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Presentment Date: December 10, 2013 at 10:00 a.m.

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

-----X
In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.

Chapter 11
Case No. 13-22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**MOTION OF DEBTORS FOR ENTRY OF AN
ORDER (I) AUTHORIZING THE DEBTORS TO ENTER
INTO AN AGREEMENT WITH METALQUEST FOR THE
STORAGE AND DISPOSITION OF PATIENT MEDICAL
RECORDS AND (II) DIRECTING THIRD PARTY STORAGE
VENDORS TO COOPERATE IN THE TRANSFER OF RECORDS AND
(III) AUTHORIZING PAYMENT TO METALQUEST FOR ITS SERVICES**

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

Sound Shore Medical Center of Westchester, and its affiliated debtors, as debtors and debtors-in-possession herein (collectively, the "Debtors"), hereby file this Motion (the "Motion") in the above captioned chapter 11 cases (the "Chapter 11 Cases") seeking entry of an Order pursuant to sections 105 and 363 of Title 11 of the United States Code (the "Bankruptcy Code"): (i) authorizing the Debtors to enter into the Information Management Services and Trust Agreement (the "Agreement"), a copy of which is annexed as Exhibit A, with MetalQuest ("MetalQuest"), which provides, among other things, for the pickup, indexing, sorting,

maintenance, storage and eventual secure destruction of the patient medical records of the Debtors; (ii) directing third party storage vendors to cooperate with the transfer of records; and (iii) authorizing the payment of \$366,999.00 to MetalQuest for its services in accordance with the Agreement.

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought in this Motion are sections 105 and 363 of the Bankruptcy Code.

INTRODUCTION

4. On the Petition Date, the Debtors filed a motion seeking authorization for the sale (the “Sale”) of the Debtors’ real property and designated personal property assets to certain affiliates of Montefiore Medical Center (the “Buyers”). The sale process contemplated a closure of the Debtors’ existing facilities and the transfer and disposition of medical records relating to the Debtors’ former patients in accordance with the provisions of the sale agreement and the Debtors’ closure plan (the “Closure Plan”). The medical records exist in various forms, including paper, films, and electronic data files and are subject to various non-bankruptcy federal and state law requirements relating to the storage, access and eventual destruction of any records that no longer need to be preserved.

5. Pursuant to the Debtors’ Closure Plan and the applicable laws and regulations, it is anticipated that all patient medical records which are not taken into custody by the Buyers, including any paper records, electronic health records, medical samples, radiology and other ancillary records will be maintained by the Debtors and transferred to a medical records storage

vendor. To comply with their obligations under the Closure Plan, the Debtors, in coordination with the applicable regulatory agencies and the Patient Care Ombudsman appointed in these cases, have developed a records retention and destruction protocol (the “Records Protocol”). The Debtors intend to implement the Records Protocol through the proposed Agreement with MetalQuest. The proposed protocol establishes an orderly process for the transfer and transition of the records to MetalQuest who will be charged with providing continued access to the records to the patients, physicians and regulatory agencies.

6. Prior to selecting MetalQuest, the Debtors solicited bids from several other vendors for the provision of similar services. After reviewing the competing proposals, the Debtors, in conjunction with the Official Committee of Unsecured Creditors (the “Committee”), determined that the MetalQuest bid was the most favorable for the Debtors’ estates and significantly lower than the bids provided by the other vendors for comparable services.

7. The Debtors’ medical records are presently located at multiple locations, including various storage facilities maintained by third party vendors. Given the closure of the Debtors’ facilities, it is necessary that the records be relocated and consolidated in a single storage facility, so as to enable patients to easily and quickly access their records going forward. Accordingly, the Debtors, with the assistance of MetalQuest, will be transferring the medical records from their existing locations to the MetalQuest facilities. The proposed Records Protocol and Agreement with MetalQuest provide an economic and efficient means for ensuring compliance with applicable laws and regulations relating to the retention and destruction of medical records. Third party retention of the records is also necessary in light of the ongoing liquidation and wind-down of the Debtors’ estates.

8. Accordingly, the Debtors respectfully request authorization to (i) enter into the Agreement with MetalQuest; (ii) direct any third party storage vendors to cooperate in the transfers of the Records; and (iii) authorize the payment of the MetalQuest's fees as set forth in the Agreement.

BACKGROUND

A. The Bankruptcy

9. On May 29, 2013 (the "Petition Date"), each of the Debtors commenced their respective Chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors have continued in possession and operation of their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

10. On June 10, 2013, the United States Trustee for the Southern District of New York appointed the Committee [Docket No. 67]. The Committee has retained Alston Bird, LLP as its counsel.

11. No trustee or examiner has been appointed in these Chapter 11 cases.

B. The Debtors

12. Prior to the Sale, the Debtors, through their combined facilities, provided a range of specialized medical and related services, including orthopedic surgery, behavioral health, pediatrics, OB/GYN, continuing care facilities, a nursing home and community care clinics providing primary care services. Their affiliation with the New York College of Medicine also enabled the Debtors to provide a teaching environment in multiple disciplines to their community and patients.

13. A significant portion of the Debtors' core business was focused around SSMC, located at 16 Guion Place, New Rochelle, New York 10802 (the "SSMC Property"). SSMC was a not-for-profit 242-bed, community-based teaching hospital offering primary, acute, emergency and long-term health care to the working class residents of southern Westchester. Also essential to the Debtors' operations were the services and revenue generated by Mount Vernon Hospital ("MVH") which was a voluntary, not-for-profit, 176-bed hospital located at 12 North Seventh Avenue, Mount Vernon, New York (the "MVH Property"), serving the City of Mount Vernon, the Pelhams, East Yonkers, New Rochelle and North Bronx. The final component of the services provided by the Debtors were centered around Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center ("SECC"). SECC, also located at 16 Guion Place, New Rochelle, New York (the "SECC Property"), operated as a comprehensive facility offering short-term rehabilitation/sub-acute care, as well as skilled long-term care.

C. The Sale

14. In conjunction with the commencement of the Chapter 11 cases, the Debtors filed the Sale Motion [Docket No. 17] seeking, *inter alia*, approval for the Sale, subject to higher and better offers, pursuant to the Purchase Agreement among the Debtors and the Buyers.¹

15. On June 27, 2013, the Debtors filed the Amended and Restated Purchase Agreement (the "Purchase Agreement") reflecting the revised terms of the Sale. [Docket No. 123-2]. On August 8, 2013, the Bankruptcy Court entered an order approving the Sale [Docket No. 259], as subsequently ratified and affirmed by the Supplemental Sale Order entered by the Court on October 15, 2013 [Docket No. 381]. As part of the sale process, and pursuant to the Closure Plan, it was agreed that each of SSMC and MVH would transfer all medical records

¹ A detailed description of the events leading up to the Debtors' chapter 11 filings and the Sale is set forth in the Sale Motion filed with the Bankruptcy Court [Docket No. 17], and is incorporated herein by reference.

(other than records of certain ancillary services) for patients seen at their facilities during the two (2) year period immediately prior to the Closing Date to the Buyers. The Buyers also agreed to take custody of all records on site at SECC for the patients and residents who were in house on the Closing Date. It was contemplated that all remaining medical records, radiology records and specimens, including any paper records, electronic health records, medical samples, radiology and other ancillary records (collectively, the "Medical Records") would be transferred and stored by a medical record vendor, as selected by the Debtors, pursuant to a written agreement. As set forth above, the Debtors have selected MetalQuest as their medical record vendor.

RELIEF REQUESTED

16. By this Motion, the Debtors seek entry of an Order, substantially in the form annexed as Exhibit B, which : (i) authorizes the Debtors to enter into the Agreement (Exhibit A), which provides for the pickup, indexing, sorting, storage and eventual secure destruction of the Medical Records; (ii) directs third party vendors to cooperate in the transfer of records to MetalQuest, and (iii) authorizes the Debtors pay MetalQuest the amount of \$366,999.00 for its services in accordance with the Agreement. The Debtors respectfully submit that this relief is in the best interest of the Debtors' estates and will result in significant cost savings for the Debtors while enabling the Debtors to adhere to mandatory record retention requirements under applicable laws and regulations.

