

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

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In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER,

Chapter 11
Case No. 13-22840 (RDD)

Debtor.
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ORDER, (I) APPROVING DISCLOSURE STATEMENT; (II) SCHEDULING HEARING ON CONFIRMATION OF THE PLAN; (III) ESTABLISHING A DEADLINE AND PROCEDURES FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN; (IV) ESTABLISHING A DEADLINE AND PROCEDURES FOR TEMPORARY ALLOWANCE OF CLAIMS FOR VOTING PURPOSES; (V) ESTABLISHING THE TREATMENT OF CERTAIN CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS FOR NOTICE AND VOTING PURPOSES; (VI) APPROVING FORM AND MANNER OF NOTICE OF HEARING ON CONFIRMATION AND RELATED ISSUES AND APPROVING PROCEDURES FOR DISTRIBUTION OF SOLICITATION PACKAGES; (VII) APPROVING FORM OF BALLOT; AND (VIII) ESTABLISHING A VOTING DEADLINE FOR RECEIPT OF BALLOTS

Upon consideration of the motion (the "Motion")¹ of Sound Shore Medical Center, and its affiliated debtors (collectively the "Debtors"), as debtors and debtors in possession, pursuant to sections 105, 1125, 1126 and 1128 of title 11 of the United States Code (the "Bankruptcy Code"), and Rules 2002, 3016, 3017, 3018, 3020, 9013 and 9021 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 3017-1, 3020-1 and 3020-2 of the Local Rules of this Court (the "Local Rules"), for entry of an order (i) approving the *First Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code, for First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.* (as amended, the "Disclosure Statement"), (ii) scheduling a

¹ Capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

hearing (the “Confirmation Hearing”) to consider confirmation of the Debtors’ Plan (as defined below), (iii) establishing procedures for the solicitation and tabulation of votes to accept or reject the Plan, and (iv) establishing notice and objection procedures for the confirmation of the Plan, all as set forth in the Motion; and the Court having found that the Court has jurisdiction over the Motion under 28 U.S.C. §§ 157(a)-(b) and 1334(b), that the Motion is a core proceeding under 28 U.S.C. 157(b)(2) with respect to which the Court may enter a final order, and that venue of this case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion and the opportunity for a hearing on the Motion being appropriate and sufficient under the particular circumstances; and there being no objections to the Motion; and the Court having reviewed all submissions pertaining to the Motion, including the Debtors’ proposed revisions to the Disclosure Statement; and upon the record of the hearing held by the Court on the Disclosure Statement on September 16, 2014 (the “Disclosure Statement Hearing”), at which the Court provided the Debtors with certain comments on the Disclosure Statement and held that if such comments were properly addressed the Court would approve the Disclosure Statement; and the Debtors having properly addressed such comments in the amended Disclosure Statement filed with the Court; and the Court having determined that the legal and factual bases set forth in the Motion and at the Disclosure Statement Hearing establish just cause for the relief granted herein; and upon all prior proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. The relief requested in the Motion is granted in all respects, as more fully described below.

2. Proper, adequate and sufficient notice of the Motion, the Disclosure Statement Hearing and the deadline for filing objections to the Disclosure Statement was provided to all creditors and parties in interest, and in accordance with the Administrative Order Establishing Case Management and Scheduling Procedures, entered on June 3, 2013 [Docket No. 50].

3. The Disclosure Statement, as it may have been or may be further modified to reflect changes made or ordered on the record at the Disclosure Statement Hearing, is approved as containing “adequate information” within the meaning of section 1125(a) of the Bankruptcy Code. The Disclosure Statement (including all applicable exhibits thereto) provides sufficient notice of and information concerning the injunction, exculpation and release provisions contained in the Plan (including, without limitation, the third party releases), in satisfaction of Bankruptcy Rule 3016(c). Any and all objections to the adequacy of the information contained in the Disclosure Statement not otherwise consensually resolved are hereby overruled.

