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Counsel to the Liquidating Trustee

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:	: Chapter 11
	: :
Orion HealthCorp, Inc.	: Case No. 18-71748 (AST)
Constellation Healthcare Technologies, Inc.	: Case No. 18-71749 (AST)
NEMS Acquisition, LLC	: Case No. 18-71750 (AST)
Northeast Medical Solutions, LLC	: Case No. 18-71751 (AST)
NEMS West Virginia, LLC	: Case No. 18-71752 (AST)
Physicians Practice Plus, LLC	: Case No. 18-71753 (AST)
Physicians Practice Plus Holdings, LLC	: Case No. 18-71754 (AST)
Medical Billing Services, Inc.	: Case No. 18-71755 (AST)
Rand Medical Billing, Inc.	: Case No. 18-71756 (AST)
RMI Physician Services Corporation	: Case No. 18-71757 (AST)
Western Skies Practice Management, Inc.	: Case No. 18-71758 (AST)
Integrated Physician Solutions, Inc.	: Case No. 18-71759 (AST)
NYNM Acquisition, LLC	: Case No. 18-71760 (AST)
Northstar FHA, LLC	: Case No. 18-71761 (AST)
Northstar First Health, LLC	: Case No. 18-71762 (AST)
Vachette Business Services, LTD.	: Case No. 18-71763 (AST)
MDRX Medical Billing, LLC	: Case No. 18-71764 (AST)
Vega Medical Professionals, LLC	: Case No. 18-71765 (AST)
Allegiance Consulting Associates, LLC	: Case No. 18-71766 (AST)
Allegiance Billing & Consulting, LLC	: Case No. 18-71767 (AST)
Phoenix Health, LLC,	: Case No. 18-71789 (AST)
	: :
Debtors.	: (Jointly Administered)
	: :
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Orion Healthcorp, Inc., <i>et al.</i> ,	:
	:
Plaintiffs,	:
	:
v.	: Adv. Pro. No. 18-08053
	: (AST)
	:
Parmjit Singh Parmar (a/k/a Paul Parmar), Sotirios Zaharis,	:
Ravi Chivukula, Pavandeep Bakhshi, Naya Constellation	:
Health, LLC, Alpha Cepheus, LLC, Constellation Health	:
Investment, LLC, Constellation Health Group, LLC,	:
Constellation Health, LLC, First United Health, LLC, Taira	:
no Kiyomori LLC, Blue Mountain Healthcare, LLC, CC	:
Capital CHT Holdco LLC, CHT Holdco LLC, PBPP	:
Partners LLC, Axis Medical Services, LLC, Vega Advanced	:
Care LLC, Pulsar Advance Care LLC, Lexington Landmark	:
Services LLC, MYMSMD LLC, PPSR Partners, LLC,	:
AAKB Investments Limited, Destra Targeted Income Unit	:
Investment Trust, on behalf of unitholders, a Delaware	:
Statutory Trust, United States of America, Aquila Alpha	:
LLC, 2 River Terrace Apartment 12J, LLC, Dioskouroi	:
Kastor Polydeuces, LLC, 21B One River Park LLC, Aquila	:
Alshain LLC, Ranga Bhoomi LLC, Harmohan Parmar	:
(a/k/a Harry Parmar), Kiran Sharma, The Red Fronted	:
Macaw Trust, Young Conaway Stargatt & Taylor, LLP (in	:
its capacity as Escrow Agent), Blue Cross Blue Shield of	:
South Carolina, Honorable Trinidad Navarro, Insurance	:
Commissioner of the State of Delaware, in his capacity as	:
Receiver, and John Does 1 through 100 inclusive,	:
	:
Defendants.	:
	:
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**NOTICE OF MOTION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE AND SECTION 105
OF THE BANKRUPTCY CODE FOR ENTRY OF AN ORDER APPROVING
SETTLEMENT AGREEMENT BY AND AMONG THE LIQUIDATING
TRUSTEE, THE CC CAPITAL PARTIES AND THE SECURED LENDERS**

PLEASE TAKE NOTICE the Liquidating Trustee of the Orion Liquidating Trust (the “Liquidating Trustee”), as successor to Plaintiffs Orion HealthCorp, Inc., *et al.*,

(collectively, the “Debtors” or “Plaintiffs”) filed their *Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and Section 105 of the Bankruptcy Code For Entry of an Order Approving Settlement Agreement by and Among the Liquidating Trustee, the CC Capital Parties and the Secured Lenders* (the “Motion”).

PLEASE TAKE FURTHER NOTICE that a hearing (the “Hearing”) to consider the relief requested in the Motion will be held before the Honorable Alan S. Trust, United States Bankruptcy Judge for the Eastern District of New York, at the Conrad B. Duberstein Courthouse, 271-C Cadman Plaza East – Suite 2554, Brooklyn, NY 11201 on **October 7, 2019 at 2:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Joint Motion shall (a) be in writing, (b) conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Eastern District of New York, (c) set forth the basis for the objection and the specific grounds therefore, and (d) be filed **on or before September 27, 2019 at 4:00 p.m. (ET)** with the Bankruptcy Court electronically in accordance with General Order 559 (the “General Order”) (which can be found at www.nyeb.uscourts.gov) by registered users of the Bankruptcy Court’s case filing system, and served in accordance with the General Order on: (i) Hahn & Hessen LLP, 488 Madison Avenue, New York, NY 10022, Attn: Mark T. Power and John P. Amato, Esq.; (ii) Troutman Sanders LLP, 600 Peachtree Street, NE, Suite 3000 Atlanta, GA 30308, Attn: David Dantzler, Esq.; and (iii) the Office of the United States Trustee, Eastern District of New York, 560 Federal Plaza Central Islip, New York 11722-4456.

**IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE,
THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE
MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Dated: New York, New York
September 10, 2019

HAHN & HESSEN LLP
Counsel for the Liquidating Trustee

By: /s/ Mark T. Power

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Counsel to the Liquidating Trustee

UNITED STATES BANKRUPTCY COURT
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Allegiance Billing & Consulting, LLC	:	Case No. 18-71767 (AST)
Phoenix Health, LLC,	:	Case No. 18-71789 (AST)
	:	
Debtors.	:	(Jointly Administered)
	:	
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Orion Healthcorp, Inc., <i>et al.</i> ,	:
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Plaintiffs,	:
	:
v.	:
	:
	:
Parmjit Singh Parmar (a/k/a Paul Parmar), Sotirios Zaharis,	:
Ravi Chivukula, Pavandeep Bakhshi, Naya Constellation	:
Health, LLC, Alpha Cepheus, LLC, Constellation Health	:
Investment, LLC, Constellation Health Group, LLC,	:
Constellation Health, LLC, First United Health, LLC, Taira	:
no Kiyomori LLC, Blue Mountain Healthcare, LLC, CC	:
Capital CHT Holdco LLC, CHT Holdco LLC, PBPP	:
Partners LLC, Axis Medical Services, LLC, Vega Advanced	:
Care LLC, Pulsar Advance Care LLC, Lexington Landmark	:
Services LLC, MYMSMD LLC, PPSR Partners, LLC,	:
AAKB Investments Limited, Destra Targeted Income Unit	:
Investment Trust, on behalf of unitholders, a Delaware	:
Statutory Trust, United States of America, Aquila Alpha	:
LLC, 2 River Terrace Apartment 12J, LLC, Dioskouroi	:
Kastor Polydeuces, LLC, 21B One River Park LLC, Aquila	:
Alshain LLC, Ranga Bhoomi LLC, Harmohan Parmar	:
(a/k/a Harry Parmar), Kiran Sharma, The Red Fronted	:
Macaw Trust, Young Conaway Stargatt & Taylor, LLP (in	:
its capacity as Escrow Agent), Blue Cross Blue Shield of	:
South Carolina, Honorable Trinidad Navarro, Insurance	:
Commissioner of the State of Delaware, in his capacity as	:
Receiver, and John Does 1 through 100 inclusive,	:
	:
Defendants.	:
	:
	x