A. Applicable Retention and Storage Requirements

17. The Debtors are each a "Covered Health Care Provider" as defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Privacy and Security Rules, 45 C.F.R. Parts 160 and 164, as amended (the "HIPAA Privacy and Security Rules"), as well as participating providers in the Medicare and Medicaid programs. Accordingly, under the provisions of HIPAA, the HIPAA Privacy and Security Rules, and

applicable Medicare and Medicaid regulations (collectively, the “Medical Record Retention Laws”) the Debtors must comply with certain guidelines and timetables for the retention and destruction of the Medical Records.

18. The Debtors presently maintain their medical records at multiple locations including the SSMC Property, the MVH Property, the SECC Property and with other third party vendors at their respective locations maintained by such vendors for the storage of the Debtors’ records (the “Third Party Sites”, and collectively with the SSMC Property, the MVH Property and the SECC Property, the “Existing Storage Sites”).

19. The Debtors have commenced the wind-down of their operations, and the Debtors believe that it is both necessary and appropriate to address the custody and storage of the Medical Records at this time. As part of the transition of their operations to the Buyers, and in accordance with the provisions of the Closure Plan, the Debtors will ultimately need to remove the Medical Records from the Existing Storage Sites to a single consolidated location. The Closure Plan also specifically contemplates the transfer of custody of the Medical Records to a medical record storage vendor. Accordingly, it is necessary that the Debtors provide for the removal, index, storage and ultimate destruction of the Medical Records in accordance with the Closure Plan and Medical Record Retention Laws. In furtherance thereof, and in their sound business judgment, the Debtors are seeking to enter into the Agreement with MetalQuest and implement the required Records Protocol.

B. The MetalQuest Agreement

20. Pursuant to the Agreement, MetalQuest will be storing approximately 60,000 boxes of Medical Records on behalf of the Debtors. As set forth in the Agreement, MetalQuest

has agreed to facilitate the pickup, indexing, sorting, storage and eventual destruction of all of the Medical Records.

21. As also set forth in the Agreement, MetalQuest has agreed to assume the custody and storage of the Medical Records in accordance with applicable confidentiality and access to patient records laws and regulations and pursuant to the requirements of the Medical Records Retentions Laws. MetalQuest further intends to create a master patient index of the medical records by matching unique identifiers such as medical record, social security and account numbers, or a combination thereof, which will then be coded with a specified MetalQuest identifier. The proposed indexing process will enable the Debtors and MetalQuest to easily locate records upon request of patients or physicians.

22. To further facilitate patient and/or physician access to the Medical Records, MetalQuest will consolidate and store all of the Medical Records in one storage facility. Maintenance of the records at a single location creates additional efficiencies for the Debtors' estates and reduces costs under the Agreement. In connection with the transfer of the records to the designated facility, MetalQuest has also agreed to assume the cost of all freight required to transfer records from their Existing Storage Sites. As indicted above, the Debtors' presently store the Medical Records at several locations and the expense associated with the transfer of the records from the varying sites could be significant. Thus, MetalQuest's willingness to assume this expense is a significant benefit to the estates.

23. MetalQuest shall also take reasonable measures to protect the Medical Records from potential theft, loss, unauthorized destruction and unauthorized access. MetalQuest has established, and will maintain throughout the term of the Agreement, reasonable and appropriate safeguards for environmental controls, fire and flood protection. Furthermore, any problems or

security incidents with respect to the Medical Records will be immediately reported to the Debtors and appropriate authorities.

24. As further detailed in the Agreement, MetalQuest will provide timely access to, and photocopies of, the Medical Records to patients and their legal representatives to the extent required by laws, rules or regulations applicable to the parties, and to other individuals, entities, and governmental agencies that have the right to access and/or receive photocopies of such records. Such access and copies shall be provided within the time periods required by the Medical Records Retention Laws.

25. The majority of the Medical Records will be retained for a period of six years from the date of patient discharge or three years after the patient has attained the age of majority, whichever is longer. Any Medical Records that are no longer required to be retained under the Medical Record Retention Laws will be destroyed by MetalQuest after the retention period has expired. MetalQuest intends to implement proper security measures relating to the destruction of any records, including shredding, which are designed to prevent inadvertent release of any protected health information.

26. The above is intended to be only a summary of the more salient terms of the Agreement. The Debtors respectfully refer the Court and all parties to the Agreement (attached as Exhibit A) for its complete terms and conditions.

C. Transfer of Records from Third Party Vendors

27. The Debtors store a portion of the Medical Records with third party storage vendors, including Iron Mountain, Cordone Record Services and Medi-File (the “Third Party Vendors”). In order to ensure that all of the Debtors’ patients, including any former patients, can

easily access their records in connection with any ongoing patient care, it is necessary that the Debtors centralize the Medical Records in a single storage facility.

28. Thus, in connection with the implementation of the Records Protocol, the Debtors will seek to reject, to the extent not previously rejected, any contracts with the Third Party Vendors, in accordance with any applicable rejection procedures established by the Court. However, to the extent necessary, the Debtors reserve their right to seek rejection of any existing contracts with the Third Party Vendors as part of any order entered in connection with this Motion. Further, in the event the Debtors and the Third Party Vendors cannot agree upon the appropriate post-petition costs to be paid to such vendors for the transfer of the Medical Records to the Debtors and/or MetalQuest, the Debtors seek relief from this Court to determine the reasonable costs of such services to ensure that neither the Debtors' estates and creditors nor more importantly, the patients, are impacted by any delay in the transferring records.

BASIS FOR RELIEF REQUESTED

29. The Debtors submit, in the reasonable exercise of their sound business judgment, that the Agreement with MetalQuest is in the best interests of the Debtors' estates and their creditors. As discussed above, the retention and final disposition of Medical Records is a complex process, involving the consideration of numerous considerations such as the type and format of the medical record, applicable retention period for each such record, the current location and continued access of the records, and the costs associated with the retention and eventual destruction of the records. In addition, the Debtors must comply with various applicable laws and regulations which govern the retention and destruction of the Medical Records. The proposed agreement with MetalQuest permits the Debtors to uphold their obligations under the Medical Record Retention Laws while effecting a considerable saving to their estates through a consolidation of the records.

30. Section 363(b)(1) of the Bankruptcy Code governs transactions outside of the ordinary course of business and provides, in relevant part, that “[the trustee, after notice and hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate” 11 U.S.C. § 363(b)(1). Pursuant to § 105(a) of the Bankruptcy Code, the “court may issue any order, process, or judgment that is necessary to carry out the provisions of this title.” 11 U.S.C. § 105(a).

31. Although Bankruptcy Code § 363 does not set forth a standard for determining when it is appropriate for a court to authorize the disposition of a debtor’s assets, the United States Court of Appeals for the Second Circuit, in applying this section, has required that it be based upon the sound business judgment of the debtor or trustee. See Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983); see also, Official Comm. of Unsecured Creditors of LTV Aerospace & Defense Co. v. LTV Corp. (In re Chateaugay Corp.), 973 F.2d 141, 145 (2d Cir. 1993); In re Dial-A-Mattress Operating Corp., Case No. 1-09-419660 (dem), 2009 Bankr. LEXIS 1801, at *12 (Bankr. E.D.N.Y. June 24, 2009); In re Hirsch, 360 B.R. 43, 45-46, 48, 50 (Bankr. E.D.N.Y. 2007) (requiring “existence of ‘a good business reason to grant such an application’”) (quoting In re Lionel Corp., 722 F.2d at 1071)); In re Thomson McKinnon Sec., Inc., 120 B.R. 301, 307-08 (Bankr. S.D.N.Y. 1990). Approval for the use of property of the estates outside the ordinary course of business should thus be approved by the Bankruptcy Court if the Debtors can demonstrate a sound business justification for the proposed transaction. See In re Ionosphere Clubs, Inc., 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989) (noting the standard for determining a section 363(b) motion is a “good business reason”).

32. The business judgment rule is satisfied where “the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was taken in the best interests of the company.” Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992), appeal dismissed, 3 F. 3d 49 (2d. Cir. 1993) (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)). In fact, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts generally will not entertain objections to the debtor’s conduct.” Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). Courts in this district have been reluctant to interfere with corporate decisions absent a showing of bad faith, self-interest or gross negligence, and have upheld such decisions as long as they are attributable to any “rational business purpose.” Integrated Res., 147 B.R. at 656 (stating that courts are loath to interfere with corporate decisions absent a showing of bad faith, self interest or gross negligence”) (citations omitted). Whether or not there are sufficient business reasons to justify a transaction depends upon the facts and circumstances of each case. Lionel, 733 F.2d at 1071.