4. The confirmation-related procedures proposed in the Motion are reasonable and appropriate.

Confirmation Hearing Date

5. The Confirmation Hearing Notice attached to the Motion as Exhibit B is approved.

6. Pursuant to Bankruptcy Rule 3017(c), the hearing to consider confirmation of the Plan, as the Plan may be further modified or amended, shall commence on **November 3, 2014 at 10:00 a.m.** (prevailing Eastern Time), or as soon thereafter as counsel can be heard, before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains,

New York 10601 (the “Confirmation Hearing”). The Confirmation Hearing may be adjourned from time to time, without further notice to creditors and other parties in interest, by announcing such adjournment in open court, all without further notice to parties in interest, and the Plan may be modified pursuant to section 1127 of the Bankruptcy Code prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest; provided, however, that such modifications or amendments are consistent with such section.

Deadline and Procedures for Filing Objections to Confirmation

7. Objections to Confirmation of the Plan, including, without limitation, the injunction, release and exculpation provisions contained therein, shall be served on the Notice Parties so as to be received on or before **October 23, 2014 at 4:00 p.m.** (prevailing Eastern Time) (the “Objection Deadline”).

8. In order to be considered, Objections and responses, if any, to Confirmation of the Plan must (i) be in writing; (ii) state the name, address, and nature of the claim or interest of the objecting or responding party; (iii) state with particularity the basis and nature of any objection or response; (iv) if relevant, provide proposed language to remedy such objections; and (v) be filed, together with proof of service, with the Court and served (with a copy to the Court’s chambers) so that objections and responses are actually received on or before the Objection Deadline. Objections that do not contain the information described above and that are not filed and served by the Objection Deadline in the manner as set forth above will not be considered and shall be overruled.

9. Objections to Confirmation must also be filed electronically with the Court on the Docket pursuant to the Case Management Order approved by this Court and the Court’s General order M-399 (available at [http:// www.nysb.uscourts.gov/ sites/default/](http://www.nysb.uscourts.gov/sites/default/)

files/m399.pdf) by registered users of the Court's case filing system and by all other parties in interest on CD-Rom or flash drive, preferably in portable document format, Microsoft Word, or any other Windows-based word processing format (with a hard copy delivered directly to the chambers of the Honorable Robert D. Drain, United States Bankruptcy Judge, 300 Quarropas Street, White Plains, New York 10601, in accordance with the customary practices of the Court and General Order M-399, to the extent applicable.

**Notices of Confirmation Hearing and Related Issues;
Content and Transmittal of Solicitation Packages, Including Ballots**

10. Pursuant to Bankruptcy Rules 2002 and 3017(d), the Debtors shall transmit or cause to be transmitted to certain creditors, as set forth below, no later than September 19, 2014, a solicitation package (the "Solicitation Package"), which is hereby approved, containing a copy or conformed version of:

- (a) a written notice (the "Confirmation Hearing Notice"), substantially in the form attached as Exhibit B to the Motion, of (i) the approval of the Disclosure Statement, (ii) the date of the Confirmation Hearing, (iii) the deadline and procedures for filing objections to confirmation of the Plan, (iv) the treatment of certain contingent, unliquidated and disputed claims for notice and voting purposes and (v) the voting deadline for receipt of ballots;
- (b) the Disclosure Statement (either by paper copy or in "pdf" format on a CD-ROM, at the Debtors' discretion);
- (c) the Plan (which shall be furnished in the Solicitation Package as *Exhibit A* to the Disclosure Statement, either by paper copy or in "pdf" format on a CD-ROM, at the Debtors' discretion);
- (d) this Order (without exhibits); and
- (e) to creditors entitled to vote, an appropriate ballot with instructions attached thereto (the form of which is attached as Exhibit C to the Motion) and postage prepaid, pre-addressed ballot return envelope.

The Debtors shall provide copies of items (a) through (d) of the Solicitation Package to the Office of the United States Trustee, counsel to the Official Creditors' Committee and those

persons who have requested notice pursuant to Bankruptcy Rule 2002, and, in addition to those parties, the Confirmation Hearing Notice on all known holders of claims or equity interests.

11. The Debtors shall mail or cause to be mailed a Solicitation Package to each Voting Party. Only the Voting Parties (*i.e.*, holders of allowed claims in Class 3) are entitled to vote on the Plan. The Debtors shall not be required to provide the Solicitation Package or Confirmation Hearing Notice or any other notice on account of claims that have been satisfied, waived, withdrawn, disallowed or expunged as of the date of solicitation.