LIQUIDATING TRUSTEE’S MOTION PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND SECTION 105 OF THE BANKRUPTCY CODE FOR ENTRY OF AN ORDER APPROVING SETTLEMENT AGREEMENT BY AND AMONG THE LIQUIDATING TRUSTEE, THE CC CAPITAL PARTIES AND THE SECURED LENDERS

This motion (the “Motion”) is filed by Howard Ehrenberg in his capacity as the Liquidating Trustee of the Orion Liquidating Trust (the “Liquidating Trustee”), as successor to Plaintiffs Orion HealthCorp, Inc., *et al.*, (collectively, the “Debtors” or “Plaintiffs”), by

and through their undersigned attorneys, seeking entry of an order pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and section 105 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) authorizing the Liquidating Trustee to enter into the proposed *Settlement Agreement* dated August 21, 2019 (the “CC Capital Settlement Agreement”)¹ by and among (i) the Liquidating Trustee, (ii) CC Capital Management, LLC, a Delaware limited liability company (“CC Capital”), CHT Holdco, LLC, a Delaware limited liability company (“CHT Holdco”), CC Capital CHT Holdco LLC, a Delaware limited liability company (“CC Holdco” and together with CC Capital and CHT Holdco, the “CC Capital Parties”)², and (iii) Bank of America, N.A. (“BOA”), BMO Harris Bank, N.A., (“BMO”), Keybank National Association (“KeyBank”), Stifel Bank & Trust (“Stifel”) and Woodforest National Bank (“Woodforest” and together with BOA, BMO, KeyBank and Stifel collectively, the “Secured Lenders”, and together with the Liquidating Trustee, and the CC Capital Parties, the “Parties”). A copy of the proposed CC Capital Settlement Agreement is attached as Exhibit A to the proposed form of order (the “Proposed Order”) annexed hereto as Exhibit 1. In support of this Motion, the Liquidating Trustee respectfully states as follows:

PRELIMINARY STATEMENT

1. Following months of extensive arms-length negotiations, the Parties have successfully resolved, pursuant to the terms of the proposed CC Capital Settlement Agreement, their disputed claims and their issues related to and arising from the instant adversary proceeding as well as the CC Capital Proofs of Claim and the D&O

¹ Capitalized terms not herein defined shall have the meanings ascribed to them in the CC Capital Settlement Agreement.

² Certain CC Capital Related Parties are also signatories to the CC Capital Settlement Agreement solely with respect to Section 8.3 and, where applicable, Section 7.3 thereof.

Indemnification Claims (both as defined below). The CC Capital Settlement Agreement will resolve all disputes between the Parties with respect to the subject matter of this adversary proceeding and the CC Capital Proofs of Claim and the D&O Indemnification Claims. This CC Capital Settlement Agreement is being presented to the Bankruptcy Court for approval concurrently with that certain proposed *Global Settlement Agreement among Plaintiffs and Certain Defendants* dated September 5, 2019 (the “Destra/DOJ Settlement Agreement”). The Liquidating Trustee and CC Capital Parties, along with the Destra Trusts, Blue Cross Blue Shield of South Carolina, Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as Receiver of Freestone Insurance Company in Liquidation, Constellation Health Group, LLC and United States of America, by and through the United States Department of Justice – Civil and Criminal Divisions (“USA-DOJ”), are proposed parties to the Destra/DOJ Settlement Agreement. The effectiveness of the Destra/DOJ Settlement Agreement is conditioned upon, among other things, approval by the Bankruptcy Court of the CC Capital Settlement Agreement.

2. The Liquidating Trustee respectfully submits that the CC Capital Settlement Agreement represents a fair compromise of the disputed claims and causes of action between and among the Parties and is in the best interests of the estates. The Liquidating Trustee, therefore, requests that the Bankruptcy Court approve and authorize him to enter into the CC Capital Settlement Agreement.

JURISDICTION

3. 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). Venue of these cases and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and

1409. The statutory predicates for the relief requested herein are Bankruptcy Rule 9019(a) and Bankruptcy Code section 105.

BACKGROUND

4. On March 16, 2018 (the "Petition Date"), each Debtor other than New York Network Management, L.L.C. (the "Initial Debtors") commenced a case (collectively, the "Initial Chapter 11 Cases") by filing voluntary petitions for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York (the "Bankruptcy Court").

5. On April 4, 2018, the Initial Debtors commenced the instant adversary proceeding against Parmjit Singh Parmar (aka Paul Parmar) ("Parmar") and certain affiliated entities and individuals (the "Parmar Litigation") asserting, among things, (i) claims against Parmar, his affiliated entities and certain other insiders for, among other things, constructive trust, turnover, unjust enrichment, conversion, fraudulent transfer, conspiracy-based fraud, and breach of fiduciary duty, and (ii) claims for injunctive and declaratory relief against certain other named defendants, including CHT Holdco and CC Holdco, who have asserted a competing interest in the proceeds and properties that are the subject of the Debtors' claims.

6. CHT Holdco and CC Holdco have also asserted counterclaims and crossclaims for common law fraud, aiding and abetting fraud, fraudulent inducement, securities fraud, conversion, and constructive trust in the Parmar Litigation against certain named parties.

7. On July 5, 2018, New York Network Management, L.L.C. commenced its case (the "NYNM Case" and, collectively with the Initial Chapter 11 Cases,

the “Chapter 11 Cases”) by filing a petition for relief under the Bankruptcy Code in the Bankruptcy Court, which Chapter 11 Cases are jointly administered under Case No. 18-71748 (AST).

8. On July 5, 2018, in connection with the Chapter 11 Cases, the CC Capital Parties timely filed proofs of claim against each of the Debtors in their respective Chapter 11 Cases as set forth in Schedule B attached to the CC Capital Settlement Agreement (collectively, the “CC Capital Proofs of Claim”).

9. In addition, certain CC Capital Related Parties timely filed proofs of claims against the Initial Debtors in their respective Chapter 11 cases asserting unliquidated indemnity claims arising from their positions as former officers and directors of the Debtors as set forth in Schedule C attached to the CC Capital Settlement Agreement (the “D&O Indemnification Claims”).

10. On January 6, 2019, the Debtors filed that certain *Debtors’ Third Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code dated January 6, 2019* [Docket No. 645] (as amended, the “Plan”).

11. On February 26, 2019, the Bankruptcy Court entered an order confirming the Plan [Docket No. 701] (the “Confirmation Order”).

12. The Liquidating Trust is created pursuant to, and to effectuate, certain provisions of the Plan and the Confirmation Order.

13. Concurrently with the filing of this Motion, the Liquidating Trustee is filing a separate motion with the Bankruptcy Court seeking approval of the Destra/DOJ Settlement Agreement.