33. Further, under section 105(a) of the Bankruptcy Code, the Court has expansive equitable powers to fashion any order or decree that is in the best interest of preserving or protecting the value of a debtor’s assets. See, e.g., Official Comm. of Unsecured Creditors of Enron Corp. v. Enron Corp. (In re Enron Corp.), 335 B.R. 22, 27 (S.D.N.Y. 2005) (“Section 105(a) provides the authority for the bankruptcy court to carry out the provisions of § 363(b).”); In re Chinichian, 784 F.2d 1440, 1443 (9th Cir. 1986) (“Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code.”). This provision is “the basis for a broad exercise of power [by the Court] in the

administration of a bankruptcy case.” 2 Collier on Bankruptcy ¶ 105.01 (Lawrence P. King, et al. eds., 15th ed. rev. rel. 2000).

34. A sound business justification exists for the Debtors’ entry into the Agreement. The protection, transfer and storage of the Medical Records are important elements of the Debtors’ Closure Plan and are required by applicable laws and regulations. As set forth above, the Debtors are in the process of winding down their operations and will need to remove the Medical Records from the Existing Sites and will ultimately vacate their facilities. The Debtors’ staff has already been responding to requests by former patients of the Debtors for access to their medical records. It is essential that the Medical Records be promptly removed from the Existing Sites and properly sorted, indexed and stored as soon as possible to ensure that patients, regulatory agencies and physicians, as appropriate, have continued access to the Medical Records. The Agreement will allow the Debtors to uphold all requirements under the Debtors’ Closure Plan the applicable laws while providing former patients with continued, efficient access to the Medical Records.

35. The Debtors reviewed several proposals for the removal, index, storage and ultimate destruction of the Medical Records. The Debtors determined in their business judgment that the MetalQuest² proposal was the best based upon several factors, including overall price and expediency. As set forth in the Agreement, the total cost for the removal, indexing, storage and ultimate destruction of the Medical Records by MetalQuest is \$366,999.00, substantially lower than the competing bids provided by other vendors. MetalQuest is experienced in record retention and storage and has provided similar services to other healthcare entities. Based upon

² As further detailed in the Supplemental Affidavit of Burton S. Weston in Support of the Debtors’ Application for the Retention of Garfunkel Wild, P.C. as general bankruptcy counsel, GW has, in the past represented MetalQuest in matters unrelated to these cases. To avoid any potential conflicts, the selection of MetalQuest was made following an open bid process in consultation with the Committee. The Committee also negotiated the terms and provisions of the MetalQuest Agreement.

their review of other proposals to perform comparable services, the Debtor submits that this fee is both reasonable and necessary. This payment to MetalQuest was contemplated by the Debtors and their wind-down budget provides for the payment to address the Medical Records.

36. To the extent the Agreement is approved, the Debtors intend to publish notice of the transfer of the Medical Records to MetalQuest in several ways. First, the Debtors' website will be updated to include notice of the transfer of the Medical Records and contact information for MetalQuest. Second, the Debtors' telephone message will be updated to include similar information. Finally, the Debtors will post signs at the site of their former facilities, including the SSMC Property, the MVH Property and the SECC Property, with information about the transfer of the Medical Records to MetalQuest with its contact information. The Debtors submit that these procedures will ensure that patients, regulatory agencies and physicians are well-informed of the transfer of the Medical Records to MetalQuest.

CONCLUSION

37. The MetalQuest proposal is the most economic and favorable proposal for the Debtors' estates. It also ensures compliance with the Debtors' Closure Plan and Medical Records Retention Laws. For these reasons, the Debtors requests that the Agreement be approved and the Debtors be authorized to pay MetalQuest for its services under the Agreement.

NOTICE AND NO PRIOR REQUEST

38. The Debtors intend to provide notice of this Motion and the hearing to: (a) the Office of the United States Trustee; (b) counsel for the Committee; (c) the New York State Department of Health; (d) counsel to the Buyers; (e) the Patient Care Ombudsman and his counsel; (f) the New York State Attorney General; (g) the Office of the United States Attorney; and (h) all other parties required to be provided notice under the Case Management Order entered on July 1, 2013 [Docket No. 143].

39. No previous application for the relief requested herein has been made to this or any other Court.

WHEREFORE, for the reasons stated above, the Debtors respectfully requests entry of an Order authorizing the Debtors to: (i) enter into the Agreement; (ii) direct third party storage vendors to cooperate with the transfer of the records; and (iii) to pay MetalQuest the amount of \$366,999.00 for its services in accordance with the Agreement, together with such other and further relief as the Court deems just and proper.

Dated: Great Neck, New York
November 27 2013

GARFUNKEL WILD, P.C.

By:  _____

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EXHIBIT A

Lifecycle Management of Hardcopy Records and Electronic Data Trust Agreement

Prepared for

**Sound Shore Health System, Inc., Sound Shore Medical Center of Westchester, The Mount
Vernon Hospital, and Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer
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INFORMATION MANAGEMENT SERVICES AND TRUST AGREEMENT

THIS INFORMATION MANAGEMENT SERVICES AND TRUST AGREEMENT (this "Agreement") is entered into on this 25 day of November 2013 between MetalQuest, Inc. ("MetalQuest" or the "Trustee"), an Ohio corporation, on the one hand, and Sound Shore Health System, Inc., Sound Shore Medical Center of Westchester, The Mount Vernon Hospital, and Howe Avenue Nursing, Inc. d/b/a Helen and Michael Schaffer Extended Care Center, New York (collectively, "Trustors"), New York not-for-profit corporations, on the other hand. MetalQuest and Trustors may hereinafter be collectively referred to as the "Parties".

1. Background. MetalQuest is a Business Associate of the Trustors as the term is defined under *Health Insurance Portability and Accountability Act of 1996* ("HIPAA") and *HIPAA Privacy and Security Rules 45 CFR Parts 160 and 164*, as amended ("HIPAA Privacy and Security Rules"). Trustors, through their prior operation of Sound Shore Health System and associated hospitals (Sound Shore Medical Center of Westchester and The Mount Vernon Hospital) and nursing home (Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer Extended Care Center), are Covered Entities under HIPAA and the HIPAA Privacy and Security Rules. Trustors are debtors-in-possession under title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), and filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on May 29, 2013, in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (Jointly Administered Case No. 13-22840 (RDD)) (the "Bankruptcy Case"). The effectiveness of this Agreement is subject to the entering of an order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Parties, approving this Agreement and the transactions contemplated hereby (the "Approval Order"). In connection with seeking the entry of the Approval Order, this Agreement may be filed with the Bankruptcy Court and served on parties in the Bankruptcy Case.

2. Term. The term of this Agreement (the "Term") shall begin on the date on which the Approval Order is entered by the Bankruptcy Court and shall continue until all Records (as defined below) have been destroyed in accordance with Applicable Law (as defined below), which destruction the Trustee shall perform pursuant to the record retention schedule as mandated by State of New York requirements at the time of contract execution ("New York State Record Retention Requirements"), unless sooner terminated as provided herein. A summary of certain of the New York State Record Retention Requirements as of the date hereof is set forth in Attachment 1 and Attachment 2 to Exhibit A annexed hereto.

