effective Date Committee resigns or is removed, a replacement who holds an Unsecured Claim against the Debtors may be appointed by the remaining members of the Post Effective Date Committee. The duties and powers of the Post Effective Date Committee shall terminate upon the closing of the Cases. The Post Effective Date Committee's role shall be to consult with the Plan Administrator, and to perform the functions set forth in the Plan.

(b) The Post Effective Date Committee shall have the power and authority to utilize the services of its counsel and financial advisor as necessary to perform the duties of the Post Effective Date Committee and to authorize and direct such Persons to act on behalf of the Post Effective Date Committee in connection with any matter requiring its attention or action. The Plan Administrator shall pay the reasonable and necessary fees and expenses of the Post Effective Date Committee's counsel and financial advisor without the need for Court approval.

(c) Except for the reimbursement of reasonable, actual costs and expenses incurred in connection with their duties as members of the Post Effective Date Committee, the members of the Post Effective Date Committee shall serve without compensation. Reasonable expenses incurred by members of the Post Effective Date Committee may be paid by the Plan Administrator without need for Court approval.

(d) The Plan Administrator shall report all material matters to the Post Effective Date Committee.

Section 5.11. Rights of Action. In accordance with Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator may pursue all reserved rights of action, including, without limitation, Causes of Action of the Debtors. Any distributions provided for in the Plan and the allowance of any Claim for the purpose of voting on the Plan is and shall be without prejudice to the rights of the Plan Administrator to pursue and prosecute any reserved rights of action. Except as otherwise set forth in the Plan, all Causes of Action of the Debtors shall survive confirmation of the Plan and the commencement and prosecution of Causes of Action of the Debtors shall not be barred or limited by res judicata or any estoppel, whether judicial, equitable or otherwise. In reviewing the Plan and the Disclosure Statement, Creditors (including Creditors who received payments or transfers from the Debtors within ninety (90) days prior to the Petition Date and insiders who received payments or transfers from the Debtors within one

(1) year before the Petition Date) and other parties should consider that Causes of Action of the Debtors may exist against them, that, except as otherwise set forth in the Plan, the Plan preserves all Causes of Action of the Debtors, and that the Plan authorizes the Plan Administrator to prosecute all Causes of Action of the Debtors. If the Plan Administrator does not prosecute a Cause of Action of the Debtors, the Post Effective Date Committee shall, upon the consent of the Plan Administrator, be authorized and have standing to prosecute such Cause of Action on behalf of the Debtors. If the Plan Administrator does not consent to the Post Effective Date Committee's prosecution of a Cause of Action of the Debtors, the Post Effective Date Committee may seek authority and standing from the Court to prosecute such Cause of Action, and all rights of the Plan Administrator to object or otherwise oppose such relief are reserved.

Section 5.12. Corporate Action. On the Effective Date, the appointment of the Plan Administrator, and any and all other matters provided for under the Plan involving corporate action by the Debtors, their directors or their trustees, including, without limitation, the transfer of management responsibilities of the Debtors to the Plan Administrator, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable law, without any requirement of further action by the Debtors' directors, officers or trustees. Upon the distribution of all Assets pursuant to the Plan and the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree), the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors and/or the Plan Administrator on behalf of the Debtors may take appropriate action to dissolve under applicable law. From and after the Effective Date, the Debtors shall not be required to file any document, or take any action, to withdraw their business operations from any states where the Debtors previously conducted business.

Section 5.13. Cancellation of Existing Securities, Instruments and Agreements. On the Effective Date, except as otherwise provided herein, all securities, instruments, and agreements governing any Claim against the Debtors shall be deemed cancelled and terminated, and the obligations of the Debtors relating to, arising under, in respect of, or in connection with such securities, instruments, or agreements shall be deemed released and/or satisfied as to the Debtors.

Section 5.14. Full and Final Satisfaction. All payments and all distributions under the Plan shall be in full and final satisfaction, settlement and release of all the Debtors' obligations with respect to Claims against the Debtors and, where applicable, Covered Medical Professionals, except as otherwise provided in the Plan.

Section 5.15. Setoffs. The Plan Administrator may, pursuant to and to the extent permitted by applicable law, setoff against any Claim asserted against the Debtors and/or the Assets, and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that that Debtors or the Estates may have against the holder of such Claim, provided that the Plan Administrator shall give the holder of such Claim notice of the proposed setoff and the holder of such Claim does not object to the proposed setoff within thirty (30) days service of such notice; provided further that if an objection is timely raised to a proposed setoff, the Plan Administrator may seek relief from the Court to effectuate the setoff; and provided further that neither the failure to effect a setoff, nor the allowance of any

Claim against the Debtors hereunder, shall constitute a waiver or release of any such Claim the Debtors or the Estates may have against such holder.

Section 5.16. Funding of the Disputed Claims Reserve.

(a) The portion of the Assets attributable to Disputed Administrative, Priority Tax, Other Priority, Unsecured and Medical Malpractice/Personal Injury Claims, shall be held by the Plan Administrator in the "Disputed Claims Reserve". As Disputed Claims are resolved, excess Cash in the Disputed Claims Reserve shall be made available for distribution to the holders of Allowed Claims in accordance with the Plan, provided that there is sufficient Cash to administer the Plan and pay Plan expenses. The Plan Administrator may set aside from the Assets an amount of Cash that the Plan Administrator determines is necessary to pay ongoing expenses of administering the Plan.

(b) For the purposes of effectuating the distributions to the holders of Allowed Claims, the Court (or the District Court, as applicable) may estimate the amount of Disputed Claims pursuant to Section 502(c) of the Bankruptcy Code, in which event the amounts so estimated shall be deemed the amounts of the Disputed Claims for purposes of distribution under the Plan. In lieu of estimating the amount of any Disputed Claim for purposes of allowance and distribution, the Court (or the District Court, as applicable) may estimate the amount to be reserved for such Disputed Claim (singularly or in the aggregate), or such amount may be fixed by agreement in writing by and between the Plan Administrator and the holder of a Disputed Claim. In the event that the Court (or the District Court, as applicable) estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Court (or the District Court, as applicable). If the estimated amount constitutes a maximum limitation on such Claim, the Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate allowance of such Claim. Claims may be estimated by the Court (or the District Court, as applicable) and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Court or the District Court, as applicable.

Section 5.17. Plan Distributions. The Plan Administrator shall make distributions to holders of Allowed Claims in accordance with Article IV of the Plan on or as soon as reasonably practicable after the Effective Date. From time to time, in consultation with the Post Effective Date Committee, the Plan Administrator shall make Pro Rata distributions to holders of Allowed Class 3 Claims in accordance with Article IV of the Plan. Notwithstanding the foregoing, the Plan Administrator may retain such amounts (i) as are reasonably necessary to meet contingent liabilities (including Disputed Claims and unliquidated Medical Malpractice/Personal Injury Claims) and to maintain the value of the assets of the Estates during liquidation, (ii) to pay reasonable administrative expenses (including the costs and expenses of the Plan Administrator and the Post Effective Date Committee and the fees, costs and expenses of all professionals retained by the Plan Administrator and the Post Effective Date Committee, and any taxes imposed in respect of the Assets), (iii) to satisfy other liabilities to which the Assets are otherwise subject, in accordance with the Plan, and (iv) to establish any necessary reserve. All distributions to the holders of Allowed Claims shall be made in accordance with the Plan. The Plan Administrator may withhold from amounts distributable to any Person any and all amounts determined in the Plan Administrator's reasonable sole discretion to be required by any law,

regulation, rule, ruling, directive or other governmental requirement. Holders of Allowed Claims shall, as a condition to receiving distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with withholding and reporting requirements and to enable the Plan Administrator to obtain certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. In the event that a holder of an Allowed Claim does not comply with the Plan Administrator's requests in the preceding sentence within ninety (90) days, no distribution shall be made on account of such Allowed Claim and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

Section 5.18. Cash Distributions. The Plan Administrator shall not be required to make interim or final Cash distributions in an amount less than \$5.00. Any funds so withheld and not distributed on an interim basis shall be held in reserve and distributed in subsequent distributions to the extent the aggregate distribution exceeds \$10,000. Should a final distribution to any holder of an Allowed Claim not equal or exceed \$5.00, that sum shall be distributed to other holders of Allowed Claims in accordance with the Plan.

Section 5.19. Delivery of Plan Distributions. All distributions under the Plan on account of any Allowed Claims shall be made at the address of the holder of such Allowed Claim as set forth in a filed Proof of Claim or on the register on which the Plan Administrator records the name and address of such holders or at such other address as such holder shall have specified for payment purposes in a written notice to the Plan Administrator at least fifteen (15) days prior to such distribution date. In the event that any distribution to any holder is returned as undeliverable, the Plan Administrator shall use reasonable efforts to determine the current address of such holder, but no distribution to such holder shall be made unless and until the Plan Administrator has determined the then-current address of such holder, at which time such distribution shall be made to such holder without interest; provided, however, that such undeliverable or unclaimed distributions shall become Unclaimed Property at the expiration of one hundred eighty (180) days from the date such distribution was originally made. The Plan Administrator shall reallocate the Unclaimed Property for the benefit of all other holders of Allowed Claims in accordance with the Plan, provided, however, if the Plan Administrator determines, with the approval of the Post Effective Date Committee, that the administrative costs of distribution effectively interfere with distribution or that all creditors, including administrative claimants, have been paid in full and there is no one that has a right to the funds, such remaining Unclaimed Property shall be donated to the American Bankruptcy Institute Endowment Fund, a not-for-profit, non-religious organization dedicated to, among other things, promoting research and scholarship in the area of insolvency.

Section 5.20. Distributions to Holders as of the Confirmation Date. As of the close of business on the Confirmation Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. Neither the Debtors nor the Plan Administrator, as applicable, shall have any obligation to recognize any transfer of any Claims occurring after the close of business on the Confirmation Date, and shall instead be entitled to recognize and deal for all purposes under the Plan (except as to voting to accept or reject the Plan pursuant to Section 6.1 of the Plan) with only those holders of record as of the close of business on the Confirmation Date.

Section 5.21. Abandoned Assets. Upon the election of the Plan Administrator, with the approval of the Post Effective Date Committee, the Plan Administrator may abandon any Assets without the need for additional approval of the Court, and upon such abandonment, such Assets shall cease to be Assets of the Estates.

Section 5.22. Windup. After (a) the Plan has been fully administered, (b) all Disputed Claims have been resolved, (c) all Causes of Action have been resolved, and (d) all Assets have been reduced to Cash or abandoned, the Plan Administrator shall effect a final distribution of all Cash remaining (after reserving sufficient Cash to pay all unpaid expenses of administration of the Plan and all expenses reasonably expected to be incurred in connection with the final distribution) to holders of Allowed Claims in accordance with the Plan.

Section 5.23. Indefeasibility of Distributions. All distributions provided for under the Plan shall be indefeasible.

Section 5.24. Distribution of Unclaimed Property. Any distribution of property (Cash or otherwise) provided for under the Plan which is unclaimed after one hundred eighty (180) days following such distribution (collectively, the "Unclaimed Property") shall irrevocably revert to the Estate for re-distribution in accordance with the Plan.

Section 5.25. Saturday, Sunday, or Legal Holiday. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next Business Day.

Section 5.26. Final Order. Any requirement in the Plan for a Final Order may be waived by the Plan Proponents.

ARTICLE VI.

VOTING

Section 6.1. Voting of Claims. Each holder of an Allowed Claim in an Impaired Class which receives or retains property under the Plan shall be entitled to vote separately to accept or reject the Plan and indicate such vote on a duly executed and delivered Ballot as provided in such order as is entered by the Court establishing certain procedures with respect to the voting to accept or reject the Plan.

Section 6.2. Nonconsensual Confirmation. If any Impaired Class entitled to vote shall not accept the Plan by the requisite statutory majorities provided in Sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, or if any Impaired Class is deemed to have rejected the Plan, the Plan Proponents reserve the right (a) to undertake to have the Court confirm the Plan under Section 1129(b) of the Bankruptcy Code and (b) subject to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, to modify the Plan to the extent necessary to obtain entry of the Confirmation Order, provided such modifications are consistent with Section 11.1 of the Plan. At the Confirmation Hearing, the Plan Proponents will seek a ruling that if no holder of a Claim eligible to vote in a particular Class timely votes to accept or reject the Plan, the Plan will be deemed accepted by the holders of such Claims in such Class for the purposes of Section 1129(b) of the Bankruptcy Code.

ARTICLE VII.

SUBSTANTIVE CONSOLIDATION

Section 7.1. Substantive Consolidation. On the Effective Date: (a) all Assets (and all proceeds thereof) and liabilities of each Debtor shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the other Debtors, (b) no distributions shall be made under the Plan on account of intercompany Claims among the Debtors and all such Claims shall be eliminated, (c) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint and several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (d) each and every Claim filed or to be filed in any of the Cases shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (e) for purposes of determining the availability of the right of set-off under Section 553 of the Bankruptcy Code, the Debtors shall be treated as one entity so that, subject to the other provisions of Section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set-off against the debts of the other Debtors. Such substantive consolidation shall not (other than for purposes related to the Plan) affect the legal and corporate structures of the Debtors. Notwithstanding anything in this section to the contrary, all Post Effective Date U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 shall be calculated on a separate legal entity basis for each Debtor.

ARTICLE VIII.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 8.1. Assumption or Rejection of Executory Contracts. Effective on and as of the Confirmation Date, all Executory Contracts are hereby specifically deemed rejected, except for any Executory Contract (a) that has been specifically assumed or assumed and assigned by the Debtors on or before the Confirmation Date with the approval of the Court, (b) in respect of which a motion for assumption or assumption and assignment has been filed with the Court on or before the Confirmation Date, or (c) that is specifically designated as a contract to be assumed on a schedule to the Plan, which schedule, if any, shall be filed as part of the Plan Supplement.

Section 8.2. Approval of Assumption or Rejection of Executory Contracts. Entry of the Confirmation Order by the Clerk of the Court, but subject to the condition that the Effective Date occur, shall constitute (a) the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or assumption and assignment of the Executory Contracts assumed or assumed and assigned pursuant to Section 8.1 of the Plan, and (b) the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the Executory Contracts rejected pursuant to Section 8.1 of the Plan.

Section 8.3. Bar Date for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to the Plan. Claims against the Debtors arising out of the rejection of Executory Contracts pursuant to the Plan must be filed with the Court no later than forty-five (45) days after the later of service of (a) notice of entry of an order approving the rejection of

(b) The Plan Administrator shall give notice to the Post Effective Date Committee of (i) a settlement of any Disputed Class 3 Claim (or aggregate of Claims if held by a single Creditor) that results in the disputed portion of such Disputed Class 3 Claim(s) being Allowed in an amount in excess of \$100,000, (ii) a settlement of any Disputed Administrative/Priority Claims, or (iii) settlement of any Disputed Secured Claims. The Post Effective Date Committee shall have ten (10) days after service of such notice to object to such settlement. Any such objection shall be in writing and sent to the Plan Administrator and the settling party. If no written objection is received by the Plan Administrator and the settling party prior to the expiration of such ten (10) day period, the Plan Administrator and the settling party shall be authorized to enter into the proposed settlement without a hearing or Court approval. If a written objection is timely received, the Plan Administrator, the settling party and the objecting party shall use good-faith efforts to resolve the objection. If the objection is resolved, the Plan Administrator and the settling party may enter into the proposed settlement (as and to the extent modified by the resolution of the objection) without further notice of hearing or Court approval, provided that the Claim of the settling party against the Estates shall not be greater under the proposed settlement than that disclosed in the notice. Alternatively, the Plan Administrator may seek Court approval of the proposed settlement upon expedited notice and a hearing. Settlements of Medical Malpractice/Personal Injury Claims shall be in accordance with the Mediation Procedures previously approved by the Bankruptcy Court.

Section 9.3. No Distributions Pending Allowance. Notwithstanding any provision in the Plan to the contrary, no partial payments and no partial distributions shall be made by the Plan Administrator with respect to any portion of any Claim against the Debtors if such Claim or any portion thereof is a Disputed Claim. In the event and to the extent that a Claim against the Debtors becomes an Allowed Claim after the Effective Date, the holder of such Allowed Claim shall receive all payments and distributions to which such holder is then entitled under the Plan.

ARTICLE X.

CONDITIONS PRECEDENT

Section 10.1. Conditions to Confirmation. The following conditions are conditions precedent to Confirmation of the Plan unless waived by the Plan Proponents pursuant to Section 10.3 of the Plan: (i) the Confirmation Order must be in a form and substance reasonably acceptable to the Plan Proponents and the Committee; and (ii) the Confirmation Order shall:

(a) authorize the appointment of all parties appointed under or in accordance with the Plan, including, without limitation, the Plan Administrator, and direct such parties to perform their obligations under such documents;

(b) approve in all respects the transactions, agreements, and documents to be effected pursuant to the Plan;

(c) authorize the Plan Administrator and the Post Effective Date Committee to assume the rights and responsibilities fixed in the Plan;

(d) approve the releases and injunctions granted and created by the Plan;

(e) order, find, and decree that the Plan complies with all applicable provisions of the Bankruptcy Code, including that the Plan was proposed in good faith; and

(f) except as otherwise specifically provided in the Plan, order that nothing herein operates as a discharge, release, exculpation, or waiver of, or establishes any defense or limitation of damages to, any Claim or Cause of Action belonging to the Estates.

Section 10.2. Conditions to Effective Date. The Plan shall not become effective unless and until the following conditions shall have been satisfied or waived pursuant to Section 10.3 of the Plan:

(a) the Confirmation Date shall have occurred and the Confirmation Order, in a form consistent with the requirements of Section 10.1 of the Plan, shall have become a Final Order;

(b) the Plan Administrator shall have been appointed;

(c) all actions, documents and agreements necessary to implement the provisions of the Plan, and such actions, documents, and agreements shall have been effected or executed and delivered;

(d) all other actions required by the Plan to occur on or before the Effective Date shall have occurred.

Section 10.3. Waiver of Conditions. Any of the conditions set forth in this Article may be waived by the Plan Proponents and the Committee to the extent such waiver does not adversely affect the distributions hereunder.

Section 10.4. Notice to Court. The Plan Proponents shall notify the Court in writing promptly after the Effective Date that the Effective Date has occurred.

ARTICLE XI.

MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

Section 11.1. Modification of Plan: Generally. The Plan Proponents may alter, amend or modify the Plan pursuant to Section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After such time and prior to substantial consummation of the Plan, the Plan Proponents may, so long as the treatment of holders of Claims against the Debtors under the Plan is not adversely affected, institute proceedings in Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002 or as the Court shall otherwise order.

Section 11.2. Revocation or Withdrawal of Plan. The Plan Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date. If the Plan Proponents revoke or withdraw the Plan prior to the Effective Date, then the Plan shall be deemed null and

(k) to hear and determine other issues related to the Plan to the extent not inconsistent with the Bankruptcy Code; and

(l) to enter a final decree closing the Cases.

Section 12.2. Non-Exclusive Jurisdiction of the Court. Following the Effective Date, the Court will retain non-exclusive jurisdiction of the Cases for the following purposes:

(a) to recover all Assets of the Debtors and property of the Estates, wherever located;

(b) to hear and determine any actions commenced on or after the Effective Date by the Plan Administrator (or the Post Effective Date Committee, if applicable pursuant to Section 5.11 of the Plan), including, but not limited to, Avoidance Actions or other Causes of Action;

(c) to hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes and tax benefits and similar or related matters with respect to the Debtors or the Estates arising prior to the Effective Date or relating to the period of administration of the Cases, including, without limitation, matters concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code; and

(d) to hear and determine any other matters to the extent not inconsistent with the Bankruptcy Code.

Section 12.3. Failure of the Court to Exercise Jurisdiction. If the Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Cases, including with respect to the matters set forth above in this Article, this Article shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

ARTICLE XIII.

INJUNCTION AND RELEASES

Section 13.1. Injunction.

(a) Except as otherwise expressly provided in the Plan including, without limitation, the treatment of Claims against and Interests in the Debtors, the entry of the Confirmation Order shall, provided that the Effective Date shall have occurred, operate to enjoin permanently all Persons that have held, currently hold or may hold a Claim against or Interest in the Debtors, from taking any of the following actions against the Debtors, the Plan Administrator, the Committee or members thereof, the Post Effective Date Committee or members thereof, present and former directors, officers, trustees, agents, attorneys, advisors, members or employees of the Debtors, the Committee or members thereof, the Post Effective Date Committee or members thereof, or the Plan Administrator, or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim against or Interest in the Debtors: (a)

commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to a Claim against or Interest in the Debtors; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim against or Interest in the Debtors; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim against or Interest in the Debtors; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any Debt, liability or obligation due to the Debtors or their property or Assets with respect to a Claim against or Interest in the Debtors; and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with or is inconsistent with the provisions of the Plan; provided, however, nothing in this injunction shall preclude the holder of a Claim against the Debtors from pursuing any applicable insurance after the Cases are closed, from seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; provided further, however, nothing in this injunction shall limit the rights of a holder of an Allowed Claim against the Debtors to enforce the terms of the Plan.

(b) **Covered Medical Professionals Injunction.** Except as otherwise provided in the Plan, upon the Effective Date, all Persons are permanently enjoined from commencing or continuing any medical malpractice or related action against any Covered Medical Professional and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Covered Medical Professional with respect to any such actions, provided however, that such injunction shall not extend to recoveries against any available insurance. In exchange for this injunction, each Covered Medical Professional shall be deemed to waive any Indemnification Claim and any Claims against the Debtors and their Estates, administrative or otherwise, related to, or arising in connection with, the Debtors' alleged obligation to purchase or provide medical malpractice insurance and/or any related extended reporting period coverage, provided that the waiver of the Indemnification Claims and other claims hereunder shall not impair the injunction in this Section of the Plan and neither the waiver of the Indemnification Claims, nor this injunction shall release the obligations of any insurance company to defend a Covered Medical Professional under an otherwise applicable insurance policy.

Section 13.2. Releases.

(a) Upon (x) the Effective Date, (i) each Person that receives and retains a distribution under the Plan, (ii) each Person who obtains a release under the Plan or obtains the benefit of an injunction provided pursuant to the Plan, and (iii) each Person who received any benefit from any third party insurance providers on account of a Claim against the Debtors or a claim against any Covered Medical Professional, in consideration therefor, conclusively, absolutely, unconditionally, irrevocably and forever releases and discharges each of the Debtors and their present and former directors, officers, trustees, agents, attorneys, advisors, and members (solely in their capacity as such), and (y) the D&O Release Effective Date (which is 11:59 p.m. prevailing eastern time on November 6, 2014, the last time by which the Debtors, the Plan Administrator, the Committee or the Post Effective Date Committee must assert (including, but not limited to, by providing

notice to the insurance carrier), if at all, a D&O Claim against any of the Debtors Release Parties so as to be covered under the Debtors' officers and directors insurance policy), the Debtors conclusively, absolutely, unconditionally, irrevocably and forever release and discharge each of the Debtors Release Parties: of and from any and all past, present and future legal actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, amounts paid in settlement, costs, fees, damages, debts, deficiencies, diminution in value, disbursements, expenses, losses and other obligations of any kind, character or nature whatsoever, whether in law, equity or otherwise (including, without limitation, those arising under applicable non-bankruptcy law, and any and all alter-ego, lender liability, indemnification or contribution theories of recovery, and interest or other costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may have heretofore accrued, occurring from the beginning of time to and including the Effective Date or, with respect to the Debtors Release Parties, the D&O Release Effective Date, related in any way to, directly or indirectly, and/or arising out of and/or connected with, any or all of the Debtors and their Estates, the Cases, the Debtors' pre-petition financing arrangements, the Debtors' financial statements, the Debtors' debtor in possession financing facility or the failure of any person or entity to maintain malpractice insurance, provide funding for a self-insurance trust for medical malpractice claims, or cause the Debtors to cease operations (including any such claims based on theories of alleged negligence, misrepresentation, nondisclosure or breach of fiduciary duty); *provided, however*, that (i) nothing contained in this Section 13.2 or otherwise in the Plan shall release any of the Debtors Release Parties from any D&O Claim which is asserted (including, but not limited to, by providing notice to the insurance carrier) by either the Debtors, the Plan Administrator, the Committee or the Post Effective Date Committee on or before the D&O Release Effective Date; (ii) recovery on any D&O Claim shall be limited to the proceeds of available insurance, if any, and shall not be payable from any other assets of the Debtors Release Parties; (iii) nothing in this Section 13.2(a) of the Plan shall release, limit or affect Avoidance Actions of the Debtors; (iv) this Section 13.2(a) of the Plan shall not affect the liability of any Person due to willful misconduct, gross negligence or failure to fully comply with Rule 1.8(h)(1) of the New York Rules of Professional Conduct, as determined by a Final Order; (v) nothing in this Section 13.2(a) of the Plan shall operate or be a release by any Professional Persons of any Professional Fee Claims; and (vi) nothing in this Section 13.2(a) of the Plan shall release, limit or affect the Debtors' and/or the Plan Administrators' obligations under the Plan. For the avoidance of doubt, Section 13.2(a)(x) of the Plan shall not release, limit or affect Causes of Action of the Debtors.

(b) **Releases by Holders of Claims and Interests.** To the greatest extent permissible by law and except as otherwise provided in the Plan, as of the Effective Date, each holder of a Claim against or Interest in the Debtors shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and discharged each of the Debtors, the Committee, the Patient Care Ombudsman and their respective present directors, officers, trustees, agents, attorneys, advisors, members and employees (solely in their capacity as such) of and from any and all past, present and future legal

actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, amounts paid in settlement, costs, fees, damages, debts, deficiencies, diminution in value, disbursements, expenses, losses and other obligations of any kind, character or nature whatsoever, whether in law, equity or otherwise (including, without limitation, those arising under applicable non-bankruptcy law, and any and all alter-ego, lender liability, indemnification or contribution theories of recovery, and interest or other costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may have heretofore accrued against the Debtors, the Committee, the Patient Care Ombudsman or their respective present directors, officers, trustees, agents, attorneys, advisors, members or employees (solely in their capacity as such) occurring from the beginning of time to and including the Effective Date, related in any way to, directly or indirectly, and/or arising out of and/or connected with, any or all of the Debtors and their Estates, or the Cases; provided, however, that this Section 13.2(b) of the Plan shall not affect the liability of any Person due to willful misconduct or gross negligence as determined by a Final Order. Nothing in this Section 13.2(b) of the Plan shall be deemed to release or impair Allowed Claims against the Debtors, which Allowed Claims against the Debtors shall be treated as set forth in the Plan. For the avoidance of doubt, nothing in this Section 13.2(b) of the Plan shall release, limit or affect Causes of Action of the Debtors.

Section 13.3. Exculpation. None of (i) Garfunkel Wild, P.C., in its capacities as counsel to the Debtors or counsel to the Plan Administrator; (ii) Alvarez and Marsal, in its capacity as the Debtors' financial advisor; (iii) the Debtors' trustees, in-house counsel, officers and directors (in their capacities as such); (iv) the Plan Administrator and its representatives (in their capacities as such); (v) the Committee and the Post Effective Date Committee; (vi) the members of the Committee and the members of the Post Effective Date Committee, in their capacities as members of the Committee and as members of the Post Effective Date Committee; (vii) Alston & Bird LLP, in its capacities as counsel to the Committee and as counsel to the Post Effective Date Committee; (viii) Deloitte Financial Advisory Services LLP and Deloitte Transactions and Business Analytics LLP, in their capacity as financial advisor to the Committee; (ix) Deloitte Transactions and Business Analytics LLP, in its capacity as financial advisor to the Post Effective Date Committee; (x) Polsky Advisors LLC, in its capacities as financial advisor to the Committee and as financial advisor to the Post Effective Date Committee; (xi) Daniel T. McMurray in his capacity as the Patient Care Ombudsman appointed in these Cases; (xii) Focus Management Group USA, Inc., in its capacity as consultants to the Patient Care Ombudsman; or (xiii) Neubert, Pepe & Monteith, P.C., in its capacity as counsel to the Patient Care Ombudsman, shall have or incur any liability for any act or omission in connection with, related to, or arising out of, the Cases, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan, the administration of the Plan or the property to be distributed under the Plan, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan; provided, however, that (i) nothing contained in this Section 13.3 of the Plan shall affect the liability of any Person that would result from any such act or omission to the extent that act or omission is determined

by a Final Order of the Court to have constituted willful misconduct, gross negligence or failure to fully comply with Rule 1.8(h)(1) of the New York Rules of Professional Conduct; and in all respects, such Persons shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and shall be fully protected from liability in acting or refraining to act in accordance with such advice; (ii) nothing contained in this Section 13.3 of the Plan shall exculpate any of the Debtors Release Parties from any D&O Claim which is asserted by either the Debtors, the Plan Administrator, the Committee or the Post Effective Date Committee on or before the D&O Release Effective Date; provided that recovery on any D&O Claim shall be limited to the proceeds of available insurance, if any, and shall not be payable from any other assets of the Debtors Release Parties; (iii) nothing in this Section 13.3 of the Plan shall release, limit or affect Avoidance Actions of the Debtors; and (iv) nothing in this Section 13.3 of the Plan shall release, limit or affect the Debtors' and/or the Plan Administrators' obligations under the Plan.

Section 13.4. Indemnification. The Plan Administrator and the members of the Post Effective Date Committee shall be indemnified and receive reimbursement against and from all loss, liability, expense (including counsel fees) or damage which the Plan Administrator or the members of the Post Effective Date Committee may incur or sustain in the exercise and performance of any of their respective powers and duties under the Plan, to the full extent permitted by law, except if such loss, liability, expense or damage is finally determined by a court of competent jurisdiction to result solely from the Plan Administrator's or the Post Effective Date Committee member's willful misconduct, fraud, intentional misconduct or gross negligence. The amounts necessary for such indemnification and reimbursement shall be paid by the Plan Administrator out of Cash held by the Plan Administrator under the Plan. The Plan Administrator shall not be personally liable for this indemnification obligation or the payment of any expense of administering the Plan or any other liability incurred in connection with the Plan, and no person shall look to the Plan Administrator personally for the payment of any such expense or liability. This indemnification shall survive the death, resignation or removal, as may be applicable, of the Plan Administrator and/or the members of the Post Effective Date Committee, and shall inure to the benefit of the Plan Administrator's and the Post Effective Date Committee members' and their respective successors, heirs and assigns, as applicable.

Section 13.5. Release of Collateral. Except as expressly provided otherwise in the Plan, unless a holder of a Secured Claim receives a return of its Collateral in respect of such Claim under the Plan: (i) each holder of; (A) an Allowed Secured Claim; and/or (B) an Allowed Claim that is purportedly secured, on the Effective Date shall (x) turn over and release to the Debtors any and all property that secures or purportedly secures such Claim; and (y) execute such documents and instruments as the Plan Administrator requires to evidence such claimant's release of such property; and (ii) on the Effective Date, all claims, rights, title and interest in such property shall revert to the Debtors, free and clear of all Claims against the Debtors, including (without limitation) liens, charges, pledges, encumbrances and/or security interests of any kind. No Distribution hereunder shall be made to or on behalf of any holder of such Claim unless and until such holder executes and delivers to the Plan Administrator such release of liens. Any such holder that fails to execute and deliver such release of liens within 60 days of any demand thereof shall be deemed to have no further Claim and shall not participate in any Distribution hereunder. Notwithstanding the immediately preceding sentence, a holder of a

Disputed Claim shall not be required to execute and deliver such release of liens until the time such Claim is Allowed or Disallowed.

