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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

Chapter 11
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

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**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT;
(II) HEARING ON CONFIRMATION OF PLAN OF REORGANIZATION;
(III) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION
OF THE PLAN; (IV) DEADLINE AND PROCEDURES FOR
TEMPORARY ALLOWANCE OF CLAIMS; (V) TREATMENT OF
DISPUTED, CONTINGENT OR UNLIQUIDATED CLAIMS;
AND (VI) VOTING DEADLINE FOR RECEIPT OF BALLOTS**

TO: ALL CREDITORS, AND OTHER PARTIES IN INTEREST
WHO HAVE FILED AND SERVED A NOTICE OF APPEARANCE

PLEASE TAKE NOTICE that, upon the motion dated August 15, 2014 (the
“Motion”)² of Sound Shore Medical Center of Westchester, and its affiliated debtors
(collectively the “Debtors”), as debtors and debtors in possession, and after a hearing held on

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

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or in the Plan (defined below), as applicable.

September 16, 2014, the Court entered an order on September 17, 2014 (the “Order”), providing for the following:

Approval of Disclosure Statement

1. Pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017(b), the *First Amended Disclosure Statement* dated September 17, 2014 (as it may be amended or otherwise modified, the “Disclosure Statement”) for the *First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.* dated September 17, 2014 (as it may be amended or otherwise modified, the “Plan”) is approved in all respects.

Confirmation Hearing Date

2. Pursuant to Bankruptcy Rule 3017(c), the hearing to consider confirmation of the Plan (the “Confirmation Hearing”), shall commence on **November 3, 2014 at 10:00 a.m.** (prevailing Eastern Time), or as soon thereafter as counsel may 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. The Confirmation Hearing may be continued from time to time by announcing such continuance in open Court or upon the Debtors’ filing of a notice of adjournment, all without further notice to parties in interest. 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 creditors and parties in interest; *provided, however*, that the modification does not materially and adversely affect any class of claims in the Plan.

Deadline and Procedures for Filing Objections to Confirmation

3. Pursuant to Bankruptcy Rule 3020 (b)(1), **October 23, 2014 at 4:00 p.m.** (prevailing Eastern Time) is fixed as the last date for filing and serving objections to confirmation of the Plan (the “Objection Deadline”).

4. To be considered, objections to confirmation of the Plan must (i) be in writing, (ii) state with particularity the grounds for the objection and all evidence that will be presented in support thereof, (iii) be filed electronically no later than the Objection Deadline with the Clerk of the United States Bankruptcy Court for the Southern District of New York, with a

courtesy copy delivered to Judge Drain's Chambers; and (iv) served, in accordance with Bankruptcy Rule 3020(b) and this paragraph, so that they are actually received no later than the Objection Deadline by the following:

For the Debtors:

Sound Shore Medical Center
16 Guion Place
New Rochelle, New York
Attn: Monica Terrano, Chief Wind-Down Officer

with copies to:

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

For the Creditors' Committee:

Alston & Bird LLP
90 Park Avenue
New York, New York 10016
Telephone: (212) 210-9400
Facsimile: (212) 210-3891
Attn: Craig E. Freeman
Martin G. Bunin

For the United States Trustee:

The Office of the United States Trustee
201 Varick Street, Room 1006
New York, NY 10014
Attn: Susan Golden
William E. Curtin

Objections that do not contain the information described above and that are not filed and served by the time and date and in the manner set forth above will not be considered and shall be overruled.

Deadline and Procedures for Temporary Allowance of Claims for Voting Purposes

5. Any holder of an objected to, contingent, unliquidated, or disputed claim seeking to have such claim allowed for voting purposes shall file by **October 1, 2014 at 5:00 p.m.** (prevailing Eastern Time) a motion for temporary allowance of the claim (the "**Temporary Allowance Motion**") for voting purposes, with a hearing on the motion to be held on not less than ten (10) days notice on a date and time scheduled by the Court. If a holder of such claim does not timely file a Temporary Allowance Motion, the holder will not be entitled to vote on the Plan.

