

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF GEORGIA  
MACON DIVISION**

In re:	)	
	)	Chapter 11
OCONEE REGIONAL HEALTH SYSTEMS, INC., <i>et al.</i> , <sup>1</sup>	)	PROPOSED Jointly
	)	Administered Under
Debtors.	)	Case No. 17-51005
	)	

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**DEBTORS’ MOTION TO AUTHORIZE PAYMENT OF PREPETITION WAGES, PAYROLL TAXES, CERTAIN EMPLOYEE BENEFITS AND RELATED EXPENSES TO EMPLOYEES**

Oconee Regional Health Systems, Inc., Oconee Regional Medical Center, Inc., Oconee Regional Health Services, Inc., Oconee Regional Emergency Medical Services, Inc., Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services), Oconee Internal Medicine, LLC, Oconee Orthopedics, LLC, ORHV Sandersville Family Practice, LLC, and Oconee Regional Senior Living, Inc. (collectively, the “*Debtors*”) file this motion (the “*Motion*”) for an order, substantially in the form attached hereto, permitting the Debtors to honor certain employee wage-related obligations, as set forth below.

The Debtors are seeking an expedited hearing and emergency relief on this Motion, but only to the extent necessary to avoid irreparable harm. However, as set forth in the proposed form of order attached to this Motion, any emergency relief on this Motion will be subject to the right of any party in interest to file a written objection to this Motion or to any Order on this

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<sup>1</sup> The last four digits of the employer identification number for each of the Debtors follow in parenthesis: (i) Oconee Regional Health Systems, Inc. (9394), (ii) Oconee Regional Medical Center, Inc. (9398), (iii) Oconee Regional Health Services, Inc. (9397), (iv) Oconee Regional Emergency Medical Services, Inc. (3857), (v) Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services) (8516), (vi) Oconee Internal Medicine, LLC (1712), (vii) Oconee Orthopedics, LLC (3694), (viii) ORHV Sandersville Family Practice, LLC (1236), and (ix) Oconee Regional Senior Living, Inc. (5613). The Debtors’ corporate mailing address is 821 North Cobb Street, Milledgeville, Georgia, 31061.

Motion within twenty-one days of the date hereof, upon which time the Court will convene a hearing to consider such objection. Absent the filing of such a timely objection, then any order on this Motion will immediately thereafter be deemed a final order. Further information supporting the expedited relief on this and certain other “first day” motions can be found in the Debtors’ Motion for Expedited Hearing and Emergency Interim Relief Pursuant to Local Bankruptcy Rule 2002-1(G).

In support of this Motion, the Debtors respectfully represent as follows:

**Background**

1. On May 10, 2017 (the “*Petition Date*”), the Debtors filed voluntary petitions with the United States Bankruptcy Court for the Middle District of Georgia, Macon Division under Chapter 11 of Title 11 of the United States Code (the “*Bankruptcy Code*”). Since the Petition Date, the Debtors have continued in possession of their properties and have operated and managed their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtor Oconee Regional Health Systems, Inc. (“*ORHS*”) is a not-for-profit healthcare system that, through various affiliates, provides critical medical services to the citizens and communities of central Georgia. ORHS can generally be thought of as three legally separate, but closely affiliated, operations.

3. First, chief among the ORHS structure is the Debtor Oconee Regional Medical Center, Inc. (“*ORMC*”), a not-for-profit hospital located in Milledgeville, Georgia. ORHS owns the equity of ORMC. ORMC provides acute and skilled nursing services through a 140-bed general acute care hospital and 15-bed skilled nursing unit. ORMC is the only general acute-care hospital within a 30-mile radius and is the largest hospital in the ~4,400 square mile area

between Macon, Augusta, and Atlanta, Georgia. Over the last twelve months, ORMC had approximately 2,600 inpatient admissions with an average length of stay of 3.9 days, as well as over 33,000 emergency room visits and over 2,100 skilled nursing patient days.