THE CC CAPITAL SETTLEMENT AGREEMENT

14. The material terms of the CC Capital Settlement Agreement are set forth below:³

- (a) CC Holdco Allowed Claim. Subject to the terms and conditions of the CC Capital Settlement Agreement, CC Holdco shall be granted an Allowed Class 5 General Unsecured Claim in the amount of \$82,500,000 (the “CC Holdco Allowed Claim”) under the Plan. Upon the Liquidating Trustee’s distribution in full on account of the Allowed Secured Lender Claim, Allowed Administrative Expense Claims, Allowed Priority Claims and Allowed Priority Tax Claims, and funding a reserve for any Disputed Administrative Expense Claims and Priority Claims, as set forth in the Plan and Confirmation Order, the CC Holdco Allowed Claim shall share in the distributions of the Liquidating Trust on a *pro rata* basis with the holders of all other Allowed Class 5 General Unsecured Claims, including, without limitation, the Allowed Secured Lender Deficiency Claim (the “CC Holdco Pro Rata Distribution”) until CC Holdco has received total distributions in the aggregate amount of \$25,000,000 (the “Cap Amount”). Following its receipt of the Cap Amount, CC Holdco shall not be entitled to receive any further Distributions on account of the CC Holdco Allowed Claim unless and until full payment has been made on account of all other Allowed General Unsecured Claims including, without limitation, the Allowed Secured Lender Deficiency Claim, after which CC Holdco shall continue to receive the CC Holdco Pro Rata Distribution with Class 6 Allowed Subordinated Claims until the CC Holdco Allowed Claim is paid in full.

- (b) CC Holdco Preferred Distribution. Notwithstanding Section 2.1 of the CC Capital Settlement Agreement [summarized in subsection (a), above], upon Threshold Distributions equaling \$90,000,000, CC Holdco shall be entitled to receive, in addition to the CC Holdco Pro Rata Distribution, any and all Distributions otherwise allocable to the Allowed Secured Lender Deficiency Claim (the “CC Holdco Preferred Distribution”) until the total amount of Distributions received

³ This summary of the terms of the CC Capital Settlement Agreement is qualified in its entirety by the terms and provisions of the CC Capital Settlement Agreement. To the extent that there are any inconsistencies between this summary and the terms and provisions of the CC Capital Settlement Agreement, the CC Capital Settlement Agreement shall control.

by CC Holdco based on the CC Holdco Pro Rata Distribution and the CC Holdco Preferred Distribution equals \$10,000,000 (the "Minimum Amount"). Following CC Holdco's receipt of the Minimum Amount and to the extent that CC Holdco received a CC Holdco Preferred Distribution as part of the Minimum Amount, any Distributions thereafter otherwise allocable to the CC Holdco Allowed Claim shall be distributed to the Secured Lenders on account of the Allowed Secured Lender Deficiency Claim until the Secured Lenders have received an amount equal to the CC Holdco Preferred Distribution. Thereafter, CC Holdco shall again continue to receive the CC Holdco Pro Rata Distribution until the aggregate payments on the CC Holdco Allowed Claim, including the CC Holdco Preferred Distribution, equal the Cap Amount.

- (c) Assignment of Assigned Assets. Subject to and conditioned upon the Liquidating Trust's written acknowledgement accepting such assignment as set forth in Section 3.2 of the CC Capital Settlement Agreement [summarized in subsection (d), below], the CC Capital Parties shall irrevocably, absolutely and unconditionally sell, convey, transfer and assign to the Liquidating Trust and any of its permitted successors, assigns or designees, all of the CC Capital Parties' right, title, benefit, interest in and to the Assigned Assets. Such assignment shall be deemed an absolute and unconditional assignment of the Assigned Assets for the purpose of enforcement, collection and satisfaction and shall not be deemed to create a security interest. The Liquidating Trustee shall prosecute the Assigned Causes of Action at the sole cost and expense of the Liquidating Trust.
- (d) Acceptance of Assignment. Within one (1) year after the Effective Date, the Liquidating Trustee shall provide written confirmation to each of the CC Capital Parties, with a copy of each such confirmation to the Liquidating Trust Oversight Board, acknowledging and agreeing to accept the assignment of specific Causes of Action, reasonably identifying with particularity each such Cause of Action which the Liquidating Trust has agreed to accept. Title to any Cause of Action shall not effectively pass to the Liquidating Trust unless and until the Liquidating Trustee has identified such Cause of Action in such a written confirmation accepting its assignment. In the event that the Liquidating Trustee fails to timely confirm his acceptance of the assignment of any Cause of Action, then such Cause of Action shall conclusively be deemed to be an Unassigned Cause of Action. The CC Capital Parties shall

have no liability arising from the Liquidating Trustee's acceptance of, non-acceptance of or failure to accept the assignment of any Cause of Action.

- (e) Expenses of CC Capital Parties. To the extent that any of the CC Capital Parties, at the request of the Liquidating Trustee, incurs any out-of-pocket costs or expenses, including any reasonable attorneys' fees, advance retainers and other documented legal expenses (collectively, the "CC Capital Expenses"), assisting or cooperating with the Liquidating Trustee in the pursuit or prosecution of any Assigned Causes of Action or in the Liquidating Trustee's analysis of whether to accept assignment of any Cause of Action, then the Liquidating Trust shall promptly pay for or reimburse the CC Capital Parties for such CC Capital Expenses upon presentation of invoices or other documentation by the CC Capital Parties. The CC Capital Parties shall have the right to offset any CC Capital Expenses against any Unassigned Causes of Action Proceeds that would otherwise be payable to the Liquidating Trust as required pursuant to the CC Capital Settlement Agreement.

- (f) Further Assurances. Each of the CC Capital Parties and the Liquidating Trustee will cooperate with each other in executing and delivering any documents and taking any other actions reasonably necessary to evidence and effectuate the transfer of the Assigned Assets and all interests therein to the Liquidating Trust and to otherwise effectuate the intent of the CC Capital Settlement Agreement.

- (g) Victims' Claims. To the extent the Liquidating Trustee determines, based on advice of counsel, that it is in the best interest of the Liquidating Trust that a Victims' Claim be pursued in the name of one or more of the CC Capital Parties rather than the Liquidating Trust, the Liquidating Trustee shall provide written notification thereof to the CC Capital Parties, with a copy of each such notification to the Liquidating Trust Oversight Board. The CC Capital Parties agree to reasonably cooperate with and assist the Liquidating Trustee's pursuit of such Victims' Claim in the name and on behalf of the CC Capital Parties, including, diligently and timely filing and pursuing any such claim it may have with respect to any judicial or administrative proceeding related to the Department of Justice for forfeiture, remission and/or restitution processes related to such Victims' Claims. Any proceeds of any Victims' Claims which are paid to or received by any of the CC Capital Parties (net of any tax obligations owed by such CC Capital

Party as a result of its receipt of such proceeds of Victims Claims) shall be turned over and delivered by the CC Capital Parties to the Liquidating Trust, together with any necessary endorsement. The CC Capital Parties shall not commingle any proceeds of any Victims' Claims which they receive with any other funds or assets of the CC Capital Parties.

- (h) D&O Indemnification Claims. Nothing contained in the CC Capital Settlement Agreement shall release or discharge the D&O Indemnification Claims, provided, however, that (a) the Liquidating Trustee shall not be obligated to maintain any reserve with respect to such D&O Indemnification Claims, (b) the D&O Indemnification Claims shall not be entitled to participate in any distributions from the Liquidating Trust except to the extent that insurance proceeds made available to cover the D&O Indemnification Claims are first paid to and retained by the Liquidating Trust, and (c) the D&O Indemnification Claims shall be allowed solely to the extent such claims are covered by available insurance, if any.
- (i) Releases. The CC Capital Settlement Agreement provides that each of the Parties will receive mutual releases as set forth in detail therein.
- (j) Indemnification. The Liquidating Trustee agrees to indemnify the CC Capital Parties in certain instances as set forth in detail in the CC Capital Settlement Agreement.