Section 13.6. **Cause of Action Injunction.** On and after the Effective Date, all Persons other than the Plan Administrator and, to the extent applicable pursuant to Section 5.11 of the Plan, the Post Effective Date Committee will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of, or respecting any, Claim, debt, right or Cause of Action that the Plan Administrator retains authority to pursue in accordance with the Plan.

Section 13.7. **Preservation and Application of Insurance.** The provisions of the Plan, including without limitation the release and injunction provisions contained in the Plan, shall not diminish or impair in any manner the enforceability and/or coverage of any insurance policies (and any agreements, documents, or instruments relating thereto) that may cover Claims (including Medical Malpractice/Personal Injury Claims) against the Debtors, any directors, trustees or officers of the Debtors, or any other Person, other than as expressly as set forth herein. For the avoidance of doubt, and as set forth in the Plan, all of the Debtors' insurance policies, or third party policies whether or not the Debtors are named as additional insured parties, and the proceeds thereof shall be available to holders of Medical Malpractice/Personal Injury Claims to the extent such insurance policies cover such Medical Malpractice/Personal Injury Claims. In addition, such insurance policies and proceeds thereof shall be available to holders of Medical Malpractice/Personal Injury Claims for the purpose of satisfying Medical Malpractice/Personal Injury Claims estimated pursuant to section 502(c) of the Bankruptcy Code or in accordance with the Plan.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

Section 14.1. **Payment of Statutory Fees.** All outstanding fees payable pursuant to Section 1930 of Title 28 of the United States Code shall be paid on or before the Effective Date.

Section 14.2. **Reports.** Until a final decree closing the Cases is entered, the Plan Administrator shall comply with any requisite reporting requirements established pursuant to the guidelines of the U.S. Trustee.

Section 14.3. **Governing Law.** Except to the extent the Bankruptcy Code, the Bankruptcy Rules, or other federal laws are applicable, the laws of the State of New York shall govern the construction and implementation of the Plan and all rights and obligations arising under the Plan.

Section 14.4. **Withholding and Reporting Requirements.** In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Plan Administrator shall comply with all withholding, reporting, certification and information requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall, to the extent applicable, be subject to any such withholding, reporting,

certification and information requirements. Persons entitled to receive distributions hereunder shall, as a condition to receiving such distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable the Plan Administrator to obtain the certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. Any person that fails to comply with the Plan Administrators requests in the preceding sentence within ninety (90) days of any such request thereof, shall not be entitled to participate in any distribution under the Plan and no such distribution shall be made on account of any such persons Allowed Claim, and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

Section 14.5. Section 1146 Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan; or the execution, delivery, or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by the Plan; or the vesting, transfer, or sale of any real property of the Debtors pursuant to, in implementation of or as contemplated by the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, or similar tax.

Section 14.6. Severability. In the event that any provision of the Plan is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect of any other provisions of the Plan. To the extent that any provision of the Plan would, by its inclusion in the Plan, prevent or preclude the Court from entering the Confirmation Order, the Court, on the request of the Plan Proponents, may modify or amend such provision, in whole or in part, as necessary to cure any defect or remove any impediment to the Confirmation of the Plan existing by reason of such provision; provided, however, that such modification shall not be effected except in compliance with Section 11.1 of the Plan.

Section 14.7. Reservation of Rights. If the Plan is not confirmed for any reason, the rights of all parties in interest in the Cases are and shall be reserved in full. Any concession reflected or provision contained herein, if any, is made for purposes of the Plan only, and if the Plan does not become effective, no party in interest in the Cases shall be bound or deemed prejudiced by such concession.

Section 14.8. Binding Effect; Counterparts. The provisions of the Plan shall bind all holders of Claims against the Debtors, whether or not they have accepted the Plan. The Plan may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Plan.

Section 14.9. Notices. All notices, requests, and demands to or upon the Plan Proponents, the Plan Administrator, the Committee or the Post Effective Date Committee must be in writing (including by facsimile transmission) 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 or by electronic mail, when received and telephonically confirmed, addressed as follows:

If to the Plan Proponents, to:

Garfunkel Wild, P.C.
Burton S. Weston
Afsheen A. Shah
Adam T. Berkowitz
111 Great Neck Road
Great Neck, New York 11021
Tel: (516) 393-2200
Fax: (516) 466-5964
Email: bweston@garfunkelwild.com
ashah@garfunkelwild.com
aberkowitz@garfunkelwild.com

If to the Committee, to:

ALSTON & BIRD LLP
Martin G. Bunin
Craig E. Freeman
90 Park Ave.
New York, New York 10016-1387
Tel: (212) 210-9400
Fax: (212) 210-9444
E-mail: craig.freeman@alston.com
marty.bunin@alston.com

If to the Plan Administrator, to:

Monica Terrano
P.O. Box #780029
Maspeth, NY 11378

with a copy to

Garfunkel Wild, P.C.
Burton S. Weston
Afsheen A. Shah
Adam T. Berkowitz
111 Great Neck Road
Great Neck, New York 11021
Tel: (516) 393-2200
Fax: (516) 466-5964
Email: bweston@garfunkelwild.com
ashah@garfunkelwild.com
aberkowitz@garfunkelwild.com

ALSTON & BIRD LLP

Craig E. Freeman

New York, New York 10016-1387

Fax: (212) 210-9444

marty.bunin@alston.com

Section 14.10. Plan Controls. In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

[SIGNATURE PAGE TO FOLLOW]

Date: September 17, 2014
New Rochelle, New York

**SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, *et al.***
Debtors And Debtors-In-Possession

By: /s/ Monica Terrano
Monica Terrano
Wind Down Officer

GARFUNKEL WILD, P.C.
Attorneys for the Debtors and Debtors-in-Possession
BURTON S. WESTON, Esq.
AFSHEEN A. SHAH, Esq.
ADAM T. BERKOWITZ, Esq.
111 Great Neck Road
Great Neck, New York, NY 11021
Telephone No. (516) 393-2200
Facsimile No. (516) 466-5964

GARFUNKEL WILD, P.C.
111 Great Neck Road
Great Neck, New York 11021
Telephone: (516) 393-2200
Telefax: (516) 466-5964
Burton S. Weston
Afsheen A. Shah
Adam T. Berkowitz

*Counsel for Debtors
And Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re:
SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹
Debtors.
-----X

Chapter 11 Case
Case No. 13- 22840 (RDD)

(Jointly Administered)

**FIRST AMENDED PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, ET AL.**

Dated: September 17, 2014
New Rochelle, New York

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital (0115), Howe Avenue Nursing Home, Inc., d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

Code and Bankruptcy Rules in a liquidated amount and not listed as contingent, unliquidated, zero, undetermined or disputed, or (b) a proof of such Claim was timely filed, or deemed timely filed, with the Court pursuant to the Bankruptcy Code, the Bankruptcy Rules, and/or any applicable Final Order; and, in either case, has not been previously satisfied (x) is not objected to within the period fixed by the Bankruptcy Code, the Bankruptcy Rules, this Plan, and/or applicable Final Orders of the Court, (y) has been settled pursuant to either Section 4.5 of the Plan or Mediation Procedures, or (z) has otherwise been allowed, or in respect of Medical Malpractice/Personal Injury Claims estimated for distribution purposes, by a Final Order. An "Allowed Claim" shall be net of any amounts previously paid, as well as any valid setoff or recoupment amount based on a valid setoff or recoupment right. Except as otherwise expressly provided herein, the term "Allowed Claim" shall not, for the purposes of computation of distributions under the Plan, include any amounts not allowable under the Bankruptcy Code or applicable law.

"*Assets*" means (a) all remaining assets and properties of every kind, nature, character and description, whether real, personal, or mixed, whether tangible or intangible (including contract rights), wherever situated and by whomever possessed, including the goodwill related thereto, operated, owned, or leased by the Debtors that constitute property of the Estates within the meaning of Section 541 of the Bankruptcy Code, including, without limitation, any and all Claims, Causes of Action, or rights of the Debtors under federal, state, or foreign law, letters of credit issued for or on behalf of any Debtor and the monies deposited to secure the performance of any contract or lease by any Debtor; and (b) the proceeds, products, rents, and/or profits of any of the foregoing.

"*Avoidance Actions*" means any Claims, rights, defenses, or other Causes of Action arising under any Section of Chapter 5 of the Bankruptcy Code, including, without limitation, Sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including state fraudulent transfer laws, whether or not such claims or actions have been asserted or commenced as of the Confirmation Date or the Effective Date.

"*Ballot*" means the form distributed to each holder of an Impaired Claim against the Debtors that is entitled to vote to accept or reject the Plan on which is to be indicated, among other things, acceptance or rejection of the Plan.

"*Bankruptcy Code*" means Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as such title has been, or may be, amended from time to time, to the extent that any such amendment is applicable to the Cases.

"*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, and the local rules and general orders of the Court, as each has been, or may be, amended from time to time, to the extent that any such amendment is applicable to the Cases.

"*Bar Date*" means the date(s) fixed by order of the Court by which Persons asserting a Claim against the Debtors must file a proof of Claim on account of such Claim or be forever barred from asserting a Claim against the Debtors or their property and from sharing in distributions hereunder.

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

"Cases" means the Debtors' jointly administered cases under Chapter 11 pending before the Court.

"Cash" means cash or cash equivalents, including, but not limited to, wire transfers, checks and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks.

"Causes of Action" means, whether or not described in the Disclosure Statement, the Schedules, the Plan or any Plan Supplement, any and all Claims, rights, defenses, offsets, recoupments, actions in law or equity or otherwise, choses in action, suits, damages, rights to legal or equitable remedies, judgments, third-party Claims, counterclaims and cross-claims against any Person, whether arising under the Bankruptcy Code or federal, state, common, or other law, regardless of whether such Cause of Action is the subject of pending litigation or proceedings on the Confirmation Date, the Effective Date, or thereafter, including, without limitation, as to Causes of Action of the Debtors: (a) all Avoidance Actions; (b) all other Claims in avoidance, recovery, and/or subordination; and (c) all other actions described in the Disclosure Statement, the Schedules, the Plan or any Plan Supplement.

"Chapter 11" means Chapter 11 of the Bankruptcy Code.

"Claim" means any claim within the meaning of Section 101(5) of the Bankruptcy Code, whether or not asserted.

"Class" means a Class of Claims or Interests against the Debtors described in Article III of the Plan.

"Committee" means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Cases, as constituted from time to time, in its official capacity, but does not mean the members of the Committee in their individual capacities.

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

"Confirmation Date" means the date of entry of the Confirmation Order on the docket maintained by the Clerk of the Court.

"Confirmation Hearing" means the hearing held by the Court to consider the Confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

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

"Covered Medical Professional" means any doctor, intern, resident, fellow, nurse or other employee of the Debtors to the extent that such Person has a right of indemnification from,

or another Claim against, any Debtor with respect to claims of medical malpractice alleged to have occurred during the scope of their services to any of the Debtors, whether such services were rendered on or off the premises of the hospitals, nursing home or clinics of the Debtors.

"Court" means the United States Bankruptcy Court for the Southern District of New York and any court having competent jurisdiction to hear appeals or certiorari proceedings therefrom, or any successor thereto that may be established by any act of Congress, or otherwise, and which has competent jurisdiction over the Cases or the Plan.

"Creditor" means any holder of a Claim against any Debtor or holder of any Claim against property of any Debtor.

"Debt" means liability on a Claim.

"Debtors" means Sound Shore Health System, Inc., Sound Shore Medical Center of Westchester, The Mount Vernon Hospital, Howe Avenue Nursing Home, Inc., d/b/a Helen and Michael Schaffer Extended Care Center, NRHMC Services Corporation, The M.V.H. Corporation and New Rochelle Sound Shore Housing, LLC, as the context dictates, whether as debtors or as debtors-in-possession, and *"Debtor"* means any one of them, as the context dictates.

"Debtors Release Parties" means each of the Debtors' present and former directors, officers, and trustees (solely in their capacities as such).

"Disallowed" means with reference to any Claim, a Claim against any Debtor or any portion thereof that: (i) has been disallowed or expunged by a Final Order; (ii) has been withdrawn, in whole or in part, by the holder thereof or by agreement with the Debtors or the Plan Administrator, as applicable; (iii) is scheduled at zero or as contingent, disputed or unliquidated and as to which no proof of Claim has been filed by the applicable bar date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order; or (iv) is not listed in the Schedules and as to which no proof of Claim has been timely filed by the applicable bar date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order.

"Disclosure Statement" means the disclosure statement filed with the Court by the Plan Proponents pursuant to Section 1125 of the Bankruptcy Code with respect to the Plan, including all exhibits and schedules thereto, which was approved by the Court pursuant to Section 1125 of the Bankruptcy Code, as it may be altered, amended, supplemented or modified from time to time.

"Disputed" means with reference to any Claim, a Claim against any Debtor that is not an Allowed Claim or a Disallowed Claim.

"Disputed Claims Reserve" means the reserve to be established and maintained by the Plan Administrator described in Section 5.16 of the Plan.

"District Court" means the United States District Court for the Southern District of New York.

"D&O Claim" means a claim against any of the Debtors Release Parties asserted on or before the D&O Release Effective Date; provided, however, that "D&O Claim" shall not include: (i) any Avoidance Actions of the Debtors; or (ii) any claim for gross negligence or willful misconduct.

"D&O Release Effective Date" means 11:59 p.m. prevailing eastern time on November 6, 2014.

"Effective Date" means the first Business Day upon which each of the conditions in Section 10.2 of the Plan have been satisfied or waived pursuant to Section 10.3 of the Plan.

"Estates" means the jointly administered Chapter 11 estates of the Debtors created by Section 541 of the Bankruptcy Code, and "Estate" means the Chapter 11 estate of one Debtor or another, as the context dictates.

"Executory Contract" means any executory contract or unexpired lease subject to Section 365 of the Bankruptcy Code, between any Debtor and any other Person.

"Final Order" means an order or judgment of the Court (or, with respect to estimation of Medical Malpractice/Personal Injury Claims, the District Court) that has not been reversed, stayed, modified, or amended and as to which the time to appeal or seek review, rehearing, reargument, or certiorari has expired and as to which no appeal or petition for review, rehearing, reargument, stay or certiorari is pending, or as to which any right to appeal or to seek certiorari, review, or rehearing has been waived, or if an appeal, reargument, petition for review, certiorari, or rehearing has been sought, the order or judgment of the Court (or, with respect to estimation of Medical Malpractice/Personal Injury Claims, the District Court) has been affirmed by the highest court to which the order was appealed or from which the reargument, review, or rehearing was sought, or certiorari has been denied, and as to which the time to take any further appeal, or seek further reargument, review, certiorari, or rehearing has expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

"Impaired" means "impaired" within the meaning of Section 1124 of the Bankruptcy Code.

"Indemnification Claim" means any claim by a Covered Medical Professional against the Debtors for indemnification, subrogation, contribution or reimbursement of all liabilities, losses, damages, costs and expenses of whatever kind, including attorneys fees, arising from any professional liability claim or lawsuit which may arise by reason of negligent acts committed or performed within the scope of such Covered Medical Professional's employment, studies, administrative or committee functions or responsibilities with the Debtors.

"Interests" means all legal, equitable, contractual and other ownership rights or interests in any Debtor, including, without limitation, common and preferred stock, membership interests, options to purchase such stock or interests, or any unpaid dividends or distributions thereon or any agreements or contracts to purchase or acquire the same.

"Mediation Order" means that certain Order of the Bankruptcy Court dated October 25, 2013 [Docket No. 402], which Order, among other things: (a) established the Mediation Procedures; and (b) enjoined the commencement or continuation of medical malpractice actions against, among others, certain Covered Medical Professionals.

"Mediation Procedures" means procedures established to resolve Medical Malpractice/Personal Injury Claims pursuant to the Mediation Order.

"Medical Malpractice/Personal Injury Claim" means any Claim asserted or which can be asserted against any of the Debtors on account of or related to such Debtor's purported liability resulting either from the provision of medical services including personal injury or wrongful death claims, or any other personal injury claim, net of the proceeds of any third party insurance available to pay the holder of such Claim.

"Net Proceeds" means the Remaining Cash together with the aggregate Cash received after the Effective Date from the liquidation of the Assets or otherwise, minus Cash necessary to fund Allowed Administrative/Priority Claims and Allowed Secured Claims, the costs to administer the Plan (including the costs and expenses of the Plan Administrator, the Post Effective Date Committee and their respective professionals), and the Disputed Claims Reserve.

"Other Priority Claim" means a Claim against the Debtors entitled to priority in payment pursuant to Section 507(a) of the Bankruptcy Code other than a Claim entitled to priority in payment pursuant to Section 507(a)(1), 507(a)(2), or 507(a)(8) of the Bankruptcy Code.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, estate, unincorporated organization, governmental unit (or agency or political subdivision thereof), or other entity.

"Petition Date" means May 29, 2013, the date on which the Debtors filed their voluntary petitions under Chapter 11 of the Bankruptcy Code.

"Plan" means this first amended plan of liquidation (including all exhibits and schedules hereto), as it may be modified, amended, or supplemented from time to time.

"Plan Administrator" means Monica Terrano, or such other Person designated by the Debtors and the Committee, and approved by the Bankruptcy Court pursuant to the Confirmation Order, or, after the Effective Date, such other person designated pursuant to Section 5.9 hereof, to administer the Plan.

"Plan Proponents" means the Debtors, in each case in their capacity as proponents of the Plan; provided, however, that after the Effective Date, such term shall mean the Plan Administrator.

"Plan Supplement" means the compilation of documents, if any, including any exhibits to the Plan not included herewith, that the Debtors shall file with the Court ten (10) days prior to the voting deadline for the Plan (or such later date as may be agreed to by the Debtors and the Committee).

"Post Effective Date Committee" means the Committee as it shall function after the Effective Date as more fully described in Section 5.10 of the Plan.

"Priority Tax Claim" means a Claim against the Debtors of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code. Priority Tax Claims shall include only such Claims for penalties that are related to a Claim specified in Section 507(a)(8) of the Bankruptcy Code and that seek compensation for actual pecuniary loss.

"Professional Fee Claims" means Claims against the Debtors of Professional Persons or any other Person for compensation and/or reimbursement of expenses pursuant to Sections 328, 330, 331, 363 or 503(b) of the Bankruptcy Code.

"Professional Fee Claims Bar Date" means 4:00 p.m. (prevailing Eastern time) on the date that is sixty (60) days after the Effective Date.

"Professional Persons" means all attorneys, accountants, financial advisors, investment bankers, appraisers, consultants, and other professionals retained or to be compensated by the Estates pursuant to an order of the Court entered under Sections 327, 328, 330, 331, 363 503(b) or 1103 of the Bankruptcy Code.

"Pro Rata" means, with respect to any monetary distribution on account of any Allowed Claim in any Class, the ratio of (a) the amount of such Allowed Claim to (b) the sum of (i) all Allowed Claims in such Class and (ii) the aggregate maximum allowable amount of all Disputed Claims in such Class for which any reserve must be established under the Plan.

"Remaining Cash" means all Cash held by or for the benefit of the Estates upon the Effective Date.

"Scheduled" means, with respect to any Claim, that such Claim is listed on the Schedules.

"Schedules" means the Schedules of Assets and Liabilities filed with the Court in the Cases, as amended from time to time in accordance with Bankruptcy Rule 1009.

"Secured Claim" means a Claim against the Debtors to the extent such Claim is secured by a valid lien, security interest, or other interest in property in which the Debtors have an interest, that has been perfected properly as required by applicable law and is not otherwise avoidable by the Debtors as debtors in possession or any other Person, but only to the extent of the value of the Debtors' interests in such property determined in accordance with Section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of such setoff.

"Stay Modification Option" means the election by the holder of a Medical Malpractice/Personal Injury Claim, pursuant to the Mediation Procedures, to liquidate his or her Medical Malpractice/Personal Injury Claim in a forum outside of this Court, but limiting all recovery solely to any available insurance coverage and otherwise waiving all claims against the Debtors and Covered Medical Professionals

"Unclaimed Property" shall have the meaning ascribed to that term in Section 5.24 of the Plan.

"Unimpaired" means, with respect to a Class of Claims, that such Class is not Impaired.

"Unsecured Claim" means a Claim against the Debtors that is not an Administrative Claim, Priority Tax Claim, Professional Fee Claim, Secured Claim, or Other Priority Claim.

"U.S. Trustee" means the Office of the United States Trustee for the Southern District of New York.

"U.S. Trustee Fees" means all fees and charges assessed against the Estates under Section 1930 of Title 28 of the United States Code, and interest, if any, for delinquent quarterly fees pursuant to Section 3717 of Title 31 of the United States Code.

Section 1.2. Computation of Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II.

TREATMENT OF UNCLASSIFIED CLAIMS

Section 2.1. Non-Classification. As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims against the Debtors are not classified for the purposes of voting on or receiving distributions under the Plan. All such Claims, as well as Professional Fee Claims and U.S. Trustee Fees, are instead treated separately upon the terms set forth in this Article II.

Section 2.2. Administrative Claims.

(a) *Supplemental Administrative Claims Bar Date.* Except as provided below for (1) Professional Persons requesting compensation or reimbursement for Professional Fee Claims, and (2) U.S. Trustee Fees, requests for payment of Administrative Claims, for which a Bar Date to file such Administrative Claim was not previously established, must be filed no later than forty-five (45) days after the occurrence of the Effective Date, or such later date as may be established by Order of the Court. **Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the applicable Bar Date shall be forever barred from asserting such Claims against the Debtors or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.**

(b) *Estimation of Administrative Claims.* The Debtors and the Plan Administrator reserve the right, for purposes of allowance and distribution, to seek to estimate any unliquidated Administrative Claims if the fixing or liquidation of such Administrative Claim would unduly delay the administration of and distributions under the Plan (including seeking to estimate post-petition indemnification, medical malpractice or personal injury Claims in the District Court).

(c) *Treatment.* Each holder of an Allowed Administrative Claim, in full and final satisfaction release and settlement of such Allowed Claim, shall receive Cash from the Remaining Cash in an amount equal to such Allowed Administrative Claim on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed or otherwise payable, unless such holder shall agree to a different and less favorable treatment of such Claim. After the Effective Date, the Plan Administrator may, in the ordinary course of business, satisfy any liabilities, expenses and other Claims incurred by the Plan Administrator in the ordinary course of business and without further order of the Court.

Section 2.3. Priority Tax Claims.

(a) *Treatment.* Unless the holder thereof shall agree to a different and less favorable treatment, each holder of an Allowed Priority Tax Claim, in full and complete satisfaction of such Allowed Claim, shall receive payment in Cash from the Remaining Cash in an amount equal to such Allowed Priority Tax Claim on or as soon as reasonably practicable after the later of (a) the Effective Date and (b) the date on which such Claim becomes Allowed.

Section 2.4. Professional Fee Claims.

(a) *Professional Fee Claims Bar Date.* All final applications for payment of Professional Fee Claims for the period through and including the Effective Date shall be filed with the Court and served on the Plan Administrator and the other parties entitled to notice pursuant to the Interim Compensation and Reimbursement Procedures Order [Docket No. 148] on or before the Professional Fee Claims Bar Date, or such later date as may be agreed to by the Plan Administrator. Any Professional Fee Claim that is not asserted in accordance with this Section 2.4(a) shall be deemed Disallowed under the Plan and the holder thereof shall be enjoined from commencing or continuing any Cause of Action, employment of process or act to collect, offset, recoup or recover such Claim against the Estates or any of their respective Assets or property.

(b) *Treatment.* Each holder of an Allowed Professional Fee Claim shall be paid in Cash from the Remaining Cash in an amount equal to such Allowed Professional Fee Claim on or as soon as reasonably practicable after the first Business Day following the date upon which such Claim becomes Allowed by Final Order, unless such holder agrees to a different and less favorable treatment of such Claim.

(c) *Post Effective Date Services.* The fees and expenses of professionals retained by the Plan Administrator and the Post Effective Date Committee on and after the Effective Date, shall be paid by the Plan Administrator upon receipt of invoice(s) therefor, or on such other terms as the Plan Administrator and the applicable professional may agree to, without the need for further Court authorization or entry of a Final Order, but subject to the approval of the Post Effective Date Committee, which approval shall not unreasonably be withheld. If the Plan Administrator and the professional cannot agree on the amount of post Effective Date fees and expenses to be paid to such professional, such amount shall be determined by the Court.

Section 2.5. U.S. Trustee Fees. The Debtors shall pay all United States Trustee quarterly fees under 28 U.S.C. §1930(a)(6), plus interest due and payable under 31 U.S.C.

§3717, if any, on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' business, until the entry of a final decree, dismissal of the case or conversion of the case to Chapter 7.

ARTICLE III.

CLASSIFICATION OF CLAIMS

Section 3.1. Classification; Elimination of Classes. For purposes of the Plan, Claims (other than Administrative Claims, Priority Tax Claims and Professional Fee Claims) are classified as provided below. A Claim against the Debtors is classified in a particular Class only to the extent that such Claim (or a portion of such claim) qualifies within the description of that Class and is classified in a different Class to the extent that such Claim (or a portion of such claim) qualifies within the description of such different Class. Any Class of Claims that is not occupied as of the date of the Confirmation Hearing by an Allowed Claim, or a Claim temporarily Allowed under Rule 3018 of the Bankruptcy Rules, and for which, on the Effective Date, there are no Disputed Claims in such Class pending, shall be deemed deleted from the Plan for all purposes.

Section 3.2. Class 1: Secured Claims. Class 1 consists of Allowed Secured Claims. For convenience of identification, the Plan describes Allowed Secured Claims in Class 1 as a single Class. Class 1 consists of separate subclasses, each based on the underlying property securing such Allowed Secured Claim, and each subclass is treated hereunder as a distinct Class for treatment and distribution purposes and for all other purposes under the Bankruptcy Code. Class 1 is Unimpaired by the Plan and, therefore, each holder of an Allowed Class 1 Claim is deemed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

Section 3.3. Class 2: Other Priority Claims. Class 2 consists of Allowed Other Priority Claims. Class 2 is Unimpaired by the Plan and, therefore, each holder of an Allowed Class 2 Claim is deemed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

Section 3.4. Class 3: Unsecured Claims. Class 3 consists of Allowed Unsecured Claims, including, without limitation, Allowed Medical Malpractice/Personal Injury Claims which arose prior to the Petition Date. Class 3 is Impaired by the Plan and, therefore, each holder of an Allowed Class 3 Claim is entitled to vote to accept or reject the Plan.

Section 3.5. Class 4: Interests. Class 4 consists of Interests. Class 4 is Impaired by the Plan. Class 4 is deemed to reject the Plan.

ARTICLE IV.

TREATMENT OF CLAIMS

Section 4.1. Class 1 (Secured Claims). Each holder of an Allowed Secured Claim, in full and final satisfaction, release and settlement of such Claim, shall receive one of the following alternative treatments, at the election of the Plan Administrator: (a) payment in full in Cash on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the

date the Claim becomes due and payable by its terms; (b) the legal, equitable and contractual rights to which such Claim entitles the holder, unaltered by the Plan; (c) the treatment described in Section 1124(2) of the Bankruptcy Code; or (d) all collateral securing such Claim, without representation or warranty by or recourse against the Debtors. To the extent that the value of the Collateral securing each Allowed Secured Claim is less than the amount of such Allowed Secured Claim, the undersecured portion of such Claim shall be treated for all purposes under the Plan as an Unsecured Claim in Class 3 and shall be classified as such. Class 1 is an Unimpaired Class and is deemed to have accepted the Plan.

Section 4.2. Class 2 (Other Priority Claims). Each holder of an Allowed Other Priority Claim, in full and final satisfaction, release and settlement of such Claim, shall be paid in full in Cash on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed, unless such holder shall agree to a different and less favorable treatment of such Claim (including, without limitation, any different treatment that may be provided for in the documentation governing such Claim or in a prior agreement with such holder).

Section 4.3. Class 3 (Unsecured Claims). The holders of Allowed Unsecured Claims, in full and final satisfaction, release and settlement of such Allowed Claims, shall from time to time receive Pro Rata distributions of Cash from the Net Proceeds.

Section 4.4. Class 4 (Interests). On the Effective Date, all Interests shall be cancelled and extinguished. Holders of Interests shall not receive or retain any property on account of such Interests.

Section 4.5. Liquidation and Treatment of Medical Malpractice/Personal Injury Claims. With respect to holders Medical Malpractice/Personal Injury Claims, pursuant to the Mediation Procedures:

(a) To the extent the Stay Modification Option was not previously exercised, each holder of a Medical Malpractice/Personal Injury Claim, for which a proof of claim was timely filed (or deemed timely filed), may elect to be granted relief from the automatic stay imposed under section 362(a) of the Bankruptcy Code, the injunction imposed by the Mediation Order and/or any plan injunction, as applicable, in order to litigate such holder's Medical Malpractice/Personal Injury Claim in state court provided that, if such election is made, any recovery on account of such Medical Malpractice/Personal Injury Claim shall be limited solely to available insurance, if any, and such holder shall not receive any distribution on account of such claim from the Debtors or from the Estate of such Debtors. Each holder of a Medical Malpractice/Personal Injury Claim that asserts a claim against any Covered Medical Professional for claims that would entitle such Covered Medical Professionals to an Indemnification Claim may not make this election unless such holder affirmatively elects to either release such Covered Medical Professional from any liability or look only to available insurance with respect to such Covered Medical Professional prior to pursuing such election.

(b) Any holder of a Medical Malpractice/Personal Injury Claim, for which a proof of claim was timely filed (or deemed timely filed), who neither elected the Stay Modification Option nor elects the treatment under Section 4.5(a) of the Plan, shall have such

holder's Medical Malpractice/Personal Injury Claim Allowed or Disallowed pursuant to the Mediation Procedures, which procedures shall remain in place after the Effective Date. If the Mediation Procedures do not result in an Allowed Medical Malpractice/Personal Injury Claim, such claim shall be estimated by the District Court pursuant to section 502(c) of the Bankruptcy Code together with any vicarious or other liability the Debtors may have related to such Claim.