4. Second, the Debtor Oconee Regional Health Ventures, Inc. (“*ORHV*”), a for-profit entity owned by ORHS, operates two wholly-owned clinics and one majority-owned outpatient clinic, all in and around Milledgeville, Georgia. These ORHV subsidiaries are Debtors Oconee Internal Medicine, LLC and Oconee Orthopedics, LLC, and non-Debtor Oconee Sleep & Wellness Center, LLC (which is 71% owned by ORHV). In addition, ORHV has certain operations of its own, as it sometimes does business as Oconee Neurology.

5. Third and finally, ORHS owns the equity of Oconee Regional Healthcare Foundation, Inc. (the “*Foundation*”), a small, non-profit entity that raises money to support certain charitable, educational, and scientific goals and missions of ORHS. The Foundation is not a Debtor.

6. The last four of the Debtors are Oconee Regional Health Services, Inc., Oconee Regional Emergency Medical Services, Inc., Oconee Regional Senior Living, Inc., and ORHV Sandersville Family Practice, LLC, all of which discontinued their operations some time before the Petition Date. These companies have no material assets or liabilities, other than intercompany items or miscellaneous guarantees.

7. A separate non-debtor affiliate, Jasper Health Services, Inc., operates its own 17-bed critical access hospital (Jasper Memorial Hospital) and a 55-bed skilled nursing facility (The Retreat), neither of which operations are debtors in these cases and both of which continue to operate in the ordinary course of their business.

8. Further information about the Debtors and these Chapter 11 cases, a corporate chart showing the structure of the Debtors and non-debtors, and additional facts in support of this Motion can be found in the Declaration of Steven M. Johnson in Support of Chapter 11 Filings and Certain Initial Relief Requested (Doc. No. 2).

9. As of the date hereof, no official committee of unsecured creditors has been appointed in any of these cases, and no request has been made for the appointment of an examiner or trustee.

### **Jurisdiction, Venue, and Statutory Predicate**

10. This Court has jurisdiction over these cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (M).

11. The statutory predicates for the relief requested in this Motion are Sections 105, 507(a)(4), 507(a)(5) of the Bankruptcy Code.

### **Relief Requested**

12. By this Motion, the Debtors seek authority to pay their Employee Obligations (as defined below) that have accrued prepetition and were unpaid as of the Petition Date (but only to the extent of the applicable statutory cap for each employee under Sections 507(a)(4) or 507(a)(5) of the Bankruptcy Code, and to the extent included in any budget approved by this Court as part of the Debtors' motion to use cash collateral and incur postpetition financing). Furthermore, because it is difficult for the Debtors to determine with precision the accrued prepetition amount for many of the Employee Obligations, to the extent the Debtors subsequently determine that there are any additional outstanding Employee Obligations related to the programs and policies described herein, the Debtors request authority to pay such prepetition amounts. The Debtors

similarly request that they be authorized to pay any cost or penalty incurred by any recipient of Employee Obligations in the event that a check issued by the Debtors for payment of the Employee Obligations is inadvertently not honored because of the filing of the Debtors' Chapter 11 cases.

### **The Employee Obligations**

13. As of the Petition Date, the Debtors employ approximately 504 people at ORMC (the "**ORMC Employees**"), and another 27 people at the operations of ORHV d/b/a Oconee Neurology, Oconee Internal Medicine, LLC, and Oconee Orthopedics, LLC (the "**Ventures Employees**" and collectively with the ORMC Employees, the "**Employees**"). With respect to the 504 Employees at ORMC, 334 are full-time, 27 are part-time workers, and 142 are "PRN" (or "as needed" in medical parlance). As to the Ventures Employees, all of them operate at or near a full-time basis.

14. The Employees are employed at all levels of the Debtors' separate business operations. To minimize the personal hardship the Employees would suffer if Employee Obligations are not paid when due or as expected, the Debtors seek authority to pay and honor certain prepetition claims relating for:

- (a) wages and salaries;
- (b) federal and state withholding taxes;
- (c) other amounts withheld for various purposes directed by the Employees (including garnishments and child support, Employees' share of insurance premiums, college savings accounts for children, hospital purchases, charitable funds, and Section 403(b) retirement plan contributions);
- (d) health insurance; and

(e) vacation and sick pay.