RELIEF REQUESTED

15. By this Motion, the Liquidating Trustee respectfully requests entry of the Proposed Order, pursuant to Bankruptcy Rule 9019(a) and Bankruptcy Code section 105, authorizing the Liquidating Trustee to enter into and approving the CC Capital Settlement Agreement. The Liquidating Trustee has weighed the costs, risks, and disruption that would arise from litigating the numerous matters identified above against the compromises contained within the CC Capital Settlement Agreement. In the Liquidating Trustee's reasonable business judgment, the terms and conditions of the CC Capital Settlement Agreement are fair and equitable and serve the best interests of the Liquidating Trust, the Debtors' estates and their creditors. Accordingly, the Liquidating Trustee

respectfully requests that the Bankruptcy Court grant the relief requested in this Motion and approve the CC Capital Settlement Agreement.

16. Specifically, while the Liquidating Trustee believes that there are compelling arguments that support subordinating the CC Capital Proofs of Claim pursuant to section 510(b) of the Bankruptcy Code since those claims originate from the loss of the CC Capital Parties' capital investment in the Debtors, there is significant risk that one or more of the CC Capital Parties would be recognized by USA-DOJ as a victim of the crimes committed by Parmar and his co-conspirators in any judicial or administrative proceeding for forfeiture, remission and/or restitution processes related to victims' claims (the "Remission Process"). Under applicable Federal criminal statutes, USA-DOJ has broad discretion in establishing the Remission Process and determining which claims constitute qualified victims' claims. Unlike Bankruptcy proceedings, USA-DOJ does not typically recognize in its Remission Process the distinction between victim's claims that are based on a lost equity investment verses unsatisfied claims of defrauded creditors. Rather, the USA-DOJ typically treats such claims as being equally entitled to share in any distributions made in the Remission Process. The Liquidating Trustee is also mindful that CC Holdco has asserted constructive trust and other claims directed at a significant portion of the assets that are the subject of the Parmar Litigation.

17. Here, USA-DOJ has seized approximately \$26 million in cash traced to Merger proceeds and is seeking forfeiture of real estate assets valued at more than \$30 million in the criminal forfeiture proceedings filed against Parmar and his co-conspirators.⁴

⁴ While USA-DOJ has agreed to maintain the status quo with respect to the \$55 million currently held in escrow pursuant to an order of the Delaware Chancery Court, there is a risk that the USA-DOJ could seek to terminate the current stand-still agreement with the Liquidating Trustee and attempt to seize these funds as part of its criminal proceedings.

If the CC Capital Parties' \$82.5 million claim were recognized as a valid Victim's Claim by the USA-DOJ, it would be entitled to share *pari passu* with other Victim' Claims, including the approximately \$160 million in claims asserted by the Liquidating Trustee on behalf of the Debtors and Secured Lenders, in any distributions made under the Remission Process. The CC Capital Settlement Agreement resolves this risk because the CC Capital Parties have agreed to assign any such recoveries to the Liquidating Trust to be distributed pursuant to the terms of the Plan in exchange for the CC Capital Parties being granted an Allowed Class 5 General Unsecured Claim in the amount of \$82,500,000. CC Capital Parties will be entitled to share *pro rata* in the Liquidating Trustee's distributions to holders of Allowed Class 5 General Unsecured Claims, but only after (i) the Allowed Secured Lender Claim, Allowed Administrative Expense Claims, Allowed Priority Claims and Allowed Priority Tax Claims, have been paid in full, and (ii) a reserve for any Disputed Administrative Expense Claims and Priority Claims has been fully funded. As more fully described in Section 2.2 of the CC Capital Settlement Agreement, CC Capital will be entitled to a limited Preferred Distribution when the Threshold Distributions by the Liquidating Trustee reach \$90,000,000.

18. Further, under the terms of the CC Capital Settlement Agreement, following the CC Capital Parties' receipt of \$25 million of total distributions on account of their Allowed Class 5 General Unsecured Claim, the CC Capital Parties shall not be entitled to receive any further distributions unless and until all other Allowed Class 5 General Unsecured Claims have been paid in full.⁵

⁵ The CC Capital Settlement Agreement also provides for the CC Capital Parties to receive a catchup distribution from certain distributions that would otherwise go to the Secured Lenders on their Class 5 Allowed Deficiency Claims. This provision only impacts the Secured Lenders, who are parties to the CC Capital Settlement Agreement and have agreed to this treatment.

19. The CC Capital Settlement Agreement also has a significant potential benefit to the Liquidating Trust as the CC Capital Parties have agreed to assign and transfer to the Liquidating Trust, subject to acceptance by the Liquidating Trustee, certain claims and causes of action (or the proceeds thereof) that the CC Capital Parties may have against third parties arising out of or relating to the Merger Transaction.⁶ The Liquidating Trustee is currently investigating similar potential claims and causes of action arising from the Merger Transaction that he may bring on behalf of the Liquidating Trust. The Liquidating Trustee believes that having the ability to pursue concurrently any such claims and causes of action held by both the Debtors and the CC Capital Parties could materially enhance the value of such claims and has the added advantage of avoiding having the CC Capital Parties compete with the Liquidating Trustee for recoveries on any litigations commenced on such claims.

20. Finally, the CC Capital Settlement Agreement favorably resolves the D&O Indemnification Claims without the need for any litigation or the Bankruptcy Court conducting an estimation proceeding. The Liquidating Trustee will not be obligated to maintain any reserve with respect to the D&O Indemnification Claims, and the D&O Indemnification Claims shall be allowed solely to the extent such claims are covered by available insurance, if any.

BASIS FOR RELIEF REQUESTED

21. Bankruptcy Rule 9019(a) provides that “on motion by the trustee and after a hearing, the court may approve a compromise or settlement.” FED. R. BANKR. P. 9019(a). The Bankruptcy Code further provides that “[t]he court may issue any order,

⁶ The CC Capital Settlement Agreement provides that in certain instances, the Liquidating Trustee may pursue such claims and causes of action in the name of the CC Capital Parties, rather than accept an assignment of such claims and pursuing them in the name of the Liquidating Trust.

process, or judgment that is necessary or appropriate to carry out the provisions [of the Bankruptcy Code].” 11 U.S.C. § 105(a).

22. Bankruptcy courts “may approve a compromise or settlement pursuant to Rule 9019 when the settlement is ‘fair, equitable, and in the best interests of the estate.’” *Geltzer v. Original Soupman Inc. (In re Soup Kitchen Int’l, Inc.)*, 506 B.R. 29, 36-37 (Bankr. E.D.N.Y. 2014) (quoting *In re Residential Capital, LLC*, 497 B.R. 720, 729 (Bankr. S.D.N.Y. 2013)). The settlement of time-consuming and burdensome litigation is encouraged and generally favored in bankruptcy. *See, e.g. Original Soupman*, 506 B.R. at 37; *see also In re Penn Cent. Transp. Co.*, 596 F.2d 1102 (3d Cir. 1979) (“administering reorganization proceedings in an economical and practical manner, it will often be wise to arrange the settlement of claims”) (quoting *In re Protective Comm. for Indep. Stockholders of TMT Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)).