(c) The holders of Allowed Medical Malpractice/Personal Injury Claims, whether estimated by the District Court or liquidated through the Mediation Procedures, in full and final satisfaction, release and settlement of such Allowed Claims, shall receive, as applicable either (x) the treatment afforded under the Plan for Administrative Claims, to the extent such claim is determined to be an Allowed Administrative Claim, or (y) the treatment afforded under the Plan for Class 3 Unsecured Claims, to the extent such claim is determined to be an Allowed Unsecured Claim. The Mediation Order shall remain in full force and effect, until all Medical Malpractice/Personal Injury Claims have been Allowed or Disallowed as the case may be pursuant to the Mediation Procedures, estimated by the District Court or an agreement as to the aggregate cap on the Medical Malpractice/Personal Injury Claim shall have been reached between the Plan Administrator and the holder of such Claim.

(d) If the holder of a Medical Malpractice/Personal Injury Claim elects the treatment under Section 4.5(a) to have the automatic stay and any relevant injunctions lifted, such election will be binding on such holder regardless of whether Class 3 accepts the Plan, provided that the Plan is confirmed and the Effective Date occurs. In addition, nothing contained in the Plan shall alter, modify, limit or impair the provisions of those heretofore "So Ordered" stipulations and orders lifting the automatic stay, resolving litigation claims and limiting recoveries to available insurance; such stipulations will remain in full force and effect and control the disposition of the Medical Malpractice/Personal Injury Claims subject to those stipulations.

(e) Nothing herein shall be deemed to be an assumption of any insurance policy or contract and the Debtors do not waive, and expressly reserve, their rights to assert that any insurance coverage is property of the Estates to which they are entitled. Nothing in this Section 4.5 of the Plan is intended to, shall, or shall be deemed to preclude any holder of an Allowed Medical Malpractice/Personal Injury Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors.

(f) The Plan shall not expand the scope, or alter in any other way, the rights and obligations of the Debtors' insurers under their policies, and the Debtors' insurers shall retain any and all defenses to coverage that such insurers may have, including, without limitation, the right to contest and/or litigate with any party, including the Debtors, the existence, primacy and/or scope of available coverage under any alleged applicable policy. The Plan shall not operate as a waiver of any other Claims the Debtors' insurers have asserted in any proof of claim or the Debtors rights and defenses to such proofs of claim.

ARTICLE V.

IMPLEMENTATION OF THE PLAN AND THE PLAN ADMINISTRATOR

Section 5.1. Implementation of the Plan. The Plan will be implemented by the Plan Administrator in a manner consistent with the terms and conditions set forth in the Plan and the Confirmation Order.

Section 5.2. Plan Funding. The funds utilized to make Cash payments under the Plan have been and/or will be generated from, among other things, collections, the proceeds of sale of substantially all of the Debtors' assets to date in the Cases, and the proceeds of the liquidation or other disposition of the remaining Assets of the Debtors.

Section 5.3. Vesting of Assets in the Debtors. Except as expressly provided otherwise in the Plan, on the Effective Date, all Assets shall vest in the Debtors free and clear of all Claims, liens, encumbrances, charges, interests and other rights and interests of Creditors and holders of Interests arising on or before the Effective Date, but subject to the terms and conditions of the Plan and the Confirmation Order.

Section 5.4. Continuing Existence. From and after the Effective Date, the Debtors shall continue in existence for the purposes of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash or other methods, of any remaining Assets as expeditiously as reasonably possible, (iii) enforcing and prosecuting Causes of Action, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims, (v) administering the Plan, (vi) filing appropriate tax returns and (vii) performing all such other acts and conditions required by and consistent with consummation of the terms of the Plan and the wind down of their affairs.

Section 5.5. Liquidation of Remaining Assets. From and after the Effective Date, the Plan Administrator, with the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), may, without further approval of the Court, use, sell at public or private sale, assign, transfer, or otherwise dispose of any remaining Assets and convert same to Cash.

Section 5.6. Management of Debtors. On the Effective Date, the members of the Debtors' boards shall be deemed to have resigned therefrom, and shall be relieved of all further responsibilities with the operation of the Debtors becoming the general responsibility of the Plan Administrator in accordance with the Plan.

Section 5.7. Powers and Obligations of the Plan Administrator.

(a) The Confirmation Order shall provide for the appointment of the Plan Administrator. The compensation for the Plan Administrator shall be \$160 per hour. The Plan Administrator shall be deemed the Estates' representative in accordance with section 1123 of the Bankruptcy Code and shall have all powers, authority and responsibilities specified under sections 704 and 1106 of the Bankruptcy Code.

(b) The Plan Administrator will act for the Debtors in a fiduciary capacity as applicable to a board of directors, subject to the provisions of the Plan. On the Effective Date, the Plan Administrator shall succeed to all of the rights of the Debtors with respect to the Assets necessary to protect, conserve, and liquidate all Assets as quickly as reasonably practicable, including, without limitation, control over (including the right to waive) all attorney-client privileges, work-product privileges, accountant-client privileges and any other evidentiary privileges relating to the Assets that, prior to the Effective Date, belonged to the Debtors pursuant to applicable law. The powers and duties of the Plan Administrator shall include, without further order of the Court, except where expressly stated otherwise, the rights:

(i) to invest Cash in accordance with section 345 of the Bankruptcy Code, and withdraw and make distributions of Cash to holders of Allowed Claims and pay taxes and other obligations owed by the Debtors or incurred by the Plan Administrator in connection with the wind-down of the Estates in accordance with the Plan;

(ii) to receive, manage, invest, supervise, and protect the Assets, including paying taxes or other obligations incurred in connection with administering the Assets;

(iii) subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), to engage attorneys, consultants, agents, employees and all professional persons, to assist the Plan Administrator with respect to the Plan Administrator's responsibilities;

(iv) subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), or further Order of the Court, to pay the fees and expenses for the attorneys, consultants, agents, employees and professional persons engaged by the Plan Administrator and the Post Effective Date Committee and to pay all other expenses in connection with administering the Plan and for winding down the affairs of the Debtors in each case in accordance with the Plan;

(v) to execute and deliver all documents, and take all actions, necessary to consummate the Plan and wind-down the Debtors' business;

(vi) subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), to dispose of, and deliver title to others of, or otherwise realize the value of, all the remaining Assets;

(vii) to coordinate the collection of outstanding accounts receivable;

(viii) to coordinate the storage and maintenance of the Debtors' books and records;

(ix) to oversee compliance with the Debtors' accounting, finance and reporting obligations;

(x) to prepare monthly operating reports and financial statements and United States Trustee quarterly reports;

(xi) to oversee the filing of final tax returns, audits and other corporate dissolution documents if required;

(xii) to perform any additional corporate actions as necessary to carry out the wind-down, liquidation and ultimate dissolution of the Debtors;

(xiii) to communicate regularly with and respond to inquiries from the Post Effective Date Committee and its professionals, including providing to the Post Effective Date Committee regular cash budgets, information on all disbursements on a monthly basis, and copies of bank statements on a monthly basis;

(xiv) subject to Section 9.1 of the Plan, to object to Claims against the Debtors;

(xv) subject to Section 9.2(b) of the Plan, to compromise and settle Claims against the Debtors;

(xvi) to act on behalf of the Debtors in all adversary proceedings and contested matters (including, without limitation, any Causes of Action), then pending or that can be commenced in the Court and in all actions and proceedings pending or commenced elsewhere, and to settle, retain, enforce, or dispute any adversary proceedings or contested matters (including, without limitation, any Causes of Action) and otherwise pursue actions involving Assets of the Debtors that could arise or be asserted at any time under the Bankruptcy Code or otherwise, unless otherwise specifically waived or relinquished in the Plan, *provided, however*, that settlements by the Plan Administrator of Causes of Action shall be subject to the approval of the Post Effective Date Committee, which approval shall not be unreasonably withheld, or further Order of the Court;

(xvii) to implement and/or enforce all provisions of the Plan;

(xviii) to implement and/or enforce all agreements entered into prior to the Effective Date, and

(xix) to use such other powers as may be vested in or assumed by the Plan Administrator pursuant to the Plan or Bankruptcy Court Order or as may be necessary and proper to carry out the provisions of the Plan.

Section 5.8. Plan Administrator's Bond. The Plan Administrator shall obtain and maintain a bond in an amount equal to one hundred and ten percent (110%) of Remaining Cash. As Remaining Cash is reduced through distributions and payments by the Plan Administrator and/or additional Cash comes into the Estates, the Plan Administrator shall, at the appropriate time, adjust the amount of the bond to an amount equal to at least 110% of the amount of Cash in the Estates.

Section 5.9. Resignation, Death or Removal of Plan Administrator. The Plan Administrator may resign at any time upon not less than 30 days' written notice to the Post Effective Date Committee. The Plan Administrator may be removed at any time by the Post Effective Date Committee for cause upon proper application to, and Final Order of, the Court.

In the event of the resignation, removal, death or incapacity of the Plan Administrator, the Post Effective Date Committee shall designate another Person to become the Plan Administrator, and thereupon the successor Plan Administrator, without further act, shall become fully vested with all of the rights, powers, duties and obligations of his predecessor. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of his or her predecessors.

Section 5.10. Post Effective Date Committee.

(a) On the Effective Date, the Committee shall continue as the Post Effective Date Committee. The Post Effective Date Committee shall be comprised of the members of the Committee, unless any particular member thereof opts not to be a member thereof. If a member of the Post Effective Date Committee resigns or is removed, a replacement who holds an Unsecured Claim against the Debtors may be appointed by the remaining members of the Post Effective Date Committee. The duties and powers of the Post Effective Date Committee shall terminate upon the closing of the Cases. The Post Effective Date Committee's role shall be to consult with the Plan Administrator, and to perform the functions set forth in the Plan.

(b) The Post Effective Date Committee shall have the power and authority to utilize the services of its counsel and financial advisor as necessary to perform the duties of the Post Effective Date Committee and to authorize and direct such Persons to act on behalf of the Post Effective Date Committee in connection with any matter requiring its attention or action. The Plan Administrator shall pay the reasonable and necessary fees and expenses of the Post Effective Date Committee's counsel and financial advisor without the need for Court approval.

(c) Except for the reimbursement of reasonable, actual costs and expenses incurred in connection with their duties as members of the Post Effective Date Committee, the members of the Post Effective Date Committee shall serve without compensation. Reasonable expenses incurred by members of the Post Effective Date Committee may be paid by the Plan Administrator without need for Court approval.

(d) The Plan Administrator shall report all material matters to the Post Effective Date Committee.

Section 5.11. Rights of Action. In accordance with Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator may pursue all reserved rights of action, including, without limitation, Causes of Action of the Debtors. Any distributions provided for in the Plan and the allowance of any Claim for the purpose of voting on the Plan is and shall be without prejudice to the rights of the Plan Administrator to pursue and prosecute any reserved rights of action. Except as otherwise set forth in the Plan, all Causes of Action of the Debtors shall survive confirmation of the Plan and the commencement and prosecution of Causes of Action of the Debtors shall not be barred or limited by res judicata or any estoppel, whether judicial, equitable or otherwise. In reviewing the Plan and the Disclosure Statement, Creditors (including Creditors who received payments or transfers from the Debtors within ninety (90) days prior to the Petition Date and insiders who received payments or transfers from the Debtors within one

(1) year before the Petition Date) and other parties should consider that Causes of Action of the Debtors may exist against them, that, except as otherwise set forth in the Plan, the Plan preserves all Causes of Action of the Debtors, and that the Plan authorizes the Plan Administrator to prosecute all Causes of Action of the Debtors. If the Plan Administrator does not prosecute a Cause of Action of the Debtors, the Post Effective Date Committee shall, upon the consent of the Plan Administrator, be authorized and have standing to prosecute such Cause of Action on behalf of the Debtors. If the Plan Administrator does not consent to the Post Effective Date Committee's prosecution of a Cause of Action of the Debtors, the Post Effective Date Committee may seek authority and standing from the Court to prosecute such Cause of Action, and all rights of the Plan Administrator to object or otherwise oppose such relief are reserved.

Section 5.12. Corporate Action. On the Effective Date, the appointment of the Plan Administrator, and any and all other matters provided for under the Plan involving corporate action by the Debtors, their directors or their trustees, including, without limitation, the transfer of management responsibilities of the Debtors to the Plan Administrator, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable law, without any requirement of further action by the Debtors' directors, officers or trustees. Upon the distribution of all Assets pursuant to the Plan and the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree), the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors and/or the Plan Administrator on behalf of the Debtors may take appropriate action to dissolve under applicable law. From and after the Effective Date, the Debtors shall not be required to file any document, or take any action, to withdraw their business operations from any states where the Debtors previously conducted business.

Section 5.13. Cancellation of Existing Securities, Instruments and Agreements. On the Effective Date, except as otherwise provided herein, all securities, instruments, and agreements governing any Claim against the Debtors shall be deemed cancelled and terminated, and the obligations of the Debtors relating to, arising under, in respect of, or in connection with such securities, instruments, or agreements shall be deemed released and/or satisfied as to the Debtors.

Section 5.14. Full and Final Satisfaction. All payments and all distributions under the Plan shall be in full and final satisfaction, settlement and release of all the Debtors' obligations with respect to Claims against the Debtors and, where applicable, Covered Medical Professionals, except as otherwise provided in the Plan.

Section 5.15. Setoffs. The Plan Administrator may, pursuant to and to the extent permitted by applicable law, setoff against any Claim asserted against the Debtors and/or the Assets, and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that that Debtors or the Estates may have against the holder of such Claim, provided that the Plan Administrator shall give the holder of such Claim notice of the proposed setoff and the holder of such Claim does not object to the proposed setoff within thirty (30) days service of such notice; provided further that if an objection is timely raised to a proposed setoff, the Plan Administrator may seek relief from the Court to effectuate the setoff; and provided further that neither the failure to effect a setoff, nor the allowance of any

Claim against the Debtors hereunder, shall constitute a waiver or release of any such Claim the Debtors or the Estates may have against such holder.

Section 5.16. Funding of the Disputed Claims Reserve.

(a) The portion of the Assets attributable to Disputed Administrative, Priority Tax, Other Priority, Unsecured and Medical Malpractice/Personal Injury Claims, shall be held by the Plan Administrator in the "Disputed Claims Reserve". As Disputed Claims are resolved, excess Cash in the Disputed Claims Reserve shall be made available for distribution to the holders of Allowed Claims in accordance with the Plan, provided that there is sufficient Cash to administer the Plan and pay Plan expenses. The Plan Administrator may set aside from the Assets an amount of Cash that the Plan Administrator determines is necessary to pay ongoing expenses of administering the Plan.

(b) For the purposes of effectuating the distributions to the holders of Allowed Claims, the Court (or the District Court, as applicable) may estimate the amount of Disputed Claims pursuant to Section 502(c) of the Bankruptcy Code, in which event the amounts so estimated shall be deemed the amounts of the Disputed Claims for purposes of distribution under the Plan. In lieu of estimating the amount of any Disputed Claim for purposes of allowance and distribution, the Court (or the District Court, as applicable) may estimate the amount to be reserved for such Disputed Claim (singularly or in the aggregate), or such amount may be fixed by agreement in writing by and between the Plan Administrator and the holder of a Disputed Claim. In the event that the Court (or the District Court, as applicable) estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Court (or the District Court, as applicable). If the estimated amount constitutes a maximum limitation on such Claim, the Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate allowance of such Claim. Claims may be estimated by the Court (or the District Court, as applicable) and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Court or the District Court, as applicable.

Section 5.17. Plan Distributions. The Plan Administrator shall make distributions to holders of Allowed Claims in accordance with Article IV of the Plan on or as soon as reasonably practicable after the Effective Date. From time to time, in consultation with the Post Effective Date Committee, the Plan Administrator shall make Pro Rata distributions to holders of Allowed Class 3 Claims in accordance with Article IV of the Plan. Notwithstanding the foregoing, the Plan Administrator may retain such amounts (i) as are reasonably necessary to meet contingent liabilities (including Disputed Claims and unliquidated Medical Malpractice/Personal Injury Claims) and to maintain the value of the assets of the Estates during liquidation, (ii) to pay reasonable administrative expenses (including the costs and expenses of the Plan Administrator and the Post Effective Date Committee and the fees, costs and expenses of all professionals retained by the Plan Administrator and the Post Effective Date Committee, and any taxes imposed in respect of the Assets), (iii) to satisfy other liabilities to which the Assets are otherwise subject, in accordance with the Plan, and (iv) to establish any necessary reserve. All distributions to the holders of Allowed Claims shall be made in accordance with the Plan. The Plan Administrator may withhold from amounts distributable to any Person any and all amounts determined in the Plan Administrator's reasonable sole discretion to be required by any law,

regulation, rule, ruling, directive or other governmental requirement. Holders of Allowed Claims shall, as a condition to receiving distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with withholding and reporting requirements and to enable the Plan Administrator to obtain certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. In the event that a holder of an Allowed Claim does not comply with the Plan Administrator's requests in the preceding sentence within ninety (90) days, no distribution shall be made on account of such Allowed Claim and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

Section 5.18. Cash Distributions. The Plan Administrator shall not be required to make interim or final Cash distributions in an amount less than \$5.00. Any funds so withheld and not distributed on an interim basis shall be held in reserve and distributed in subsequent distributions to the extent the aggregate distribution exceeds \$10,000. Should a final distribution to any holder of an Allowed Claim not equal or exceed \$5.00, that sum shall be distributed to other holders of Allowed Claims in accordance with the Plan.

Section 5.19. Delivery of Plan Distributions. All distributions under the Plan on account of any Allowed Claims shall be made at the address of the holder of such Allowed Claim as set forth in a filed Proof of Claim or on the register on which the Plan Administrator records the name and address of such holders or at such other address as such holder shall have specified for payment purposes in a written notice to the Plan Administrator at least fifteen (15) days prior to such distribution date. In the event that any distribution to any holder is returned as undeliverable, the Plan Administrator shall use reasonable efforts to determine the current address of such holder, but no distribution to such holder shall be made unless and until the Plan Administrator has determined the then-current address of such holder, at which time such distribution shall be made to such holder without interest; provided, however, that such undeliverable or unclaimed distributions shall become Unclaimed Property at the expiration of one hundred eighty (180) days from the date such distribution was originally made. The Plan Administrator shall reallocate the Unclaimed Property for the benefit of all other holders of Allowed Claims in accordance with the Plan, provided, however, if the Plan Administrator determines, with the approval of the Post Effective Date Committee, that the administrative costs of distribution effectively interfere with distribution or that all creditors, including administrative claimants, have been paid in full and there is no one that has a right to the funds, such remaining Unclaimed Property shall be donated to the American Bankruptcy Institute Endowment Fund, a not-for-profit, non-religious organization dedicated to, among other things, promoting research and scholarship in the area of insolvency.

Section 5.20. Distributions to Holders as of the Confirmation Date. As of the close of business on the Confirmation Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. Neither the Debtors nor the Plan Administrator, as applicable, shall have any obligation to recognize any transfer of any Claims occurring after the close of business on the Confirmation Date, and shall instead be entitled to recognize and deal for all purposes under the Plan (except as to voting to accept or reject the Plan pursuant to Section 6.1 of the Plan) with only those holders of record as of the close of business on the Confirmation Date.

Section 5.21. Abandoned Assets. Upon the election of the Plan Administrator, with the approval of the Post Effective Date Committee, the Plan Administrator may abandon any Assets without the need for additional approval of the Court, and upon such abandonment, such Assets shall cease to be Assets of the Estates.

Section 5.22. Windup. After (a) the Plan has been fully administered, (b) all Disputed Claims have been resolved, (c) all Causes of Action have been resolved, and (d) all Assets have been reduced to Cash or abandoned, the Plan Administrator shall effect a final distribution of all Cash remaining (after reserving sufficient Cash to pay all unpaid expenses of administration of the Plan and all expenses reasonably expected to be incurred in connection with the final distribution) to holders of Allowed Claims in accordance with the Plan.

Section 5.23. Indefeasibility of Distributions. All distributions provided for under the Plan shall be indefeasible.

Section 5.24. Distribution of Unclaimed Property. Any distribution of property (Cash or otherwise) provided for under the Plan which is unclaimed after one hundred eighty (180) days following such distribution (collectively, the "Unclaimed Property") shall irrevocably revert to the Estate for re-distribution in accordance with the Plan.

Section 5.25. Saturday, Sunday, or Legal Holiday. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next Business Day.

Section 5.26. Final Order. Any requirement in the Plan for a Final Order may be waived by the Plan Proponents.

ARTICLE VI.

VOTING

Section 6.1. Voting of Claims. Each holder of an Allowed Claim in an Impaired Class which receives or retains property under the Plan shall be entitled to vote separately to accept or reject the Plan and indicate such vote on a duly executed and delivered Ballot as provided in such order as is entered by the Court establishing certain procedures with respect to the voting to accept or reject the Plan.

Section 6.2. Nonconsensual Confirmation. If any Impaired Class entitled to vote shall not accept the Plan by the requisite statutory majorities provided in Sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, or if any Impaired Class is deemed to have rejected the Plan, the Plan Proponents reserve the right (a) to undertake to have the Court confirm the Plan under Section 1129(b) of the Bankruptcy Code and (b) subject to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, to modify the Plan to the extent necessary to obtain entry of the Confirmation Order, provided such modifications are consistent with Section 11.1 of the Plan. At the Confirmation Hearing, the Plan Proponents will seek a ruling that if no holder of a Claim eligible to vote in a particular Class timely votes to accept or reject the Plan, the Plan will be deemed accepted by the holders of such Claims in such Class for the purposes of Section 1129(b) of the Bankruptcy Code.

ARTICLE VII.

SUBSTANTIVE CONSOLIDATION

Section 7.1. Substantive Consolidation. On the Effective Date: (a) all Assets (and all proceeds thereof) and liabilities of each Debtor shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the other Debtors, (b) no distributions shall be made under the Plan on account of intercompany Claims among the Debtors and all such Claims shall be eliminated, (c) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint and several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (d) each and every Claim filed or to be filed in any of the Cases shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (e) for purposes of determining the availability of the right of set-off under Section 553 of the Bankruptcy Code, the Debtors shall be treated as one entity so that, subject to the other provisions of Section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set-off against the debts of the other Debtors. Such substantive consolidation shall not (other than for purposes related to the Plan) affect the legal and corporate structures of the Debtors. Notwithstanding anything in this section to the contrary, all Post Effective Date U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 shall be calculated on a separate legal entity basis for each Debtor.

ARTICLE VIII.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 8.1. Assumption or Rejection of Executory Contracts. Effective on and as of the Confirmation Date, all Executory Contracts are hereby specifically deemed rejected, except for any Executory Contract (a) that has been specifically assumed or assumed and assigned by the Debtors on or before the Confirmation Date with the approval of the Court, (b) in respect of which a motion for assumption or assumption and assignment has been filed with the Court on or before the Confirmation Date, or (c) that is specifically designated as a contract to be assumed on a schedule to the Plan, which schedule, if any, shall be filed as part of the Plan Supplement.

Section 8.2. Approval of Assumption or Rejection of Executory Contracts. Entry of the Confirmation Order by the Clerk of the Court, but subject to the condition that the Effective Date occur, shall constitute (a) the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or assumption and assignment of the Executory Contracts assumed or assumed and assigned pursuant to Section 8.1 of the Plan, and (b) the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the Executory Contracts rejected pursuant to Section 8.1 of the Plan.

Section 8.3. Bar Date for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to the Plan. Claims against the Debtors arising out of the rejection of Executory Contracts pursuant to the Plan must be filed with the Court no later than forty-five (45) days after the later of service of (a) notice of entry of an order approving the rejection of

(b) The Plan Administrator shall give notice to the Post Effective Date Committee of (i) a settlement of any Disputed Class 3 Claim (or aggregate of Claims if held by a single Creditor) that results in the disputed portion of such Disputed Class 3 Claim(s) being Allowed in an amount in excess of \$100,000, (ii) a settlement of any Disputed Administrative/Priority Claims, or (iii) settlement of any Disputed Secured Claims. The Post Effective Date Committee shall have ten (10) days after service of such notice to object to such settlement. Any such objection shall be in writing and sent to the Plan Administrator and the settling party. If no written objection is received by the Plan Administrator and the settling party prior to the expiration of such ten (10) day period, the Plan Administrator and the settling party shall be authorized to enter into the proposed settlement without a hearing or Court approval. If a written objection is timely received, the Plan Administrator, the settling party and the objecting party shall use good-faith efforts to resolve the objection. If the objection is resolved, the Plan Administrator and the settling party may enter into the proposed settlement (as and to the extent modified by the resolution of the objection) without further notice of hearing or Court approval, provided that the Claim of the settling party against the Estates shall not be greater under the proposed settlement than that disclosed in the notice. Alternatively, the Plan Administrator may seek Court approval of the proposed settlement upon expedited notice and a hearing. Settlements of Medical Malpractice/Personal Injury Claims shall be in accordance with the Mediation Procedures previously approved by the Bankruptcy Court.

Section 9.3. No Distributions Pending Allowance. Notwithstanding any provision in the Plan to the contrary, no partial payments and no partial distributions shall be made by the Plan Administrator with respect to any portion of any Claim against the Debtors if such Claim or any portion thereof is a Disputed Claim. In the event and to the extent that a Claim against the Debtors becomes an Allowed Claim after the Effective Date, the holder of such Allowed Claim shall receive all payments and distributions to which such holder is then entitled under the Plan.

ARTICLE X.

CONDITIONS PRECEDENT

Section 10.1. Conditions to Confirmation. The following conditions are conditions precedent to Confirmation of the Plan unless waived by the Plan Proponents pursuant to Section 10.3 of the Plan: (i) the Confirmation Order must be in a form and substance reasonably acceptable to the Plan Proponents and the Committee; and (ii) the Confirmation Order shall:

(a) authorize the appointment of all parties appointed under or in accordance with the Plan, including, without limitation, the Plan Administrator, and direct such parties to perform their obligations under such documents;

(b) approve in all respects the transactions, agreements, and documents to be effected pursuant to the Plan;

(c) authorize the Plan Administrator and the Post Effective Date Committee to assume the rights and responsibilities fixed in the Plan;

(d) approve the releases and injunctions granted and created by the Plan;

(e) order, find, and decree that the Plan complies with all applicable provisions of the Bankruptcy Code, including that the Plan was proposed in good faith; and

(f) except as otherwise specifically provided in the Plan, order that nothing herein operates as a discharge, release, exculpation, or waiver of, or establishes any defense or limitation of damages to, any Claim or Cause of Action belonging to the Estates.

Section 10.2. Conditions to Effective Date. The Plan shall not become effective unless and until the following conditions shall have been satisfied or waived pursuant to Section 10.3 of the Plan:

(a) the Confirmation Date shall have occurred and the Confirmation Order, in a form consistent with the requirements of Section 10.1 of the Plan, shall have become a Final Order;

(b) the Plan Administrator shall have been appointed;

(c) all actions, documents and agreements necessary to implement the provisions of the Plan, and such actions, documents, and agreements shall have been effected or executed and delivered;

(d) all other actions required by the Plan to occur on or before the Effective Date shall have occurred.

Section 10.3. Waiver of Conditions. Any of the conditions set forth in this Article may be waived by the Plan Proponents and the Committee to the extent such waiver does not adversely affect the distributions hereunder.

Section 10.4. Notice to Court. The Plan Proponents shall notify the Court in writing promptly after the Effective Date that the Effective Date has occurred.

ARTICLE XI.

MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

Section 11.1. Modification of Plan: Generally. The Plan Proponents may alter, amend or modify the Plan pursuant to Section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After such time and prior to substantial consummation of the Plan, the Plan Proponents may, so long as the treatment of holders of Claims against the Debtors under the Plan is not adversely affected, institute proceedings in Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002 or as the Court shall otherwise order.

Section 11.2. Revocation or Withdrawal of Plan. The Plan Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date. If the Plan Proponents revoke or withdraw the Plan prior to the Effective Date, then the Plan shall be deemed null and

(k) to hear and determine other issues related to the Plan to the extent not inconsistent with the Bankruptcy Code; and

(l) to enter a final decree closing the Cases.

Section 12.2. Non-Exclusive Jurisdiction of the Court. Following the Effective Date, the Court will retain non-exclusive jurisdiction of the Cases for the following purposes:

(a) to recover all Assets of the Debtors and property of the Estates, wherever located;

(b) to hear and determine any actions commenced on or after the Effective Date by the Plan Administrator (or the Post Effective Date Committee, if applicable pursuant to Section 5.11 of the Plan), including, but not limited to, Avoidance Actions or other Causes of Action;

(c) to hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes and tax benefits and similar or related matters with respect to the Debtors or the Estates arising prior to the Effective Date or relating to the period of administration of the Cases, including, without limitation, matters concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code; and

(d) to hear and determine any other matters to the extent not inconsistent with the Bankruptcy Code.

Section 12.3. Failure of the Court to Exercise Jurisdiction. If the Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Cases, including with respect to the matters set forth above in this Article, this Article shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

ARTICLE XIII.

INJUNCTION AND RELEASES

Section 13.1. Injunction.

(a) Except as otherwise expressly provided in the Plan including, without limitation, the treatment of Claims against and Interests in the Debtors, the entry of the Confirmation Order shall, provided that the Effective Date shall have occurred, operate to enjoin permanently all Persons that have held, currently hold or may hold a Claim against or Interest in the Debtors, from taking any of the following actions against the Debtors, the Plan Administrator, the Committee or members thereof, the Post Effective Date Committee or members thereof, present and former directors, officers, trustees, agents, attorneys, advisors, members or employees of the Debtors, the Committee or members thereof, the Post Effective Date Committee or members thereof, or the Plan Administrator, or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim against or Interest in the Debtors: (a)

commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to a Claim against or Interest in the Debtors; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim against or Interest in the Debtors; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim against or Interest in the Debtors; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any Debt, liability or obligation due to the Debtors or their property or Assets with respect to a Claim against or Interest in the Debtors; and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with or is inconsistent with the provisions of the Plan; provided, however, nothing in this injunction shall preclude the holder of a Claim against the Debtors from pursuing any applicable insurance after the Cases are closed, from seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; provided further, however, nothing in this injunction shall limit the rights of a holder of an Allowed Claim against the Debtors to enforce the terms of the Plan.

(b) **Covered Medical Professionals Injunction.** Except as otherwise provided in the Plan, upon the Effective Date, all Persons are permanently enjoined from commencing or continuing any medical malpractice or related action against any Covered Medical Professional and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Covered Medical Professional with respect to any such actions, provided however, that such injunction shall not extend to recoveries against any available insurance. In exchange for this injunction, each Covered Medical Professional shall be deemed to waive any Indemnification Claim and any Claims against the Debtors and their Estates, administrative or otherwise, related to, or arising in connection with, the Debtors' alleged obligation to purchase or provide medical malpractice insurance and/or any related extended reporting period coverage, provided that the waiver of the Indemnification Claims and other claims hereunder shall not impair the injunction in this Section of the Plan and neither the waiver of the Indemnification Claims, nor this injunction shall release the obligations of any insurance company to defend a Covered Medical Professional under an otherwise applicable insurance policy.

Section 13.2. Releases.