12. Pursuant to Bankruptcy Rule 3017(d), the Debtors are not required to transmit a Solicitation Package to the Non-Voting Parties. Instead, the Debtors shall send to each Non-Voting Party (i) the Confirmation Hearing Notice, which shall set forth (a) the date and time of the Confirmation Hearing and (b) the deadline and procedures for filing objections to the Plan; and (ii) the Notice of Non-Voting Status substantially in the form annexed to the Motion as Exhibit D, which shall set forth (a) the Non-Voting classes.

13. The Debtors shall mail or cause to be mailed a copy of the Confirmation Hearing Notice to creditors scheduled as unliquidated, contingent and/or disputed, or scheduled in a zero or unknown amount, that did not file a proof of claim.

14. The Debtors shall not be required to transmit Solicitation Packages or other notices, or re-send the Solicitation Packages or other notice, specifically the Disclosure Statement Hearing Notice, Solicitation Package or Confirmation Hearing Notice, to entities whose mail is returned as 'undeliverable' at such addresses or moved – 'no forwarding address' or similar marking, unless the Debtors are provided with, or obtain, accurate addresses for such entities by the date that is no less than two weeks before the date of the Confirmation Hearing.

15. In addition to serving the Confirmation Hearing Notice, the Debtors shall publish notice of the Confirmation Hearing (the “Confirmation Hearing Publication Notice”) substantially in the form annexed to the Motion as Exhibit E, once in such format as is reasonably practicable for publication, in the local edition of the *New York Times*, within ten (10) business days after entry of this Order. Additionally, the Debtors shall make the Confirmation Hearing Notice available electronically at the Debtors’ case website: <http://cases.gcginc.com/soundshore/>.

16. The Court finds that this procedure constitutes adequate notice of the Confirmation Hearing and the Voting Deadline and conforms with Bankruptcy Rule 3017(d).

Deadline and Procedures for Temporary Allowance of Claims for Voting Purposes

17. Any holder of an objected to, contingent, unliquidated, or disputed claim seeking to have such claim temporarily allowed for voting purposes shall file and serve, with a copy to chambers, by **October 1, 2014 at 5:00 p.m.** (prevailing Eastern Time) (the “Temporary Allowance Deadline”) a motion for temporary allowance of those claims for purposes of accepting or rejecting the Plan (each, a “Temporary Allowance Motion”), with a hearing to be held within ten days thereafter or as otherwise scheduled by the Court to consider any Temporary Allowance Motions if the parties have not otherwise resolved the Temporary Allowance Motion through the submission of a stipulation temporarily allowing the claim for voting purposes only.

Treatment of Disputed, Contingent or Unliquidated Claims

18. Pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 3003(c)(2), any holder of a claim (a) that is listed in the Schedules as disputed, contingent or unliquidated or scheduled in a zero or unknown amount, and (b) that is not the subject of a

timely filed proof of claim, shall not be treated as a creditor with respect to such claim for purposes of receiving distributions under the Plan, voting on the Plan or receiving additional notices in the Debtors' Chapter 11 Cases (other than the Confirmation Hearing Notice).

Establishment of Voting Record Date

19. The date of entry of this Order shall be the voting record date (the "Voting Record Date") as provided in Bankruptcy Rule 3017(d) for the purposes of determining the Creditors entitled to receive the Solicitation Package. The Voting Record Date shall be the date by which the claims register maintained by GCG, Inc. ("GCG"), the Debtors' claims and balloting agent, shall be deemed closed for the purposes of determining whether a holder of an Unsecured Claim (as defined in the Plan) is a record holder entitled to vote on the Plan. The Debtors and GCG shall have no obligation to recognize for purposes of voting on the Plan the vote of any purported transferee of an Unsecured Claim transferred after the Voting Record Date. With respect to transfers of claims filed pursuant to Bankruptcy Rule 3001, the holder of a claim as of the Voting Record Date shall be the transferor of such claim unless the documentation evidencing such transfer was docketed by the Court on or before 21 days prior to the Voting Record Date and no timely objection with respect to such transfer was filed by the transferor.