Treatment of Disputed, Contingent or Unliquidated Claims

6. Pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 3003(c)(2), any holder of a claim that is (a) listed in the Schedules as disputed, contingent or unliquidated and (b) not the subject of a timely filed proof of claim, shall not be treated as a creditor with respect to that claim for purposes of receiving distributions under the Plan, voting on the Plan, or receiving additional notices in Debtors' Chapter 11 Cases.

Establishment of Voting Record Date

7. **September 17, 2014 at 4:00 p.m.** (prevailing Eastern Time) is the date and time by which the claims register maintained by the Debtors' Administrative Agent GCG, Inc. ("**GCG**") shall be deemed closed for purposes of determining whether a holder of a General Unsecured Claim is a record holder entitled to vote on the Plan (the "**Voting Record Date**"). The Debtors and GCG shall have no obligation to recognize for purposes of voting on the Plan the vote of any purported transferee of a General 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 the transfer was filed by the transferor.

Voting Deadline for Receipt of Ballots

8. Pursuant to Bankruptcy Rule 3017(c), to be counted, ballots for accepting or rejecting the Plan must be received by GCG, the Debtors' Administrative Agent in the form

and manner, and at the address indicated on the ballot, by no later than 4:00 p.m. (prevailing Eastern Time), on **October 20, 2014** (the "Voting Deadline"). Ballots may *not* be cast by facsimile transmission.

9. Ballots that are not received by the Voting Deadline will not be counted.

PLEASE TAKE FURTHER NOTICE, that in connection with the confirmation of the Plan, the Debtors are seeking approval of the following provisions, including injunctions, releases (including third-party releases) and exculpations, the approval of which may affect your rights:

Limitation of Recoveries Against, and Injunctions in Favor of Medical Professionals

10. **The Plan incorporates Mediation Procedures that were approved by Order dated October 25, 2013 [Docket No. 402], which provides that holders of Medical Malpractice Claims against the Debtors may be deemed to limit their recoveries to available insurance, subject to the opt-out election provisions provided under the Claims Resolution Process and the Debtors' right to have the Medical Malpractice Claim estimated in the United States District Court for the Southern District of New York.**

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

Executory Contracts and Unexpired Leases

12. The Plan provides that effective on and as of the Confirmation Date, all Executory Contracts are specifically deemed rejected, except for any Executory Contract (a) that has been specifically assumed or assumed and assigned by the Debtors on or before the Confirmation Date with the approval of the Court, (b) in respect of which a motion for assumption or assumption and assignment has been filed with the Court on or before the Confirmation Date, or (c) that is specifically designated as a contract to be assumed on a schedule or supplement to the Plan.

13. The Plan further provides that the entry of the Confirmation Order by the Clerk of the Court (subject to the condition that the Effective Date occur) shall constitute (a) the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or assumption and assignment of any Executory Contracts assumed or assumed and assigned pursuant to Section 8.1 of the Plan, and (b) the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of any Executory Contracts rejected pursuant to Section 8.1 of the Plan.

Employee Related Agreements

14. The Plan also provides that to the extent not previously terminated, all employment and severance agreements and policies, and all employee compensation and benefit plans, policies and programs of the Debtors applicable generally to their respective current employees or officers as in effect on the Confirmation Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans and life, accidental death and dismemberment insurance plans, shall be deemed terminated under the Plan, effective as of the Confirmation Date.