(a) Upon (x) the Effective Date, (i) each Person that receives and retains a distribution under the Plan, (ii) each Person who obtains a release under the Plan or obtains the benefit of an injunction provided pursuant to the Plan, and (iii) each Person who received any benefit from any third party insurance providers on account of a Claim against the Debtors or a claim against any Covered Medical Professional, in consideration therefor, conclusively, absolutely, unconditionally, irrevocably and forever releases and discharges each of the Debtors and their present and former directors, officers, trustees, agents, attorneys, advisors, and members (solely in their capacity as such), and (y) the D&O Release Effective Date (which is 11:59 p.m. prevailing eastern time on November 6, 2014, the last time by which the Debtors, the Plan Administrator, the Committee or the Post Effective Date Committee must assert (including, but not limited to, by providing

notice to the insurance carrier), if at all, a D&O Claim against any of the Debtors Release Parties so as to be covered under the Debtors' officers and directors insurance policy), the Debtors conclusively, absolutely, unconditionally, irrevocably and forever release and discharge each of the Debtors Release Parties: of and from any and all past, present and future legal actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, amounts paid in settlement, costs, fees, damages, debts, deficiencies, diminution in value, disbursements, expenses, losses and other obligations of any kind, character or nature whatsoever, whether in law, equity or otherwise (including, without limitation, those arising under applicable non-bankruptcy law, and any and all alter-ego, lender liability, indemnification or contribution theories of recovery, and interest or other costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may have heretofore accrued, occurring from the beginning of time to and including the Effective Date or, with respect to the Debtors Release Parties, the D&O Release Effective Date, related in any way to, directly or indirectly, and/or arising out of and/or connected with, any or all of the Debtors and their Estates, the Cases, the Debtors' pre-petition financing arrangements, the Debtors' financial statements, the Debtors' debtor in possession financing facility or the failure of any person or entity to maintain malpractice insurance, provide funding for a self-insurance trust for medical malpractice claims, or cause the Debtors to cease operations (including any such claims based on theories of alleged negligence, misrepresentation, nondisclosure or breach of fiduciary duty); *provided, however*, that (i) nothing contained in this Section 13.2 or otherwise in the Plan shall release any of the Debtors Release Parties from any D&O Claim which is asserted (including, but not limited to, by providing notice to the insurance carrier) by either the Debtors, the Plan Administrator, the Committee or the Post Effective Date Committee on or before the D&O Release Effective Date; (ii) recovery on any D&O Claim shall be limited to the proceeds of available insurance, if any, and shall not be payable from any other assets of the Debtors Release Parties; (iii) nothing in this Section 13.2(a) of the Plan shall release, limit or affect Avoidance Actions of the Debtors; (iv) this Section 13.2(a) of the Plan shall not affect the liability of any Person due to willful misconduct, gross negligence or failure to fully comply with Rule 1.8(h)(1) of the New York Rules of Professional Conduct, as determined by a Final Order; (v) nothing in this Section 13.2(a) of the Plan shall operate or be a release by any Professional Persons of any Professional Fee Claims; and (vi) nothing in this Section 13.2(a) of the Plan shall release, limit or affect the Debtors' and/or the Plan Administrators' obligations under the Plan. For the avoidance of doubt, Section 13.2(a)(x) of the Plan shall not release, limit or affect Causes of Action of the Debtors.

(b) **Releases by Holders of Claims and Interests.** To the greatest extent permissible by law and except as otherwise provided in the Plan, as of the Effective Date, each holder of a Claim against or Interest in the Debtors shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and discharged each of the Debtors, the Committee, the Patient Care Ombudsman and their respective present directors, officers, trustees, agents, attorneys, advisors, members and employees (solely in their capacity as such) of and from any and all past, present and future legal

actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, amounts paid in settlement, costs, fees, damages, debts, deficiencies, diminution in value, disbursements, expenses, losses and other obligations of any kind, character or nature whatsoever, whether in law, equity or otherwise (including, without limitation, those arising under applicable non-bankruptcy law, and any and all alter-ego, lender liability, indemnification or contribution theories of recovery, and interest or other costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may have heretofore accrued against the Debtors, the Committee, the Patient Care Ombudsman or their respective present directors, officers, trustees, agents, attorneys, advisors, members or employees (solely in their capacity as such) occurring from the beginning of time to and including the Effective Date, related in any way to, directly or indirectly, and/or arising out of and/or connected with, any or all of the Debtors and their Estates, or the Cases; provided, however, that this Section 13.2(b) of the Plan shall not affect the liability of any Person due to willful misconduct or gross negligence as determined by a Final Order. Nothing in this Section 13.2(b) of the Plan shall be deemed to release or impair Allowed Claims against the Debtors, which Allowed Claims against the Debtors shall be treated as set forth in the Plan. For the avoidance of doubt, nothing in this Section 13.2(b) of the Plan shall release, limit or affect Causes of Action of the Debtors.

Section 13.3. Exculpation. None of (i) Garfunkel Wild, P.C., in its capacities as counsel to the Debtors or counsel to the Plan Administrator; (ii) Alvarez and Marsal, in its capacity as the Debtors' financial advisor; (iii) the Debtors' trustees, in-house counsel, officers and directors (in their capacities as such); (iv) the Plan Administrator and its representatives (in their capacities as such); (v) the Committee and the Post Effective Date Committee; (vi) the members of the Committee and the members of the Post Effective Date Committee, in their capacities as members of the Committee and as members of the Post Effective Date Committee; (vii) Alston & Bird LLP, in its capacities as counsel to the Committee and as counsel to the Post Effective Date Committee; (viii) Deloitte Financial Advisory Services LLP and Deloitte Transactions and Business Analytics LLP, in their capacity as financial advisor to the Committee; (ix) Deloitte Transactions and Business Analytics LLP, in its capacity as financial advisor to the Post Effective Date Committee; (x) Polsky Advisors LLC, in its capacities as financial advisor to the Committee and as financial advisor to the Post Effective Date Committee; (xi) Daniel T. McMurray in his capacity as the Patient Care Ombudsman appointed in these Cases; (xii) Focus Management Group USA, Inc., in its capacity as consultants to the Patient Care Ombudsman; or (xiii) Neubert, Pepe & Monteith, P.C., in its capacity as counsel to the Patient Care Ombudsman, shall have or incur any liability for any act or omission in connection with, related to, or arising out of, the Cases, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan, the administration of the Plan or the property to be distributed under the Plan, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan; provided, however, that (i) nothing contained in this Section 13.3 of the Plan shall affect the liability of any Person that would result from any such act or omission to the extent that act or omission is determined

by a Final Order of the Court to have constituted willful misconduct, gross negligence or failure to fully comply with Rule 1.8(h)(1) of the New York Rules of Professional Conduct; and in all respects, such Persons shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and shall be fully protected from liability in acting or refraining to act in accordance with such advice; (ii) nothing contained in this Section 13.3 of the Plan shall exculpate any of the Debtors Release Parties from any D&O Claim which is asserted by either the Debtors, the Plan Administrator, the Committee or the Post Effective Date Committee on or before the D&O Release Effective Date; provided that recovery on any D&O Claim shall be limited to the proceeds of available insurance, if any, and shall not be payable from any other assets of the Debtors Release Parties; (iii) nothing in this Section 13.3 of the Plan shall release, limit or affect Avoidance Actions of the Debtors; and (iv) nothing in this Section 13.3 of the Plan shall release, limit or affect the Debtors' and/or the Plan Administrators' obligations under the Plan.

Section 13.4. Indemnification. The Plan Administrator and the members of the Post Effective Date Committee shall be indemnified and receive reimbursement against and from all loss, liability, expense (including counsel fees) or damage which the Plan Administrator or the members of the Post Effective Date Committee may incur or sustain in the exercise and performance of any of their respective powers and duties under the Plan, to the full extent permitted by law, except if such loss, liability, expense or damage is finally determined by a court of competent jurisdiction to result solely from the Plan Administrator's or the Post Effective Date Committee member's willful misconduct, fraud, intentional misconduct or gross negligence. The amounts necessary for such indemnification and reimbursement shall be paid by the Plan Administrator out of Cash held by the Plan Administrator under the Plan. The Plan Administrator shall not be personally liable for this indemnification obligation or the payment of any expense of administering the Plan or any other liability incurred in connection with the Plan, and no person shall look to the Plan Administrator personally for the payment of any such expense or liability. This indemnification shall survive the death, resignation or removal, as may be applicable, of the Plan Administrator and/or the members of the Post Effective Date Committee, and shall inure to the benefit of the Plan Administrator's and the Post Effective Date Committee members' and their respective successors, heirs and assigns, as applicable.

Section 13.5. Release of Collateral. Except as expressly provided otherwise in the Plan, unless a holder of a Secured Claim receives a return of its Collateral in respect of such Claim under the Plan: (i) each holder of; (A) an Allowed Secured Claim; and/or (B) an Allowed Claim that is purportedly secured, on the Effective Date shall (x) turn over and release to the Debtors any and all property that secures or purportedly secures such Claim; and (y) execute such documents and instruments as the Plan Administrator requires to evidence such claimant's release of such property; and (ii) on the Effective Date, all claims, rights, title and interest in such property shall revert to the Debtors, free and clear of all Claims against the Debtors, including (without limitation) liens, charges, pledges, encumbrances and/or security interests of any kind. No Distribution hereunder shall be made to or on behalf of any holder of such Claim unless and until such holder executes and delivers to the Plan Administrator such release of liens. Any such holder that fails to execute and deliver such release of liens within 60 days of any demand thereof shall be deemed to have no further Claim and shall not participate in any Distribution hereunder. Notwithstanding the immediately preceding sentence, a holder of a

Disputed Claim shall not be required to execute and deliver such release of liens until the time such Claim is Allowed or Disallowed.

Section 13.6. **Cause of Action Injunction.** On and after the Effective Date, all Persons other than the Plan Administrator and, to the extent applicable pursuant to Section 5.11 of the Plan, the Post Effective Date Committee will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of, or respecting any, Claim, debt, right or Cause of Action that the Plan Administrator retains authority to pursue in accordance with the Plan.

Section 13.7. **Preservation and Application of Insurance.** The provisions of the Plan, including without limitation the release and injunction provisions contained in the Plan, shall not diminish or impair in any manner the enforceability and/or coverage of any insurance policies (and any agreements, documents, or instruments relating thereto) that may cover Claims (including Medical Malpractice/Personal Injury Claims) against the Debtors, any directors, trustees or officers of the Debtors, or any other Person, other than as expressly as set forth herein. For the avoidance of doubt, and as set forth in the Plan, all of the Debtors' insurance policies, or third party policies whether or not the Debtors are named as additional insured parties, and the proceeds thereof shall be available to holders of Medical Malpractice/Personal Injury Claims to the extent such insurance policies cover such Medical Malpractice/Personal Injury Claims. In addition, such insurance policies and proceeds thereof shall be available to holders of Medical Malpractice/Personal Injury Claims for the purpose of satisfying Medical Malpractice/Personal Injury Claims estimated pursuant to section 502(c) of the Bankruptcy Code or in accordance with the Plan.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

Section 14.1. **Payment of Statutory Fees.** All outstanding fees payable pursuant to Section 1930 of Title 28 of the United States Code shall be paid on or before the Effective Date.

Section 14.2. **Reports.** Until a final decree closing the Cases is entered, the Plan Administrator shall comply with any requisite reporting requirements established pursuant to the guidelines of the U.S. Trustee.

Section 14.3. **Governing Law.** Except to the extent the Bankruptcy Code, the Bankruptcy Rules, or other federal laws are applicable, the laws of the State of New York shall govern the construction and implementation of the Plan and all rights and obligations arising under the Plan.

Section 14.4. **Withholding and Reporting Requirements.** In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Plan Administrator shall comply with all withholding, reporting, certification and information requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall, to the extent applicable, be subject to any such withholding, reporting,

certification and information requirements. Persons entitled to receive distributions hereunder shall, as a condition to receiving such distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable the Plan Administrator to obtain the certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. Any person that fails to comply with the Plan Administrators requests in the preceding sentence within ninety (90) days of any such request thereof, shall not be entitled to participate in any distribution under the Plan and no such distribution shall be made on account of any such persons Allowed Claim, and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

Section 14.5. Section 1146 Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan; or the execution, delivery, or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by the Plan; or the vesting, transfer, or sale of any real property of the Debtors pursuant to, in implementation of or as contemplated by the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, or similar tax.

Section 14.6. Severability. In the event that any provision of the Plan is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect of any other provisions of the Plan. To the extent that any provision of the Plan would, by its inclusion in the Plan, prevent or preclude the Court from entering the Confirmation Order, the Court, on the request of the Plan Proponents, may modify or amend such provision, in whole or in part, as necessary to cure any defect or remove any impediment to the Confirmation of the Plan existing by reason of such provision; provided, however, that such modification shall not be effected except in compliance with Section 11.1 of the Plan.

Section 14.7. Reservation of Rights. If the Plan is not confirmed for any reason, the rights of all parties in interest in the Cases are and shall be reserved in full. Any concession reflected or provision contained herein, if any, is made for purposes of the Plan only, and if the Plan does not become effective, no party in interest in the Cases shall be bound or deemed prejudiced by such concession.

Section 14.8. Binding Effect; Counterparts. The provisions of the Plan shall bind all holders of Claims against the Debtors, whether or not they have accepted the Plan. The Plan may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Plan.

Section 14.9. Notices. All notices, requests, and demands to or upon the Plan Proponents, the Plan Administrator, the Committee or the Post Effective Date Committee must be in writing (including by facsimile transmission) 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 or by electronic mail, when received and telephonically confirmed, addressed as follows:

If to the Plan Proponents, to:

Garfunkel Wild, P.C.
Burton S. Weston
Afsheen A. Shah
Adam T. Berkowitz
111 Great Neck Road
Great Neck, New York 11021
Tel: (516) 393-2200
Fax: (516) 466-5964
Email: bweston@garfunkelwild.com
ashah@garfunkelwild.com
aberkowitz@garfunkelwild.com

If to the Committee, to:

ALSTON & BIRD LLP
Martin G. Bunin
Craig E. Freeman
90 Park Ave.
New York, New York 10016-1387
Tel: (212) 210-9400
Fax: (212) 210-9444
E-mail: craig.freeman@alston.com
marty.bunin@alston.com

If to the Plan Administrator, to:

Monica Terrano
P.O. Box #780029
Maspeth, NY 11378

with a copy to

Garfunkel Wild, P.C.
Burton S. Weston
Afsheen A. Shah
Adam T. Berkowitz
111 Great Neck Road
Great Neck, New York 11021
Tel: (516) 393-2200
Fax: (516) 466-5964
Email: bweston@garfunkelwild.com
ashah@garfunkelwild.com
aberkowitz@garfunkelwild.com

If to the Post Effective Date Committee, to:

ALSTON & BIRD LLP

Martin G. Bunin

Craig E. Freeman

90 Park Ave.

New York, New York 10016-1387

Tel: (212) 210-9400

Fax: (212) 210-9444

E-mail: craig.freeman@alston.com

marty.bunin@alston.com

Section 14.10. Plan Controls. In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

[SIGNATURE PAGE TO FOLLOW]

Date: September 17, 2014
New Rochelle, New York

**SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, *et al.***
Debtors And Debtors-In-Possession

By: /s/ Monica Terrano
Monica Terrano
Wind Down Officer

GARFUNKEL WILD, P.C.
Attorneys for the Debtors and Debtors-in-Possession
BURTON S. WESTON, Esq.
AFSHEEN A. SHAH, Esq.
ADAM T. BERKOWITZ, Esq.
111 Great Neck Road
Great Neck, New York, NY 11021
Telephone No. (516) 393-2200
Facsimile No. (516) 466-5964

EXHIBIT C

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:
SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹

Chapter 11
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

-----X
**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING FIRST
AMENDED PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF SOUND SHORE MEDICAL
CENTER OF WESTCHESTER, ET AL.**

The *First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.*, dated September 17, 2014 [Docket No. 821] (the “Plan”),² having been filed with this Court (the “Court”) by the above-captioned debtors and debtors in possession (collectively, the “Debtors”); and the Court having entered, after due notice and a hearing, an order, dated September 17, 2014 (the “Approval Order”) [Docket No. 822], pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”) (i) approving the *First Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code, For First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.*, dated September 17, 2014 [Docket No. 820] (the “Disclosure Statement”), (ii) scheduling a hearing on confirmation of the Plan (the “Confirmation Hearing”), and (iii) establishing voting and confirmation procedures; and the Approval Order, the Disclosure Statement, notice of the Confirmation Hearing (the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital (0115), Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not Debtors and have not sought relief under Chapter 11.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

Sound Shore Medical Center of Westchester, et al., [Docket No. 896] (the “Terrano Declaration”), (b) and the *Declaration of Craig Johnson of GCG, Inc. Certifying Methodology for the Tabulation of Votes and Results of Voting with Respect to the First Amended Chapter 11 Plan of Liquidation of Sound Shore Medical Center, et al.*, filed on October 27, 2014 [Docket No. 884] (the “Voting Declaration”), and the testimony contained therein, (iii) the Plan Objections, and (iv) all other evidence adduced, memoranda and objections filed in connection with, and the proffers and arguments of counsel made at the Confirmation Hearing and the record thereof; and the Plan Objections having either been resolved prior to or as stated on the record of the Confirmation Hearing or overruled; and after due deliberation and sufficient cause appearing therefor,

It hereby is DETERMINED AND FOUND THAT:

A. Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)). The Court has jurisdiction over these Cases and confirmatio of the Plan pursuant to sections 157(a)-(b) and 1334(b) of title 28 of the United States Code. Venue is proper pursuant to sections 1408 and 1409 of title 28 of the United States Code. Confirmation of the Plan is a core proceeding pursuant to section 157(b)(2)(L) of title 28 of the United States Code that the Court may decide by final order.

B. Judicial Notice. The Court takes judicial notice of the docket of the Cases maintained by the Clerk of the Court, including, without limitation, all pleadings and other documents filed and orders entered thereon. The Court also takes judicial notice of all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of these Cases, including at the Confirmation Hearing.

C. Notice; Transmittal and Mailing of Materials. Due, adequate and sufficient notice of the Approval Order, Disclosure Statement, the Plan and the Confirmation Hearing, along with the deadlines for voting on and filing objections to the Plan, has been given to all known holders of Claims against the Debtors and Interests in accordance with the procedures set forth in the Approval Order, and no other or further notice is or shall be required;

D. Voting. Votes on the Plan were solicited after disclosure of “adequate information” as defined in section 1125 of the Bankruptcy Code. As evidenced by the Voting Declaration, the votes to accept the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules.

E. Plan Supplement. The filing of the Plan Supplement and notice of such documents were good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required.

F. Plan Modifications (11 U.S.C. § 1127). Subsequent to solicitation, the Debtors made certain non-material modifications to the Plan, which are reflected in this Confirmation Order (the “Plan Modifications”), to reflect compromises to formal and informal plan objections or other appropriate clarifications as set forth on the record of the Confirmation Hearing. None of the Plan Modifications made since the commencement of solicitation adversely affects the treatment of any Claim against or Interest in any of the Debtors under the Plan. Accordingly, pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of these Plan Modifications require additional disclosure under section 1125 of the Bankruptcy Code or resolicitation of votes under section 1126 of the Bankruptcy Code. The Plan as modified shall constitute the Plan submitted for confirmation to the Court.

G. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(1) of the Bankruptcy Code.

H. Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims that need not be classified, the Plan classifies four Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, the classifications were not done for any improper purpose, and such Classes and classifications do not unfairly discriminate between or among holders of Claims or Interests. Accordingly, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

I. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Sections 3.2 and 3.3 of the Plan specify, respectively, that Class 1 (Secured Claims) and Class 2 (Other Priority Claims) are Unimpaired by the Plan. Accordingly, the Plan satisfies section 1123(a)(2) of the Bankruptcy Code.

J. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Sections 3.4 and 3.5 of the Plan designate, respectively, Class 3 (Unsecured Claims), and Class 4 (Interests) as Impaired, and Article IV of the Plan specifies the treatment of all of these Classes of Claims and Interests under the Plan. Accordingly, the Plan satisfies section 1123(a)(3) of the Bankruptcy Code.

K. No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class, unless the holder of

a Claim or Interest has agreed to a less favorable treatment. Accordingly, the Plan satisfies section 1123(a)(4) of the Bankruptcy Code.

L. Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for the Plan's implementation. Accordingly, the Plan satisfies section 1123(a)(5) of the Bankruptcy Code.

M. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). Section 1123(a)(6) of the Bankruptcy Code does not apply, because the Debtors are not-for-profit entities and have no securities with voting power.

N. Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan provides for the appointment of and identifies a Plan Administrator who will act for the Debtors in a fiduciary capacity as applicable to a board of directors, subject to the provisions of the Plan. Accordingly, the Plan satisfies section 1123(a)(7) of the Bankruptcy Code.

O. Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code.

P. Bankruptcy Rule 3016(a). The Plan is dated and identifies the entities submitting it as Plan Proponents. Accordingly, the Plan satisfies Bankruptcy Rule 3016(a).

Q. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors, as the proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(2) of the Bankruptcy Code.

R. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Plan was proposed with the purpose of (a) the distribution of proceeds generated by the sale of substantially all of the Debtors' assets, (b) the

W. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 2 are each Classes of Unimpaired Claims that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Class 3 has voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code.

X. Treatment of Administrative, Priority Tax, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims pursuant to Section 2.2(c) of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Other Priority Claims pursuant to Section 4.2 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The treatment of Priority Tax Claims pursuant to Section 2.3 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

Y. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 is an Impaired Class and has voted to accept the Plan. Thus there is at least one Class of Claims against the Debtors that is Impaired under the Plan and has accepted the Plan, determined without including any acceptance of the Plan by any insider. Accordingly, the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

Z. Feasibility (11 U.S.C. § 1129(a)(11)). The conclusions in the Terrano Declaration, and other evidence proffered or adduced at the Confirmation Hearing regarding feasibility (a) are persuasive and credible, (b) have not been controverted by other evidence, and (c) establish that the Debtors will have sufficient funds to administer and consummate the Plan and to close the Cases. Accordingly, the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

AA. Payment of Fees (11 U.S.C. § 1129(a)(12)). All outstanding fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930 have been paid, or the Plan provides for the payment of all such fees on or before the Effective Date, as required by section 1129(a)(12) of the Bankruptcy Code. The Plan further provides that the Debtors or Plan Administrator shall pay all fees that accrue under 28 U.S.C. § 1930 until a final decree is entered in these Cases or this Court orders otherwise. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

BB. 11 U.S.C. §§ 1129(a)(13), (14), and (15) are Inapplicable. Sections 1129(a)(13), (14) and (15) of the Bankruptcy Code do apply in these Cases.

CC. Transfers of Property (11 U.S.C. § 1129(a)(16)). As required by New York state law, the Debtors obtained approval for the transfer of all or substantially all of their assets from the New York State Supreme Court in accordance with the provisions set forth in sections 510 and 511 of the New York Not-for-Profit laws, as required under New York law. Accordingly, section 1129(a)(16) is satisfied.

DD. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Based upon the evidence proffered or adduced at the Confirmation Hearing, the Disclosure Statement and all other evidence before the Court, the Plan does not discriminate unfairly because Class 4 contains Interests that are distinct in nature and dissimilarly situated from the claims of the holders of Claims in Class 3 and because there are no Interests junior to Class 4 (Interests) under the Plan. Thus, the Plan complies with the requirements of sections 1129(b)(1) and (2) of the Bankruptcy Code and may be confirmed notwithstanding the Debtors' failure to satisfy section 1129(a)(8) of the Bankruptcy Code as to Class 4.

EE. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan, as evidenced by its terms, is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933.

FF. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court in these Cases, the exculpated parties under the Plan have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and the exculpated parties are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 13.3 of the Plan.

GG. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

HH. Assumption or Rejection of Executory Contracts and Unexpired Leases. The Debtors have exercised reasonable business judgment in determining whether to assume or reject each of their executory contracts and unexpired leases as set forth in Article VIII of the Plan.

II. Substantive Consolidation. For the reasons stated by the Court at the Confirmation Hearing, the substantive consolidation of the Debtors under the Plan is warranted and proper.

JJ. Releases; Injunctions and Exculpation. For the reasons stated by the Court at the Confirmation Hearing, the releases, injunctions and exculpation provisions set forth in this Confirmation Order are warranted and proper.

KK. Conditions to Confirmation. The conditions to Confirmation set forth in Section 10.1 of the Plan have been satisfied, waived or will be satisfied by entry of this Confirmation Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Confirmation. The Plan, a copy of which is attached hereto as Exhibit A, together with the Plan Modifications contained herein, is approved and confirmed under section 1129 of the Bankruptcy Code.

2. Objections. Any objections to the Plan or to Confirmation of the Plan that have not been withdrawn, waived or settled, and all reservations of rights pertaining to Confirmation of the Plan, are overruled on the merits.

3. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

4. Implementation of the Plan. Monica Terrano is hereby appointed as the Plan Administrator. The Plan Administrator shall have the powers and obligations, and shall be compensated, as set forth in Section 5.7 of the Plan and is authorized and directed to implement the Plan in a manner consistent with the terms and conditions set forth in the Plan and the Confirmation Order.

5. Vesting of Assets in the Debtors. Except as expressly provided otherwise in the Plan, on the Effective Date, all Assets shall vest in the Debtors free and clear of all Claims against the Debtors, and all liens, encumbrances, charges, Interests and other rights and interests

of Creditors and holders of Interests arising on or before the Effective Date, but subject to the terms and conditions of the Plan and the Confirmation Order.

6. Continuing Existence. From and after the Effective Date, the Debtors shall continue in existence for the purposes of (i) winding up their affairs, (ii) liquidating, by conversion to Cash, or other methods, any remaining Assets, (iii) enforcing and prosecuting Causes of Action, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims, (v) administering the Plan, (vi) filing appropriate tax returns and (vii) performing all such other acts and conditions required by and consistent with consummation of the terms of the Plan.

7. Management of Debtors. On the Effective Date, the operation of the Debtors shall become the general responsibility of the Plan Administrator in accordance with and subject to the terms of the Plan. Monica Terrano is hereby appointed as Plan Administrator.

8. Post Effective Date Committee. On the Effective Date, the Committee shall continue as the Post Effective Date Committee.

9. Rights of Action. In accordance with Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator may pursue all reserved rights of action, including, without limitation, Causes of Action of the Debtors. Any distributions provided for in the Plan and the allowance of any Claim for the purpose of voting on the Plan is and shall be without prejudice to the rights of the Plan Administrator to pursue and prosecute any reserved rights of action. Except as otherwise set forth in the Plan, all Causes of Action of the Debtors, including, without limitation, any claims for reimbursement or other amounts due from Centers for Medicare and Medicaid Services, United States Department of Health and Human Services, and those Causes of Action of the Debtors set forth in the Plan Supplement, shall survive confirmation of the Plan

and the commencement and prosecution of Causes of Action of the Debtors shall not be barred or limited by res judicata or any estoppel, whether judicial, equitable or otherwise.

10. Corporate Action. On the Effective Date, the appointment of the Plan Administrator, and any and all other matters provided for under the Plan involving corporate action by the Debtors, their directors, their trustees or their shareholders, including, without limitation, the transfer of management responsibilities of the Debtors to the Plan Administrator, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable law, without any requirement of further action by the Debtors' directors, officers, trustees or shareholders. Upon the distribution of all Assets pursuant to the Plan and the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree), the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors may take appropriate action to dissolve under applicable law. From and after the Effective Date, the Debtors shall not be required to file any document, or take any action, to withdraw their business operations from any states where the Debtors previously conducted business.

11. Cancellation of Existing Securities, Instruments and Agreements. On the Effective Date, except as otherwise provided in the Plan, all securities, instruments, and agreements governing any Impaired Claim or Interest shall be deemed cancelled and terminated, and the obligations of the Debtors relating to, arising under, in respect of, or in connection with such securities, instruments, or agreements shall be deemed released and/or satisfied as to the Debtors.

12. Full and Final Satisfaction. All payments and all distributions under the Plan shall be in full and final satisfaction, settlement and release of all Claims against the Debtors and Interests, except as otherwise provided in the Plan.

13. Setoffs. The Plan Administrator may, pursuant to and to the extent permitted by applicable law, setoff against any Claim asserted against the Debtors and/or the Assets, and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that that Debtors or the Estates may have against the holder of such Claim, provided that the Plan Administrator shall give the holders of such Claim notice of the proposed setoff and the holder of such Claim does not object to the proposed setoff within thirty (30) days of service of such notice; provided further that if an objection is timely raised to a proposed setoff, the Plan Administrator may seek relief from the Court to effectuate the setoff; and provided further that neither the failure to effect a setoff, nor the allowance of any Claim against the Debtors under the Plan, shall constitute a waiver or release of any such Claim the Debtors or the Estates may have against such holder.

14. Abandoned Estate Assets. Upon the election of the Plan Administrator, with the approval of the Post Effective Date Committee, the Plan Administrator may abandon any Assets without the need for additional approval of the Court, and upon such abandonment, such Assets shall cease to be Assets of the Estate.

15. Indefeasibility of Distributions. All distributions provided for under the Plan shall be indefeasible.

16. Distribution of Unclaimed Property. Any distribution of property (Cash or otherwise) provided for under the Plan which is unclaimed after one hundred eighty (180) days

following such distribution (collectively, the “Unclaimed Property”) shall irrevocably revert to the Estate for re-distribution in accordance with the Plan.

17. Final Order. Any requirement in the Plan for a Final Order may be waived by the Plan Proponents.

18. Substantive Consolidation. On the Effective Date: (a) all Assets (and all proceeds thereof) and liabilities of each Debtor shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the other Debtors, (b) no distributions shall be made under the Plan on account of intercompany Claims among the Debtors and all such Claims shall be eliminated, (c) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint and several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (d) each and every Claim filed or to be filed in any of the Cases shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (e) for purposes of determining the availability of the right of set-off under section 553 of the Bankruptcy Code, the Debtors shall be treated as one entity so that, subject to the other provisions of section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set-off against the debts of the other Debtors. Such substantive consolidation shall not (other than for purposes related to the Plan) affect the legal and corporate structures of the Debtors. Notwithstanding anything in Section 7.1 of the Plan to the contrary, all Post Effective Date U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 shall be calculated on a separate legal entity basis for each Debtor.

19. Approval of Assumption or Rejection of Executory Contracts. Entry of the Confirmation Order by the Clerk of the Court, but subject to the condition that the Effective Date occur, shall constitute (a) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or assumption and assignment of the Executory Contracts assumed or assumed and assigned pursuant to Section 8.1 of the Plan, and (b) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the Executory Contracts rejected pursuant to Section 8.1 of the Plan.