3. Scope of Services. Trustors are a Covered Entity under HIPAA. The Trustors maintain or have maintained certain health information, electronic protected health information and business records (the "Records"). Trustors hereby engage MetalQuest, and MetalQuest hereby accepts such engagement, to permanently store, maintain, provide access to, transmit, catalog, index and periodically destroy the Records, all in accordance with the requirements of HIPAA, the HIPAA Privacy and Security Rules and New York State law, including New York

State Record Retention Requirements (collectively, "Applicable Law"). MetalQuest has established policies and procedures to incorporate HIPAA standards and will exercise administrative, physical and technical safeguards in order to assure confidentiality, integrity and availability of the Records.

a. Trust. The Trustors hereby create an Express Trust under the Ohio Trust Code, ORC Chapter 5801, as amended, and designate MetalQuest as the Trustee of the Trust and the Records, for the benefit of the individuals to and for whom Trustors provided covered health care services.

b. Trust Purpose. Trustors hereby create this Trust under the Ohio Trust Code, ORC Chapter 5801, in order to comply with its obligations as a Covered Entity under HIPAA and Applicable Law. The purpose of the Trust is to provide for Records maintained by the Trustors in the normal course of its business as a Covered Entity to be deposited with MetalQuest as Trustee, for their storage, allowance of access to, transmission and destruction, all in accordance with Applicable Law. The Trustee hereby agrees to maintain, store, catalog, access, transmit and destroy such Records in accordance with Applicable Law and the terms and provisions hereinafter set forth. This Agreement shall supersede any previous trust agreements between the Parties, and shall be binding upon the Parties and their respective heirs, executors, administrators, successors and assigns.

c. Disposal of Records. Trustee shall maintain, store, catalog, index, permit access to and transmit the Records as required under Applicable Law. Trustee shall satisfy its continuing compliance obligations under Applicable Law. Trustors transfer all of their custodial rights and privileges with respect to the Records to the Trustee and authorize the Trustee to destroy the Records upon expiration of the Trustors' obligations with respect to such Records under Applicable Law.

4. Independent Contractor Status. It is understood that MetalQuest, its employees and agents are independent contractors and not employees, agents, or representatives of Trustors, and no employee or agent of MetalQuest shall hold herself/himself out to the public as an employee, agent or representative of Trustors. As an independent contractor, MetalQuest is responsible to pay all workers' compensation insurance, disability benefits insurance, and other benefits and insurance as required by law for its employees.

5. Trustee Fees. Trustors agree to pay MetalQuest the Trustee Fees set forth in the schedule attached hereto and incorporated herein as Exhibit A.

6. Duties of MetalQuest. MetalQuest hereby agrees to (a) box at Trustors' facilities and deliver to Trustee's storage facility in Cincinnati, Ohio, all Records described in Paragraph

"A" of Exhibit A hereto; (b) provide all other services described in Exhibit A and elsewhere in this Agreement; and (c) permanently store, maintain, provide access to, transmit, catalog, index and periodically destroy the Records stored in Trustee's Cincinnati facility as described in Exhibit A and according to the requirements of Applicable Law.

7. MetalQuest's Covenants, Representations and Warranties. MetalQuest represents, warrants, and covenants to Trustors as to the following matters:

a. No Consents Necessary. MetalQuest has the legal right, power, capacity and authority to enter into and perform its obligations under this Agreement, and no approval or consent of any other person or entity is necessary to authorize the execution of this Agreement by MetalQuest. MetalQuest represents that it is licensed to do business in the State of Ohio and is authorized to do business in the State of New York, and MetalQuest agrees to maintain the currency of such license and authorization. MetalQuest represents that it is familiar with its legal obligations under Applicable Law and covenants to maintain, store, access and destroy the Records in compliance with Applicable Law. The execution and delivery of the Agreement by MetalQuest have been duly authorized and validly executed and delivered by MetalQuest.

b. No Violations. MetalQuest has not received any written notice of any violations of law, rule, regulation, order or ordinance that would impair its ability to do business in the States of Ohio or New York or impair its ability to perform the terms of this Agreement.

c. Compliance with Applicable Law. MetalQuest represents that it is familiar with its legal obligations as Trustee of the Records under Applicable Law. MetalQuest hereby agrees to maintain comprehensive indexes of the Records it maintains on behalf of Trustors and will provide such indexes for inspection at its offices in Cincinnati, Hamilton County, Ohio. MetalQuest covenants and warrants to Trustors that it will maintain currency and compliance with its obligations under Applicable Law.

8. Indemnification by MetalQuest. MetalQuest agrees to maintain the Records in compliance with Applicable Law. MetalQuest shall indemnify, defend and hold harmless Trustors, their affiliates, officers, directors, employees, agents, independent contractors, medical staff, successors and assigns from and against any loss or damage incurred or suffered by such indemnified parties relating to any breach by MetalQuest, its employees, agents or independent contractors, of its obligations hereunder.

9. Duties of Trustors. On or before November 30, 2013, Trustors shall make the Records available to MetalQuest at designated locations at Trustors' facilities for boxing and transportation by MetalQuest to MetalQuest's storage facility in Cincinnati, Ohio. Records currently stored by the Trustors with other storage organizations will be made available at the other organization's storage facility as soon as reasonably practicable. Trustors shall pay to

MetalQuest all Trustee Fees, in full, in the manner set forth in Exhibit A. The Parties hereby acknowledge that no Express Trust shall be deemed to exist with respect to any Records until some of the Records are in the possession of Trustee and the Trustee Fees have been paid to MetalQuest as provided in Exhibit A.

10. Trustors' Covenants, Representations and Warranties. Trustors represent, warrant, and covenant to MetalQuest as to the following matters:

a. No Consents Necessary. Subject to the entering of the Approval Order, Trustors have the legal right, power, capacity and authority to enter into and perform its obligations under this Agreement. The execution and delivery of the Agreement have been duly authorized and validly executed and delivered by Trustors.

b. No Third-Party Rights. Subject to the entering of the Approval Order, Trustors represent that this Agreement will not conflict with or violate any other agreement between Trustors and any third-party or any obligation owed by Trustors to any third-party. Except for the rights of patients and other third parties to retrieve copies of Records with respect to which they are entitled under Applicable Law, the Parties agree that this Agreement is not intended to, and will not, create rights of any type in third parties. Nothing in this Agreement shall limit the rights of third parties under Applicable Law.

11. Default.

a. By MetalQuest. If MetalQuest breaches any material obligation hereunder and fail to cure such breach within thirty (30) days of receipt of written notice of such default, MetalQuest agrees that the Trustors shall have all remedies available at law or in equity.

b. By Trustors. If Trustors breach any material obligation hereunder and fail to cure such breach within thirty (30) days of receipt of written notice of such default, Trustors agree that MetalQuest shall have all remedies available at law or in equity.

12. Termination of this Agreement. This Agreement and the express Trust created hereunder shall terminate by operation of law upon completion of all of Trustee's obligations hereunder and the destruction of all Records held in trust by Trustee in accordance with Applicable Law.

13. Notices. Any notice required under this Agreement shall be deemed given if in writing and sent by certified mail, return receipt requested, or via reputable overnight courier to MetalQuest's principal office or the office of the Trustors or the Trustors' heirs, assigns or successors, as the case may be, with a copy of all such notices to Trustors also being so delivered

to: Sound Shore Health System , Inc.
Attn: Monica Terrano
16 Guion Place,
Islen Hall, 3rd Floor
New Rochelle, New York 10802

copies to: Burton Weston, Esq.
Garfunkel Wild, P.C.
111 Great Neck Road, 6th Floor
Great Neck, NY 11021
(516) 393-2588
Fax: (516) 466-5964
Email: BWeston@GarfunkelWild.com

and a copy also being so delivered to

Gregory J. Berberich, Esq.
Law Office of Gregory J. Berberich
P.O. Box 141454
Cincinnati, Ohio 45250
Tel (859) 356-7600
Fax (859) 356-2444
Email: Greg@BerberichLaw.com

14. Miscellaneous. This Agreement shall be binding upon the respective Parties, their heirs, agents, assigns, executors, administrators and successors-in-interest.

15. Entire Agreement. This Agreement contains the entire understanding of the Parties. It may not be changed orally but only by an agreement in writing signed by the party against who enforcement of any waiver, change, modification, extension or discharge is sought.

16. Submission to Jurisdiction; Consent to Service of Process. Without limiting any Party's right to appeal any order of the Bankruptcy Court, as to any disputes or claims between them, the Parties agree (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, or any breach or default hereunder, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 13 hereof; *provided, however*, that if the Bankruptcy Case has closed, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the

Southern District of New York sitting in Westchester County or the Supreme Court of the State of New York sitting in Westchester County and any appellate court from any thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Parties hereby consents to process being served by any of the Parties to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 13.

17. Governing Law. This Agreement and any dispute between the Parties shall be subject to and governed by the laws of the State of New York, without regard to choice of law principles.