(collectively, the “*Employee Obligations*”). All of the Employee Obligations are programs that the Debtors have historically directly or indirectly provided to the Employees in the ordinary course of business. In addition, subject to the Court’s approval of the relief requested herein, the Debtors intend to continue their prepetition practices that gave rise to the Employee Obligations in the ordinary course of business.

15. The Debtors’ Employees perform a wide variety of functions critical to the Debtors’ operations and the administration of these Chapter 11 cases. Their skills, knowledge, and understanding of the Debtors’ operations and health delivery systems are essential to preserving operational stability and efficiency. They are critical, in every sense, to the health and welfare of the Debtors’ patients. The Debtors’ Employees include highly trained personnel who are not easily replaced. Without the continued, uninterrupted services of their Employees, the Debtors’ entire operations will be jeopardized. Moreover, the vast majority of the Debtors’ Employees rely exclusively on their compensation and benefits to pay their daily living expenses and support themselves and their families. Thus, the Debtors’ Employees will be exposed to significant financial constraints if the Debtors are not permitted to continue paying their compensation and providing benefits. Consequently, the relief requested herein is necessary and appropriate.

16. Importantly, the Debtors do not believe there are (and will not pay, absent further order of this Court) amounts owed to any Employees on account of the Employee Obligations that exceed the \$12,850 priority expense compensation and benefit caps set forth by Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

17. The Debtors pay wages approximately two and one-half weeks in arrears, and the most recent payroll for the Debtors was May 4, 2017. The May 4 paychecks covered work performed from April 16-30, 2017. Thus, the Employees will all be owed a portion of their wages as of the Petition Date. Wages also may be due and owing as of the Petition Date because of, among other things, potential discrepancies between the amounts paid and the amounts that Employees believe they should have been paid, such as “true ups” of hours or shifts worked for hourly employees (all of which take place in the ordinary course of business). As of the Petition Date, the Debtors believe they owe approximately \$1,003,446 on account of unpaid wages (the “*Unpaid Wages*”), all of which will become due and owing within the first 21 days of these Chapter 11 cases. By this Motion, the Debtors request authorization to pay all outstanding prepetition amounts on account of the Unpaid Wages, in the ordinary course of business and consistent with past practice, and to continue paying such amounts on a postpetition basis in the ordinary course of business.

18. During each applicable pay period, the Debtors also routinely deduct certain amounts from their Employees’ paychecks for, among other things, garnishments, child support, and other pre-tax and after-tax deductions payable pursuant to certain of their insurance and benefits programs (collectively, the “*Deductions*”). Certain of the Deductions are forwarded to various third-party recipients.

19. The Debtors are also required by law to withhold from the Employees’ pay amounts related to, among other things, federal, state, and local income taxes as well as Social Security and Medicare taxes (collectively, the “*Employee Payroll Taxes*”) for remittance to the appropriate federal, state, and local taxing authorities. The Debtors must then match the Employee Payroll Taxes from their own funds and pay, based upon a percentage of gross payroll,

additional amounts for state and federal unemployment insurance (the “*Employer Payroll Taxes*” and together with the Employee Payroll Taxes, the “*Payroll Taxes*”). The Payroll Taxes are generally processed and forwarded to the appropriate federal, state, or local taxing authority at the same time as the Employees’ payroll checks are disbursed.

20. The Debtors also offer various health benefit plans to their Employees, through third party insurers, such as medical, dental, and vision plans, and through a self-insured program for certain Employee medical expenses (the “*Insurance Plans*”).

21. Pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (“*COBRA*”), certain former Employees of the Debtors (the “*COBRA Participants*”) may continue insurance coverage under the Debtors’ Insurance Plans. More specifically, COBRA Participants are entitled by law to continue to receive COBRA benefits for up to 18 months, and in some instances up to 36 months, following termination of employment. COBRA Participants are responsible for paying all premium costs associated with the COBRA benefits.

22. The Debtors provide eligible Employees with the ability to participate in a three defined contribution plans, under Sections 457(b), 401(a), and 403(b) of the Internal Revenue Code (the “*Defined Contribution Plans*”). All monies paid into the Defined Contribution Plans are withholdings from the Employees’ wages. The Defined Contribution Plans generally provide for deductions of compensation up to limits set by the Internal Revenue Code and consistent with certain plan limit pre- and post-tax contribution deduction percentages. Each Employee’s contributions under the Defined Contribution Plans are deducted automatically from each paycheck and thereafter transferred by the Debtors to a trust established under the plan documents (collectively, the “*Defined Contribution Plan Deductions*”). The Debtors pay, as a



whole, approximately \$350 per quarter as an administration fee to the plan administrator (the “*Plan Administration Fee*”).

23. Prepetition, the Debtors discontinued any matching contributions to the Defined Contribution Plans under Sections 457(b) and 403(b) of the Internal Revenue Code. Currently, the Debtors still provide a payment of 2.3% of each Employee’s annual salary into the Employees Section 401(a) Defined Contribution Plan (the “*Debtors’ 401(a) Contribution*”).

24. The Debtors offer several paid time-off benefits for Employees, including vacation time and sick leave (the “*Time-Off Benefits*”), which increase based on an Employee’s tenure with the Debtors. If an Employee is terminated without cause, the Employee is paid for any unused vacation time, but not for any unused sick leave. Otherwise, Employees are allowed to use their vacation time and sick leave in accordance with the terms of those programs, but cannot “cash out” such benefits.

25. The Debtors were current on all of the obligations set forth above as of the Petition Date; by this Motion, the Debtors do not seek to “catch up” any prior missed payments, but instead to simply pay and honor the obligations that have accrued since the last ordinary payroll date.

**Basis for Relief**

**A. Cause Exists to Authorize the Payment of the Employee Obligations.**

26. Under Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, a debtor's employees' claims for "wages, salaries, or commission, including vacation, severance, and sick leave pay" earned within ninety (90) days before the Petition Date, and claims against the Debtors for contributions to employee benefit plans arising from services rendered within one hundred eighty (180) days before the Petition Date, are afforded unsecured priority status to the extent the claims do not exceed \$12,850. 11 U.S.C. § 507(a)(4), (5). As noted above, as of the Petition Date, the Debtors do not believe there are any Employees for whom the Employee Obligations would exceed \$12,850. Accordingly, the Debtor believes that all of the Employee Obligations would constitute priority claims.

27. Pursuant to Section 105(a) of the Bankruptcy Code, a bankruptcy court has broad authority to enforce the provisions of the Bankruptcy Code either under the specific statutory language of the Bankruptcy Code or under equitable doctrines. This includes the authority to pay certain prepetition claims, if necessary to advance the purposes of the case. *In re Braniff Inc.*, 218 B.R. 628, 633 (Bankr. M.D. Fla. 1998) (debtors may pay prepetition wages when necessary to ensure employees remain on the job postpetition); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989) ("This rule recognizes the existence of the judicial power to authorize a Debtor in a reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor."). The Supreme Court recently recognized application of the "necessity of payment" doctrine is wholly warranted in this circumstance scenario. *See Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973 (2017). In *Jevic*, the Supreme Court expressly recognized that bankruptcy courts may authorize the payment of

prepetition claims, or claims outside of the Bankruptcy Code's priority structure, if there are Bankruptcy Code-related objectives that are being served. *Id.* at 985. Here, the objective is to maintain a workforce, without which the Debtors could not operate nor could they seek to sell their assets as a going concern. Indeed, Jevic noted that this is a common and accepted justification for "first-day" wage orders that allow payment of employees' prepetition wages. *Id.*