20. Bar Date for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to the Plan. **Claims against the Debtors arising out of the rejection of Executory Contracts pursuant to the Plan must be filed with the Court no later than forty-five (45) days after the later of service of (a) notice of entry of an order approving the rejection of such Executory Contract, and (b) notice of occurrence of the Effective Date. Any such Claims not filed within such time shall be forever barred from assertion against the Debtors and any and all of their respective properties and Assets.**

21. Compensation and Benefit Programs. To the extent not previously terminated, all employment and severance agreements and policies, and all employee compensation and benefit plans, policies and programs of the Debtors applicable generally to their respective current employees or officers as in effect on the Confirmation Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans and life, accidental death and dismemberment insurance plans, shall be terminated as of the Confirmation Date.

22. Modification of Plan: After the Confirmation Date and prior to substantial consummation of the Plan, the Plan Proponents may, as long as the treatment of holders of

Claims against the Debtors or Interests under the Plan is not adversely affected, institute proceedings in the Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and any other matters that may be necessary to carry out the purposes and effects of the Plan; provided, however, notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002 or as the Court shall otherwise order.

23. Revocation or Withdrawal of Plan. The Plan Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date. If the Plan Proponents revoke or withdraw the Plan prior to the Effective Date, the Plan shall be deemed null and void, and nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

24. Retention of Jurisdiction. Following the Effective Date, the Court will retain exclusive jurisdiction of the Cases for the purposes set forth in Section 12.1 of the Plan, including, without limitation, to hear and determine any motion respecting the Covered Medical Professionals Injunction set forth in Section 13.1(b) of the Plan. Following the Effective Date, the Court will retain non-exclusive jurisdiction of the Cases for the purposes set forth in Section 12.2 of the Plan. If the Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Cases, including with respect to the matters set forth in Article XII of the Plan, Article XII of the Plan shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

25. Injunction.

(a) Except as otherwise expressly provided in the Plan including, without limitation, the treatment of Claims against and Interests in the Debtors, provided that the Effective Date shall have occurred, all Persons that have held, currently hold or may hold a Claim against or Interest in the Debtors, are permanently enjoined from taking any of the following actions against the Debtors, the Plan Administrator, the Committee or members thereof, the Post Effective Date Committee or members thereof, present and former directors, officers, trustees, agents, attorneys, advisors, members or employees of the Debtors, the Committee or members thereof, the Post Effective Date Committee or members thereof, or the Plan Administrator, or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim against or Interest in the Debtors (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to a Claim against or Interest in the Debtors; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim against or Interest in the Debtors; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim against or Interest in the Debtors; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any Debt, liability or obligation due to the Debtors or their property or Assets with respect to a Claim against or Interest in the Debtors; and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with or is inconsistent with the provisions of the Plan; provided, however, nothing in this injunction shall preclude the holder of a Claim against the Debtors from pursuing any applicable insurance after the Cases are closed, from

seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; provided further, however, nothing in this injunction shall limit the rights of a holder of an Allowed Claim against the Debtors to enforce the terms of the Plan.

(b) Covered Medical Professionals Injunction. Except as otherwise provided in the Plan, upon the Effective Date, all Persons are permanently enjoined from commencing or continuing any medical malpractice or related action against any Covered Medical Professional and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Covered Medical Professional with respect to any such actions, provided however, that such injunction shall not extend to recoveries against any available insurance. In exchange for this injunction, each Covered Medical Professional shall be deemed to waive any Indemnification Claim and any Claims against the Debtors and their Estates, administrative or otherwise, related to, or arising in connection with, the Debtors' alleged obligation to purchase or provide medical malpractice insurance and/or any related extended reporting period coverage, provided that the waiver of the Indemnification Claims and other claims hereunder shall not impair this injunction and neither the waiver of the Indemnification Claims, nor this injunction shall release the obligations of any insurance company to defend a Covered Medical Professional under an otherwise applicable insurance policy.

26. Releases by the Debtors and Holders of Claims. To the greatest extent permissible by law, and except as otherwise specifically provided in Section 13.2 of the Plan or this Order, as of the Effective Date, the "Releases" set forth in Section 13.2 of the Plan are hereby approved.

27. Exculpation. The exculpation provisions set forth in Section 13.3 of the Plan are hereby approved.

28. Certain Plan Provisions Inapplicable to United States Government.

(a) As to the United States of America, its agencies, departments, or agents (collectively, the “United States”), nothing in the Plan or Confirmation Order shall limit or expand the scope of any release or injunction to which the Debtors are entitled to under the Bankruptcy Code, if any. The release or injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the entry of the Confirmation Order, pursuing any police or regulatory action. The Plan and Confirmation Order shall bind the United States only to the extent that the United States is a creditor, as defined in 11 U.S.C. § 101(10).

(b) Accordingly, notwithstanding anything contained in the Plan or Confirmation Order to the contrary, nothing in the Plan or Confirmation Order shall discharge, release, impair or otherwise preclude (1) any liability to the United States that is not a “claim” within the meaning of section 101(5) of the Bankruptcy Code; (2) any Claim of the United States arising after the Effective Date; (3) any valid right of setoff or recoupment of the United States against any of the Debtors; or (4) any liability of the Debtors under environmental law to any Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) as the owner or operator of property that such entity owns or operates after the Effective Date. Nor shall anything in this Confirmation Order or the Plan (i) enjoin or otherwise bar the United States or any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence, or (ii) divest any court, commission, or tribunal of jurisdiction to determine whether any liabilities asserted by the United States or any

governmental unit are discharged or otherwise barred by this Confirmation Order, the Plan, or the Bankruptcy Code.

(c) Moreover, nothing in the Confirmation Order or the Plan shall release or exculpate any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan), from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan), nor shall anything in this Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceeding against any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan) for any liability whatsoever.

29. Reservation of Rights for Pension Benefit Guaranty Corporation. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, any claim of the Pension Benefit Guaranty Corporation arising under Title 1 of ERISA for breach of fiduciary duty or relating to a prohibited transaction with respect to the MVH Pension Plan shall not be discharged, released, or enjoined.

30. Release of Collateral. Except as expressly provided otherwise in the Plan, unless a holder of a Secured Claim receives a return of its Collateral in respect of such Claim under the Plan (i) each holder of (A) an Allowed Secured Claim, and/or (B) an Allowed Claim that is purportedly secured, on the Effective Date shall (x) turn over and release to the Debtors any and all property that secures or purportedly secures such Claim, and (y) execute such documents and instruments as the Plan Administrator requires to evidence such claimant's release of such property; and (ii) on the Effective Date, all claims, rights, title and interest in such property shall revert to the Debtors, free and clear of all Claims against the Debtors, including (without

limitation) liens, charges, pledges, encumbrances and/or security interests of any kind. No Distribution under the Plan shall be made to or on behalf of any holder of such Claim unless and until such holder executes and delivers to the Plan Administrator such release of liens. Any such holder that fails to execute and deliver such release of liens within 60 days of any demand thereof shall be deemed to have no further Claim against the Debtors and shall not participate in any Distribution under the Plan. Notwithstanding the immediately preceding sentence, a holder of a Disputed Claim shall not be required to execute and deliver such release of liens until the time such Claim is Allowed or disallowed.

31. Cause of Action Injunction. On and after the Effective Date, all Persons other than the Plan Administrator and, to the extent applicable pursuant to Section 5.11 of the Plan, the Post Effective Date Committee will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of, or respecting any, claim, debt, right or Cause of Action that the Plan Administrator retains authority to pursue in accordance with the Plan.

32. Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Plan Administrator shall comply with all withholding, reporting, certification and information requirements imposed by any federal, state, local or foreign taxing authority and all distributions under the Plan shall, to the extent applicable, be subject to any such withholding, reporting, certification and information requirements. Persons entitled to receive distributions under the Plan shall, as a condition to receiving such distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable the Plan Administrator to obtain the certifications and information as

may be necessary or appropriate to satisfy the provisions of any tax law. Any person that fails to comply with the Plan Administrator's requests in the preceding sentence within ninety (90) days of any such request thereof, shall not be entitled to participate in any distribution under the Plan and no such distribution shall be made on account of any such persons Allowed Claim, and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

33. Section 1146 Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan, or the execution, delivery, or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by the Plan, or the vesting, transfer, or sale of any real property of the Debtors pursuant to, in implementation of or as contemplated by the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument under the Plan is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, or similar tax.

34. Severability. In the event that any provision of the Plan is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect of any other provisions of the Plan.

35. Binding Effect; Counterparts. The provisions of the Plan shall bind all holders of Claims against the Debtors and Interests, whether or not they have accepted the Plan.

36. Effectuating Documents; Further Transaction. The Debtors and/or the Plan Administrator (as the case may be) are authorized to execute, deliver, file, or record such

contracts, instruments, releases, 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 the Plan.

37. Approval of Consents. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any related documents, instruments or agreements, and any amendments or modifications thereto.

38. Post Effective Date Services. The fees and expenses of professionals retained by the Plan Administrator and the Post Effective Date Committee on and after the Effective Date, shall be paid by the Plan Administrator upon receipt of invoice(s) therefor, or on such other terms as the Plan Administrator and the applicable professional may agree to, without the need for further Court authorization or entry of a Final Order, but subject to the approval of the Post Effective Date Committee, which approval shall not unreasonably be withheld. If the Plan Administrator and the professional cannot agree on the amount of post Effective Date fees and expenses to be paid to such professional, such amount shall be determined by the Court.

39. Supplemental Administrative Claims Bar Date. Except as provided otherwise in the Plan for (1) Professional Persons requesting compensation or reimbursement for Professional Fee Claims, and (2) U.S. Trustee Fees, requests for payment of Administrative Claims, for which a Bar Date to file such Administrative Claim was not previously established, must be filed no later than forty-five (45) days after the occurrence of the Effective Date, or such later date as

may be established by Order of the Bankruptcy Court (the “Supplemental Administrative Claims Bar Date”). **Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the applicable Bar Date, shall be forever barred from asserting such Claims against the Debtors or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.**

40. Professional Fee Claims Bar Date. All final applications for payment of Professional Fee Claims for the period through and including the Effective Date shall be filed with the Court and served on the Plan Administrator and the other parties entitled to notice pursuant to the *Interim Compensation and Reimbursement Procedures Order* [Docket No. 148] on or before the Professional Fee Claims Bar Date, or such later date as may be agreed to by the Plan Administrator. **Any Professional Fee Claim that is not asserted in accordance with Section 2.4(a) of the Plan shall be deemed Disallowed under the Plan and the holder thereof shall be enjoined from commencing or continuing any Cause of Action, employment of process or act to collect, offset, recoup or recover such Claim against the Estates or any of their respective Assets or property.**

41. Notice of Entry of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Debtors shall file and serve notice of entry of this Confirmation Order, the occurrence of the Effective Date and notice of the Supplemental Administrative Claims Bar Date (the “Notice of Confirmation”) on all holders of Claims against the Debtors and Interests, the United States Trustee for the Southern District of New York and other parties in interest by causing the Notice of Confirmation to be delivered to such parties by first-class mail, postage prepaid, within ten business days after the Effective

43. Findings of Fact. The determinations, findings, judgments, decrees and orders set forth and incorporated herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Each finding of fact set forth or incorporated herein, to the extent it is or may be deemed a conclusion of law, shall also constitute a conclusion of law. Each conclusion of law set forth or incorporated herein, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.

3028713v.5

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:
SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹

Chapter 11
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

-----X
**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING FIRST
AMENDED PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF SOUND SHORE MEDICAL
CENTER OF WESTCHESTER, ET AL.**

The *First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.*, dated September 17, 2014 [Docket No. 821] (the “Plan”),² having been filed with this Court (the “Court”) by the above-captioned debtors and debtors in possession (collectively, the “Debtors”); and the Court having entered, after due notice and a hearing, an order, dated September 17, 2014 (the “Approval Order”) [Docket No. 822], pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”) (i) approving the *First Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code, For First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.*, dated September 17, 2014 [Docket No. 820] (the “Disclosure Statement”), (ii) scheduling a hearing on confirmation of the Plan (the “Confirmation Hearing”), and (iii) establishing voting and confirmation procedures; and the Approval Order, the Disclosure Statement, notice of the Confirmation Hearing (the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital (0115), Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not Debtors and have not sought relief under Chapter 11.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

Sound Shore Medical Center of Westchester, et al., [Docket No. 896] (the “Terrano Declaration”), (b) and the *Declaration of Craig Johnson of GCG, Inc. Certifying Methodology for the Tabulation of Votes and Results of Voting with Respect to the First Amended Chapter 11 Plan of Liquidation of Sound Shore Medical Center, et al.*, filed on October 27, 2014 [Docket No. 884] (the “Voting Declaration”), and the testimony contained therein, (iii) the Plan Objections, and (iv) all other evidence adduced, memoranda and objections filed in connection with, and the proffers and arguments of counsel made at the Confirmation Hearing and the record thereof; and the Plan Objections having either been resolved prior to or as stated on the record of the Confirmation Hearing or overruled; and after due deliberation and sufficient cause appearing therefor,

It hereby is DETERMINED AND FOUND THAT:

A. Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)). The Court has jurisdiction over these Cases and confirmatio of the Plan pursuant to sections 157(a)-(b) and 1334(b) of title 28 of the United States Code. Venue is proper pursuant to sections 1408 and 1409 of title 28 of the United States Code. Confirmation of the Plan is a core proceeding pursuant to section 157(b)(2)(L) of title 28 of the United States Code that the Court may decide by final order.

B. Judicial Notice. The Court takes judicial notice of the docket of the Cases maintained by the Clerk of the Court, including, without limitation, all pleadings and other documents filed and orders entered thereon. The Court also takes judicial notice of all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of these Cases, including at the Confirmation Hearing.

C. Notice; Transmittal and Mailing of Materials. Due, adequate and sufficient notice of the Approval Order, Disclosure Statement, the Plan and the Confirmation Hearing, along with the deadlines for voting on and filing objections to the Plan, has been given to all known holders of Claims against the Debtors and Interests in accordance with the procedures set forth in the Approval Order, and no other or further notice is or shall be required;

D. Voting. Votes on the Plan were solicited after disclosure of “adequate information” as defined in section 1125 of the Bankruptcy Code. As evidenced by the Voting Declaration, the votes to accept the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules.

E. Plan Supplement. The filing of the Plan Supplement and notice of such documents were good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required.

F. Plan Modifications (11 U.S.C. § 1127). Subsequent to solicitation, the Debtors made certain non-material modifications to the Plan, which are reflected in this Confirmation Order (the “Plan Modifications”), to reflect compromises to formal and informal plan objections or other appropriate clarifications as set forth on the record of the Confirmation Hearing. None of the Plan Modifications made since the commencement of solicitation adversely affects the treatment of any Claim against or Interest in any of the Debtors under the Plan. Accordingly, pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of these Plan Modifications require additional disclosure under section 1125 of the Bankruptcy Code or resolicitation of votes under section 1126 of the Bankruptcy Code. The Plan as modified shall constitute the Plan submitted for confirmation to the Court.

G. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(1) of the Bankruptcy Code.

H. Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims that need not be classified, the Plan classifies four Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, the classifications were not done for any improper purpose, and such Classes and classifications do not unfairly discriminate between or among holders of Claims or Interests. Accordingly, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

I. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Sections 3.2 and 3.3 of the Plan specify, respectively, that Class 1 (Secured Claims) and Class 2 (Other Priority Claims) are Unimpaired by the Plan. Accordingly, the Plan satisfies section 1123(a)(2) of the Bankruptcy Code.

J. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Sections 3.4 and 3.5 of the Plan designate, respectively, Class 3 (Unsecured Claims), and Class 4 (Interests) as Impaired, and Article IV of the Plan specifies the treatment of all of these Classes of Claims and Interests under the Plan. Accordingly, the Plan satisfies section 1123(a)(3) of the Bankruptcy Code.

K. No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class, unless the holder of

a Claim or Interest has agreed to a less favorable treatment. Accordingly, the Plan satisfies section 1123(a)(4) of the Bankruptcy Code.

L. Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for the Plan's implementation. Accordingly, the Plan satisfies section 1123(a)(5) of the Bankruptcy Code.

M. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). Section 1123(a)(6) of the Bankruptcy Code does not apply, because the Debtors are not-for-profit entities and have no securities with voting power.

N. Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan provides for the appointment of and identifies a Plan Administrator who will act for the Debtors in a fiduciary capacity as applicable to a board of directors, subject to the provisions of the Plan. Accordingly, the Plan satisfies section 1123(a)(7) of the Bankruptcy Code.

O. Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code.

P. Bankruptcy Rule 3016(a). The Plan is dated and identifies the entities submitting it as Plan Proponents. Accordingly, the Plan satisfies Bankruptcy Rule 3016(a).

Q. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors, as the proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(2) of the Bankruptcy Code.

R. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Plan was proposed with the purpose of (a) the distribution of proceeds generated by the sale of substantially all of the Debtors' assets, (b) the

liquidation of the Debtors' remaining assets, and (c) the winding up of the Debtors' affairs, so as to maximize recoveries to creditors and other parties in interest.

S. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by any of the Debtors for services or for costs and expenses in or in connection with the Cases, or in connection with the Plan and incident to the Cases, has been approved by, or is subject to the approval of, the Court as being reasonable. Accordingly, the Plan satisfies section 1129(a)(4) of the Bankruptcy Code.

T. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The identity and affiliations of the person proposed to serve as the Plan Administrator of the post-Effective Date Debtors has been fully disclosed by the Debtors, is consistent with the interests of creditors and holders of membership interests, if any, and is in accordance with public policy. Accordingly, section 1129(a)(5) of the Bankruptcy Code is satisfied.

U. No Rate Changes (11 U.S.C. § 1129(a)(6)). Section 1129(a)(6) of the Bankruptcy Code does not apply in these cases, because the Debtors will not operate a business after the Effective Date and the Plan does not provide for any changes to any regulated rates.

V. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The Terrano Declaration, the Voting Declaration and other evidence proffered or adduced at the Confirmation Hearing establish that each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

W. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 2 are each Classes of Unimpaired Claims that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Class 3 has voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code.

X. Treatment of Administrative, Priority Tax, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims pursuant to Section 2.2(c) of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Other Priority Claims pursuant to Section 4.2 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The treatment of Priority Tax Claims pursuant to Section 2.3 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

Y. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 is an Impaired Class and has voted to accept the Plan. Thus there is at least one Class of Claims against the Debtors that is Impaired under the Plan and has accepted the Plan, determined without including any acceptance of the Plan by any insider. Accordingly, the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

Z. Feasibility (11 U.S.C. § 1129(a)(11)). The conclusions in the Terrano Declaration, and other evidence proffered or adduced at the Confirmation Hearing regarding feasibility (a) are persuasive and credible, (b) have not been controverted by other evidence, and (c) establish that the Debtors will have sufficient funds to administer and consummate the Plan and to close the Cases. Accordingly, the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

AA. Payment of Fees (11 U.S.C. § 1129(a)(12)). All outstanding fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930 have been paid, or the Plan provides for the payment of all such fees on or before the Effective Date, as required by section 1129(a)(12) of the Bankruptcy Code. The Plan further provides that the Debtors or Plan Administrator shall pay all fees that accrue under 28 U.S.C. § 1930 until a final decree is entered in these Cases or this Court orders otherwise. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

BB. 11 U.S.C. §§ 1129(a)(13), (14), and (15) are Inapplicable. Sections 1129(a)(13), (14) and (15) of the Bankruptcy Code do apply in these Cases.

CC. Transfers of Property (11 U.S.C. § 1129(a)(16)). As required by New York state law, the Debtors obtained approval for the transfer of all or substantially all of their assets from the New York State Supreme Court in accordance with the provisions set forth in sections 510 and 511 of the New York Not-for-Profit laws, as required under New York law. Accordingly, section 1129(a)(16) is satisfied.

DD. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Based upon the evidence proffered or adduced at the Confirmation Hearing, the Disclosure Statement and all other evidence before the Court, the Plan does not discriminate unfairly because Class 4 contains Interests that are distinct in nature and dissimilarly situated from the claims of the holders of Claims in Class 3 and because there are no Interests junior to Class 4 (Interests) under the Plan. Thus, the Plan complies with the requirements of sections 1129(b)(1) and (2) of the Bankruptcy Code and may be confirmed notwithstanding the Debtors' failure to satisfy section 1129(a)(8) of the Bankruptcy Code as to Class 4.

EE. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan, as evidenced by its terms, is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933.

FF. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court in these Cases, the exculpated parties under the Plan have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and the exculpated parties are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 13.3 of the Plan.

GG. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

HH. Assumption or Rejection of Executory Contracts and Unexpired Leases. The Debtors have exercised reasonable business judgment in determining whether to assume or reject each of their executory contracts and unexpired leases as set forth in Article VIII of the Plan.

II. Substantive Consolidation. For the reasons stated by the Court at the Confirmation Hearing, the substantive consolidation of the Debtors under the Plan is warranted and proper.

JJ. Releases; Injunctions and Exculpation. For the reasons stated by the Court at the Confirmation Hearing, the releases, injunctions and exculpation provisions set forth in this Confirmation Order are warranted and proper.

KK. Conditions to Confirmation. The conditions to Confirmation set forth in Section 10.1 of the Plan have been satisfied, waived or will be satisfied by entry of this Confirmation Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Confirmation. The Plan, a copy of which is attached hereto as Exhibit A, together with the Plan Modifications contained herein, is approved and confirmed under section 1129 of the Bankruptcy Code.

2. Objections. Any objections to the Plan or to Confirmation of the Plan that have not been withdrawn, waived or settled, and all reservations of rights pertaining to Confirmation of the Plan, are overruled on the merits.

3. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

4. Implementation of the Plan. Monica Terrano is hereby appointed as the Plan Administrator. The Plan Administrator shall have the powers and obligations, and shall be compensated, as set forth in Section 5.7 of the Plan and is authorized and directed to implement the Plan in a manner consistent with the terms and conditions set forth in the Plan and the Confirmation Order.

5. Vesting of Assets in the Debtors. Except as expressly provided otherwise in the Plan, on the Effective Date, all Assets shall vest in the Debtors free and clear of all Claims against the Debtors, and all liens, encumbrances, charges, Interests and other rights and interests

of Creditors and holders of Interests arising on or before the Effective Date, but subject to the terms and conditions of the Plan and the Confirmation Order.

6. Continuing Existence. From and after the Effective Date, the Debtors shall continue in existence for the purposes of (i) winding up their affairs, (ii) liquidating, by conversion to Cash, or other methods, any remaining Assets, (iii) enforcing and prosecuting Causes of Action, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims, (v) administering the Plan, (vi) filing appropriate tax returns and (vii) performing all such other acts and conditions required by and consistent with consummation of the terms of the Plan.

7. Management of Debtors. On the Effective Date, the operation of the Debtors shall become the general responsibility of the Plan Administrator in accordance with and subject to the terms of the Plan. Monica Terrano is hereby appointed as Plan Administrator.

8. Post Effective Date Committee. On the Effective Date, the Committee shall continue as the Post Effective Date Committee.

9. Rights of Action. In accordance with Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator may pursue all reserved rights of action, including, without limitation, Causes of Action of the Debtors. Any distributions provided for in the Plan and the allowance of any Claim for the purpose of voting on the Plan is and shall be without prejudice to the rights of the Plan Administrator to pursue and prosecute any reserved rights of action. Except as otherwise set forth in the Plan, all Causes of Action of the Debtors, including, without limitation, any claims for reimbursement or other amounts due from Centers for Medicare and Medicaid Services, United States Department of Health and Human Services, and those Causes of Action of the Debtors set forth in the Plan Supplement, shall survive confirmation of the Plan

and the commencement and prosecution of Causes of Action of the Debtors shall not be barred or limited by res judicata or any estoppel, whether judicial, equitable or otherwise.

10. Corporate Action. On the Effective Date, the appointment of the Plan Administrator, and any and all other matters provided for under the Plan involving corporate action by the Debtors, their directors, their trustees or their shareholders, including, without limitation, the transfer of management responsibilities of the Debtors to the Plan Administrator, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable law, without any requirement of further action by the Debtors' directors, officers, trustees or shareholders. Upon the distribution of all Assets pursuant to the Plan and the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree), the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors may take appropriate action to dissolve under applicable law. From and after the Effective Date, the Debtors shall not be required to file any document, or take any action, to withdraw their business operations from any states where the Debtors previously conducted business.

11. Cancellation of Existing Securities, Instruments and Agreements. On the Effective Date, except as otherwise provided in the Plan, all securities, instruments, and agreements governing any Impaired Claim or Interest shall be deemed cancelled and terminated, and the obligations of the Debtors relating to, arising under, in respect of, or in connection with such securities, instruments, or agreements shall be deemed released and/or satisfied as to the Debtors.

12. Full and Final Satisfaction. All payments and all distributions under the Plan shall be in full and final satisfaction, settlement and release of all Claims against the Debtors and Interests, except as otherwise provided in the Plan.

13. Setoffs. The Plan Administrator may, pursuant to and to the extent permitted by applicable law, setoff against any Claim asserted against the Debtors and/or the Assets, and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that that Debtors or the Estates may have against the holder of such Claim, provided that the Plan Administrator shall give the holders of such Claim notice of the proposed setoff and the holder of such Claim does not object to the proposed setoff within thirty (30) days of service of such notice; provided further that if an objection is timely raised to a proposed setoff, the Plan Administrator may seek relief from the Court to effectuate the setoff; and provided further that neither the failure to effect a setoff, nor the allowance of any Claim against the Debtors under the Plan, shall constitute a waiver or release of any such Claim the Debtors or the Estates may have against such holder.

14. Abandoned Estate Assets. Upon the election of the Plan Administrator, with the approval of the Post Effective Date Committee, the Plan Administrator may abandon any Assets without the need for additional approval of the Court, and upon such abandonment, such Assets shall cease to be Assets of the Estate.

15. Indefeasibility of Distributions. All distributions provided for under the Plan shall be indefeasible.

16. Distribution of Unclaimed Property. Any distribution of property (Cash or otherwise) provided for under the Plan which is unclaimed after one hundred eighty (180) days

following such distribution (collectively, the “Unclaimed Property”) shall irrevocably revert to the Estate for re-distribution in accordance with the Plan.

17. Final Order. Any requirement in the Plan for a Final Order may be waived by the Plan Proponents.

18. Substantive Consolidation. On the Effective Date: (a) all Assets (and all proceeds thereof) and liabilities of each Debtor shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the other Debtors, (b) no distributions shall be made under the Plan on account of intercompany Claims among the Debtors and all such Claims shall be eliminated, (c) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint and several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (d) each and every Claim filed or to be filed in any of the Cases shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (e) for purposes of determining the availability of the right of set-off under section 553 of the Bankruptcy Code, the Debtors shall be treated as one entity so that, subject to the other provisions of section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set-off against the debts of the other Debtors. Such substantive consolidation shall not (other than for purposes related to the Plan) affect the legal and corporate structures of the Debtors. Notwithstanding anything in Section 7.1 of the Plan to the contrary, all Post Effective Date U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 shall be calculated on a separate legal entity basis for each Debtor.

19. Approval of Assumption or Rejection of Executory Contracts. Entry of the Confirmation Order by the Clerk of the Court, but subject to the condition that the Effective Date occur, shall constitute (a) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or assumption and assignment of the Executory Contracts assumed or assumed and assigned pursuant to Section 8.1 of the Plan, and (b) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the Executory Contracts rejected pursuant to Section 8.1 of the Plan.

20. Bar Date for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to the Plan. **Claims against the Debtors arising out of the rejection of Executory Contracts pursuant to the Plan must be filed with the Court no later than forty-five (45) days after the later of service of (a) notice of entry of an order approving the rejection of such Executory Contract, and (b) notice of occurrence of the Effective Date. Any such Claims not filed within such time shall be forever barred from assertion against the Debtors and any and all of their respective properties and Assets.**

21. Compensation and Benefit Programs. To the extent not previously terminated, all employment and severance agreements and policies, and all employee compensation and benefit plans, policies and programs of the Debtors applicable generally to their respective current employees or officers as in effect on the Confirmation Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans and life, accidental death and dismemberment insurance plans, shall be terminated as of the Confirmation Date.

22. Modification of Plan: After the Confirmation Date and prior to substantial consummation of the Plan, the Plan Proponents may, as long as the treatment of holders of

Claims against the Debtors or Interests under the Plan is not adversely affected, institute proceedings in the Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and any other matters that may be necessary to carry out the purposes and effects of the Plan; provided, however, notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002 or as the Court shall otherwise order.

23. Revocation or Withdrawal of Plan. The Plan Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date. If the Plan Proponents revoke or withdraw the Plan prior to the Effective Date, the Plan shall be deemed null and void, and nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

24. Retention of Jurisdiction. Following the Effective Date, the Court will retain exclusive jurisdiction of the Cases for the purposes set forth in Section 12.1 of the Plan, including, without limitation, to hear and determine any motion respecting the Covered Medical Professionals Injunction set forth in Section 13.1(b) of the Plan. Following the Effective Date, the Court will retain non-exclusive jurisdiction of the Cases for the purposes set forth in Section 12.2 of the Plan. If the Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Cases, including with respect to the matters set forth in Article XII of the Plan, Article XII of the Plan shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

25. Injunction.

(a) Except as otherwise expressly provided in the Plan including, without limitation, the treatment of Claims against and Interests in the Debtors, provided that the Effective Date shall have occurred, all Persons that have held, currently hold or may hold a Claim against or Interest in the Debtors, are permanently enjoined from taking any of the following actions against the Debtors, the Plan Administrator, the Committee or members thereof, the Post Effective Date Committee or members thereof, present and former directors, officers, trustees, agents, attorneys, advisors, members or employees of the Debtors, the Committee or members thereof, the Post Effective Date Committee or members thereof, or the Plan Administrator, or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim against or Interest in the Debtors (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to a Claim against or Interest in the Debtors; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim against or Interest in the Debtors; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim against or Interest in the Debtors; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any Debt, liability or obligation due to the Debtors or their property or Assets with respect to a Claim against or Interest in the Debtors; and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with or is inconsistent with the provisions of the Plan; provided, however, nothing in this injunction shall preclude the holder of a Claim against the Debtors from pursuing any applicable insurance after the Cases are closed, from

seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; provided further, however, nothing in this injunction shall limit the rights of a holder of an Allowed Claim against the Debtors to enforce the terms of the Plan.

(b) Covered Medical Professionals Injunction. Except as otherwise provided in the Plan, upon the Effective Date, all Persons are permanently enjoined from commencing or continuing any medical malpractice or related action against any Covered Medical Professional and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Covered Medical Professional with respect to any such actions, provided however, that such injunction shall not extend to recoveries against any available insurance. In exchange for this injunction, each Covered Medical Professional shall be deemed to waive any Indemnification Claim and any Claims against the Debtors and their Estates, administrative or otherwise, related to, or arising in connection with, the Debtors' alleged obligation to purchase or provide medical malpractice insurance and/or any related extended reporting period coverage, provided that the waiver of the Indemnification Claims and other claims hereunder shall not impair this injunction and neither the waiver of the Indemnification Claims, nor this injunction shall release the obligations of any insurance company to defend a Covered Medical Professional under an otherwise applicable insurance policy.