23. The decision to approve a settlement is ultimately within the sound discretion of the bankruptcy court. *See Original Soupman*, 509 B.R. at 37. The court should not, however, substitute its judgment for that of the debtors, or in this case, the Trustee and the other Parties. *See In re Neshaminy Office Bldg. Assocs.*, 62 B.R. 798, 803 (E.D. Pa. 1986). The court is not to decide the numerous questions of law or fact raised by litigation, but rather should “canvas the issues and see whether the settlement ‘fall[s] below the lowest point in the range of reasonableness.” *See Cosoff v. Rodman (In re W.T. Grant and Co.)*, 699 F.2d 599, 608 (2d Cir. 1983), *cert. denied*, 464 U.S. 22 (1983); *see also O’Connell v. Packles (In re Hilsen)*, 404 B.R. 58, 70 (Bankr. E.D.N.Y. 2009) (“It is not the court’s task to determine whether the settlement proposed by the parties is the best possible, or fairest, or most appropriate resolution of the dispute.”); *In re World Health Alternatives, Inc.*, 344 B.R. 291,

296 (Bankr. D. Del. 2000) (stating that “the court does not have to be convinced that the settlement is the best possible compromise. Rather, the court must conclude that the settlement is within the reasonable range of litigation possibilities.”) (internal citations and quotations omitted).

24. In deciding whether a particular settlement is above the lowest point in the range of reasonableness, bankruptcy courts in the Second Circuit consider the following factors: (1) the balance between the litigation’s possibility of success and the settlement’s future benefits; (2) the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay, including the difficulty in collecting on the judgment; (3) the paramount interest of the creditors, including each affected class’ relative benefits, and the degree to which creditors do not object to or affirmatively support the proposed settlement; (4) whether other parties in interest support the settlement; (5) the competence and experience of counsel supporting the settlement; and (6) the extent to which the settlement is the product of arm’s length bargaining. *See In re Stone Barn Manhattan LLC*, 405 B.R. 68, 75 (Bankr. S.D.N.Y. 2009) (citing *Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC)*, 478 F.3d 452, 462 (2d Cir. 2007)). Courts also consider, where applicable, the “nature and breadth of releases to be obtained by officers and directors[.]” *see Iridium*, 478 F.3d at 462.

25. The Liquidating Trustee submits that the terms of the proposed settlement lie well above the lowest point in the range of reasonableness, and the applicable factors all weigh in favor of approval.

A. The Probability of Success in Litigation and Settlement’s Future Benefits

26. Litigation to resolve the competing claims among the Parties in the Adversary Proceeding, along with the CC Capital Proofs of Claim and the D&O Indemnification Claims, would be uncertain, time-consuming, and expensive, to the detriment of the Liquidating Trust and its creditor-beneficiaries. While the Liquidating Trustee is confident that he has a strong litigation position and would ultimately prevail in the litigation, such litigation (as with any litigation) has inherent risk and uncertainty. The CC Capital Settlement Agreement, on the other hand, provides for the immediate resolution of all of the Parties' claims without the need for further litigation or the expenditure of further time and expense. Additionally, the CC Capital Settlement Agreement is a condition for the CC Capital Parties' agreement to enter into the Destra/DOJ Settlement Agreement, which, if approved, provides for significant immediate financial benefits to the settling Parties, as it allows for meaningful recoveries to be distributed to the Debtors' creditors as provided for in the Plan and as detailed in the Destra/DOJ Settlement Agreement. As such, this factor weighs in favor of approval.

B. The Complexity of the Litigation Involved and the Expense, Inconvenience and Attendant Delay

27. In determining whether to enter into the CC Capital Settlement Agreement, the Liquidating Trustee, in consultation with his professionals, analyzed the nature and likely cost of litigating the Adversary Proceeding while the CC Capital Parties maintained competing claims, and the likely cost of litigating claim objections against the CC Capital Proofs of Claim and the D&O Indemnification Claims. These costs would likely include, among other things, engaging in further motion practice, discovery (including expert discovery) and trial/contested hearing preparation and a trial/contested hearing on the merits.

28. In light of the litigation risks, costs and distraction from the Liquidating Trustee's efforts to implement an efficient liquidation and closing of the Debtors' estates, including the investigation and prosecution of other complex litigations (some of which are ongoing before this Court and others of which the Liquidating Trustee is currently investigating), the Liquidating Trustee believes that the resolution of these matters under the terms of the CC Capital Settlement Agreement, without the need for protracted and complex litigation against the CC Capital Parties, represents a favorable outcome that is both cost effective and efficient for all parties-in-interest. The proposed settlement will save the Liquidating Trustee considerable time and effort and spare the Liquidating Trustee from incurring additional expenses attendant to such litigation. As such, this factor also weighs in favor of approval.

C. The Paramount Interest of Creditors

29. Entry into the CC Capital Settlement Agreement also serves the paramount interest of the Debtors' creditors. The CC Capital Settlement Agreement resolves major disputes with the CC Capital Parties and fixes their claims in the Chapter 11 Cases. Additionally, the Secured Lenders which hold significant claims against the estates are parties to the CC Capital Settlement Agreement. As such, this factor also weighs in favor of approval.

D. Support of the CC Capital Settlement Agreement by Other Parties

30. In addition to the Liquidating Trustee and the other Parties to the CC Capital Settlement Agreement, this settlement has the support of the Trust Oversight Committee, which is comprised of seven of the Debtors' largest creditors, including the five Secured Lenders. As such, this factor also weighs in favor of approval.

E. *Competence and Experience of Counsel*

31. The Liquidating Trustee is represented by the undersigned counsel, who previously served as special litigation counsel to the Debtors for this Adversary Proceeding. The undersigned has extensive experience in complex litigations, including prosecuting and defending numerous adversary proceedings in bankruptcy courts around the country, and prosecuting and defending claim objections. As such, this factor also weighs in favor of approval.

F. *Arm's Length Negotiation*

32. The CC Capital Settlement Agreement is the product of protracted, good faith and arm's-length negotiations between and among the Parties. After extensive negotiations, the Parties are eminently aware of each other Party's legal and factual position with respect to the myriad of issues in dispute, as well as the relative strengths and weaknesses of such arguments and positions. As such, this factor also weighs in favor of approval.

G. *The Releases Are Appropriate*

33. The Liquidating Trustee also believes that the scope of the releases set forth in the CC Capital Settlement Agreement is appropriate and reasonable under the circumstances. While the releases include in the definition of CC Capital Release Parties certain of the Debtors' former officer and directors who are affiliated with the CC Capital Parties, those individuals only served in such capacities after the Merger Transaction occurred. The Debtors and Liquidating Trustee have evaluated any potential claims that the Liquidating Trust might bring against such individuals and determined that the advantages of entering into the CC Capital Settlement Agreement far outweigh any

potential benefit, if any, to the Liquidating Trust from pursuing such claims. Further, the Liquidating Trust will receive the benefit of the release provisions being mutual and successfully resolving the D&O Indemnification Claims. As such, the nature and breadth of releases to be obtained by the CC Capital Release Parties is appropriate.

E. Summary

34. In sum, the resolution of the matters embodied in the CC Capital Settlement Agreement represents a settlement that rests well above the lowest point in the reasonable range of potential litigation outcomes, obviates the uncertainty, expense, delay, and inconvenience attendant to any litigation, and advances the paramount interests of the Debtors' creditors, which will allow for a significant recovery for the estates as a result of the Destra/DOJ CC Capital Settlement Agreement. Accordingly, the CC Capital Settlement Agreement satisfies the requirements of Bankruptcy Rule 9019 and Bankruptcy Court should authorize the Liquidating Trustee to enter into and approve the CC Capital Settlement Agreement.