28. Any delay in paying Employee Obligations will adversely impact the Debtors' relationships with their Employees and will irreparably impair the morale, dedication, confidence, and cooperation of the very people upon whom the Debtors rely for their businesses to be successful. Moreover, absent an order granting the relief requested in this Motion, the Debtors' Employees will suffer undue hardship and, in many instances, serious financial difficulties, as the amounts in question are needed to enable certain of the Employees to meet their own personal financial obligations. The stability of the Debtors will thus be undermined, perhaps irreparably, by the possibility that otherwise loyal Employees will seek other employment alternatives.

29. The Debtors do not seek to alter their compensation, vacation, and other benefit policies in this Motion, and this Motion is not to be deemed an assumption or adoption of any agreement or policy providing for any such benefits. Instead, this Motion is intended only to permit the Debtors, in their discretion, to make payments consistent with those policies and to permit the Debtors, in their discretion, to continue to honor their practices, programs, and policies with respect to their Employees, as such practices, programs, and policies were in effect as of the Petition Date.

30. Relief similar to that requested herein has been granted in other Chapter 11 cases in this District. *See, e.g., In re Dairy Productions Systems-Georgia LLC*, No. 10-11752 (Bankr. M.D. Ga. Oct. 21, 2010) (Walker, J.) [Doc. No. 63].

**B. The Debtors' Banks and Financial Institutions Should Be Authorized to Honor and Pay Checks Issued, and to Make Other Transfers, in Respect of the Employee Obligations.**

31. If the Court grants the relief sought herein, the Debtors request that their banks and other financial institutions be authorized and directed, when requested by the Debtors, to receive, process, honor, and pay any and all checks drawn on the Debtors' accounts to pay the Employee Obligations, whether those checks were presented prior to or after the Petition Date, and make other transfers necessary to implement these transactions (provided that sufficient funds are available in the applicable accounts to make the payments and transfers). The Debtors represent that each of these checks can be readily identified as relating directly to the authorized payment of Employee Obligations. Accordingly, the Debtors believe that checks and transfers other than those relating to such authorized payments will not be honored inadvertently, and the Debtors will work closely with their banks and financial institutions to ensure that only those payments specified in this Motion are honored.

32. The Debtors similarly request that they be authorized to pay any cost or penalty incurred by a person to which Employee Obligations are owed in the event that a check issued by the Debtors for payment of the Employee Obligations is inadvertently not honored because of the filing of the Debtors' Chapter 11 cases. Though the Debtors estimate any such costs or penalties to be *de minimis* in amount, if the Debtors are not authorized to pay such costs or penalties, then their Employees will suffer the exact type of harm that this Motion seeks to prevent, and the Debtors will suffer from loss of Employee goodwill.

33. Based on the foregoing, the Debtors submit the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and this Motion should be granted in all respects.

**Waiver of the Certain Bankruptcy Rules Preventing this Relief or Its Immediate Effect**

34. Bankruptcy Rule 6003 provides that, “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, grant relief regarding . . . a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate . . .” Fed. R. Bankr. P. 6003(b). The Debtors submit that, because the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein, Bankruptcy Rule 6003 has been satisfied.

35. In addition, in order to implement the foregoing successfully, the Debtors respectfully request a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As set forth above, the payments proposed herein are essential to prevent potentially irreparable damage to the operations, value, and ability of the Debtors to reorganize. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent it applies.