26. Releases by the Debtors and Holders of Claims. To the greatest extent permissible by law, and except as otherwise specifically provided in Section 13.2 of the Plan or this Order, as of the Effective Date, the "Releases" set forth in Section 13.2 of the Plan are hereby approved.

27. Exculpation. The exculpation provisions set forth in Section 13.3 of the Plan are hereby approved.

28. Certain Plan Provisions Inapplicable to United States Government.

(a) As to the United States of America, its agencies, departments, or agents (collectively, the “United States”), nothing in the Plan or Confirmation Order shall limit or expand the scope of any release or injunction to which the Debtors are entitled to under the Bankruptcy Code, if any. The release or injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the entry of the Confirmation Order, pursuing any police or regulatory action. The Plan and Confirmation Order shall bind the United States only to the extent that the United States is a creditor, as defined in 11 U.S.C. § 101(10).

(b) Accordingly, notwithstanding anything contained in the Plan or Confirmation Order to the contrary, nothing in the Plan or Confirmation Order shall discharge, release, impair or otherwise preclude (1) any liability to the United States that is not a “claim” within the meaning of section 101(5) of the Bankruptcy Code; (2) any Claim of the United States arising after the Effective Date; (3) any valid right of setoff or recoupment of the United States against any of the Debtors; or (4) any liability of the Debtors under environmental law to any Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) as the owner or operator of property that such entity owns or operates after the Effective Date. Nor shall anything in this Confirmation Order or the Plan (i) enjoin or otherwise bar the United States or any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence, or (ii) divest any court, commission, or tribunal of jurisdiction to determine whether any liabilities asserted by the United States or any

governmental unit are discharged or otherwise barred by this Confirmation Order, the Plan, or the Bankruptcy Code.

(c) Moreover, nothing in the Confirmation Order or the Plan shall release or exculpate any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan), from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan), nor shall anything in this Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceeding against any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan) for any liability whatsoever.

29. Reservation of Rights for Pension Benefit Guaranty Corporation. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, any claim of the Pension Benefit Guaranty Corporation arising under Title 1 of ERISA for breach of fiduciary duty or relating to a prohibited transaction with respect to the MVH Pension Plan shall not be discharged, released, or enjoined.

30. Release of Collateral. Except as expressly provided otherwise in the Plan, unless a holder of a Secured Claim receives a return of its Collateral in respect of such Claim under the Plan (i) each holder of (A) an Allowed Secured Claim, and/or (B) an Allowed Claim that is purportedly secured, on the Effective Date shall (x) turn over and release to the Debtors any and all property that secures or purportedly secures such Claim, and (y) execute such documents and instruments as the Plan Administrator requires to evidence such claimant's release of such property; and (ii) on the Effective Date, all claims, rights, title and interest in such property shall revert to the Debtors, free and clear of all Claims against the Debtors, including (without

limitation) liens, charges, pledges, encumbrances and/or security interests of any kind. No Distribution under the Plan shall be made to or on behalf of any holder of such Claim unless and until such holder executes and delivers to the Plan Administrator such release of liens. Any such holder that fails to execute and deliver such release of liens within 60 days of any demand thereof shall be deemed to have no further Claim against the Debtors and shall not participate in any Distribution under the Plan. Notwithstanding the immediately preceding sentence, a holder of a Disputed Claim shall not be required to execute and deliver such release of liens until the time such Claim is Allowed or disallowed.

31. Cause of Action Injunction. On and after the Effective Date, all Persons other than the Plan Administrator and, to the extent applicable pursuant to Section 5.11 of the Plan, the Post Effective Date Committee will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of, or respecting any, claim, debt, right or Cause of Action that the Plan Administrator retains authority to pursue in accordance with the Plan.

32. Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Plan Administrator shall comply with all withholding, reporting, certification and information requirements imposed by any federal, state, local or foreign taxing authority and all distributions under the Plan shall, to the extent applicable, be subject to any such withholding, reporting, certification and information requirements. Persons entitled to receive distributions under the Plan shall, as a condition to receiving such distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable the Plan Administrator to obtain the certifications and information as

may be necessary or appropriate to satisfy the provisions of any tax law. Any person that fails to comply with the Plan Administrator's requests in the preceding sentence within ninety (90) days of any such request thereof, shall not be entitled to participate in any distribution under the Plan and no such distribution shall be made on account of any such persons Allowed Claim, and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

33. Section 1146 Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan, or the execution, delivery, or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by the Plan, or the vesting, transfer, or sale of any real property of the Debtors pursuant to, in implementation of or as contemplated by the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument under the Plan is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, or similar tax.

34. Severability. In the event that any provision of the Plan is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect of any other provisions of the Plan.

35. Binding Effect; Counterparts. The provisions of the Plan shall bind all holders of Claims against the Debtors and Interests, whether or not they have accepted the Plan.

36. Effectuating Documents; Further Transaction. The Debtors and/or the Plan Administrator (as the case may be) are authorized to execute, deliver, file, or record such

contracts, instruments, releases, 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 the Plan.

37. Approval of Consents. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any related documents, instruments or agreements, and any amendments or modifications thereto.

38. Post Effective Date Services. The fees and expenses of professionals retained by the Plan Administrator and the Post Effective Date Committee on and after the Effective Date, shall be paid by the Plan Administrator upon receipt of invoice(s) therefor, or on such other terms as the Plan Administrator and the applicable professional may agree to, without the need for further Court authorization or entry of a Final Order, but subject to the approval of the Post Effective Date Committee, which approval shall not unreasonably be withheld. If the Plan Administrator and the professional cannot agree on the amount of post Effective Date fees and expenses to be paid to such professional, such amount shall be determined by the Court.

39. Supplemental Administrative Claims Bar Date. Except as provided otherwise in the Plan for (1) Professional Persons requesting compensation or reimbursement for Professional Fee Claims, and (2) U.S. Trustee Fees, requests for payment of Administrative Claims, for which a Bar Date to file such Administrative Claim was not previously established, must be filed no later than forty-five (45) days after the occurrence of the Effective Date, or such later date as

may be established by Order of the Bankruptcy Court (the “Supplemental Administrative Claims Bar Date”). **Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the applicable Bar Date, shall be forever barred from asserting such Claims against the Debtors or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.**

40. Professional Fee Claims Bar Date. All final applications for payment of Professional Fee Claims for the period through and including the Effective Date shall be filed with the Court and served on the Plan Administrator and the other parties entitled to notice pursuant to the *Interim Compensation and Reimbursement Procedures Order* [Docket No. 148] on or before the Professional Fee Claims Bar Date, or such later date as may be agreed to by the Plan Administrator. **Any Professional Fee Claim that is not asserted in accordance with Section 2.4(a) of the Plan shall be deemed Disallowed under the Plan and the holder thereof shall be enjoined from commencing or continuing any Cause of Action, employment of process or act to collect, offset, recoup or recover such Claim against the Estates or any of their respective Assets or property.**

41. Notice of Entry of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Debtors shall file and serve notice of entry of this Confirmation Order, the occurrence of the Effective Date and notice of the Supplemental Administrative Claims Bar Date (the “Notice of Confirmation”) on all holders of Claims against the Debtors and Interests, the United States Trustee for the Southern District of New York and other parties in interest by causing the Notice of Confirmation to be delivered to such parties by first-class mail, postage prepaid, within ten business days after the Effective

43. Findings of Fact. The determinations, findings, judgments, decrees and orders set forth and incorporated herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Each finding of fact set forth or incorporated herein, to the extent it is or may be deemed a conclusion of law, shall also constitute a conclusion of law. Each conclusion of law set forth or incorporated herein, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.

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47. Reports and Final Decree. The Plan Administrator shall promptly upon the full administration of this case seek the entry of a final decree under Bankruptcy Rule 3022 closing this case and, pending such request, file a report every 6 months with respect to the implementation of the Plan.

/s/Robert D. Drain
United States Bankruptcy Judge

EXHIBIT D

TEACHING AND PROFESSIONAL SERVICES AGREEMENT

This **AGREEMENT** dated the 30 day of May, 2011 ("Signing Date") is between **SOUND SHORE MEDICAL CENTER OF WESTCHESTER**, with its principal office located at 16 Guion Place, New Rochelle, New York 10802 (the "Sound Shore"), and **ST. JOSEPH'S MEDICAL CENTER**, with its principal office located at 127 South Broadway, Yonkers, New York 10701 ("St. Joseph's"). Sound Shore and St. Joseph's may be referred to individually as a "Party" or collectively as the "Parties."

WHEREAS, Sound Shore is the operator of an acute care teaching hospital licensed pursuant to Article 28 of the New York State Public Health Law and in this capacity is authorized to retain physicians licensed to practice medicine in New York State; and

WHEREAS, Sound Shore has entered into employment agreements with Molham Solomon, M.D. ("Dr. Solomon") and Khaled Hassan, M.D. ("Dr. Hassan") (Dr. Solomon and Dr. Hassan together referred to as the "Physicians") for the provision of administrative, supervisory, teaching and clinical services in the specialty of obstetrics and gynecology ("OB/GYN") on behalf of Sound Shore; and

WHEREAS, St. Joseph's is the operator of an acute care teaching hospital and is a participating institution of the ACGME-accredited New York Medical College at St. Joseph's Family Medicine Residency Program ("Program"); and

WHEREAS, St. Joseph's wishes to engage Sound Shore to provide, through the Physicians, OB/GYN teaching to Program residents and provide professional services for patients treated at St. Joseph's OB and GYN clinics; and

WHEREAS, Sound Shore is willing to accept such engagement on the terms and conditions set forth below.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1.0 **SERVICES**. Sound Shore shall provide the Physicians to teach Program residents and become faculty of the Program as well as to provide professional services to OB/GYN patients in St. Joseph's GYN clinic and St. Joseph's OB clinic (together referred to as "Clinics"). In addition to the services set forth below, **Exhibit A** sets forth the Program Letter of Agreement with respect to the teaching being provided by Sound Shore and is incorporated herein by reference.

1.1 Sound Shore shall ensure that Dr. Solomon shall supervise and oversee one (1) four-hour GYN Clinic per week at St. Joseph's, one (1) four-hour OB Clinic per week at St. Joseph's, and a weekly (four-hour) Colposcopy Clinic at St. Joseph's. Sound Shore shall ensure that Dr. Hassan shall supervise and oversee the weekly GYN Clinic, the weekly OB Clinic, and the weekly Colposcopy Clinic when Dr. Solomon is unavailable.

1.2 Sound Shore shall ensure that the Physicians provide telephone consultation back-up to St. Joseph's Family Medicine Center ("FMC") providers during FMC operations.

1.3 Sound Shore shall ensure that the Physicians provide Program resident education and appropriate supervision of Program residents in patient care activities in accordance with Program Letter Agreement and the goals and objectives set forth in **Exhibit A**.

1.4 Sound Shore shall ensure that the Physicians participate in the Program conference schedule. Physicians shall be responsible for providing lectures up to six (6) times per year.

1.5 The Parties understand that Clinic patients shall receive pre-natal care from the Physicians in the Clinic and the Physicians shall perform the deliveries for Clinic patients at Sound Shore, subject to the Clinic patients' choice of facility and provider.. Sound Shore shall ensure that the Physicians provide Program resident education during the deliveries at Sound Shore.

1.6 The Parties understand that Clinic patients requiring hospital procedures/tests or inpatient services (other than deliveries) shall be performed at St. Joseph's, subject to the Clinic patients' choice of facility and provider.

1.7 Sound Shore shall ensure that the Physicians provide Emergency Room call coverage at St. Joseph's 365 days per year (*i.e.*, each Physician shall provide 182.5 days of call coverage per year).

1.8 Sound Shore shall ensure that the Physicians provide OB/GYN consults on inpatients at St. Joseph's in accordance with St. Joseph's policies and procedures.

1.9 Sound Shore shall ensure that the Physicians shall make appropriate medical and related records relating to the provision of professional services, in such form and containing such information as required by applicable law and as generally required by St. Joseph's of its physicians. The medical and related records relating to the provision of the professional services to St. Joseph's patients shall at all times remain the property of St. Joseph's.

1.10 Sound Shore shall ensure that the Physicians participate in Program faculty meetings as requested to ensure that Program goals and objectives are appropriate and being met.

2.0 **TERM**. This Agreement shall commence on June 20, 2011 and shall continue in effect until June 30, 2012 (the "Initial Term") unless terminated as herein provided. After the Initial Term, this Agreement shall automatically renew for one (1) year periods unless a party provides written notice to the other party sixty (60) days prior to the end of the then current term of its intent not to renew.

3.0 **COMPENSATION**. In consideration for the teaching and professional services, St. Joseph's shall pay Sound Shore \$300,000 per year, pro-rated for any period less than a year. The annual compensation shall be made on a monthly basis. The Parties agree that after the Initial Term, the compensation shall be reviewed annually and may be adjusted based on the Parties' mutual written agreement.

4.0 **INDEPENDENT CONTRACTOR**.

4.1 Sound Shore and the Physicians shall be independent contractors of St. Joseph's. Nothing in this Agreement is intended, nor shall be construed, to create an employer/employee, agency, or joint venture relationship between the Parties or between the Physicians and St. Joseph's.

Each party shall have exclusive control over the policies, management and affairs of its own facilities and operations.

4.2 Each Party shall be liable for its own debts, obligations, acts and omissions, including the payment of all required withholding, Social Security and other taxes or benefits.

4.3 St. Joseph's shall not withhold, on behalf of the Physicians, any sums for income tax, unemployment insurance, Social Security or any other withholding taxes or benefits.

4.4 In the event the Internal Revenue Service or any other governmental agency shall, at any time, question or challenge the independent contractor status of the Parties or of the Physicians with respect to St. Joseph's, both Parties, upon receipt by either of them of notice from the Internal Revenue Service or any other governmental agency, shall promptly notify the other Party and afford the other Party the opportunity to participate in any discussion or negotiation with the Internal Revenue Service or any other governmental agency, irrespective of for whom or by whom such discussions or negotiations are initiated. The other Party shall participate in any such discussions or negotiations to the extent permitted by the Internal Revenue Service or other governmental agency.

5.0 BILLING.

5.1 St. Joseph's shall exclusively provide or cause to be provided billing and collection functions for all professional services provided by the Physicians to Clinic patients treated at the Clinic. All fees and billing rates for professional services rendered by the Physicians to Clinic patients treated at the Clinic shall be determined by St. Joseph's. Any and all fees collected by the Physicians for professional services provided to Clinic patients treated at the Clinic shall be immediately turned over to St. Joseph's. Sound Shore and the Physicians authorize St. Joseph's to accept, or refuse to accept, on behalf of the Physicians, any assignment of insurance benefits from any Clinic patient receiving professional services at the Clinic from the Physicians pursuant to this Agreement. At the request of St. Joseph's, the Physicians shall list and designate with such insurance or other third-party payor programs the address of St. Joseph's as the sole addressee to which all payments or payment vouchers for professional services provided to Clinic patients at the Clinic performed by the Physician on St. Joseph's behalf shall be mailed. This Agreement and the Joinder and Adherence Agreement in a form attached as **Exhibit B** and incorporated herein by reference shall constitute an assignment by the Physicians to St. Joseph's of all funds owing and collected for professional services rendered by the Physicians to Clinic patients treated at the Clinic. The Physicians shall take all additional steps reasonably requested by St. Joseph's to assist in the billing and collection of funds due for professional services rendered by the Physicians to Clinic patients treated at the Clinic. All funds collected with respect to professional services provided by the Physicians to Clinic patients treated at the Clinic shall be the exclusive property of St. Joseph's.

5.2 Sound Shore shall be entitled to bill, collect and retain the professional component for all professional services other than those provided to Clinic patients treated at the Clinic (e.g., Sound Shore is permitted to bill, collect and retain the professional component for professional services rendered by the Physicians (i) when delivering Clinic patients at Sound Shore; (ii) to Clinic patients who are admitted as inpatients to St. Joseph's; (iii) for inpatient consults at St. Joseph's; and (iv) when the Physicians are taking call at St. Joseph's).

6.0 **SOUND SHORE REPRESENTATIONS.** Sound Shore makes the following representations, the continuing validity of which shall be a prerequisite to the obligations of St. Joseph's:

6.1 Sound Shore has executed Employment Agreements with the Physicians that commence on June 20, 2011 and expire on June 30, 2012, and such Employment Agreements are in full force and effect.

6.2 The Physicians are licensed to practice medicine in accordance with the laws of the State of New York, are duly registered with the Department of Education of the State of New York and are board certified in OB/GYN and Family Medicine.

6.3 The Physicians shall maintain appropriate credentials to provide professional services for St. Joseph's patients and shall maintain Medical Staff privileges at St. Joseph's and Sound Shore in accordance with each institution's Medical Staff Bylaws, Rules and Regulations.

6.4 Sound Shore shall assure that the Physicians conduct themselves in compliance with all applicable federal, state and local laws, rules and regulations, as well as in accordance with the bylaws, rules, regulations, policies and procedures and compliance program established by St. Joseph's from time to time.

6.5 Sound Shore shall provide the Physicians with professional liability insurance that extends to the teaching and professional services provided by the Physicians on St. Joseph's behalf as required by Section 8.0 of this Agreement.

6.6 The Physicians shall be participating providers in good standing in the Medicare and Medicaid programs and apply to be credentialed in St. Joseph's managed care agreements.

6.7 Sound Shore shall promptly notify St. Joseph's, in writing, in connection with professional services rendered to a patient of St. Joseph's by the Physician upon a Physician's notice to Sound Shore of receipt of notice, either written or oral, of (1) an adverse outcome that is both serious and unexpected; (2) commencement or written statement of intention to commence a medical malpractice action or other legal proceeding; or (3) an incident reported by a Physician to his professional liability insurance carrier or to a governmental body with authority over professional conduct.

7.0 **ST. JOSEPH'S REPRESENTATIONS.** As consideration for the teaching and professional services to be rendered by Sound Shore to St. Joseph's, St. Joseph's makes the following representations, the continuing validity of which shall be a prerequisite to the obligations of Sound Shore:

7.1 St. Joseph's shall maintain professional liability insurance covering itself and its physician-employees in the minimum amount of \$1,300,000 per occurrence, \$3,900,000 in the aggregate. Such insurance shall extend to residents rotating to Sound Shore under the Program Letter of Agreement at Exhibit A.

7.2 St. Joseph's shall provide the Physicians with appropriate facilities, office, space, equipment, clerical and para-professional staff as necessary for the Physicians to provide teaching and render the professional services on behalf of St. Joseph's.

EXHIBIT E

EMPLOYMENT AGREEMENT

MOLHAM M. SOLOMON, M.D.

AGREEMENT made on the 20th day of Aug, 2011 (the "Effective Date") between **SOUND SHORE MEDICAL CENTER**, with an address at 16 Guion Place, New Rochelle, New York 10802 (the "Hospital") and **MOLHAM M. SOLOMON, M.D.** with an address at _____ (the "Physician").

WHEREAS, the Hospital is the operator of an acute care hospital facility in New Rochelle, New York; and

WHEREAS, the Physician is duly licensed to practice medicine in the State of New York; and

WHEREAS, the Hospital desires to secure the Physician's employment by the Hospital and the Physician desires to commit himself to serve as an employee of the Hospital on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions contained herein, the Hospital and the Physician agree as follows:

I. APPOINTMENT

1. The Hospital shall employ the Physician to render clinical, teaching, supervisory, and administrative services in the Department of Obstetrics and Gynecology ("OB/GYN") (the "Department") upon the terms and conditions set forth herein.

2. The Physician shall maintain such standards and meet such requirements as will, at all times, enable the Hospital to maintain full accreditation by The Joint Commission; continuation of the Hospital's licensure and operating certificate; compliance with the standards of the American Medical Association and the American Hospital Association all as they apply to the Department; and approval, accreditation and certification by applicable reviewing or certifying boards and/or agencies in connection with such post-graduate training programs as are or may be adopted by the Hospital.

3. The Physician shall directly report to the Co-Directors of the Department.

4. The Physician may conduct a private medical practice ("Private Practice") for up to ten (10) hours per week so long as Physician's duties and responsibilities with the Private Practice do not interfere with his duties and responsibilities to the Hospital as specifically set forth herein. Physician is required to report to the Senior Vice President, Operations, in writing, if Private Practice hours exceed ten (10) hours per week, on average, over any four-week period. Subject to the Hospital's Conflict of Interest Policy, a copy of which is annexed as **Exhibit A**, Physician shall be permitted to participate in outside activities which do not compete, directly or indirectly, with the Hospital or interfere with Physician's duties hereunder. The Hospital agrees that all income earned by Physician from such outside activities shall be collected and retained by Physician.

II. DUTIES AND RESPONSIBILITIES

1. Within the framework of the objectives, policies, and programs as are established from time to time by the Hospital, the Physician's duties and responsibilities shall include those set forth on **Exhibit B** ("Position Description") which is made a part of this Agreement. The Physician shall spend 37 ½ hours per week in fulfilling his duties and responsibilities as set forth in the Position Description.
2. The Physician shall complete the **Physician Time Log**, in the form annexed as **Exhibit C** and incorporated herein by reference, on a monthly basis and submit such Physician Time Logs to the Co-Directors of the Department by the 10th day of the month documenting time spent on specific activities the previous month. In the event that the Senior Vice President, Operations has questions regarding the Physician Time Log, a meeting shall be held with the Physician to resolve such questions within ten (10) days of receipt of the Physician Time Log.
3. The Physician shall complete and submit the **Physician Time Card**, in the form annexed as **Exhibit D** and incorporated herein by reference, on a biweekly basis, on Fridays, to the Co-Directors of the Department documenting time spent the previous two weeks.
4. The Hospital shall exclusively provide billing and collection functions for all professional services provided by the Physician for Hospital Patients at Hospital. All fees and collection policies shall be determined by the Hospital. Any fee collected by the Physician for professional services rendered to Hospital Patients at Hospital shall be immediately turned over to the Hospital. The Physician authorizes the Hospital to accept, or refuse to accept, on behalf of the Physician, any assignment of insurance benefits from any Hospital Patient receiving professional services from the Physician at Hospital pursuant to this Agreement. This Agreement shall constitute an assignment by the Physician to the Hospital of all funds owing or collected for professional services rendered by Physician to Hospital Patients at Hospital pursuant to the Agreement, and the Physician shall take all additional steps reasonably requested by the Hospital to assist in the billing and collection of funds due for such services. All funds collected with respect to such services shall be the exclusive property of the Hospital.
5. The Hospital shall exclusively provide billing and collection functions for all professional services provided by the Physician for St. Joseph's Medical Center Clinic patients who are admitted as inpatients to St. Joseph's Medical Center; for inpatient consults at St. Joseph's Medical Center; and when the Physicians are taking call at St. Joseph's (the "SJMC professional services"). All fees and collection policies shall be determined by the Hospital. Any fee collected by the Physician for SJMC professional services shall be immediately turned over to the Hospital. The Physician authorizes the Hospital to accept, or refuse to accept, on behalf of the Physician, any assignment of insurance benefits from any patient receiving SJMC professional services from the Physician pursuant to this Agreement. This Agreement shall constitute an assignment by the Physician to the Hospital of all funds owing or collected for SJMC professional services rendered by Physician pursuant to the Agreement, and the Physician shall take all additional steps reasonably requested by the Hospital to assist in the billing and collection of funds due for such

services. All funds collected with respect to such services shall be the exclusive property of the Hospital.

6. Notwithstanding anything set forth herein to the contrary, the parties acknowledge and agree that the Physician is permitted to provide professional services to Private Practice patients subject to Section I.4, above. The billing and collection and all other matters relating to Private Practice patients shall be provided by the Physician.
7. The Physician agrees to notify the Hospital's Compliance Officer immediately if (i) the Physician becomes aware that he is under investigation by any government enforcement agency in connection with any alleged or suspected fraud or illegal billing practices arising out of any activity whatsoever, or any services provided under Medicare, Medicaid, any other government payment programs for medical services, or any other third party payment program for health care services; or (ii) the Physician becomes aware that he is subject to any New York State disciplinary actions.
8. In fulfilling the duties and responsibilities as set forth in the Position Description, the Physician shall maintain active medical staff privileges at Sound Shore Medical Center and at St. Joseph's Medical Center and comply with the Bylaws of the medical staff and the rules and regulations promulgated pursuant thereto.

III. FACILITIES AND STAFF

The Hospital shall provide such administrative/clerical personnel, technical personnel, facilities, office and conference space, equipment, supplies, public relations and marketing support as is reasonably necessary and appropriate for the Physician to fulfill his duties and responsibilities hereunder.

IV. COMPENSATION, BENEFITS AND EXPENSES

1. In consideration of the duties and responsibilities being provided by the Physician to the Hospital pursuant to this Agreement and contingent upon the Physician fulfilling the time requirements set forth in Article II, Section 3:

The Hospital shall pay the Physician an annual salary of Three Hundred Twenty Five Thousand Dollars (\$325,000.00) ("Salary"), pro-rated for any part of the year that this Agreement is in effect. Such amount shall be payable in equal bi-weekly installments, subject to required withholdings and deductions, in accordance with the Hospital's payroll policies.

As a precondition to payment of the Salary, the Co-Directors of the Department must be in receipt of the biweekly Physician Time Card and the most recently completed monthly Physician Time Log. In the event that the Physician does not comply with the time requirements (as evidenced by the Physician Time Logs and Time Cards) his compensation shall be adjusted for the actual time worked.

2. The Physician shall also receive the following "fringe" benefits, which may be amended or revised from time to time by the Hospital in its sole discretion: (a) upon prior written approval of the Hospital, the Hospital shall reimburse the Physician for costs associated with

continuing education and travel up to \$2,000 annually upon Physician's submission of documentation substantiating that such expenses were incurred; (b) Twenty (20) paid vacation days per calendar year on a "use it or lose it" basis; (c) Four (4) free days per calendar year on a "use it or lose it" basis; (d) Eight (8) scheduled holidays to be taken when the holiday occurs on a "use it or lose it" basis; (e) One (1) sick day per month to a maximum of 120 days; (f) Five (5) CME days on a "use it or lose it" basis; (g) free parking. Unused Paid Time Off shall not carry over to subsequent years. In the event that this Agreement is terminated pursuant to Section VII below, all unused Paid Time Off shall be forfeited. Physician shall ensure appropriate coverage for all duties and responsibilities hereunder for all paid time off.

V. INVENTIONS AND PATENTS

Inventions, discoveries, improvements or patents which are legally protected and substantially developed by the Physician during his employment by the Hospital (i) primarily using Hospital facilities, staff or resources; or (ii) pursuant to a Hospital venture or a Hospital sponsored research program shall inure to the mutual benefit of the Physician and the Hospital on a 50/50 basis. The Hospital shall have no right or interest in any inventions, discoveries, improvements or patents which are legally protected and were substantially developed by the Physician prior to or after the date of the Physician's employment or which do not meet the conditions contained in (i) and (ii) above.

VI. PROFESSIONAL LIABILITY COVERAGE

The Hospital shall obtain and maintain on behalf of the Physician professional liability insurance for all periods of time pertinent to this Agreement in the minimum amount of \$1,300,000 single limit, \$3,900,000 general aggregate. Such insurance shall cover the Physician for his Hospital-related duties, including those duties outside of the Hospital described in Exhibit B, attached herein, as well as his Private Practice activities in accordance with Section I.4, above. If such coverage is on a claims-made basis and if such coverage is cancelled or not renewed, the Hospital shall be responsible for obtaining tail coverage. So long as the New York State law is in effect that continues to provide excess professional liability insurance for physicians affiliated with the Hospital at no cost to the Physician, the Physician must apply for and maintain this layer of excess professional liability insurance which is in the amount of \$1,300,000 single limit/\$3,900,000 general aggregate.

VII. TERM AND TERMINATION

1. This Agreement shall commence on the Effective Date and shall continue in effect until June 30, 2012 (the "Initial Term") unless sooner terminated as provided herein. Thereafter, this Agreement shall be automatically renewed for one year periods (July 1- June 30) by the parties unless a party provides the other party written notice of its intent not to renew at least sixty (60) days prior to the end of the then current term.

2. This Agreement may be terminated at any time upon the mutual agreement of the parties.

3. This Agreement may be terminated at any time by either party without cause upon ninety (90) days written notice to the other party. If such termination takes place in the Initial

Term, no agreement for similar services may be entered into between these parties for a period of at least one (1) year from the Effective Date of this Agreement.

4. This Agreement may be terminated by the Hospital upon notice, at any time for Good Cause, and the Physician's compensation shall cease thereupon. "Good Cause" shall mean:

- a) Termination, curtailment, suspension or non-renewal of the Physician's Medical Staff appointment or privileges at the Hospital in accordance with the uniformly enforced rules of the Hospital;
- b) Suspension or revocation of the Physician's license to practice medicine or prescribe medications in the State of New York;
- c) Death of the Physician; or the permanent disability of the Physician causing him to cease practicing medicine as a result of such disability;
- d) The Physician's material failure or breach to comply with any term or provision of this Agreement (other than by reason of disability or Physician's inability to perform by virtue of the Hospital's failure under this Agreement), and such failure continues for thirty (30) days after written notice thereof by the Hospital stating the specific failure or breach. If the nature of the failure or breach is such that greater than thirty (30) days is required to cure such failure or breach, then the Physician will be allowed a reasonable period of time to cure such failure so long as the Physician commences performance within said thirty (30) day period and diligently pursues said cure to completion provided said cure is completed within sixty (60) days;
- e) Imposition on Physician of sanctions by any governmental agency resulting in an exclusion of Physician from participation in Medicare, Medicaid or any governmental reimbursement program;
- f) The Physician's failure to qualify for malpractice insurance coverage;
- g) The Physician becomes addicted to or habitually abuses illegal drugs or alcohol and/or such addiction or habitual abuse materially affects the performance of his duties hereunder; or
- h) The Physician is convicted of a felony related to the practice of medicine.
- i) The Physician fails to fulfill the requirements of the Hospital's compliance program (including, but not limited to, complying with the Hospital's annual compliance training requirements).
- j) Other conduct which in the fair and reasonable opinion of the Chief Executive Officer of the Hospital creates a threat to the health, safety, or welfare of patients, demonstrates a failure to cooperate with medical staff or others, disrupts the operations of the Hospital, demonstrates a failure to carry out the Physician's professional responsibilities hereunder, or is otherwise contrary to the best interest and welfare of the Hospital or its patients.

5. This Agreement may be terminated by Physician, upon notice, at any time for Good Cause. "Good Cause" shall mean:

- a) The loss by the Hospital of its operating certificate; or
- b) The Hospital's material failure to comply with any term or provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof by the Physician stating the specific failure or breach. If the nature of the failure or breach is such that greater than thirty (30) days is required to cure such failure or breach, then the Hospital will be allowed a reasonable period of time to cure such failure or breach so long as the Hospital commences performance within said thirty (30) day period and diligently pursues said cure to completion provided said cure is completed within sixty (60) days.