NOTICE

35. Bankruptcy Rule 2002(a)(3) requires that notice of this Motion be given on 21 days' notice. In accordance therewith, notice of this Motion has been provided to (i) the Office of the United States Trustee for the Eastern District of New York; (ii) counsel to the Parties, (iii) counsel to the other Defendants in this Adversary Proceeding, and (iv) all parties who have filed a notice of appearance in these Chapter 11 Cases.

NO PRIOR REQUEST

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

[Remainder of page intentionally left blank]

CONCLUSION

WHEREFORE, the Liquidating Trustee respectfully request that this Court (i) enter the Proposed Order authorizing the Liquidating Trustee to enter into and approving the CC Capital Settlement Agreement and (ii) grant such other and further relief as is just and proper.

Dated: New York, New York
September 10, 2019

HAHN & HESSEN LLP
Counsel for the Liquidating Trustee

By: /s/ Mark T. Power

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John P. Amato
Joseph Orbach
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New York, New York 10022
Telephone: (212) 478-7200
mpower@hahnessen.com
jamato@hahnessen.com
jorbach@hahnessen.com

**EXHIBIT 1 -
PROPOSED FORM OF ORDER**

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

----- X
 In re: : Chapter 11
 :
 Orion HealthCorp, Inc. : Case No. 18-71748 (AST)
 Constellation Healthcare Technologies, Inc. : Case No. 18-71749 (AST)
 NEMS Acquisition, LLC : Case No. 18-71750 (AST)
 Northeast Medical Solutions, LLC : Case No. 18-71751 (AST)
 NEMS West Virginia, LLC : Case No. 18-71752 (AST)
 Physicians Practice Plus, LLC : Case No. 18-71753 (AST)
 Physicians Practice Plus Holdings, LLC : Case No. 18-71754 (AST)
 Medical Billing Services, Inc. : Case No. 18-71755 (AST)
 Rand Medical Billing, Inc. : Case No. 18-71756 (AST)
 RMI Physician Services Corporation : Case No. 18-71757 (AST)
 Western Skies Practice Management, Inc. : Case No. 18-71758 (AST)
 Integrated Physician Solutions, Inc. : Case No. 18-71759 (AST)
 NYNM Acquisition, LLC : Case No. 18-71760 (AST)
 Northstar FHA, LLC : Case No. 18-71761 (AST)
 Northstar First Health, LLC : Case No. 18-71762 (AST)
 Vachette Business Services, LTD. : Case No. 18-71763 (AST)
 MDRX Medical Billing, LLC : Case No. 18-71764 (AST)
 Vega Medical Professionals, LLC : Case No. 18-71765 (AST)
 Allegiance Consulting Associates, LLC : Case No. 18-71766 (AST)
 Allegiance Billing & Consulting, LLC : Case No. 18-71767 (AST)
 Phoenix Health, LLC, : Case No. 18-71789 (AST)

Debtors. : (Jointly Administered)

----- X
 ----- X
 Orion Healthcorp, Inc., *et al.*, :
 :
 Plaintiffs, :
 :
 v. :
 : Adv. Pro. No. 18-08053
 : (AST)
 Parmjit Singh Parmar (a/k/a Paul Parmar), Sotirios Zaharis, :
 Ravi Chivukula, Pavandeep Bakhshi, Naya Constellation :
 Health, LLC, Alpha Cepheus, LLC, Constellation Health :
 Investment, LLC, Constellation Health Group, LLC, :
 Constellation Health, LLC, First United Health, LLC, Taira :
 no Kiyomori LLC, Blue Mountain Healthcare, LLC, CC :
 Capital CHT Holdco LLC, CHT Holdco LLC, PBPP :
 Partners LLC, Axis Medical Services, LLC, Vega Advanced :
 Care LLC, Pulsar Advance Care LLC, Lexington Landmark :

Services LLC, MYMSMD LLC, PPSR Partners, LLC, :
 AAKB Investments Limited, Destra Targeted Income Unit :
 Investment Trust, on behalf of unitholders, a Delaware :
 Statutory Trust, United States of America, Aquila Alpha :
 LLC, 2 River Terrace Apartment 12J, LLC, Dioskouroi :
 Kastor Polydeuces, LLC, 21B One River Park LLC, Aquila :
 Alshain LLC, Ranga Bhoomi LLC, Harmohan Parmar :
 (a/k/a Harry Parmar), Kiran Sharma, The Red Fronted :
 Macaw Trust, Young Conaway Stargatt & Taylor, LLP (in :
 its capacity as Escrow Agent), Blue Cross Blue Shield of :
 South Carolina, Honorable Trinidad Navarro, Insurance :
 Commissioner of the State of Delaware, in his capacity as :
 Receiver, and John Does 1 through 100 inclusive, :
 :
 Defendants. :
 :
 ----- X

**ORDER AUTHORIZING THE LIQUIDATING TRUSTEE
 TO ENTER INTO AND APPROVING THE SETTLEMENT
 AGREEMENT BY AND AMONG THE LIQUIDATING TRUSTEE,
THE CC CAPITAL PARTIES AND THE SECURED LENDERS**

WHEREAS, on March 16, 2018, each Debtor (as defined herein) other than New York Network Management, L.L.C. (the “Initial Debtors”) commenced a case (collectively, the “Initial Chapter 11 Cases”) by filing a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of New York (the “Bankruptcy Court”);

WHEREAS, on April 4, 2018, the Initial Debtors commenced an adversary proceeding against Parmjit Singh Parmar (aka Paul Parmar) (“Parmar”) and others captioned *In re: Orion HealthCorp, Inc. et al. v. Parmjit Singh Parmar, et al.* [Adv. Proc. No. 18-08053-AST] (the “Parmar Litigation”) asserting, among things, (i) claims against Parmar, his affiliated entities and certain other insiders for, among other things, constructive trust, turnover, unjust enrichment, conversion, fraudulent transfer, conspiracy-based fraud, and breach of fiduciary

duty, and (ii) claims for injunctive and declaratory relief against certain other named defendants, including CHT Holdco and CC Holdco, that have claimed a competing interest in the proceeds and property that are the subject of the Debtors' claims;

WHEREAS, CHT Holdco and CC Holdco have asserted counterclaims and crossclaims for common law fraud, aiding and abetting fraud, fraudulent inducement, securities fraud, conversion, and constructive trust in the Parmar Litigation against certain named parties;

WHEREAS, on July 5, 2018, New York Network Management, L.L.C. commenced its case (the "NYNM Case" and, collectively with the Initial Chapter 11 Cases, the "Chapter 11 Cases") by filing a petition for relief under the Bankruptcy Code in the Bankruptcy Court, which Chapter 11 Cases are jointly administered under Case No. 18-71748 (AST);

WHEREAS, on July 5, 2018, in connection with the Chapter 11 Cases, the CC Capital Parties timely filed proofs of claim against each of the Debtors in their respective Chapter 11 Cases as set forth in Schedule B attached hereto (collectively, the "CC Capital Proofs of Claim");

WHEREAS, certain CC Capital Related Parties timely filed proofs of claims against the Initial Debtors in their respective Chapter 11 cases asserting unliquidated indemnity claims arising from their positions as former officers and directors of the Debtors as set forth in Schedule C attached hereto (collectively, the "D&O Indemnification Claims");

WHEREAS, on January 6, 2019, the Debtors filed that certain *Debtors' Third Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code dated January 6, 2019* [Docket No. 645] (as amended, the "Plan");

WHEREAS, on February 26, 2019, the Bankruptcy Court entered an order confirming the Plan [Docket No. 701] (the "Confirmation Order");

WHEREAS, the Liquidating Trust is created pursuant to, and to effectuate, certain provisions of the Plan and the Confirmation Order;

WHEREAS, the Parties hereto desire to enter into the Settlement Agreement dated August 21, 2019, a copy of which is annexed hereto as Exhibit "A" (the "CC Capital Settlement Agreement")¹ and the Liquidating Trustee seeks this Court's authorization to enter into and approve the CC Capital Settlement Agreement.