**No Prior Request**

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

**Notice**

37. Notice of this Motion has been given to the following parties, or to their counsel: (a) the Office of the United States Trustee for the Middle District of Georgia; (b) each of the Debtors' twenty largest unsecured creditors; (c) counsel to U.S. Bank National Association, as Bond Trustee, (d) the office of the Georgia Attorney General; (e) counsel to Prime Healthcare Foundation, Inc., (f) Navicent Health, Inc., and (g) counsel to Jasper Health Services, Inc. In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

**Conclusion**

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

Dated: May 10, 2017

**BRYAN CAVE LLP**

*/s/ Leah Fiorenza McNeill*

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*Proposed Counsel for the Debtors and  
Debtors-in-Possession*

**EXHIBIT A**

**PROPOSED ORDER**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF GEORGIA  
MACON DIVISION**

In re:	)	
	)	Chapter 11
OCONEE REGIONAL HEALTH	)	
SYSTEMS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 17-51005
	)	
Debtors.	)	(Jointly Administered)
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**ORDER GRANTING DEBTORS' MOTION TO AUTHORIZE PAYMENT OF  
PREPETITION WAGES, PAYROLL TAXES, CERTAIN EMPLOYEE BENEFITS  
AND RELATED EXPENSES TO EMPLOYEES**

<sup>1</sup> The last four digits of the employer identification number for each of the Debtors follow in parenthesis: (i) Oconee Regional Health Systems, Inc. (9394), (ii) Oconee Regional Medical Center, Inc. (9398), (iii) Oconee Regional Health Services, Inc. (9397), (iv) Oconee Regional Emergency Medical Services, Inc. (3857), (v) Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services) (8516), (vi) Oconee Internal Medicine, LLC (1712), (vii) Oconee Orthopedics, LLC (3694), (viii) ORHV Sandersville Family Practice, LLC (1236), and (ix) Oconee Regional Senior Living, Inc. (5613). The Debtors' corporate mailing address is 821 North Cobb Street, Milledgeville, Georgia, 31061.



Oconee Regional Health Systems, Inc., Oconee Regional Medical Center, Inc., Oconee Regional Health Services, Inc., Oconee Regional Emergency Medical Services, Inc., Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services), Oconee Internal Medicine, LLC, Oconee Orthopedics, LLC, ORHV Sandersville Family Practice, LLC, and Oconee Regional Senior Living, Inc. (the “*Debtors*”), filed a motion (the “*Motion*,” Doc. No. \_\_\_\_ ) for entry of an order authorizing them to honor and pay all outstanding Employee Obligations,<sup>1</sup> including any prepetition amounts owed, and continue to pay such Employee Obligations in the ordinary course of business.

The Court has jurisdiction to consider the Motion and the relief requested in the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The Motion and the relief requested in the Motion constitute a core proceeding pursuant to 28 U.S.C. § 157(b).

The Debtors sought an expedited hearing and emergency, interim relief on the Motion. Debtors’ Motion for Expedited Hearing and Emergency Interim Relief Pursuant to Local Bankruptcy Rule 2002-1(G) (Doc. No. \_\_\_\_). In light of the relief requested, this Court granted the request for an expedited hearing, in its Order Granting Debtors’ Motion for Expedited Hearing to Consider Certain Interim, First-Day Relief (Doc. No. \_\_\_\_).

The Court has considered the Motion and the statements and arguments made at a hearing on the Motion. This Court has determined that the relief requested in the Motion is in the best interests of Debtors, their estates, creditors, and other parties in interest. Debtors gave due and proper notice of the Motion and the Court has determined that additional or further notice of the Motion is not necessary. The Court has determined that the legal and factual bases set forth in

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<sup>1</sup> Capitalized terms used in this Order that are not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Motion establish just cause for the relief granted in this Order, and after due deliberation, and sufficient cause appearing therefor,