Additional Injunctions, Releases and Exculpations

15. The Plan provides, among other things, that as of the Effective Date, and except as otherwise provided in the Plan, all Persons that have held, currently hold or may hold a Claim against or Interest in the Debtors, are enjoined from taking any of the following actions against the Debtors, the Plan Administrator, the Committee or members thereof, the Post-Effective Date Committee or members thereof, present and former

directors, officers, trustees, agents, attorneys, advisors, members or employees of the Debtors, or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim against or Interests in the Debtors: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to a Claim against or Interest in the Debtors; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim against or Interests in the Debtors; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim against or Interest in the Debtors; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any Debt, liability or obligation due to the Debtors or their property or Assets with respect to a Claim against or Interest in the Debtors; and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with or is inconsistent with the provisions of the Plan. Notwithstanding the foregoing, nothing contained in the Plan or injunction provisions contained therein shall preclude the holder of a Claim against the Debtors from pursuing any applicable insurance after the Cases are closed, from seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; moreover, nothing in the injunction provision of the Plan shall limit the rights of a holder of an Allowed Claim against the Debtors to enforce the terms of the Plan.

16. The Plan additionally provides that under its terms and provisions, (x) as of the Effective Date (i) each Person that receives and retains a distribution under the Plan, (ii) each Person who obtains a release under the Plan or obtains the benefit of an injunction provided pursuant to the Plan, and (iii) each Person who received any benefit from any third party insurance providers on account of a Claim against the Debtors or a claim against any Covered Medical Professional, in consideration therefor, conclusively, absolutely, unconditionally, irrevocably and forever releases and discharges each of the Debtors and their present and former directors, officers, trustees, agents, attorneys, advisors, and members (solely in their capacity as such), and (y) as of the D&O Release Effective Date (which is 11:59 p.m. prevailing eastern time on November 6, 2014, the last time by which the Debtors, the Plan Administrator, the Committee or the Post Effective

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

of the Plan shall release, limit or affect Avoidance Actions of the Debtors; (iv) nothing in Section 13.2(a) of the Plan shall affect the liability of any Person due to willful misconduct, gross negligence or failure to fully comply with Rule 1.8(h)(1) of the New York Rules of Professional Conduct, as determined by a Final Order; (v) nothing in Section 13.2(a) of the Plan shall operate or be a release by any Professional Persons of any Professional Fee Claims; and (vi) nothing in Section 13.2(a) of the Plan shall release, limit or affect the Debtors' and/or the Plan Administrators' obligations under the Plan. For the avoidance of doubt, Section 13.2(a)(x) of the Plan shall not release, limit or affect Causes of Action of the Debtors.

17. The Plan also provides that except as otherwise provided therein, and to the greatest extent permissible by law, as of the Effective Date, each holder of a Claim against or Interest in the Debtors shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and discharged each of the Debtors, the Committee, the Patient Care Ombudsman and their respective present directors, officers, trustees, agents, attorneys, advisors, members and employees (solely in their capacity as such) of and from any and all past, present and future legal actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, amounts paid in settlement, costs, fees, damages, debts, deficiencies, diminution in value, disbursements, expenses, losses and other obligations of any kind, character or nature whatsoever, whether in law, equity or otherwise (including, without limitation, those arising under applicable non-bankruptcy law, and any and all alter-ego, lender liability, indemnification or contribution theories of recovery, and interest or other costs, penalties, legal, accounting and other professional fees and expenses, and incidental, consequential and punitive damages payable to third parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may have heretofore accrued against the Debtors, the Committee, the Patient Care Ombudsman or their respective present directors, officers, trustees, agents, attorneys, advisors, members or employees (solely in their capacity as such) occurring from the beginning of time to and including the Effective Date, related in any way to, directly or indirectly, and/or arising out of and/or connected with, any or all of the Debtors and their Estates, or the Cases;

provided, however, that Section 13.2(b) of the Plan shall not affect the liability of any Person due to willful misconduct or gross negligence as determined by a Final Order. In addition, nothing in Section 13.2(b) of the Plan shall be deemed to release or impair Allowed Claims against the Debtors, which Allowed Claims against the Debtors shall be treated as set forth in the Plan. For the avoidance of doubt, nothing in Section 13.2(b) of the Plan shall release, limit or affect Causes of Action of the Debtors.

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

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

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

Dated: September 17, 2014
Great Neck, New York

GARFUNKEL WILD P.C.

By: 

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