Voting Deadline for Receipt of Ballots

20. Pursuant to Bankruptcy Rule 3017(c), to be counted, ballots for accepting or rejecting the Plan must be received by the Debtor no later than 4:00 p.m. (prevailing Eastern Time) on **October 23, 2014** (the "Voting Deadline").

21. Ballots must be completed as provided in the instructions therein and be addressed to:

If by Mail:

Sound Shore Medical Center of Westchester
c/o GCG, Inc.
P.O. Box 9982
Dublin, Ohio 43017-5982

If by hand delivery or overnight courier:
Sound Shore Medical Center of Westchester
c/o GCG, Inc
5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

22. GCG shall tabulate the ballots and certify to the Court the results of the balloting by October 27, 2014 at 4:00 p.m. (prevailing U.S. Eastern Time) (the “Ballot Certification Deadline”).

Procedures for Vote Tabulation

23. The Ballot, substantially in the form of Exhibit C to the Motion, is hereby approved.

24. To be counted, all Ballots must be properly executed, completed and delivered to the Balloting and Claims Agent at the addresses specified thereon so that the Ballots are actually received on or before the Voting Deadline, unless extended pursuant to any necessary Court approval. The Debtors may (but are not required to), in their sole and absolute discretion, extend the Voting Deadline, subject to any necessary Court approval. Filing a notice of extension with the Court shall be sufficient notice of any general extension. Additionally, the Debtors may, in their discretion, extend the Voting Deadline for a particular Voting Party without extending the Voting Deadline for all Voting Parties, subject to any necessary Court approval.

25. With regard to the tabulation of ballots, holders of claims in Class 3 shall be entitled to vote in the dollar amount determined in accordance with the following hierarchy:

- (a) if an order has been entered by the Court determining the amount of such holder's claim, whether pursuant to Bankruptcy Rule 3018

or otherwise, or if a claim is deemed allowed in accordance with the Plan, then in the amount prescribed by said order or the Plan;

- (b) if no such order has been entered, then in the non-contingent, liquidated amount contained in a timely filed proof of claim that is not the subject of an objection on the Voting Record Date, disregarding the portion of the claim, if any, that is contingent or unliquidated; provided, however, that if an objection to the claim is pending as of the Voting Record Date, then in the amount and/or the classification sought in said objection and, accordingly, claims subject to an objection to expunge shall not be entitled to vote;
- (c) if no such proof of claim has been timely filed, then in the non-contingent, non-disputed, liquidated amount contained in the Debtors' Schedules, disregarding the portion of the claim, if any, that is contingent or unliquidated; and
- (d) if a filed claim is wholly unliquidated, wholly contingent or in an unknown or zero amount, then the claim shall be valued in the amount of \$1.00 for voting purposes only. For the avoidance of doubt, any Medical Malpractice/Personal Injury Claim that has not been allowed, irrespective of whether an objection has been filed to such claim, shall be valued at \$1.00 for voting purposes only.

26. Additionally, if the Debtors have paid a scheduled or filed claim prior to the Voting Record Date, such claim shall be disallowed for voting purposes.

27. The following voting procedures, conventions and assumptions shall apply to the tabulation of the Ballots:

- (a) For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate claims held by a single creditor in a particular class will be aggregated as if such creditor held one claim against the Debtors in such class, and the votes related to such claims will be treated as a single vote to accept or reject the Plan.
- (b) Creditors must vote all of their claims within a particular class either to accept or reject the Plan and may not split their vote. Accordingly, an individual ballot or multiple ballots with respect to multiple claims within a single class that partially rejects and partially accepts the Plan will not be counted, provided however, that the extent that any creditor entitled to vote in a particular class has filed a proof of claim that (i) is duplicative of a previously filed proof of claim (a claim in the same amount, with the same

classification and asserting the same basis of claim), or (ii) amends or supersedes a previously filed proof of claim filed by or on behalf of the same creditor, such proof of claim shall supersede the prior proof of claim for voting and tabulation purposes, and such creditor shall be provided, to the extent possible, with only one Solicitation Package and one ballot which shall reflect the vote of only one such claim..