NOW THEREFORE, IT IS HEREBY:

ORDERED, that all unresolved objections to the Motion, if any, are hereby overruled; and it is further

ORDERED, that the CC Capital Settlement Agreement is approved in its entirety and subject to the approval and execution by all Parties and satisfaction of the other conditions contained therein, the Liquidating Trustee is authorized to execute and consummate the CC Capital Settlement Agreement; and it is further

ORDERED, that subject to the terms and conditions of the CC Capital Settlement Agreement, CC Holdco shall be granted an Allowed Class 5 General Unsecured Claim in the amount of \$82,500,000 (the "CC Holdco Allowed Claim") under the Plan. The terms of

¹ Capitalized terms not herein defined shall have the meanings ascribed to them in the CC Capital Settlement Agreement.

the CC Capital Settlement Agreement shall govern the treatment of the CC Holdco Allowed Claim, the CC Capital Proofs of Claim and the D&O Indemnification Claims. The Claims Agent shall modify the Claims Docket to reflect such treatments; and it is further

ORDERED, that the Parties may take any further actions necessary to implement the terms of the CC Capital Settlement Agreement; and it is further

ORDERED, that the Bankruptcy Court shall retain jurisdiction with respect to any issues arising from the implementation of this Order and the CC Capital Settlement Agreement.

**EXHIBIT A – CC CAPITAL SETTLEMENT
AGREEMENT**

EXECUTION VERSION**SETTLEMENT AGREEMENT**

This **SETTLEMENT AGREEMENT** (this “Agreement”) is entered into as of August 21, 2019, by and among CC Capital Management, LLC, a Delaware limited liability company (“CC Capital”), CHT Holdco, LLC, a Delaware limited liability company (“CHT Holdco”), CC Capital CHT Holdco LLC, a Delaware limited liability company (“CC Holdco” and together with CC Capital and CHT Holdco, the “CC Capital Parties”), Howard Ehrenberg (the “Liquidating Trustee”), in his capacity as trustee under the liquidating trust (the “Liquidating Trust”) created in accordance with the Plan (as defined herein), Bank of America, N.A. (“BOA”), BMO Harris Bank, N.A., (“BMO”), Keybank National Association (“KeyBank”), Stifel Bank & Trust (“Stifel”) and Woodforest National Bank (“Woodforest” and together with BOA, BMO, KeyBank and Stifel collectively, the “Secured Lenders”). Each of the parties set forth above may be referred to herein as a “Party” and collectively as the “Parties”. Capitalized terms used herein and not otherwise defined in this Agreement shall have the meaning set forth in the Plan.

WHEREAS, on March 16, 2018, each Debtor (as defined herein) other than New York Network Management, L.L.C. (the “Initial Debtors”) commenced a case (collectively, the “Initial Chapter 11 Cases”) by filing a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of New York (the “Bankruptcy Court”);

WHEREAS, on April 4, 2018, the Initial Debtors commenced an adversary proceeding against Parmjit Singh Parmar (aka Paul Parmar) (“Parmar”) and others captioned *In re: Orion HealthCorp, Inc. et al. v. Parmjit Singh Parmar, et al.* [Adv. Proc. No. 18-08053-AST] (the

“Parmar Litigation”) asserting, among things, (i) claims against Parmar, his affiliated entities and certain other insiders for, among other things, constructive trust, turnover, unjust enrichment, conversion, fraudulent transfer, conspiracy-based fraud, and breach of fiduciary duty, and (ii) claims for injunctive and declaratory relief against certain other named defendants, including CHT Holdco and CC Holdco, that have claimed a competing interest in the proceeds and property that are the subject of the Debtors’ claims;

WHEREAS, CHT Holdco and CC Holdco have asserted counterclaims and crossclaims for common law fraud, aiding and abetting fraud, fraudulent inducement, securities fraud, conversion, and constructive trust in the Parmar Litigation against certain named parties;

WHEREAS, on July 5, 2018, New York Network Management, L.L.C. commenced its case (the “NYNM Case” and, collectively with the Initial Chapter 11 Cases, the “Chapter 11 Cases”) by filing a petition for relief under the Bankruptcy Code in the Bankruptcy Court, which Chapter 11 Cases are jointly administered under Case No. 18-71748 (AST);

WHEREAS, on July 5, 2018, in connection with the Chapter 11 Cases, the CC Capital Parties timely filed proofs of claim against each of the Debtors in their respective Chapter 11 Cases as set forth in Schedule B attached hereto (collectively, the “CC Capital Proofs of Claim”);

WHEREAS, on January 6, 2019, the Debtors filed that certain *Debtors’ Third Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code dated January 6, 2019* [Docket No. 645] (as amended, the “Plan”);

WHEREAS, on February 26, 2019, the Bankruptcy Court entered an order confirming the Plan [Docket No. 701] (the “Confirmation Order”);

WHEREAS, the Liquidating Trust is created pursuant to, and to effectuate, certain provisions of the Plan and the Confirmation Order;

WHEREAS, concurrently with the execution of this Agreement, the Liquidating Trustee and the CC Capital Parties are entering into that certain *Global Settlement Agreement* dated August __, 2019 (the “Destra/DOJ Settlement Agreement”) with the Destra Trusts, Blue Cross Blue Shield of South Carolina, Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as Receiver of Freestone Insurance Company in Liquidation and United States of America, by and through the United States Department of Justice – Civil and Criminal Divisions; and

WHEREAS, the Parties hereto desire to enter into this Agreement to settle and compromise disputed claims and issues related to and arising from the Parmar Litigation and the CC Capital Proofs of Claim in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and the Plan, the Parties agree as follows:

1. **Definitions**. In addition to capitalized terms defined in other Sections of this Agreement and/or the Plan, each of the following terms shall have the meaning specified or referenced below:

1.1 “**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

1.2 “**Assigned Assets**” means Assigned Causes of Action and Unassigned Cause of Action Proceeds.

1.3 “Assigned Causes of Action” means the Causes of Action which have been (a) assigned by the CC Capital Parties to the Liquidating Trust, and (b) accepted by the Liquidating Trustee in accordance with Section 3.2 of this Agreement.

1.4 “Causes of Action” means any and all claims and causes of action of the CC Capital Parties (other than the Retained Causes of Action, which are not being assigned), along with the proceeds thereof, not released pursuant to the Plan or the Confirmation Order, that arise from or relate to or are based upon the facts and circumstances of the negotiation, closing and execution of the Merger Transaction and/or the “Sham Acquisitions” (as defined in the First Amended Complaint filed in the Parmar Litigation). The Causes of Action include, but are not limited to, (a) the CC Capital Parties’ rights and claims which are or could be asserted in the Litigations (other than the Retained Causes of Action), and (b) the CC Capital Parties’ Victims’ Claims (defined below).