**IT IS ORDERED THAT:**

1. The Motion is GRANTED.
2. The Debtors are authorized (but not directed) to honor and pay all Employee Obligations, including Unpaid Wages, to remit Deductions (including the 403(b) Deductions) to the applicable third parties, to pay all Payroll Taxes, to pay all amounts required to maintain their Insurance Plans (including remitting funds paid by Employees for COBRA), to pay the Plan Administration Fee (not to exceed \$500), to pay the Debtors' 401(a) Contribution, and to permit Employees to utilize any Time-Off Benefits, provided all of the foregoing amounts and obligations are in the ordinary course of business. In addition, to the extent any Employee has suffered any actual monetary penalty or charge due to the inadvertent dishonor of any check of the Debtors on account of the Employee Obligations, the Debtors shall be allowed to reimburse the Employee for such amount.
3. The authority granted by this Order shall only be up to the applicable statutory cap for each Employee under Sections 507(a)(4) or 507(a)(5) of the Bankruptcy Code.
4. The Debtors' banks and financial institutions are hereby authorized to honor and pay any checks issued, and to make other transfers, in respect of the Employee Obligations.
5. Any payments pursuant to this Order shall only be made to the extent allowed by any orders authorizing the Debtors to incur postpetition financing or use cash collateral, including any budget approved by such orders.
6. With respect to the relief sought herein, the requirements set forth in Bankruptcy Rule 6003 are satisfied.

7. Notwithstanding the possible applicability of Bankruptcy Rules 6004(a) and 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and the requirements of Bankruptcy Rules 6004(a) and 6004(h) are hereby waived.

8. Any party in interest in these Chapter 11 cases shall have until May 31, 2017 to file a written objection to the Motion or to this Order. Any such objection must be served upon (a) Debtors' counsel, Bryan Cave, LLP, 1201 West Peachtree Street, NW, 14th Floor, Atlanta, Georgia 30309, Attention: Mark Duedall, and (b) the Office of the United States Trustee, 440 Martin Luther King Jr. Boulevard, Suite 302, Macon, Georgia 31201-7910 (Attn: Elizabeth A. Hardy). If any objection is timely filed and served, then the Court will convene a hearing to consider such objection, but this Order shall remain in full force and effect and binding in all respects unless and until there is any further ruling from this Court. If no objection is timely filed and served, then this Order will be deemed a final order without need for any further action of this Court.

9. This Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this Order.

10. The Debtors are directed, within two business days of the entry of this Order, to serve a copy of this Order upon all the parties which were served with the Motion, along with any parties that have filed notice of appearance in these cases.

**\*\*\* END OF DOCUMENT \*\*\***

*Prepared and presented by:*

**BRYAN CAVE LLP**

*/s/ Mark I. Duedall*

\_\_\_\_\_  
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*Proposed Counsel for the Debtors and Debtors-in-Possession*

**DISTRIBUTION LIST**

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Elizabeth A. Hardy  
Robert G. Fenimore  
Office of the United States Trustee  
440 Martin Luther King Jr. Boulevard  
Suite 302  
Macon, Georgia 31201-7910

**CERTIFICATE OF SERVICE**

This is to certify that on the date set forth below, I electronically filed the foregoing Debtors' Motion to Authorize Payment of Prepetition Wages, Payroll Taxes, Certain Employee Benefits and Related Expenses to Employees and a proposed form of order. On the same date, I also caused the parties set forth below to be served with the foregoing by United States First Class mail, postage pre-paid:

Elizabeth A. Hardy Robert G. Fenimore Office of the United States Trustee 440 Martin Luther King Jr. Boulevard Suite 302 Macon, Georgia 31201-7910	Paul K. Ferdinands Thomas Hawk King & Spalding LLP 1180 Peachtree Street, NE Atlanta, GA 30309
P. Miyoko Sato Ian A. Hammel Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111	John Thomson Adams and Reese LLP 3424 Peachtree Road NE – Suite 450 Atlanta, GA 30326
Navicent Health, Inc. Attn: Kenneth B. Banks 691 Cherry Street – Suite 700 Macon, GA 31201	Michele P. Madison Morris Manning & Martin LLP 1600 Atlanta Financial Center 3343 Peachtree Road NE Atlanta, GA 30326
W. Wright Banks, Jr. Office of the Attorney General State of Georgia 40 Capitol Square, SW Atlanta, GA 30303	Aramark CTS, LLC Attn: Anthony Dixon 2300 Warrenton Road Downers Grove, IL 60515
Aristoi, Inc. Attn: Jeremy Collins 624 28th Street North Birmingham, AL 35203	Baldwin Physician Services, LLC Attn: Racheal St. Romain 200 Corporate Boulevard – Suite 201 Lafayette, LA 70508