VIII. CONFIDENTIALITY

During the term of this Agreement, the Physician shall not disclose to any person (other than to an employee of the Hospital or other professional performing services for the Hospital or any other person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Physician of his duties or is otherwise required by law) any confidential information obtained by him while in the employ of the Hospital with respect to any of the Hospital finances, contractual arrangements, product designs, inventions, processes, patents, provision of services, or marketing techniques; provided, however, that confidential information shall not include any information known generally to the public or any information of the type not otherwise considered confidential by persons engaged in the same business or a business similar to that conducted by the Hospital or any information disclosed by a third party not bound by a confidentiality agreement with the Hospital or duty of confidentiality to the Hospital. The terms of this Article VIII shall survive the termination or expiration of this Agreement.

IX. REPRESENTATIONS

1. The Hospital warrants and represents that (i) it is a not-for-profit corporation duly organized and validly existing pursuant to the laws of the State of New York; (ii) it is licensed as a general hospital pursuant to Article 28 of the Public Health Law; and (iii) it shall comply with all applicable federal, state, and local statutes, rules and regulations.
2. The Physician warrants and represents that (i) he shall maintain membership in good standing on the Hospital's Medical Staff with appropriate and requisite privileges in accordance with Hospital policies and procedures; (ii) he shall perform satisfactorily and to the best of his ability the functions and duties of his position and comply with the Bylaws, Rules and Regulations, policies and procedures of the Hospital and its Medical Staff including the Hospital's Compliance Program; (iii) he shall comply with all applicable federal, state, and local statutes, rules and regulations; (iv) he is licensed and registered to practice medicine in the State of New York and is board certified in obstetrics and gynecology and family medicine; (v) he has never been sanctioned under Medicare/Medicaid or any other federal health program; and (v) he shall maintain professional liability insurance coverage in accordance with Article VI of this Agreement.

3. Notwithstanding any other provision in this Agreement, the Hospital remains responsible for ensuring that any service provided pursuant to this Agreement complies with all pertinent provisions of federal, state, and local statutes, rules and regulations.

X. PATIENT MEDICAL RECORDS

1. The Physician shall maintain and file accurate and complete medical records in form and content consistent with Hospital policies and procedures as established from time to time. The medical records shall at all times remain the property of the Hospital. The Physician shall have access consistent with Hospital policies and procedures established from time to time, but in no event will the Hospital deny reasonable access for the purposes of patient care, billing, collection, malpractice cases or other services consistent with the Physician fulfilling his duties hereunder. The parties agree to maintain the medical records consistent with Hospital policies and federal, state and local laws, rules and regulations.

2. While performing duties at St. Joseph's Medical Center, Physician shall make appropriate medical and related records relating to the provision of professional services, in such form and containing such information as required by applicable law and as generally required by St. Joseph's of its physicians. The medical and related records relating to the provision of the professional services to St. Joseph's patients shall at all times remain the property of St. Joseph's.

3. The Physician agrees that he shall comply with the statutory requirements concerning the privacy and security of identifiable health information as governed under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any regulations promulgated thereunder, and the Health Information Technology for Economic and Clinical Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009, effective February 17, 2009 ("HITECH" Act), and the Physician agrees to execute any and all further documents and/or agreements in furtherance of such requirements. The Physician's obligations under this Article X shall survive any termination of this Agreement for any reason whatsoever.

XI. NOTICES

All notices, consents or communications required or permitted hereunder, or otherwise given by one party to the other, shall be in writing and shall be deemed given when received by personal delivery, certified or registered mail, postage prepaid, return receipt requested, or sent by express courier to the parties as follows:

To the Hospital:

Sound Shore Medical Center

16 Guion Place, New Rochelle, New York 10802

Attn: John R. Spicer, President & Chief Executive Officer & John Mamangakis,
Sr. Vice President, Operations

To the Physician:
Molham Solomon, M.D.

A party may change the persons and addresses to which notices or other communications are to be sent by the methods stated above, provided that notice or such changes shall be effective only upon receipt.

XII. MISCELLANEOUS

1. This Agreement shall not be changed, modified, or amended except by a writing signed by the parties, and shall not be discharged except by performance in accordance with its terms or by a writing signed by the parties.
2. This Agreement and any Exhibits hereto set forth the entire Agreement and understanding between the parties as to the matters contained herein, and merges and supersedes all prior discussions, agreements and understandings of every kind and nature among them. No party shall be bound by any condition, definition, warranty, or representation other than as expressly provided for in this Agreement.
3. If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected unless the invalid provision substantially impairs the benefits of the remaining portions of this Agreement.
4. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.
5. The headings of the Articles and Sections contained in this Agreement are inserted for convenience only and in no way define, limit or prescribe the intent of this Agreement.
6. Neither party may assign this Agreement without the prior written consent of the other party. This Agreement and all documents executed pursuant thereto are binding upon and shall inure to the benefit of the parties, their respective successors, and permitted assigns.
7. The parties agree to execute such other documents as may be required to implement the terms and provisions and fulfill the intent of the Agreement.
8. No waiver by either party of any condition or of a breach by the other party of any term or covenant contained in this Agreement, whether by conduct or otherwise, at any time or in any one or more instances shall be deemed or construed as a further or continuing waiver of any such condition or breach of any similar or dissimilar term or covenant set forth in this Agreement. Moreover, the failure of either party to exercise any right hereunder shall not bar the later exercise thereof.
9. Both parties shall comply with all applicable state and federal nondiscrimination laws

and not discriminate against any patient in the manner or quality of services provided on the basis of age, race, national or ethnic origin, color, gender, sexual orientation, creed, disability, source of payment or type of illness or condition.

10. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. The use of the masculine, feminine or neuter gender and the use of the singular and plural shall not be given the effect of any exclusion or limitation in the Agreement.

12. Nothing set forth herein constitutes remuneration for the referral of patients between the parties. Neither party is obligated by anything stated in this Agreement to refer patients to the other party.

14. The Physician agrees that any employee who provides patient care items or services at the Hospital or performs billing or coding functions for the Hospital will comply with the Hospital's Compliance Program, including the training related to the Anti-Kickback Statute, 42 U.S.C. § 1320a-7(b) and the Stark Law, 42 U.S.C. § 1395nn. The Physician acknowledges receipt of the Hospital's Code of Conduct and its Stark Law and Anti-kickback Policies and Procedures. Physician and Hospital both certify that in the performance of this Agreement, neither party shall violate the Stark law or the Anti-kickback Statute.

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates set forth below.

SOUND SHORE MEDICAL CENTER

Date: _____

By: _____

Date: 05/11/2011

Molham Solomon, M.D.

EXHIBIT A

Conflict of Interest Policy

POLICY:

Sound Shore Medical Center ("SSMC") has a Conflict of Interest Policy which applies to all management personnel. This document will be signed on the date of hire.

This policy imposes requirements on employees of Sound Shore Medical Center that are often more stringent than those mandated by law, reflecting our goal of conducting ourselves with the highest level of integrity. SSMC expects that all employees will cooperate in implementing and complying with this policy. Ultimately, the responsibility for ethical behavior rests with each of us in the exercise of our independent judgment.

SSMC also expects each employee to recognize and avoid activities and relationships that involve or might appear to involve conflicts of interest and behavior that may cause embarrassment to SSMC or compromise its integrity.

Principles:

The following principles are intended to guide employees in maintaining compliance with this policy:

- SSMC and its employees will abide by the letter and spirit of all applicable laws and regulations. Infractions, including theft or any type of personal dishonesty, will not be tolerated. The willingness of each of us to raise ethical and legal concerns is essential.
- SSMC and its employees will act in such a manner that the full disclosure of all facts related to any activity will reflect favorably upon SSMC.
- SSMC will deal fairly and honestly with those who are affected by our actions and treat them as we would expect them to treat us if the situation were reversed.
- SSMC will undertake only those activities that will withstand public scrutiny and not pursue any course of action that involves a violation of the law or these principles.
- Employees will disclose to the Chief Financial Officer any real or potential conflicts of interest for administrative review.
- SSMC will promote relationships based upon mutual trust and respect and will provide an environment in which individuals may question a practice without fear of adverse consequences.

Employee Loyalty:

SSMC expects its employees to serve SSMC with undivided loyalty. Each employee is expected to devote his or her full time and ability to SSMC's interest during employment hours and during

whatever additional time may be properly required in connection with an employee's job duties. SSMC further expects that employees will use assets of SSMC only for Medical Center business.

SSMC requires every employee to put the interests of SSMC ahead of any other business or commercial interest that the employee may have as an individual.

Employment or personal business commitments outside regular hours of employment are prohibited if these would tend to impair an individual's ability to meet his or her regular job responsibilities to SSMC.

Conflict of Interest:

It is contrary to SSMC policy for an employee, or any member of his or her immediate family, to hold a financial or management interest in, or maintain a relationship with a vendor, supplier, customer of SSMC or any enterprise that extends financing accommodations to, or receives such accommodations from, SSMC or any other entity that does business with SSMC unless such interest is fully disclosed to the Chief Financial Officer and the employee is able to remove himself or herself from any position capable of influencing or affecting the business relationship between SSMC and the entity in which or with whom the employee has the interest or relationship. An employee shall **not** be deemed to have an interest in or relationship with any corporation, firm, association, or other entity whose securities are publicly traded solely because he owns less than 5 percent of such company's shares.

It is contrary to SSMC policy for an employee to do business with or hire a relative (or a company with which a relative is associated) on behalf of SSMC unless the facts are disclosed and written approval is received in advance from the Chief Financial Officer.

No employee of SSMC shall accept any valuable gift, whether in the form of a service, loan, thing, or promise from any person, firm, entity or business where such gifts is intended to influence business dealings with SSMC.

All Employees should avoid situations in which a conflict of interest, or the appearance of a conflict could arise.

EXHIBIT B

Position Description

The Physician's duties and responsibilities shall include the following:

1. Perform deliveries for St. Joseph's Medical Center OB Clinic patients at Sound Shore Medical Center.
2. Supervise residents training in the St. Joseph's Medical Center Family Practice residency training program (the "Program") in all aspects of OB/GYN care, including deliveries, while rotating at Sound Shore Medical Center pursuant to a Program Letter of Agreement between Sound Shore Medical Center and St. Joseph's Medical Center (PLOA) and in accordance with Program Goals and Objectives for resident education. Resident participation in vaginal deliveries and C-sections for St. Joseph's Medical Center Clinic patients shall be directly supervised in-person by Dr. Solomon or Dr. Hassan.
3. Establish and ensure maintenance of standards of performance to meet Accreditation Council of Graduate Medical Education (ACGME) and Residency Review Committee (RRC) expectations for resident participation in deliveries at Sound Shore Medical Center.
4. Monitor and evaluate performance of Program residents and report regularly to Program Director.
5. Coordinate services provided by Program residents with physicians, nurses, and ancillary staff to ensure optimal patient care at Hospital.
6. Integrate the teaching of Program residents with other Hospital services to ensure seamless patient care and participation in quality improvement activities and reporting.
7. Participate in and report regularly to the Hospital's Graduate Medical Education Committee on teaching activities at Hospital with respect to the Program.
8. Physician shall provide the following duties and responsibilities at St. Joseph's Medical Center pursuant to a Teaching and Professional Services Agreement between Sound Shore Medical Center and St. Joseph's Medical Center duly agreed to by Physician:
 - a. Conduct one (1) four (4)-hour GYN clinic per week at St. Joseph's Medical Center.
 - b. Conduct one (1) four (4)-hour OB clinic per week at St. Joseph's Medical Center.
 - c. Conduct one (1) four (4)-hour Colposcopy session per week at St. Joseph's Medical Center.
 - d. Provide telephone consultation back-up to St. Joseph's Medical Center Family Medical Center ("FMC") providers during FMC operations.
 - e. Provide Program resident education and appropriate supervision of Program residents in patient care activities during OB, GYN, and Colposcopy Clinics.
 - f. Provide resident education through participation in FMC conference schedule.
 - g. Participate in Program faculty meetings as requested.
 - h. Provide call coverage for emergency room at St. Joseph's Medical Center 182.5

days per year.

- i. Provide OB/GYN consults on St. Joseph's Medical Center inpatients as necessary in accordance with hospital policy.

EXHIBIT C
Physician Time Log

Please insert number of hours spent on each activity.

| Month: | Date | Hours |
|--|------|-------|
| Perform deliveries | | |
| Supervise residents | | |
| Monitor and evaluate performance of Program residents | | |
| Coordinate services provided by Program residents | | |
| Participate in and report regularly to the Hospital's Graduate Medical Education Committee | | |
| Conduct one (1) four (4)-hour GYN clinic per week | | |
| Conduct one (1) four (4)-hour OB clinic per week | | |
| Conduct one (1) four (4)-hour Colposcopy session per week | | |
| Provide telephone consultation back-up | | |
| Provide Program resident education and supervision of Program residents | | |
| Participate in Program faculty meetings | | |
| Provide call coverage for emergency room at St. Joseph's Medical Center | | |
| Provide OB/GYN consults on St. Joseph's Medical Center inpatients | | |
| TOTAL HOURS | | |

I certify to the best of my knowledge that the activities described above are directly related to the Employment Agreement that I have in place with the Hospital and that I have not billed Medicare or any third party payor or patient separately for any of the duties and responsibilities described above.

Physician Signature

Date

Hospital Representative Signature

Date

EXHIBIT D

Physician Time Card

| | IN | OUT | Reg. Hrs. O.T. Hrs. | SUMMARY HOURS |
|------------------|----|-----|------------------------|---------------|
| Su | | | | Regular |
| M | | | | O.T. Reg. |
| T | | | | O.T. Prem. |
| W | | | | Sick |
| T | | | | Vacation |
| F | | | | Hol. Reg. |
| S | | | | Hol. Prem. |
| Su | | | | Other |
| M | | | | TOTAL HOURS |
| T | | | | Comments: |
| W | | | | |
| T | | | | |
| F | | | | |
| S | | | | |
| TOTAL PAID HOURS | | | | |

Employee Signature

Supervisor Signature

EXHIBIT F

August 1, 2014

Via Federal Express

Worby Groner Edelman LLP
11 Martine Avenue, Penthouse
White Plains, NY 10606
Attention: Sam Rosmarin, Esq.

Re: Diaz v. Solomon, et al., Supreme Court Bronx County Index No. 22922/2014E

Dear Mr. Rosmarin:

My firm is counsel to the group of physicians formerly employed by Sound Shore Medical Center and Mount Vernon Hospital concerning the chapter 11 bankruptcy case of Sound Shore Medical Center of Westchester et al., Chapter 11 case number 13-22840 (RDD). One of the physicians who is a member of our client group is Dr. Molham M. Solomon, who was employed under a written employment agreement with Sound Shore Medical Center.

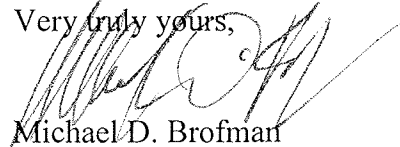
Pursuant to the employment agreement with Sound Shore Medical Center, Dr. Solomon, among other duties, was required to perform professional services on behalf of Sound Shore Medical Center for St. Joseph's Medical Center and its various clinics. A copy of Dr. Solomon's employment agreement with Sound Shore Medical Center is enclosed for your review.

Sound Shore Medical Center and its affiliated entities filed a petition under chapter 11 of the United States Bankruptcy Code on May 29, 2013, subsequent to the date of the allegations of malpractice contained in the Complaint in the above referenced action against Dr. Solomon and others. On October 25, 2013, Sound Shore Medical Center obtained an order of the United States Bankruptcy Court Southern District of New York, a copy which is also enclosed herewith for your reference, which, among other things, in the last decretal paragraph on page 9 of that Order provides that "Ordered, that all Medical Malpractice Claimants are hereby enjoined from commencing or continuing any action relating to their Medical Malpractice Claims against the Medical Professionals until confirmation of a plan, subject to further order of this Court...". The intent of that Order, clearly gleaned from its opening paragraphs, was to preclude any litigation against physicians or other medical professionals arising from allegations of medical malpractice against such professionals, such as Dr. Solomon, who were employed by Sound Shore Medical Center and its affiliated entities, during the pending of the bankruptcy case. Accordingly, any action on your part to continue the litigation as against Dr. Solomon, including serving him with the Complaint in the action, would be a violation of the Bankruptcy Court's injunction.

Please feel free to confirm this information and discuss the matter further with counsel for the Debtor, Garfunkel Wild, P.C., by communicating with either Burton S. Weston, Esq. or Adam T. Berkowitz, Esq. at (516) 393-2200. Of course, I will be happy to speak with you upon my return from a short vacation on August 11, 2014.

I trust that until I return, you will take no action to violate the injunction provided by the Bankruptcy Court's Order of October 25, 2013.

Very truly yours,



Michael D. Brofman

MDB:bt

Enclosures

cc: Burton S. Weston, Esq. *(via email, w/o encs.)*

Adam T. Berkowitz, Esq. *(via email, w/o encs.)*

Molham M. Solmon, M.D. *(via email, w/o encs.)*

G:\S:\Sound Shore Medical\Correspondence\Worby Groner Ltr 08.01.14.docx



Shipment Receipt

Address Information

Ship to:

SAM ROSMARIN, ESQ.
WORBY GRONER EDELMAN LLP
11 MARTINE AVE
PENTHOUSE
WHITE PLAINS, NY
10606
US
914-686-8080

Ship from:

Michael D. Brofman
Weiss, Zarett, Brofman & Sonnenklar
3333 NEW HYDE PARK RD
STE 211
NEW HYDE PARK, NY
110421205
US
5166277000

Shipment Information:

Tracking no.: 770743306817
Ship date: 08/01/2014
Estimated shipping charges: 16.60

Package Information

Pricing option: FedEx Standard Rate
Service type: Priority Overnight
Package type: FedEx Envelope
Number of packages: 1
Total weight: 0.50 LBS
Declared Value: 0.00 USD
Special Services:
Pickup/Drop-off: Use an already scheduled pickup at my location

Billing Information:

Bill transportation to: Weiss Zarett Brofman Sonnenkla-921
Your reference: Sound Shore_Dr Solomon
P.O. no.:
Invoice no.:
Department no.:

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FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; Consult the applicable FedEx Service Guide for details. The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.

From: Barbara Testa
Sent: Friday, August 01, 2014 4:04 PM
To: Molham Solomon (molhammd@hotmail.com)
Cc: Michael Brofman
Subject: Diaz v. Solomon, et al., Supreme Court Bronx County Index No. 22922/2014E
Attachments: Worby Groner Ltr 08.01.14.pdf

Dr. Solomon: Attached please find copy of correspondence sent to Worby Groner Edelman LLP from Michael Brofman in connection with the subject matter.

Please let me know if you are unable to open the document.

Thank you.

Barbara Testa

On Behalf of Michael D. Brofman, Esq.

Barbara Testa | Administrative Assistant
Weiss, Zarett, Brofman & Sonnenklar, P.C. | 3333 New Hyde Park Road, Suite 211
New Hyde Park, NY 11042 | Tel: 516.627.7000 | Fax: 516.877.1172
E-mail: btesta@weisszarett.com

NOTICE: IRS Circular 230 Disclosure: Under regulations issued by the U.S. Treasury, to the extent that tax advice is contained in this correspondence (or any attachment hereto), you are advised that such tax advice is not intended or written to be used, and cannot be used by you, or any party to whom this correspondence is shown, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending the tax advice addressed herein to any other party.

ADDITIONAL NOTICE: This transmission is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this communication is not the intended recipient, or its employee or agent responsible for delivery of the communication to the intended recipient, you are notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by telephone and return the original communication to us at the above address by the U.S. Postal Service. Thank you.

From: Barbara Testa
Sent: Friday, August 01, 2014 4:03 PM
To: Burton Weston (bweston@gwtlaw.com); Adam Berkowitz (aberkowitz@garfunkelwild.com)
Cc: Michael Brofman
Subject: Diaz v. Solomon, et al., Supreme Court Bronx County Index No. 22922/2014E
Attachments: Worby Groner Ltr 08.01.14.pdf

Attached please find copy of correspondence sent to Worby Groner Edelman LLP in connection with the subject matter.

Please let me know if you are unable to open the document.

Thank you.

Barbara Testa

On Behalf of Michael D. Brofman, Esq.

Barbara Testa | Administrative Assistant
Weiss, Zarett, Brofman & Sonnenklar, P.C. | 3333 New Hyde Park Road, Suite 211
New Hyde Park, NY 11042 | Tel: 516.627.7000 | Fax: 516.877.1172
E-mail: btesta@weisszarett.com

NOTICE: IRS Circular 230 Disclosure: Under regulations issued by the U.S. Treasury, to the extent that tax advice is contained in this correspondence (or any attachment hereto), you are advised that such tax advice is not intended or written to be used, and cannot be used by you, or any party to whom this correspondence is shown, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending the tax advice addressed herein to any other party.

ADDITIONAL NOTICE: This transmission is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this communication is not the intended recipient, or its employee or agent responsible for delivery of the communication to the intended recipient, you are notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by telephone and return the original communication to us at the above address by the U.S. Postal Service. Thank you.

EXHIBIT G

COPY



| UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK | | PROOF OF CLAIM |
|---|--|--|
| <p>Name of Debtor (Check Only One):</p> <p><input checked="" type="checkbox"/> Sound Shore Medical Center of Westchester</p> <p><input type="checkbox"/> The Mount Vernon Hospital, Inc.</p> <p><input type="checkbox"/> Howe Avenue Nursing Home, d/b/a Helen and Michael Schaffer Extended Care Center</p> <p><input type="checkbox"/> The M.V.H. Corporation</p> <p><input type="checkbox"/> Sound Shore Health System, Inc.</p> <p><input type="checkbox"/> NRHMC Services Corporation</p> <p><input type="checkbox"/> New Rochelle Sound Shore Housing, LLC</p> | <p>Case No.</p> <p>13-22840</p> <p>13-22841</p> <p>13-22842</p> <p>13-22843</p> <p>13-22844</p> <p>13-22845</p> <p>13-22846</p> | <p><u>Your Claim is Scheduled As Follows:</u></p> |
| <p>NOTE: Other than claims asserting administrative priority under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for administrative expenses arising after the commencement of the case. You may file a request for payment of an administrative expense pursuant to 11 U.S.C. § 503(b).</p> | | |
| <p>Name of Creditor (the person or other entity to whom the Debtor owes money or property): SOLANGEL DIAZ and JUAN ORTIZ</p> | <p><input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.</p> <p>Court Claim Number:</p> <p>(If known)</p> <p>Filed on:</p> | |
| <p>Name and address where notices should be sent:</p> <p>WORBY GRONER EDELMAN LLP Attorneys for Claimants 11 Martine Avenue - 1H White Plains, NY 10606</p> <p>Telephone number: 914 686 3700</p> <p>Email Address: sam@rosmarinlaw.com</p> | <p><input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.</p> | |
| <p>Name and address where payment should be sent (if different from above):</p> <p>Same as above</p> <p>Telephone number:</p> <p>Email Address:</p> | | <p>If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, EXCEPT AS FOLLOWS: If the amount shown is listed as any of DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.</p> |
| <p>1. Amount of Claim as of Date Case Filed (May 29, 2013): \$ <u>undetermined</u></p> <p style="text-align: right;">Date of medical malpractice: 03/05/13</p> <p>If all or part of the claim is secured, complete item 4.</p> <p>If all or part of the claim is entitled to priority, complete item 5.</p> <p>If all or part of the claim arises from the value of any goods received by the Debtor within 20 days before May 29, 2013, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business, pursuant to 11 U.S.C. § 503(b)(9), complete item 6.</p> <p><input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.</p> | | |
| <p>2. Basis for Claim: <u>medical malpractice claims against Molham M. Solomon, M.D. alleged to be an</u> (See instruction #2) <u>employee under written employment agreement with SSMC (see attached)</u></p> | | |
| <p>3. Last four digits of any number by which creditor identifies Debtor:</p> <p><u>n/a</u></p> | <p>3a. Debtor may have scheduled account as:</p> <p>(See instruction #3a)</p> | <p>3b. Uniform Claim Identifier (optional):</p> <p>(See instruction #3b)</p> |
| <p>4. Secured Claim (See instruction #4)</p> <p>Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.</p> <p>Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other</p> <p>Describe: _____</p> <p>Value of Property: \$ _____</p> <p>Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)</p> <p>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____</p> <p>Basis for perfection: _____</p> <p>Amount of Secured Claim: \$ _____</p> <p>Amount Unsecured: CPLR § 3017(c) <u>undetermined</u></p> | | |
| <p>5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.</p> <p><input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).</p> <p><input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507 (a)(7).</p> <p><input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the Debtor's business ceased, whichever is earlier - 11 U.S.C. § 507 (a)(4).</p> <p><input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507 (a)(8).</p> <p><input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507 (a)(5).</p> <p><input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507 (a)().</p> <p>Amount entitled to priority: \$ <u>n/a</u></p> <p>*Amounts are subject to adjustment on 4/1/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</p> | | |
| <p>6. Claim Pursuant to 11 U.S.C. § 503(b)(9): Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before May 29, 2013, the date of commencement of the above cases, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$</p> | | |
| <p>7. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #7)</p> | | |

Modified B10 (GCG) (04/13)

8. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. [If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #8, and the definition of "redacted")]

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain: _____

9. Signature: (See instruction #9) Check the appropriate box.

☐ I am the creditor ☒ I am the creditor's authorized agent ☐ I am the trustee, or the Debtor, or their authorized agent. (See Bankruptcy Rule 3004) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005)

(Attach copy of power of attorney, if any)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Sam Rosmarin, Esq. Signature: [Signature] Date: August 28, 2014

Title: Attorney for Claimants (Signature)

Company: WORBY GRONER EDELMAN LLP (Date)

Address and telephone number (if different from notice address above):

11 Martine Avenue - PH

White Plains, New York 10606

Telephone number: 914 686 3700 email: sam@rosmarinlaw.com

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the Debtor, exceptions to these general rules may apply. The attorneys for the Debtors and their court-appointed claims agent, GCG, are not authorized and are not providing you with any legal advice.

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: IF BY MAIL: Sound Shore Medical of Westchester, et al., c/o GCG, Inc., P.O. Box 9982, Dublin, Ohio 43017-5982. IF BY HAND OR OVERNIGHT COURIER: Sound Shore Medical of Westchester, et al., c/o GCG, 5151 Blazer Parkway, Suite A, Dublin, OH 43017. ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR EMAIL WILL NOT BE ACCEPTED.

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS SEPTEMBER 16, 2013 AT 4:00 P.M. (PREVAILING EASTERN TIME)
THE GOVERNMENTAL BAR DATE IN THESE CHAPTER 11 CASES IS NOVEMBER 25, 2013 AT 4:00 P.M. (PREVAILING EASTERN TIME)

Items to be completed in Proof of Claim Form

Court, Name of Debtor, and Case Number:

These chapter 11 cases were commenced in the United States Bankruptcy Court for the Southern District of New York on May 29, 2013 (the "Commencement Date"). You should select the Debtor against which you are asserting your claim.

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the Petition Date. Follow the instructions concerning whether to complete items 4, 5 and 6. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor: State only the last four digits of the Debtor's account or other number used by the creditor to identify the Debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the Debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Claim Pursuant to 11 U.S.C. § 503(b)(9):

If you have a claim arising from the value of any goods received by the Debtor within 20 days before May 29, 2013, the date of commencement of the above cases, in which the goods have been sold to the Debtor in the ordinary course of the Debtor's business, state the amount of such claim and attach documentation supporting such claim. (See DEFINITIONS, below)

7. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt.

8. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential healthcare information. Do not send original documents, as attachments may be destroyed after scanning.

9. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

WORBY GRONER EDELMAN LLP
ATTORNEYS AT LAW

DAVID E. WORBY
WILLIAM H. GRONER*
MICHAEL R. EDELMAN

RICHARD S. VECCHIO
MICHAEL L. TAUB

PAUL J. CAMPSON*
PADRAIC DONALL LEE
SAM ROSMARIN
JOEL B. SAVIT
OF COUNSEL

ADMITTED
*NY & NJ
*NY, NJ & DC

11 MARTINE AVENUE, PENTHOUSE • WHITE PLAINS, NEW YORK 10606
TELEPHONE: 914-686-3700 • FACSIMILE: 914-686-8080
WWW.WGELAW.COM

IRENE VARGAS
SENIOR PARALEGAL

115 BROADWAY, 12TH FLOOR
NEW YORK, NY 10006
212-792-8410

18 FAIR STREET
CARMEL, NY 10512
800-469-5291

August 28, 2014
FEDEX AIRBILL NO. 7709 7914 8972

Sound Shore Medical Center
c/o GCG, Inc.
Suite A
5151 Blazer Parkway
DUBLIN OH 43017

Re: Claimant SOLANGEL DIAZ and JUAN ORTIZ
Debtor: Sound Shore Medical Center of Westchester USBC SDNY Case No. 13-22840

Dear Sir or Madam:

Our office represents Solangel Diaz ("the Claimant"), who underwent a removal of an ovarian cyst by Molham M. Solomon, M.D. at St. Joseph's Medical Center, Yonkers, New York on March 5, 2013 (*Exhibit A: Operative Report 03/05/13*). At the time of the cyst removal, Dr. Solomon avulsed the left ureter and the Claimant was caused to undergo subsequent repair and stenting of the ureter including an initial repair operation on March 12, 2013 (*Exhibit B: Operative Report 03/12/13*) as well as subsequent operative interventions.

An action was commenced by Solangel Diaz against Dr. Solomon and St. Joseph's Medical Center on June 25, 2014 in Supreme Court, Westchester County for medical malpractice as well as a derivative action on behalf of her husband, Juan Ortiz, and was assigned Index No. 22922/2014E. (*Exhibit C*). The Summons and Verified Complaint was sent out for process service.

In response to the attempted service of process on Defendant Solomon, our office received written communication from Weiss Zarett Brofman & Sonnenklar, P.C., attorneys representing Defendant Solomon, which stated that Dr. Solomon was a member of a group of physicians formerly employed by Sound Shore Medical Center of Westchester under contract with Defendant St. Joseph's Medical Center. (*Exhibit D: Correspondence dated August 1, 2014 with copy of Defendant Solomon's employment agreement with Sound Shore Medical Center of Westchester ("the Contract")*). It was not until August 1, 2014 that our office was made aware of any underlying agreement between the Defendants in our action and Sound Shore Medical Center of Westchester.

WORBY GRONER EDELMAN LLP
ATTORNEYS AT LAW

Sound Shore Medical Center
c/o GCG, Inc.
Suite A
5151 Blazer Parkway
DUBLIN OH 43017

Re: Claimant SOLANGEL DIAZ and JUAN ORTIZ
Debtor: Sound Shore Medical Center USBC SDNY Case No. 13-22840

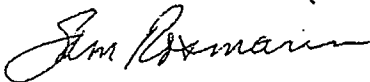
Page Two

While this matter is under investigation as to the terms of the Contract as it applies to the services Defendant Solomon rendered to the Claimant on March 5, 2013 at St. Joseph's Hospital, we hereby file a B10 Claim with the USBC – SDNY against Debtor Sound Shore Medical Center of Westchester.