18. Headings and Capitalized Terms. Headings in this Agreement are for convenience only and shall not be used to interpret or construe any of the provisions or terms hereof. Capitalized terms that are not otherwise defined in this Agreement shall have the same definitions as under HIPAA or 45 CFR Part 160, et seq.

19. Waiver. The waiver by either of the Parties of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach.

20. Modification. No change, modification or waiver of any term of this Agreement shall be valid unless it is in writing and signed by both Parties.

21. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements or understandings between MetalQuest and Trustors.

22. Execution of this Agreement. 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. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.

In witness whereof, the Parties have executed this Agreement this 25 day of November 25,
2013

TRUSTORS

SOUND SHORE
HEALTH SYSTEM, INC.,
SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, THE MOUNT
VERNON HOSPITAL AND HOWE
AVENUE NURSING HOME, INC.
D/B/A HELEN AND MICHAEL
SCHAFER EXTENDED CARE
CENTER

By:



STAN BUTERA

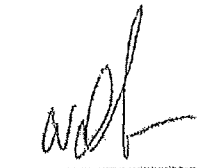
Printed Name

Their: INTERIM CEO

TRUSTEE

METALQUEST, INC.

By:



William L. Jansen

Its: President and CEO

Monica Ferraro

Monica Ferraro

Chief Wind-down Officer

EXHIBIT A

Explanation of Services and Schedule of Fees

A. Access to Medical Record Information

MetalQuest adheres to State of New York regulations governing the release of medical information and associated charges. MetalQuest will not deny a patient access to their medical information for treatment purposes due to an inability to pay. See Attachment One for regulation.

If Trustors provide notice in writing to MetalQuest of an actual or potential claim, investigation, or litigation regarding a particular patient, MetalQuest shall retain the applicable record or digital copy for that individual until Trustors notify MetalQuest that such records can be destroyed. Any records that Trustors request shall be provided to Trustors at a cost of \$0.25 per page plus a retrieval fee of \$5 per folder. X-rays requested by Trustors will be provided to Trustors at a cost of \$1.00 per film or image with a \$25.00 minimum fee.

Delivery Methods and Address for Submitting a Request for Medical Records

Delivery of Requested Medical Records

With the exception of original analog mammography films and pathology blocks and glass slides, MetalQuest provides requested information in digital format via removal media such as CD/DVD or secure on-line electronic transfer. MetalQuest does not provide information in hardcopy form, unless specifically requested by the requestor. MetalQuest will not release the original hardcopy records.

Original Analog Mammography Film and Pathology Blocks and Glass Slides

When requested, MetalQuest will release the original analog mammography film in accordance with the Food and Drug Administration's MQSA regulation. Released mammography films will be considered permanently transferred to the requestor, unless otherwise requested by the requestor.

Released pathology blocks and glass slides will be considered permanently transferred to the requestor, unless otherwise requested by the requestor.

Email Request to:

SSHS@MetalQuest.com (not case sensitive)

Fax Request to:

SSHS Release of Information

Telephone Number: 513-242-5059

Mail Request to:

MetalQuest

Attn: SSHS Release of Information

P.O. Box 46364

Cincinnati, Ohio 45246-0364

Courier Request to:

MetalQuest

Attn: SSHS Release of Information

4900 Spring Grove Avenue

Cincinnati, Ohio 45232-1900

Customer Service:

Monday – Friday, 9:00 A.M. to 5:00 P.M. Eastern Time

Telephone Number: 513-898-1022

B. Record Formats

MetalQuest has the ability to store and access a myriad of hardcopy and electronic record formats including microforms. Presently, in addition to traditional hardcopy storage, MetalQuest operates an electronic archive consisting of subsystems including PACS designed to handle a wide variety of file formats including but not limited to:

Electronic Formats

DICOM	PDF	JPEG	VIDEO	TIFF	PST	PNG	BMP	HTML	XML
RAW	GIF	DOC	XLS	XPS	EPS	DWG	DXF	MP3	MPEG

Hardcopy Formats

ANALOG "FLAT" X-RAY	PAPER DOCUMENTS	MICROFICHE	MICROFILM JACKET	ROLLFILM
35MM CINE FILM	FETAL MONITOR			

Special Formats and Containers

PATHOLOGY: GLASS SLIDES	PATHOLOGY: PARAFFIN TISSUE BLOCKS	CD	DVD
VHS VIDEO TAPE	MAGNETO- OPTICAL DISK	MAGNETIC TAPE	RIGID AND FLEXIBLE DISK
COMPUTER HARD DRIVE	OTHER OPTICAL DISK		

C. Information Security

Information security is a top priority at MetalQuest. To protect our customer's data and the privacy of individuals, MetalQuest begins with its people. All employees are subjected to a thorough background check before hire and periodic checks throughout their employment. Each employee is required to attend mandatory information security and HIPAA classes.

Facility Security

MetalQuest provides physical access control at its facility along with fire suppression and fire and intrusion alarm and monitoring service.

Electronic Data Security

Digital data residing with MetalQuest is secured while in motion and at rest. This means data being transmitted both internally and externally is encrypted using AES 256 encryption including data transmitted by media such as a CD. (The data on the CD is encrypted in the event of loss or theft. The user is provided the password to access the encrypted data. The password is sent separately from the CD.) All data access and transmission is logged.

To further protect the data, MetalQuest creates three live mirrors of all data plus a backup. Furthermore, upon receipt of electronic data, each file has a hash generated and is securely stored, so routine data integrity checks can be performed. Data failing a hash test is replaced by restoring from backup or original data, as necessary.

D. Separation of Primary Medical Records and Clinic Medical Records

1. MetalQuest will separate the primary medical records and the clinic medical records into two distinct batches. Batch one will be designated for transfer to MetalQuest and batch two will be designated for Montefiore and will stay in place.
2. The Trustors will provide an electronic separation list with the following data fields:
 - 2.1. Admit or discharge date
 - 2.2. Medical record number
 - 2.3. Patient name
 - 2.4. DOB

E. Accepted Records, Retention Schedules and Destruction

MetalQuest will accept all clinical, business and administrative records generated by the Trustors generated through the final dissolution of the estate including Trustors' records stored with the following vendors:

1. Cardone Record Services
2. Iron Mountain
3. Medi-File Document Management

Storage of Glass Slides and Paraffin Tissue Blocks

MetalQuest will store glass slides and paraffin tissue blocks stored at a Trustors facility or any of Trustors' storage vendor facilities as of November 5, 2013.

Health Record Retention

MetalQuest will follow the State of New York retention schedule for health records at the time the trust agreement is executed. The NYS health record retention schedule is Title 10 NYCRR §405.10(a) (4), which requires a six year retention after the last visit. An exception exists for minors and obstetrical records. The requirement mandates retention until age 21. Mammograms will be retained for 10 years.

Laboratory Reports and Specimens Retention

See the "Report and Specimen Retention Schedule" attachment for detailed information on the storage of glass slides and tissue blocks.

Record and Specimen Destruction

The one-time fee payable hereunder covers the HIPAA compliant destruction of stored records (records are shredded, baled and recycled) and specimens at the end of their mandated retention period, including, but not limited to, records and specimens received from the following storage vendors:

1. Cardone Record Services
2. Iron Mountain
3. Medi-File Document Management

F. Start Date

MetalQuest will commence the organized boxing and removal of records on a mutually agreed date not later than 10 days after the entry of the Approval Order and payment to MetalQuest for services. Additional phases of project will commence upon mutually agreed dates.

G. Project Duration at Trustors Facilities

With the exception of electronic systems, the orderly removal of records will be accomplished within approximately 45 working days.

H. Access to Trustors Facilities

1. At minimum, facility access is required between the hours of 8:00 AM to 5:00 PM, Sunday through Saturday. All docks and elevators must be accessible and functioning for the duration of the project.
2. The Trustors will provide adequate space for the storage of MetalQuest equipment, boxes, packaging and other supplies required to transfer records at each facility.
3. The Trustors will provide adequate space for staging a minimum of 26 pallets of records for transfer to MetalQuest at each facility.
4. The Trustors will provide name, telephone number and email address for each department transferring records.
5. The Trustors will provide name, telephone and email address for the lead Montefiore

contact.