<p>Biomet Sports Medicine, Inc.                  Attn: Andrew Swan                  56 East Bell Drive                  Warsaw, IN 46582</p>	<p>Center of Medicare and Medicaid Service                  Attn: Kristen Dixon                  64 Forsyth Street – Suite 4T20                  Atlanta, GA 30303-8909</p>
<p>Clinical Colleagues, Inc.                  Attn: Alex Gorecki                  1121 North Bethlehem Pike – Suite 60-234                  Spring House, PA 19477</p>	<p>Crown Health Care Laundry Services, Inc.                  Attn: Sam Anderson                  1501 North Guillemard Street                  Pensacola, FL 32501</p>
<p>Georgia Power Company                  Attn: Paul Bowers, CEO                  241 Ralph McGill Boulevard                  Atlanta, GA 30308</p>	<p>Healthcare Services Group, Inc.                  3220 Tillman Drive – Suite 300                  Bensalem, PA 19020</p>
<p>Medical Information Technology, Inc.                  Attn: Michael Sierra                  Meditech Circle                  Westwood, MA 02090</p>	<p>Medline Industries, Inc.                  Attn: Erica Farmer                  1 Medline Place                  Mundelein, IL 60060</p>
<p>Monica Ingram                  c/o G. Anthony Hall                  The Law Office of G. Anthony Hall                  3355 Lenox Road – Suite 750                  Atlanta, GA 30326</p>	<p>Quest Diagnostics Clinical Laboratories                  Attn: Thomas Fuller                  1777 Montreal Circle                  Tucker, GA 30084</p>
<p>Siemens Healthcare Diagnostics, Inc.                  Glasgow Business Community Building                  Building 500                  Newark, DE 19714</p>	<p>Smith &amp; Nephew Endoscopy                  Attn: Cara Bunn                  150 Minuteman Road                  Andover, MA 01810</p>
<p>Stryker Orthopaedics                  Attn: Max Dixon                  325 Corporate Drive                  Mahwah, NJ 07430</p>	<p>Varian Oncology Systems                  Attn: Dan Spurgeon                  3100 Hansen Way                  Palo Alto, CA 94304</p>
<p>Catherine Roberts, MD                  641 West Thomas Street                  Milledgeville, GA 31061</p>	<p>McKesson Medical Surgical                  9954 Maryland Drive – Suite 400                  Henrico, VA 23233</p>
<p>Oconee Medical Associates LLC                  641 West Thomas Street                  Milledgeville, GA 31061</p>	<p>Willis Reid Roberts, Jr., MD                  641 West Thomas Street                  Milledgeville, GA 31061</p>

Besse Medical Supply 1576 Solutions Circle Chicago, IL 60677	Chilivis Cochran Larkins & Bever 3127 Maple Drive NE Atlanta, GA 30305
Gerald Grimes Plumbing 112 Joyner Road NE Milledgeville, GA 31061	Healthcare Management Services 6501 Peake Road – Suite 700 Macon, GA 31210
James H. Extine, DO 1201 Columbia Drive Milledgeville, GA 31061	Ricoh USA, Inc. 5 Dedrick Place Clardwell, NJ 07006
Staples Advantage Attn: Ron Sargent, CEO 125 Mushroom Boulevard Rochester, NY 14623	Steve Paul Niergarth, DO 1201 Columbia Drive Milledgeville, GA 31061
CompuGroup Medical 3300 N Central Avenue – Suite 2100 Phoenix, AZ 85012	James A. Wilson, MD 425 North Cobb Street Milledgeville, GA 31061
EnduraCare AcuteCare Attn: Rhonda Smith 381 Riverside Drive – Suite 400 Franklin, TN 37064	

This 10th day of May, 2017.

**BRYAN CAVE LLP**

*/s/ Leah Fiorenza-McNeill*

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