Please stamp and return the enclosed copy of the B10 to our office in the self addressed, stamped envelope.

Kindly contact the undersigned to discuss this matter.

Very truly yours,



By: Sam Rosmarin

SR/CSR/bm

Encs:

B10 USBC – SDNY Claim

Exhibit A: Operative Report St. Joseph's Medical Center 03/05/13

Exhibit B: Operative Report St. Joseph's Medical Center 03/12/13, Consultation Report, Discharge

Exhibit C: Summons, Verified Complaint, Certificate of Merit, NYSCEF Electronic Filing Notice

Exhibit D: Correspondence Weiss Zarett Brofman & Sonnenklar, P.C. with employment agreement

8/28/2014

13-22840-rdd Doc 1303-9 Filed 04/22/16 Entered 04/22/16 14:30:01 Exhibit G

13-22840-rdd Doc 1050 Filed 04/16/15 Entered 04/16/15 16:36:19 Main Document

From: (914) 686-3700
 Ms. Charley Rogers
 WORBY GRONER EDELMAN
 11 MARTINE AVENUE
 PH
 WHITE PLAINS, NY 10606

Origin ID: NESA



J142014061903uv

Ship Date: 08/29/14
 Act Wgt: 1.0 LB
 CAD: 23742341NET3550

Delivery Address Bar Code



SHIP TO: (614) 289-5400

BILL SENDER

GCG, INC (DEBTOR SSMC)
 5151 BLAZER PARKWAY
 SUITE 1
 DUBLIN, OH 43017

Ref # DIAZ V SSMC (B10 FILING)
 Invoice #
 PO #
 Dept #

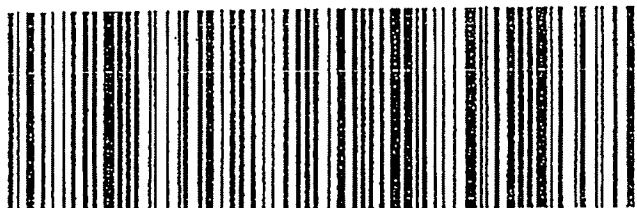
FRI - 29 AUG AA
 STANDARD OVERNIGHT

ASR
 43017
 OH-US
 LCK

TRK# 7709 7914 8972

0201

XX OSUA



522G1/ECF2/8AC9

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EXHIBIT H

WORBY GRONER EDELMAN, LLP

11 Martine Avenue – PH
White Plains, New York 10606
Telephone: (914) 686-3700
Facsimile: (914) 686-0567
sam@rosmarinlaw.com
Sam Rosmarin

Counsel for Claimants SOLANGEL DIAZ and JUAN ORTIZ (Seq. No. 79)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Hearing Date:

-----X April 23, 2015 - 10 a.m.

In Re:

SOUND SHORE MEDICAL CENTER OF WESTCHESTER, et Chapter 11
als Case No. 13-22840 (RDD)
Debtors
(Jointly Administered)
-----X

**CLAIMANTS OPPOSITION TO MOTION PURSUANT TO 11 U.S.C. §502 and Rule
3007 OF THE FEDERAL RULES OF BANKRUPTCY TO EXPUNGE AND/OR
DISALLOW CLAIMANTS' PROOF OF CLAIM**

SEQ. NO. 79: SOLANGEL DIAZ AND JUAN ORTIZ

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) SS:

Pursuant to 28 U.S.C. § 1746, I, SAM ROSMARIN, hereby declare:

1. I am trial counsel to the firm of WORBY GRONER EDELMAN, LLP, attorneys for the Claimants herein, and am fully familiar with the facts and circumstances herein. I submit this affirmation in opposition to the instant motion pursuant to 11 U.S.C. §502 and Rule 3007 of the Federal Rules of Bankruptcy to expunge and/or disallow Claimants' Proof of Claim filed in this matter and for such further relief as this Court may deem just and proper. As more fully demonstrated below, Claimants' late Proof of Claim should be deemed timely filed based upon an excusable neglect due to the lack of any reasonable ability to learn of, or suspect, a

contractual employment relationship between Claimant's physician and the Debtor herein. Claimants request the entry of an order deeming their late Proof of Claim timely filed.

I. FACTUAL BACKGROUND

2. This claim arises out of a claim for the pain and suffering, permanent damages as well as economic and non-economic losses sustained by Claimant SOLANGEL DIAZ as a result of the acts of medical malpractice and omissions of RIVERDALE FAMILY MEDICAL PRACTICE, P.C., MOLHAM M. SOLOMON, M.D., ANDREW WAN, M.D. and ST. JOSEPH'S HOSPITAL. There is also a derivative action for loss of services and the economic and non-economic losses of her spouse, JUAN ORTIZ.

3. Claimant Solangel Diaz was a patient of RIVERDALE FAMILY MEDICAL PRACTICE, P.C. where she was seen on March 5, 2013 by MOLHAM M. SOLOMON, M.D. and referred to ST. JOSEPH'S HOSPITAL for emergent operative intervention of a left ovarian cyst. An ovarian cystectomy was performed by SOLOMON and WAN on March 5, 2013 and Mrs. Diaz was discharged. Claimant was recalled by the Hospital and SOLOMON when pathology revealed the presence of a segment of the left ureter; a CT scan confirmed the damage of a left ureter extravasation including left perirenal and left pelvic urine collection. Claimant has subsequently undergone operative procedures to reconstruct the ureter in an attempt to regain unimpeded bladder function during which time she has suffered episodes of infection and disability, extensive pain, scarring and continues to suffer sequelae as a result of the negligence of RIVERDALE FAMILY MEDICAL PRACTICE, P.C., MOLHAM M. SOLOMON, M.D. and ST. JOSEPH'S HOSPITAL, inter alia, in failing to properly identify Claimant's anatomy and in negligently tearing the Claimant's ureter during the performance of the operation on March 5, 2013.

II. PROCEDURAL HISTORY

4. Claimants timely commenced a medical malpractice action against MOLHAM M. SOLOMON, M.D., ANDREW WAN, M.D., RIVERDALE FAMILY MEDICAL PRACTICE, P.C. and ST. JOSEPH'S HOSPITAL, YONKERS in the Bronx Supreme Court with the Bronx County Clerk by e-filing a summons and complaint on June 25, 2014 and purchasing an index number (Exhibit A).

5. Pursuant to CPLR §312(a), on June 30, 2014, Claimants served the named Defendants, including Defendant Molham M. Solomon, M.D. (hereinafter referred to as "Defendant SOLOMON"), with a Statement of Service and Acknowledgement of Service along with the Summons, Verified Complaint, Certificate of Merit and NYSCEF Mandatory E-File Notice (**Exhibit B**).

6. Defendant SOLOMON did not acknowledge receipt of the aforesaid CPLR §312(a) mailing within the 30-day time period afforded by the statute. However, upon the expiration of the required 30-day time period and prior to our releasing the commencement documents to our process server for personal service upon Defendant SOLOMON, we received a letter of representation from Michael D. Brofman, Esq. of Weiss, Zarett, Brofman & Sonnenklar, P.C. (**Exhibit C**) advising that they represented Defendant SOLOMON in Defendant SOLOMON's capacity as a member of a group of physicians formerly employed under contract (**Exhibit D**) by Sound Shore Medical Center, which previously filed a petition under Chapter 11 of the United States Bankruptcy Code on May 29, 2013, and that pursuant to the Order of Hon. Robert D. Drain, United States Bankruptcy Judge "*....all Medical Malpractice Claimants are hereby enjoined from commencing or continuing any action relating to their Medical Malpractice Claims against the Medical Professionals until confirmation of a plan, subject to the further order of this Court....*" (**Exhibit E**).

7. The communication received from Mr. Brofman was the first notice that Defendant SOLOMON was in any way affiliated with Sound Shore Medical Center and, by default, the pending bankruptcy matters. As Claimant SOLANGEL DIAZ states in her attached affidavit (**Exhibit G**), on March 5, 2013 she was a patient of the RIVERDALE FAMILY MEDICAL PRACTICE, P.C. and was referred to Defendant SOLOMON within their offices when she was found to be suffering from an ovarian cyst and required the services of a gynecologist. Mrs. Diaz saw Defendant SOLOMON in the same office space as RIVERDALE FAMILY MEDICAL PRACTICE. She was referred by Defendant SOLOMON to ST. JOSEPH'S HOSPITAL for surgical intervention. She was given a business card of Defendant SOLOMON indicating his relationship with RIVERDALE FAMILY MEDICAL PRACTICE. She paid her co-pay to RIVERDALE FAMILY MEDICAL PRACTICE to be seen by Defendant SOLOMON. Defendant SOLOMON referred her to ST. JOSEPH'S HOSPITAL on an emergent basis and Defendant SOLOMON performed surgery upon her at ST. JOSEPH'S HOSPITAL on March 5, 2013.

8. After the initial communication from Attorney Brofman, your affirmant has had numerous discussions with Attorney Brofman on behalf of Defendant SOLOMON; to date it has been unresolved as to whether or not Defendant SOLOMON actually rendered his services to Mrs. Diaz on behalf of Sound Shore Medical Center pursuant to their contract with Defendant SOLOMON or as a private patient. Based upon discussions with the Claimants and our initial information, further investigation was necessary. However, in order to protect the Claimant's rights as against Defendant SOLOMON, on August 28, 2014, we prepared and served a B10 Proof of Claim on behalf of the Claimants (**Exhibit F**); the B10 Proof of Claim was received by The Garden City Group, Inc. on August 29, 2014.

II. ARGUMENTS

9. At no time were Claimants apprised of any potential contractual relationship with Sound Shore Medical Center; Claimant at all times understood and was under the impression that she was a private patient of Defendant SOLOMON and that he was rendering services on behalf of RIVERDALE FAMILY MEDICAL PRACTICE and ST. JOSEPH'S HOSPITAL...not SOUND SHORE MEDICAL CENTER located in New Rochelle, New York.

10. During our presuit investigation and collection of records and documents including medical records, hospital charts and collateral source records, at no time was any information obtained, nor was any disclosure made, that Defendant SOLOMON was an employee of SOUND SHORE MEDICAL CENTER. Our office exercised due diligence in identifying the parties in the medical malpractice action. However, inasmuch as all of Claimant's care was in Bronx and Yonkers, there was never any reason to suspect a nexus between her medical providers and the Debtor SOUND SHORE MEDICAL CENTER nor would the contractual relationship have been discovered by performing legal research during our investigation or prior to the filing of the Supreme Court case. An internet search and Lexis search to identify the parties in the State Court action performed by my office staff did not inform us of Defendant SOLOMON's employment relationship with the Debtor.

11. Mrs. Diaz, the injured Claimant, should not be bound by a notice establishing a deadline to file claims in this case that was never served upon her. Clearly, a creditor who receives no notice of a bar date can receive permission from a Bankruptcy Court to file a late proof of claim. See *In re Spring Valley Farms*, 863 F.2d 832 (11th Cir.1989); *Reliable*

Electric Co., Inc. v. Olson Construction Co., 726 F.2d 620 (10th Cir.1984); In re CareMatrix Corp., 306 B.R. 478 (Bankr. D. De. 2001) (holding discharge injunctions in plan not enforceable against creditors who did not receive notice of confirmation); In re International Coins & Currency, Inc., 22 B.R. 123 (Bankr.D.Vt.1982) (holding that an unlisted creditor who filed a proof of claim after the bar date, but who never received notice of the bar date had timely filed its proof of claim even though the creditor was aware of the bankruptcy).

12. Further, Bankruptcy Rule 9006(b)(1) provides that a bankruptcy court in its discretion may accept a late-filed Proof of Claim where a Claimant establishes "excusable neglect." Fed. R. Bankr. P. 9006(b)(1). The burden is on the Claimant to prove that he or she did not timely file the claim because of excusable neglect. See In re Andover Togs, Inc., 231 B.R. 521, 549 (Bankr. S.D.N.Y. 1999); Trump Taj Mahal Assoc. v. O'Hara (In re Trump Taj Mahal Assocs.), 1993 US Dist LEXIS 17827 *17 (D. N.J. 1993); In re Sasson Jeans, Inc., 96 B.R. 457, 459 (Bankr. S.D.N.Y. 1989); In re O.P.M. Leasing Servs., Inc., 48 B.R. 824, 830 (S.D.N.Y. 1985).

13. In interpreting Bankruptcy 9006(b)(1), the United States Supreme Court has held that courts should be permitted to accept late filings caused by "inadvertence, mistake, or carelessness, as well as by intervening circumstances beyond a party's control." Pioneer Inv. Servs. Co. v. Brunswick Associates L.P., 507 U.S. 380, 388 (1983). Whether a Claimant's neglect is excusable is an equitable determination, taking into account all relevant circumstances surrounding Claimant's omission, including "(1) the danger of prejudice to the debtor, (2) the length of the delay and its potential impact on judicial proceedings, (3) the reason for the delay, including whether it was within the reasonable control of the movant, and (4) whether the movant acted in good faith." In re Enron Corp., 298 B.R. 513, 520 (Bankr. S.D.N.Y. 2003) (quoting Pioneer, 507 U.S. at 395).

14. Courts have repeatedly found the reason for delay to be the pivotal factor in determining excusable neglect. See, e.g., In re Au Coton, 171 B.R. 16 (S.D.N.Y. 1994) (simple carelessness held not to be inexcusable where claimant filed claim eighteen days after the bar date passed due to counsel's inattention to the bar date); see also Eagle-Picher Indus., Inc., 158 B.R. 713, 716 (Bankr. S.D. Ohio 1993) (court held that claimant's "lack of a valid, documented excuse for its late claim, its express indifference regarding [the] bar date order, and ample notice of the bar date, taken together, outweigh the factors favoring allowance. The claim will therefore be disallowed."); In re Wechsler, 246 B.R. 490 (S.D.N.Y. 2000); In re Keene

Corp., 188 B.R. 903 (Bankr. S.D.N.Y. 1995); In re Guild Music Corp., 163 B.R. 17 (Bankr. D. R.I. 1994).

15. Here, the facts clearly demonstrate that Claimants did not know, and had no reason to know, of the alleged contractual employment relationship between her private physician and the Debtor SOUND SHORE MEDICAL CENTER. Thus, the late Proof of Claim is the result of intervening circumstances beyond the Claimants' control. See Enron, 298 B.R. at 520.

16. It is respectfully submitted that the circumstances outlined above constitute "excusable neglect", and it is requested that the Claimants' USBC B10 Proof of Claim be accepted and deemed timely filed against the Debtor SOUND SHORE MEDICAL CENTER on behalf of its alleged employee, Defendant SOLOMON, inasmuch as Claimants could not be reasonably expected to have any knowledge of this alleged contractual relationship and only a short period of time elapsed between your affiant learning of the possible contractual employment relationship between Defendant SOLOMON and the Debtor herein and the time we diligently filed a USC B10 claim.

17. No previous application for the relief sought herein has been made.

W H E R E F O R E , it is respectfully requested that the instant motion be **DENIED** as to Claimants **SOLANGEL DIAZ** and **JUAN ORTIZ** and that the Court grant any further relief as may be deemed just and proper.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: White Plains, New York
April 16, 2015



Sam Rosmarin

EXHIBIT I

PART 06

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BRONX:

Case Disposed ☐
Settle Order ☐
Schedule Appearance ☐

-----X
DIAZ, SOLANGEL

Index No. 0022922/2014E

-against-

Hon. STANLEY GREEN,

SOLOMON, MD, MOLHAM M

Justice.

-----X

The following papers numbered 1 to _____ Read on this motion, EXTEND TIME

Noticed on November 10 2014 and duly submitted as No. _____ on the Motion Calendar of _____

| | PAPERS NUMBERED | |
|--|-----------------|--|
| Notice of Motion - Order to Show Cause - Exhibits and Affidavits Annexed | | |
| Answering Affidavit and Exhibits | | |
| Replying Affidavit and Exhibits | | |
| _____ Affidavits and Exhibits | | |
| Pleadings - Exhibit | | |
| Stipulation(s) - Referee's Report - Minutes | | |
| Filed Papers | | |
| Memoranda of Law | | |

Upon the foregoing papers this

M G O S

Motion is Respectfully Referred to:

Justice: _____

Dated: _____

Dated: 11/10/14

Hon. _____

STANLEY GREEN, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BRONX

HONI STANLEY GREEN X

SOLANGEL NAZ AND JUAN ORTIZ

MOLHAM M. SOLOMON, M.D. ANDREW WAN, M.D.
RIVERDALE FAMILY MEDICAL PRACTICE, P.C. AND
ST JOSEPH'S HOSPITAL, YONKERS X

INDIVIDUAL ASSIGNMENT PART _____

STIPULATION ORDER

Index No. 22922/2014

Mot. Cal. No

Date 11/10/14

IT IS HEREBY STIPULATED AND AGREED by and between the below named attorney(s) as follows:

ORDERED:

PLAINTIFFS' UNOPPOSED MOTION PURSUANT TO CPLR § 306(b) AND 2004 IS GRANTED

AND PLAINTIFFS' TIME TO SERVE THE SUMMONS, VERIFIED COMPLAINT
AND CERTIFICATE OF MERIT ON DEFENDANT MOLHAM M. SOLOMON, M.D.
IS EXTENDED UNTIL SUCH TIME AS IT IS DETERMINED
BY THE UNITED STATES BANKRUPTCY COURT THAT
DEFENDANT SOLOMON WAS OR WAS NOT AN EMPLOYEE OF
SOUND SHORE MENTAL CENTER PURSUANT TO A JUNE 20, 2011
CONTRACT OR UNTIL ANY BANKRUPTCY STAY IS NO LONGER
IN EFFECT AS TO DEFENDANT SOLOMON. PLAINTIFFS SHALL
HAVE 120 DAYS, AFTER THE BANKRUPTCY COURT'S DETERMINATION
OR LIFTING OF THE STAY, TO SERVE DEFENDANT SOLOMON.

Date: 11/10/15

So Ordered.

ENTER:


J.S.C.

Attorney for Plaintiff

Attorney for Defendant

Attorney for Defendant

EXHIBIT J



Theresa A. Driscoll
Of Counsel
Email: tdriscoll@moritthock.com

August 25, 2015

VIA FEDERAL EXPRESS & EMAIL

Michael D. Brofman, Esq.
Weiss, Zarett, Brofman & Sonnenklar, P.C.
3333 New Hyde Park Road – Ste 211
New Hyde Park, NY 11042

Re: Diaz v. Solomon, et al., Supreme Court Bronx County Index No. 22922/2014E

Dear Mr. Brofman:

In furtherance of our conversation last month, you may recall that our office was recently retained to assist Sam Rosmarin in connection with his representation of the plaintiffs (collectively, "Claimant") in connection with the above-referenced state court medical malpractice action (the "State Court Action"). To date, you have repeatedly taken the position that your client, Molham M. Solomon, M.D., a defendant in the State Court Action, is covered by an injunction contained in the First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, *et al.* (the "Plan") filed and confirmed in the chapter 11 cases of Sound Shore Medical Center of Westchester, *et al.* (collectively the "Sound Shore Debtors")¹. Section 13.1 of the Plan contains the Covered Medical Professionals Injunction (the "Plan Injunction"), which is – on its face – limited only to Covered Medical Professionals. The Plan defines Covered Medical Professional as follows:

any doctor, intern, resident, fellow, nurse or other employee of the [Sound Shore] Debtors to the extent that such Person has a right of indemnification from, or other Claim against, any Debtor with respect to claims of medical malpractice **alleged to have occurred during the scope of their services to any of the Debtors**, whether such services were rendered on or off the premises of the hospitals, nursing home or clinics of the Debtors.

Plan, § 1.1 (emphasis added).

¹ The Sound Shore Debtors include, and are limited to, Sound Shore Medical Center of Westchester, Sound Shore Health System, Inc., The Mount Vernon Hospital, Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer Extended Care Center, NRHMC Services Corporation, The M.V.H. Corporation and New Rochelle Sound Shore Housing, LLC.



Michael D. Brofman, Esq.
Weiss, Zarett, Brofman & Sonnenklar, P.C.
August 25, 2015
Page 2

As you know, Dr. Solomon's employment agreement with Sound Shore Medical Center, dated as of June 20, 2011 (the "Employment Agreement"), allowed for Dr. Solomon to conduct a private medical practice and stated that all income earned by him in connection with such outside activities were to be collected and retained by him. *See* Employment Agreement, §I.4 and §II.6. As you also know, Dr. Solomon's employment agreement covered certain limited services provided at St. Joseph's Medical Center. *See* Employment Agreement, §II.5. Dr. Solomon's employment agreement with Sound Shore expressly provides that "[a]ny fee collected by [Dr. Solomon] for SJMC [St Joseph's Medical Center] professional services shall be immediately turned over to [Sound Shore]." Employment Agreement, §II.5. Thus, any professional services provided by Dr. Solomon at St. Joseph's Medical Center either were provided as part of his private medical practice under §I.4 or as part of his employment agreement with Sound Shore Medical Center under §II.5. If the services provided were private practice services, Dr. Solomon was permitted to bill, collect and retain payment. If the services provided at St. Joseph's Medical Center were in his capacity as an employee of Sound Shore Medical Center, he was not permitted to bill, collect or retain any payments for such services. (§II.5 expressly states "The Hospital shall exclusively provide billing and collection functions for all professional services provided by the physician for St. Joseph's Medical Center patients...." and "...all funds collected with respect to such services shall be the exclusive property of [Sound Shore]". Further, §II.6 states that only as to private patients was Dr. Solomon permitted to bill and collect payment.

In August 2014, you were put on notice by Sam Rosmarin's office that Dr. Solomon rendered medical services to Claimant at the Riverdale Family Medical Practice, handed Claimant a business card in the name of Riverdale Family Medical Practice and directed Claimant to go to the emergency room of St. Joseph's Medical Center from which she would later be admitted. At that time, you were also put on notice that the billings for the services provided by Dr. Solomon to Claimant were made through an entity known as Innovix Medical PLLC ("Innovix"), which, we have now learned, is owned and/or controlled by Dr. Solomon. Indeed, the New York State Department of State's records reflect Dr. Solomon's home address as the business headquarters for Innovix and Dr. Solomon as sole member. Based on the billing documentation we have, it appears that Dr. Solomon received payments from Claimant and United Healthcare through Innovix. Mr. Rosmarin's repeated requests for documentation evidencing that Innovix or Dr. Solomon remitted such payments to Sound Shore Medical Center have been ignored.

If, in fact, Dr. Solomon was acting within the scope of services contemplated by his employment agreement with Sound Shore at the relevant times of the acts, omissions and/or occurrences alleged in the State Court Action, and, therefore is, as you submit, covered by the Plan Injunction, you should be able to provide us with documentary evidence reflecting that the payments collected by Dr. Solomon and/or Innovix for medical services rendered to Claimant



**Moritt Hock
& Hamroff** LLP
ATTORNEYS AT LAW

Michael D. Brofman, Esq.
Weiss, Zarett, Brofman & Sonnenklar, P.C.
August 25, 2015
Page 3

were remitted to the Sound Shore Debtors. You either know that Dr. Solomon remitted to Sound Shore the payments he collected for services rendered to Claimant or he did not.

It appears clear that Dr. Solomon rendered care to Mrs. Diaz as a private patient from whom he solicited, collected and retained payment. If this is true, your conduct, in repeatedly threatening contempt for violating an injunction you knew, or should have known, was inapplicable to Dr. Solomon's treatment of Mrs. Diaz, constitutes frivolous obstruction of Mrs. Diaz's New York State Supreme Court action and, by cloaking Dr. Solomon with a bankruptcy injunction you knew, or should have known, was not applicable, a violation of Bankruptcy Court and general rules of ethics.

It is wholly improper for you to use the Plan Injunction to shield acts occurring outside the scope of services for or on behalf of any of the Sound Shore Debtors. You were asked a year ago for proof of your position. Your failure to provide this information and yet continue to assert your client is covered by the Plan Injunction for the relevant services is, itself, sanctionable.

Please be guided accordingly.

Very truly yours,

Theresa A. Driscoll

TAD/dr

EXHIBIT K

September 3, 2015

Via Email (tdriscoll@moritthock.com)

Moritt Hock & Hamroff, LLP
400 Garden City Plaza
Garden City, NY 11530
Attn: Theresa A. Driscoll, Esq.

Re: Chapter 11 Case No. 13-22840 (RDD)
Sound Shore Medical Center of Westchester, et al.

Dear Ms. Driscoll:

I am in receipt of your letter of August 31, 2015 regarding the action that had been commenced by Solangel Diaz and Juan Ortiz against Molham M. Solomon, M.D., et al. in the Supreme Court, Bronx County under Index No. 22922/2014E. I have had the opportunity to discuss the contentions in the August 31, 2015 letter with Dr. Solomon. That we completely disagree with your conclusions should come as no surprise to you.

First, Dr. Solomon never worked for Riverdale Family Practice, despite the "Gynecological Consultant" business card you attached to your letter. Riverdale Family Practice is a group of primary care physicians who have privileges at St. Joseph's Hospital ("SJH"). As the practice is affiliated with SJH, SJH provides them with consultants in various specialties, including gynecology. Dr. Solomon was neither employed by Riverdale Family Medical Practice, which I am sure the practice will confirm, nor was he employed by SJH in 2013. In 2013, Dr. Solomon was employed by Sound Shore Medical Center ("SSMC") and it was through that employment, as we have explained to you numerous times and shown you through contractual documentation, that he was assigned to work at SJH, which itself had an agreement with SSMC.

When Dr. Solomon saw the patient, Solangel Diaz, at Riverdale Family Practice, it was in his role as a gynecological consultant through SJH. Since she was not his private patient, Dr. Solomon has no medical records of Ms. Diaz, nor was required to keep any, since the only medical records of her treatment were at Riverdale and SJH.

Unlike a private patient who is scheduled for surgery by the physician, Ms. Diaz later came through the emergency room seeking assistance for her physical condition. As required by the terms of his employment agreement with SSMC, Dr. Solomon was on call at SJH that day, and therefore treated her. The operation on Ms. Diaz, which occurred in March 2013, was also performed in accordance with Dr. Solomon's employment agreement with SSMC as existed in March of 2013.

Theresa A. Driscoll, Esq.
September 3, 2015
Page 2

Apparently, either Ms. Diaz or her medical malpractice attorneys have failed to advise you that when her insurance company remitted payment for the services rendered by Dr. Solomon, she received and cashed the check, but made no payment to Dr. Solomon, SJH or SSMC. After the surgical procedure on Ms. Diaz, SSMC filed a Chapter 11 Petition in May of 2013. After SSMC filed the petition, its assets were sold on November 6, 2013 and it ceased operating as an active hospital.

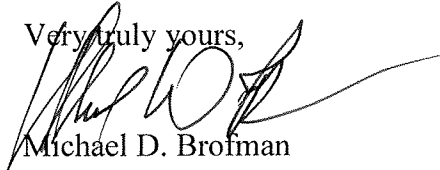
It was not until December 2013 that Dr. Solomon's biller discovered that Ms. Diaz had improperly cashed and retained the insurance check. When confronted with that fact by the biller, Ms. Diaz's husband threatened Dr. Solomon with litigation should he request that the payment be remitted. When Dr. Solomon failed to turn over the funds that he eventually received to SSMC, as he was contractually obligated to do, it was out of the lack of knowledge as to what should be done, given the cessation of SSMC's business operations by the time the check was received.

While we acknowledge Dr. Solomon's breach of the contract with SSMC to the extent it required him to turn over funds received from Ms. Diaz to SSMC, that one fact does not alter the legal determination that he was not treating Ms. Diaz as a private patient. The facts still support that Dr. Solomon operated on Ms. Diaz pursuant to the terms of his contract with SSMC, as an employee of SSMC, thereby providing him with the protection of the SSMC Plan injunction. You should also know that in opposing a motion by SSMC to expunge or disallow the claim of Solangel Diaz and Juan Ortiz in proceedings before the United States Bankruptcy Court, Sam Rosemarin objected to the disallowance of the proof of claim that he filed against SSMC based upon his assertion of the employment relationship between Dr. Solomon and SSMC.

Clearly, all of these factors will be brought before the Bankruptcy Court in a motion we intend to bring to compel compliance with the Plan injunction. If, as your August 31, 2015 letter contends, you intend to proceed with serving Dr. Solomon with a Summons and Complaint in the State Court Action notwithstanding the injunction, it is our position that same would be in violation of the injunction, and we will ask the Bankruptcy Court to not only deem such service a nullity, but to make appropriate findings as to intent. Finally, all of those contentious letters could have been avoided if Mr. Marin had simply moved in the Bankruptcy Court to determine whether the injunction protected Dr. Solomon under the facts presented, as I had suggested to him on many occasions.

I trust that we will have an interesting evidentiary hearing before the Bankruptcy Court and that we will arrange an agreeable discovery schedule prior to that hearing.

Very truly yours,



Michael D. Brofman

MDB:bt

cc: Molham M. Solomon, M.D.

G:\SSolomon, Molham\Ltrs. 2015\Driscoll, Theresa 09.03.15.docx

Barbara Testa

From: Barbara Testa
Sent: Thursday, September 03, 2015 9:23 AM
To: Theresa Driscoll (tdriscoll@moritthock.com)
Cc: Michael Brofman
Subject: Ch 11 Case No. 13-22840 (RDD) - Sound Shore Medical Center of Westchester, et al.
Attachments: Driscoll, Theresa 09.03.15.pdf

Ms. Driscoll: Per Michael Brofman, attached please find correspondence in connection with the subject matter for your attention. Please let me know if you are unable to open the document.

Thank you.

Barbara Testa

On Behalf of Michael D. Brofman, Esq.

Barbara Testa | Administrative Assistant
Weiss, Zarett, Brofman & Sonnenklar, P.C. | 3333 New Hyde Park Road, Suite 211
New Hyde Park, NY 11042 | Tel: 516.627.7000, Ext. 104 | Direct: 516.926.3311
Fax: 516.877.1172 | E-mail: btesta@weisszarett.com

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Barbara Testa

From: Barbara Testa
Sent: Thursday, September 03, 2015 9:26 AM
To: 'Molham Solomon (molhammd@hotmail.com)'
Cc: Michael Brofman
Subject: Ch 11 Case No. 13-22840 (RDD) - Sound Shore Medical Center of Westchester, et al.
Attachments: Driscoll, Theresa 09.03.15.pdf

Dr. Solomon: Attached please find copy of correspondence sent to Theresa Driscoll, Esq. today from Michael Brofman for your records. Please let me know if you are unable to open the document.

Thank you.

Barbara Testa

On Behalf of Michael D. Brofman, Esq.

Barbara Testa | Administrative Assistant
Weiss, Zarett, Brofman & Sonnenklar, P.C. | 3333 New Hyde Park Road, Suite 211
New Hyde Park, NY 11042 | Tel: 516.627.7000, Ext. 104 | Direct: 516.926.3311
Fax: 516.877.1172 | E-mail: btesta@weisszarett.com

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