6. The Trustors will provide names, telephone numbers and email addresses for the Montefiore facilities contact at each location.

I. Indexing of Medical, Business, Specimen, and Other Information

1. The Trustors will provide a copy of the master patient index (MPI) in an electronic form agreeable to MetalQuest. The MPI will contain at a minimum the medical record number, patient name, DOB, dates of service, social security number, patient account number and facility name. This data will be provided within 15 days of the Approval Order. MetalQuest will use the MPI to populate its database during data entry, as appropriate.
2. MetalQuest will create a master index by matching unique identifiers such as medical record, social security and account numbers or a combination of the three from each record indexed against the MPI. At a minimum, the master index will indicate the medical record number, patient name, DOB, record type, format and its location address whether physical for a hardcopy record or virtual for an electronic record. When available from either the MPI or the record, additional fields will be added including but not limited to social security number, patient account number, service date(s), study and diagnosis data.
3. MetalQuest will assign an accession number to each record indexed. All boxes stored are assigned an accession number. Each accession number is unique.
4. When indexing records, the double-blind entry method is used to reduce keying errors.
5. MetalQuest will create a record level index of all unitized paper in-patient and out-patient medical records and analog "flat" x-ray jackets.
6. All electronic records will be indexed to the record level.
7. All microfilm jackets and microfiche will be indexed to the record level.
8. All pathology reports will be indexed. The pathology report contains the name and location of the glass slides and paraffin tissue blocks. For instance, S-10-12589 means a surgical specimen 12589 from 2010. The specimens are filed by year, type (surgical, cytology, etc.) and sequentially assigned number.
9. All other clinical records will be indexed to the record or box level, as appropriate.
10. Business records will be indexed to the record or box level, as appropriate.

J. Notification of Patients and Website Maintenance

It is the responsibility of Trustors to notify the former patients of the transfer of medical record information to MetalQuest.

MetalQuest will maintain a webpage for the duration of the Term, subject to Trustors' approval, which approval shall not be unreasonably withheld, using the Trustors' domain name

(www.sshsw.org/) which will provide detailed instructions regarding medical record retrieval and general retrieval instructions for other non-clinical records. It is the responsibility of the Trustors to transfer its domain name to MetalQuest.

At a minimum the website will display

1. Trustors' logo
2. "Facility Closed" banner
3. Medical records/clinical information disposition and request instruction section
4. Patient Finance/Billing information disposition and request instruction section
5. Employee information disposition and request instruction section
6. Physician credentialing information disposition and request instruction section
7. Bankruptcy information

K. Freight

1. As stated in this Agreement, MetalQuest is responsible for all freight required to move records from the Trustors' facilities and their storage vendor facilities to a MetalQuest facility.

L. Contaminated Records

1. Records deemed contaminated by MetalQuest with mildew, fecal matter, asbestos, acute water damage, urine, or otherwise rendered illegible and/or unusable will be destroyed.
2. Destroyed records will be identified with one or more of the following data:
 - 2.1. Record type/name
 - 2.2. Date range
 - 2.3. Filing system range, e.g. terminal digit, alphabetical, etc.
 - 2.4. Contamination description

M. Permanent Transfer of Medical Information

Original clinical and non-clinical information transferred from MetalQuest before the expiration of its retention period will be deleted from the MetalQuest archive system, unless otherwise requested by the requestor. The requestor will be duly notified of the permanent transfer and deletion of the medical information. A record of the transfer will be maintained.

N. Trustor Records Stored by Trustors' Record Storage Vendors

1. When moved in full semi-tractor trailer loads (a minimum of 22 pallets with 36 legal/letter boxes or equivalent per pallet) until the last potentially partial shipment from each storage vendor, MetalQuest will be responsible for all freight required to move the

Trustors' records stored with a current record storage vendor to its Cincinnati storage facility. MetalQuest shall interface with the Trustors' storage vendors in an effort to ensure that Trustors' records are moved to MetalQuest's Cincinnati storage facility at no cost to Trustors.

2. The Trustors are responsible for the payment of any and all fees required to permanently remove records and pathology specimens and any other preparation necessary including all shipping and packing materials and supplies from other storage vendors.
3. The Trustors are responsible to deliver a softcopy index from each storage vendor in either Microsoft Excel or CSV file format with the minimum required data fields:
 - 3.1. Patient name
 - 3.2. Facility name
 - 3.3. Medical record number
 - 3.4. DOB
 - 3.5. Storage vendor record accession
 - 3.6. Storage vendor box
 - 3.7. Storage vendor box accession number
4. Trustors will provide a contact for each storage vendor.
5. The transfer process is not to exceed 90 working days.
6. MetalQuest will manage the record transfer process.

O. Transfer of Electronically Stored Data

Vendor Hosted IT and Trustors' Systems

1. MetalQuest will accept electronic records from the Trustors' hosted IT system vendors and Trustors' IT systems.
2. The Trustors are responsible for any fees payable to the IT vendor and/or other costs associated with the transfer of data from Trustors' IT systems necessary to transfer data.
3. MetalQuest will work with the IT vendor and Trustors' staff to determine the data format and mode of transfer.
4. Known hosted IT system vendors:
 - 4.1. EDIM, Cardone Record Services – Emergency Room Records
 - 4.2. Application Name Unknown, Optical Archive – Accounting Records
 - 4.3. EXAM-PACS, CoActiv, Medical imaging records
5. For a period of 90 days from November 5, 2013, MetalQuest will cooperate with the Trustors in connection with their obligation to maintain access to certain clinical record systems and access such systems for purposes of fulfilling their legal obligations. MetalQuest will cooperate with the Trustors and the clinical record system vendors for ongoing access.

P. Destruction of Records

MetalQuest will provide record destruction services to the Trustors for the duration of the on-site portion of the project. MetalQuest will provide gaylord boxes (4'x4'x4') for storing and transporting records collected at its facilities and slated for destruction. The Trustors are responsible for providing secure storage for the filled gaylord boxes. The gaylord boxes are open topped and will not be secured individually. Record destruction is HIPAA compliant. Records are shredded, baled and the paper recycled.

Q. Additional Services

Additional services requested and not covered under this agreement must be added by addendum or separately contracted.

R. One-time Information Lifecycle Management Fee

One-Time Fees		
Description	Fee	Total
Clinical and Business Paper Records, X-rays, Pathology Specimens, Transferred Electronic Data Storage and Record Separation	\$366,999.00	\$366,999.00
Total		\$366,999.00

S. Payment Terms

The one time-fees are payable after receipt of the Approval Order, as shown. Additional phases of project will commence upon mutually agreed dates.

1. \$150,000.00 due with ten days of the Approval Order.
2. \$150,000.00 due ten days after the removal of paper records from the Trustors' facilities , excluding any records the Trustors deem necessary to remain on-site until the end of Bankruptcy, and, with the exception of Trustors' record storage vendors.
3. \$66,999.00 due ten days after the removal of records from the Trustors' record storage vendors Cardone Record Services, Iron Mountain and Medi-File Document Management.

Remittance by Wire Transfer:	Remittance by Check:
MetalQuest, Inc.	MetalQuest, Inc.
Account:	Attn: Accounts Payable
Bank: Fifth Third Bank, Cincinnati, OH	P.O. Box 46364
Route: 042000314	Cincinnati, Ohio 45246-0364
Account: To Be Provided at Time of Transfer	

T. Contacts

Contract Administration	William L. Jansen
Technical	Gregory B. Sagan
Finance	Patricia R. Lohmiller
Compliance and Privacy	Agnes M. Larcenaire

U. Attachments

1. NYS Retention Schedule Compilation
2. NYS Laboratory Report and Specimen Retention Schedule

V. Sound Shore Health System Patient Release of Information authorization form

The Sound Shore Health System Patient Release of Information authorization form shall be subject to the Trustors' approval prior to being used by MetalQuest.