- (c) Ballots that fail to indicate an acceptance or rejection of the Plan or that indicate both acceptance and rejection of the Plan, but which are otherwise properly executed and received prior to the Voting Deadline, will not be counted.
- (d) Only ballots that are timely received with signatures will be counted. Unsigned ballots will not be counted.
- (e) Ballots postmarked prior to the Voting Deadline, but received after the Voting Deadline, will not be counted, unless the Debtors shall have granted in writing an extension of the voting deadline with respect to such ballot, subject to any necessary Court approval.
- (f) Ballots which are illegible, or contain insufficient information to permit the identification of the creditor, will not be counted.
- (g) Ballots cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject the Plan will not be counted.
- (h) Ballots sent directly to any of the Debtors, their agents (other than GCG) or the Debtors' financial or legal advisors or to any party other than the voting agent, will not be counted.
- (i) Any ballot transmitted to GCG by facsimile or other electronic means will not be counted.
- (j) Whenever a creditor casts more than one ballot voting the same claim prior to the Voting Deadline, the last valid ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and supersede any prior ballots.
- (k) If a creditor simultaneously casts inconsistent duplicate ballots with respect to the same claim, such ballots shall not be counted.
- (l) Each creditor shall be deemed to have voted the full amount of its claim. Unless otherwise ordered by the Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots shall be determined by the

GCG and the Debtors in their sole discretion, which determination shall be final and binding.

28. Prior to mailing the Disclosure Statement or Solicitation Packages, the Debtors may fill in any missing dates and other information, correct any typographical errors, and make such other non-material, non-substantive changes as they deem appropriate or as otherwise ordered by the Court at the Hearing.

29. If any creditor seeks to challenge the allowance of its claim for voting purposes in accordance with the above procedures, the creditor must serve upon the Debtors and file with the Court a Temporary Allowance Motion in accordance with the procedures set forth above. In accordance with Bankruptcy Rule 3018, the Ballot with respect to a claim for which a Temporary Allowance Motion was filed should not be counted unless temporarily allowed by the Court for voting purposes.

30. Ballots may be preprinted with dollar amounts of claims as reflected in the Debtors' good faith records at the Voting Record Date. If ballots are preprinted, then the preprinted amounts shall be used in tabulating the votes unless the holder of the claim obtains an order specifying a different amount from the Court under Bankruptcy Rule 3018(a). The amount and classification of a claim listed on a ballot shall be without prejudice to the Debtors' or Plan Administrator's right to object to the claim.

31. GCG is authorized, but not directed to contact any party submitting a ballot to clarify any issues with respect to such submitted ballot if it is ambiguous or not properly completed.

32. In cases where a party has properly executed a ballot and has indicated correction or updates to the mailing address used in the service of its Solicitation Package, either physically on the face of the ballot, or otherwise separately enclosed with the ballot, such

corrected or updated mailing address will not be treated as an update to the creditor's address unless a separate written request is also submitted to the Debtors' claims and balloting agent, GCG, at the address indicated on the ballot.

Service and Notice Is Adequate and Sufficient

33. Service of copies of this Order, the Disclosure Statement, the Plan, the Notice of Confirmation Hearing, the Solicitation Package and the other notices and documents described herein in the time and manner set forth in this Order shall be adequate and sufficient and no further notice is necessary.

34. With respect to addresses from which Confirmation Hearing Notices or Solicitation Packages are returned as undeliverable by the United States Postal Service and for which there is no known forwarding address, such persons or entities shall be deemed unknown creditors for notice purposes, and failure to mail copies of this Order, the Disclosure Statement, the Plan, the Confirmation Hearing Notice, the Solicitation Package and the other notices and documents described herein, shall not constitute a failure to give adequate and sufficient notice to such creditors.

Authorization to Make Nonsubstantive Changes

35. The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, and any related documents without further order of the Court, including without limitation changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in

the Solicitation Package prior to their mailing.

Dated: White Plains, New York
September 17, 2014

/s/ Robert D. Drain_____

Honorable Robert D. Drain
United States Bankruptcy Judge