Practice Brief—Retention of Health Information (updated)

Table 4: State Laws or Regulations Pertaining to Retention of Health Information

State	Summary of Law/Regulation	Citation
Montana (cont.)	Diagnostic imaging film and electrodiagnostic tracings must be retained for at least five years; their interpretations must be retained for the length of time required for other medical records.	ARM 16.32.328 (1990)
	Other healthcare facilities must retain patient or resident medical records for no less than five years following the patient's or resident's discharge or death.	ARM 16.32.308 (1990)
Nebraska	Hospitals must keep medical records in original, microfilm, or other approved copy form for at least 10 years following discharge. In the case of minors, hospitals must keep the record until three years after the age of majority.	Nebraska Admin. Rules & Regs. 775-9-003.04A6 (1979)
	Intermediate care facilities must keep medical records for at least as long as the resident remains at the facility and five years thereafter, or in the case of a minor, five years after the resident reaches the age of majority.	Nebraska Admin. Rules & Regs. 175-8-003.04A3 (1987)
	Health clinics must maintain client records for not less than five years.	Nebraska Admin. Rules & Regs. 175-7-004.04 (1975)
	Substance abuse treatment centers (which includes alcohol and drug—inpatient and outpatient) rules and regulations are pending at this time due to a statute change.	Pending
	Home health agencies must retain records in retrievable form for at least five years after last discharge. The home health agency must keep records of minors at least five years after the patient reaches the age of majority.	Nebraska Admin. Rules & Regs. 175-14-006.011 (1988)
Nevada	Healthcare providers must retain health records for five years after their receipt or production.	Nevada Rev. Stat. Annotated Section 629.051 (Michie 1991)
New Hampshire	Both hospitals and health facilities must retain medical records of adults for a period of seven years from discharge. Children's records must be retained to the age of majority plus seven years.	New Hampshire Code Admin. R. Dept. of Health and Human Services Reg. 802.11, 803.06 (1986)
	X-ray film must be stored at least seven years.	New Hampshire Code Admin. R. Dept. of Health and Human Services Reg. 802.08(b)(5)(1986)
New Jersey	Hospitals must preserve medical records for a period of not less than 10 years following the most recent discharge of the patient or until the discharged patient reaches age 23, whichever is the longer period. In addition, a discharge summary sheet shall be retained for a period of 20 years following the most recent discharge of the patient. X-ray films shall be retained for a period of five years.	N.J.A.C. Title 26 §26:8-5
New Mexico	Hospitals must retain all records that relate directly to the care and treatment of a patient for 10 years following the patient's last discharge. X-ray films may be destroyed four years after exposure. After three years, a patient may recover the x-rays.	New Mexico Stat. Annotated Section 14-6-2 (Michie 1992)
New York	Hospital: Medical records shall be retained in their original or legally reproduced form for a period of at least six years from the date of discharge or three years after the patient's age of majority (18 years), whichever is longer, or at least six years after death.	Title 10 NYCRR §405.10(a)(4)

Practice Brief—Retention of Health Information (updated)

Table 4: State Laws or Regulations Pertaining to Retention of Health Information

State	Summary of Law/Regulation	Citation
New York (cont.)	Long-term care facility: Clinical records shall be retained for six years from the date of discharge or death, or for residents who are minors, for three years after the resident reaches the age of majority (18).	Title 10 NYCRR §415.22(b)
	HMO: The HMO shall require and assure that the medical records of enrollees be retained for six years after the date of service rendered to enrollees or cessation of HMO operation, and in the case of a minor, for six years after majority.	Title 10 NYCRR §98.12(j)
	Clinical laboratory or blood bank: All records and reports of tests performed, including the original or duplicates of original reports received from another laboratory, shall be kept on the premises of both laboratories and shall be exhibited to representatives of the department on request. Records listed below shall be retained by the laboratory for at least the period specified. If other New York state or federal regulations or statutes require retention for different periods of time, the laboratory shall retain the appropriate record for the longest period applicable. Records shall be retained in their original form for a period of three months and may thereafter be stored on microfilm, microfiche, or other photographic record, or as magnetic tapes or other media in an electronic processing system. Such record shall be adequately protected against destruction, either by archival storage of duplicated photographic or electronic medium or by other suitable means providing equivalent protection. Records that are required to be retained for more than two years may, after two years, be stored off the immediate laboratory premises, provided they can be available to the laboratory staff or other authorized persons in the laboratory within 24 hours of a request for records. Request for tests shall be retained for the same period of time as required for the test results or seven years, whichever is less, except that referral information for cytogenetic cases shall be retained for six years. Accession records shall be retained for seven years. Records of quality control results shall be retained for two years. Preventative maintenance, service, and repair records shall be retained for as long as the instrument remains in use, except that records of monitoring of temperature-controlled spaces shall be kept for one year.	Title 10 NYCRR §58-1.11(c)
	The following types of laboratory reports shall be retained for at least the period specified: tissue pathology including exfoliative cytology—20 years; syphilis serology—negative report—two years; cytogenetics—25 years; all others—seven years. Worksheets containing instrument readings and/or personal observations upon which the outcome is based shall be retained for one year. Specimens shall be retained so as to be accessible to the laboratory within 24 hours for at least the period set forth below: blood film—other than routine—one year; blood film—routine—six months; bacteriology slide on which a diagnosis depends—one year; cytology slide showing any abnormality—seven years; cytology slide showing no abnormality—three	Title 10 NYCRR §58-1.11(c)

Practice Brief—Retention of Health Information (updated)

Table 4: State Laws or Regulations Pertaining to Retention of Health Information

State	Summary of Law/Regulation	Citation
New York (cont.)	years; tissue block—20 years; histopathology block—20 years; histopathology slide—20 years; bone marrow biopsy—20 years; cytogenetic slide—six years; photographic slide of cytogenetic karyotype—25 years; and recipient blood specimens—one week stoppered at 6~C.	
North Carolina	Hospitals must maintain medical records, whether original, computer media, or microfilm for a minimum of 11 years following the discharge of an adult patient. Hospitals must maintain the medical records of minors until the patient's 30th birthday.	T10:03C:3903(1996)
	Hospice medical records must be retained for a period of not less than three years from the date of discharge of the patient, unless the patient is a minor, in which case the record must be retained until five years after the patient's 18th birthday. If a minor patient dies, as opposed to being discharged for other reasons, the minor's records must be retained at least five years after the minor's death.	T10:03T:0900 (1996)
	Nursing homes must maintain medical records, whether original, computer media, or microfilm for a minimum of five years following the discharge of an adult patient. Nursing homes must maintain the medical records of minors until the patient's 19th birthday and then for five years.	T10:03H:2402 (1996)
North Dakota	Hospital records must be preserved in original or any other method of preservation, such as by microfilm, for a period of at least the 10th anniversary of the date on which the patient who is the subject of the record was last treated in the hospital. If a patient was less than 18 years of age at the time of last treatment, the hospital may authorize the disposal of medical records relating to the patient on or after the date of the patient's 21st birthday or on or after the 10th anniversary of the date on which the patient was last treated, whichever is later. The hospital may not destroy medical records that relate to any matter that is involved in litigation if the hospital knows the litigation has not been finally resolved. It is the governing body's responsibility to determine which records have research, legal, or medical value and to preserve such records beyond the above-identified time frames until such time in the governing body's determination the record no longer has a research, legal, or medical value. Long term facilities must retain their records as original or any other method of preservation for 10 years after discharge or seven years after death. Records of minors must be retained for the period of minority, plus 10 years after discharge.	North Dakota Admin. Code Section 33-07-01-20 (1994)
Ohio	Maternity hospitals and homes must keep medical records of each maternity patient and infant for not less than two years. Resident records of alcoholism inpatient/emergency care facilities must be kept for at least three years after patient discharge. All facilities participating in the Title XIX program must keep medical records for the longer of seven years or six years after the fiscal audit.	Ohio Admin. Code Section 3701-7-35 (1989) Ohio Admin. Code Section 3701-55-15 (1989) Ohio Admin. Code Section 5101: 3-3-26 (1992)
Oklahoma	Healthcare facilities must retain medical records for a minimum of five years beyond the date the patient was last seen or a minimum of three years beyond the date of the patient's death.	Oklahoma Dept. of Health Reg. ch. 13, Section 13.13A

Post-Examination Procedures	
Standard	Guidance Reference to Additional Specialty and Regulatory Requirements
Records & Specimen Retention	
<p>Records Retention Sustaining Standard of Practice 1 (Retention S1): Document Control</p> <p>The laboratory shall define, document, and maintain procedures to control all documents and information (from internal and external sources) that form its quality documentation. Document control procedures shall be written and adopted to ensure that:</p> <ul style="list-style-type: none"> a) all policies and standard operating procedures are reviewed and approved by the director prior to issue; b) revisions to approved policies and procedures are properly documented, approved and distributed to appropriate personnel; c) only current, approved versions of policy and procedure are available for use at all relevant locations; and, d) obsolete policies and procedures are archived in a fashion that they are readily retrieved when there is a need or request to recreate the test protocols and process employed for patient specimens that were processed within the previous two years. 	<p>The intent is that procedures exist to ensure version-sensitive documents - including policy statements, procedures, specifications, calibration tables, biological reference intervals and their origins - are approved and are made available for use at all relevant locations.</p> <p>Document control is required under the laboratory's Quality Management System (QMS S1): Establishment of Specifications and Requirements (t)</p> <p>Specialty Requirements</p> <p>Cytopathology: CY8</p>

Post-Examination Procedures		
Standard	Guidance	Reference to Additional Specialty and Regulatory Requirements
<p>Records Retention Sustaining Standard of Practice 2 (Retention S2): Reports</p> <p>All records and reports of tests performed including the original or duplicates of original reports received from another laboratory shall be kept on the premises of both laboratories and shall be exhibited to representatives of the department on request.</p> <p>The following types of laboratory reports shall be retained for at least the period specified;</p> <ul style="list-style-type: none"> a) tissue pathology including exfoliative cytology - 20 years; b) syphilis serology - negative report - two years; c) cytogenetics - 25 years; and d) all others - 7 years. 	<p>Off-site or electronic storage systems are acceptable, provided the laboratory can produce duplicates within 24 hours of a request.</p>	
<p>Records Retention Sustaining Standard of Practice 3 (Retention S3): Test Request and Process Documents</p> <p>The laboratory shall retain the following records for at least the period specified, except that where other New York State or Federal regulations or statutes require retention for different periods of time, the laboratory shall retain the appropriate record for the longest period applicable.</p> <ul style="list-style-type: none"> a) <i>Test requisitions</i> shall be retained for the same period of time as required for the test results or seven years, whichever is less, except that referral information for cytogenetic cases shall be retained for six years. b) <i>Accession records</i> shall be retained for seven years. c) <i>Test procedures</i> shall be retained for at least two years after a procedure has been discontinued, and all test procedures must include the dates of initial use and discontinuance. d) <i>Analytic system records</i>, including worksheets containing instrument 		<p>Specialty requirements</p> <p>Microbiology: MB2 Virology: VR10 Immunohematology: IH6 Cytogenetics: CG19, CG23, CG24 Histocompatibility: HC25, HC28 Paternity Identity: PIT7, PIT23 Forensic Toxicology: FT42</p>

Post-Examination Procedures	
Standard	Guidance Reference to Additional Specialty and Regulatory Requirements
<p>readings and/or personal observations upon which the outcome is based, the identity of personnel who performed the tests, quality control and patient results shall be retained for at least two years.</p> <p>e) <i>Preventive maintenance</i>, service and repair records shall be retained for as long as the instrument remains in use, except that records of monitoring of temperature-controlled spaces shall be kept for two years.</p> <p>f) Records of test system <i>performance specifications</i> that the laboratory establishes or verifies under (<i>Validation S5</i>): <i>Performance Specifications</i> shall be retained for the period of time the laboratory uses the test system plus two years after the system has been discontinued, but no less than two years.</p>	<p>Specialty Requirements Mycobacteriology: TB6, TB7, TB17 Parasitology: PS4 Histocompatibility: HC25 Forensic Toxicology: FT8, FT41</p> <p>b) histograms can be kept, for normal differentials</p>
<p>Records Retention Sustaining Standard of Practice 4 (Retention S4): Specimen Retention</p> <p>Specimens shall be retained so as to be accessible to the laboratory within 24 hours for at least the period set forth below:</p> <ul style="list-style-type: none"> a) blood film - other than routine - 1 year; b) blood film - routine - 6 months; c) bacteriology slide on which a diagnosis depends - 1 year; d) cytology slide showing any abnormality - 10 years; e) cytology slide showing no abnormality - 5 years; f) tissue block - 20 years; g) histopathology block - 20 years; h) histopathology slide - 20 years; i) bone marrow biopsy - 20 years; j) cytogenetic slide - 6 years; k) photographic slide of cytogenetic karyotype - 25 years; and l) recipient blood specimens - 1 week stoppered at 1-6 degrees Celsius. 	

Post-Examination Procedures	
Standard	Guidance Reference to Additional Specialty and Regulatory Requirements
<p>Records Retention Sustaining Standard of Practice 5 (Retention S5): Supplies Inventory</p> <p>There shall be an inventory control system for supplies. Appropriate quality records of external services, supplies, and purchased products shall be established and maintained for a period of time as defined in the quality management system. This system should include the recording of lot numbers of all relevant reagents, control materials, and calibrators; the date of receipt in the laboratory; and the date the material is placed in service. All of these quality records shall be available for laboratory management review.</p>	
<p>Records Retention Sustaining Standard of Practice 6 (Retention S6): Laboratory Closure</p> <p>If the laboratory ceases operation, the laboratory director and owner must notify the Department, make provisions to ensure that all records and, as applicable, slides, blocks, and tissue are retained and available for the time frames specified in this section and must inform the Department and former clients as to where such records and specimens are maintained.</p>	
Confidentiality	
<p>Confidentiality Sustaining Standard of Practice 1 (Confidentiality S1): General</p> <p>All patient identified information received or generated in the laboratory shall be considered health related confidential information, and shall be so defined to employees and agents of the laboratory who may have knowledge that a test was performed and/or of the test results.</p>	<p>At a minimum, confidentiality training should be done as part of initial employee training, and annually thereafter.</p> <p>Special attention should be given to confidentiality training of employees of patient service centers and other patient contact areas of the laboratory.</p>

EXHIBIT B

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

-----X
In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.

Chapter 11
Case No. 13-22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**ORDER AUTHORIZING THE DEBTORS TO ENTER
INTO AN AGREEMENT WITH METALQUEST FOR THE
STORAGE AND DISPOSITION OF PATIENT MEDICAL RECORDS**

Upon the application (the “Application”)¹ of Sound Shore Medical Center of Westchester and its affiliated debtors, the debtors and debtors-in-possession herein (the “Debtors”), dated November __, 2013, seeking entry of an Order (i) authorizing the Debtors to enter into the Agreement, annexed as Exhibit A to the Motion, with MetalQuest (“MetalQuest”), which provides for the pickup, indexing, sorting, storage and eventual secure destruction of the patient records (the “Medical Records”) of the Debtors; (ii) directing third party storage vendors to cooperate in the transfer of records; and (iii) authorizing the Debtors to pay MetalQuest \$366,999.00 for its services; and the Court having subject matter jurisdiction to consider the Motion and the relief requested therein; and the Motion being a core proceeding; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be given; and the Court having reviewed the Motion; and the relief requested in the Motion being in the best interests of the Debtors, their estates and creditors; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the

¹ Capitalized terms, not otherwise defined herein, shall have the meanings ascribed to them in the Application.

relief granted herein; and upon all proceedings before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Debtors have articulated good, sufficient and sound business reasons to consummate the MetalQuest Agreement. Accordingly, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors are authorized to enter into the Agreement with MetalQuest and the MetalQuest Agreement and all of its terms and conditions are approved by the Court.

2. The Debtors are authorized, but not directed, to pay MetalQuest the amount of \$366,999.00 as compensation for its services.

3. The Debtors are authorized to take such actions as are reasonable and necessary to implement the MetalQuest Agreement and perform their obligations thereunder, including executing any such documents as may be necessary to effectuate the terms of this Order, the Records Protocol and the Agreement.

4. As soon as practicable after entry of this Order, the Debtors shall publish, or cause to be published, notice of the transfer of the Medical Records to MetalQuest on the Debtor's website, on their telephone message and on signs that will be posted at each of the Debtors' former facilities.

5. This Court shall retain jurisdiction over any and all disputes, controversies, claims, or other matters arising under or otherwise relating to this Order.

Dated: December __, 2013
White Plains, New York

HON. ROBERT D. DRAIN
United States Bankruptcy Judge