1.5 “CC Capital Related Parties” means Chinh Chu, Douglas Newton, Richard DiBlasi, Andrew Barnett, Charles Weintraub, Sandeep Deb, Roger Aguinaldo, John Altorelli, James Quella, Parth Mehrotra, Eric Feldstein, Mark Shwartz, Eric Edell, Aequum Law LLC and Troutman Sanders LLP.

1.6 “CHT” means Constellation Healthcare Technologies, Inc., a Delaware corporation and a debtor and debtor-in-possession.

1.7 “Debtors” means Orion, CHT and all other affiliated entities of Orion that are debtors and debtors-in-possession in the Chapter 11 Cases.

1.8 “Destra Litigation” means collectively the following matters currently pending in the Delaware Chancery Court: (i) *Destra Targeted Income Unit Investment Trust, on behalf of Unitholders, et al. v. Parmjit Singh Parmar (a.k.a. Paul Parmar), et al.* (Del. Ch. No. 13006-VCL), and (ii) *In the Matter of the Liquidation of Freestone Insurance Company*, (Del. Ch. No. 9574-VCL).

1.9 “Destra Trusts” means the Destra Targeted Income Unit Investment Trusts.

1.10 “Liquidating Trust Oversight Board” means the liquidating trust oversight board of the Liquidating Trust established pursuant to the Plan.

1.11 “Litigations” means the following adversary proceedings, rehabilitation proceedings and litigations: (a) the Destra Litigation, (b) *Orion HealthCorp., Inc., et al. v. CHT Holdco LLC, et al.* (Adv. Pro. No. 18-08048), (c) *Orion HealthCorp., Inc., et al. v. Parmjit Singh Parmar (a/k/a Paul Parmar), et al.* (Adv. Pro. No. 18-08053), and (d) *Orion HealthCorp., Inc., et al. v. Robinson Brog Leinwand Greene Genovese & Gluck, P.C., A. Mitchell Greene, and Adam Greene* (Adv. Pro. No. 18-08104).

1.12 “Losses” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder.

1.13 “Merger Transaction” means the merger transaction consummated pursuant to that certain Agreement and Plan of Merger, dated as of November 24, 2016, by and among CC Capital, Orion, CHT Holdco, CHT MergerSub, Inc. and CHT.

1.14 “Orion” means Orion Healthcorp, Inc., a Delaware corporation and a debtor and debtor-in-possession.

1.15 “Parmar Parties” means Parmar, Sotirios “Sam” Zaharis, Ravi Chivukula, Pavandeep Bakhshi, Alpha Cepheus, LLC, Constellation Health, LLC, First United Health, LLC, Constellation Health Investment, LLC, Blue Mountain Healthcare, LLC, PBPP Partners, LLC, PPSR Partners, LLC, MYMSMD, LLC and AAKB Investments.

1.16 “Retained Causes of Action” means any and all claims and causes of action of the CC Capital Parties, and the proceeds thereof, against the Retained Causes of Action Parties.

1.17 “Retained Causes of Action Parties” means those parties set forth in Schedule A attached hereto.

1.18 “Threshold Distributions” means the total of (a) all amounts distributed by the Liquidating Trust pursuant to the Plan (including the Allowed Secured Lender Claim) on account of all Allowed Claims other than Allowed Administrative Expense Claims and Allowed Priority Claims, plus (b) all payments, if any, made to the Destra Trusts and/or their unit holders from monies that were seized by and/or forfeited to the USDOJ from proceeds connected to the Merger Transaction or held in escrow with Young Conaway Stargatt & Taylor, LLP in connection with the Destra Litigation, including, without limitation, any payments made in accordance with the Destra/DOJ Settlement Agreement.

1.19 “Unassigned Cause of Action Proceeds” means the proceeds of (a) any Causes of Action which are not assigned by the CC Capital Parties to the Liquidating Trust and

accepted by the Liquidating Trustee (including all Unassigned Causes of Action), and (b) the Victim Claims, to the extent not assigned by the CC Capital Parties to the Liquidating Trust and accepted by the Liquidating Trustee in accordance with Section 3.2.

1.20 “USDOJ” means the United States Department of Justice – Civil and Criminal Divisions.

1.21 “Victims’ Claims” shall mean the claims of the CC Capital Parties submitted as victims to the USDOJ in connection with any forfeiture, remission and/or restitution processes, which arise out of, relate to or are based upon the facts, circumstances and allegations set forth in the complaints, as may be amended, filed in the Litigations.

2. CC Holdco Allowed Claim; Preferred Distribution.

2.1 CC Holdco Allowed Claim. Subject to the terms and conditions herein, CC Holdco shall be granted an Allowed Class 5 General Unsecured Claim in the amount of \$82,500,000 (the “CC Holdco Allowed Claim”) under the Plan. Upon the Liquidating Trustee’s distribution in full on account of the Allowed Secured Lender Claim, Allowed Administrative Expense Claims, Allowed Priority Claims and Allowed Priority Tax Claims, and funding a reserve for any Disputed Administrative Expense Claims and Priority Claims, as set forth in the Plan and Confirmation Order, the CC Holdco Allowed Claim shall share in the distributions of the Liquidating Trust on a *pro rata* basis with the holders of all other Allowed Class 5 General Unsecured Claims, including, without limitation, the Allowed Secured Lender Deficiency Claim (the “CC Holdco Pro Rata Distribution”) until CC Holdco has received total distributions in the aggregate amount of \$25,000,000 (the “Cap Amount”). Following its receipt of the Cap Amount, CC Holdco shall not be entitled to receive any further Distributions on account of the

CC Holdco Allowed Claim unless and until full payment has been made on account of all other Allowed General Unsecured Claims including, without limitation, the Allowed Secured Lender Deficiency Claim, after which CC Holdco shall continue to receive the CC Holdco Pro Rata Distribution with Class 6 Allowed Subordinated Claims until the CC Holdco Allowed Claim is paid in the full.

2.2 CC Holdco Preferred Distribution. Notwithstanding Section 2.1, upon Threshold Distributions equaling \$90,000,000, CC Holdco shall be entitled to receive, in addition to the CC Holdco Pro Rata Distribution, any and all Distributions otherwise allocable to the Allowed Secured Lender Deficiency Claim (the “CC Holdco Preferred Distribution”) until the total amount of Distributions received by CC Holdco based on the CC Holdco Pro Rata Distribution and the CC Holdco Preferred Distribution equals \$10,000,000 (the “Minimum Amount”). Following CC Holdco’s receipt of the Minimum Amount and to the extent that CC Holdco received a CC Holdco Preferred Distribution as part of the Minimum Amount, any Distributions thereafter otherwise allocable to the CC Holdco Allowed Claim shall be distributed to the Secured Lenders on account of the Allowed Secured Lender Deficiency Claim until the Secured Lenders have received an amount equal to the CC Holdco Preferred Distribution. Thereafter, CC Holdco shall again continue to receive the CC Holdco Pro Rata Distribution until the aggregate payments on the CC Holdco Allowed Claim, including the CC Holdco Preferred Distribution, equal the Cap Amount.

3. Assigned Assets.

3.1 Assignment of Assigned Assets. Subject to and conditioned upon the Liquidating Trust’s written acknowledgement accepting such assignment as set forth in

Section 3.2 hereof, the CC Capital Parties do hereby irrevocably, absolutely and unconditionally sell, convey, transfer and assign to the Liquidating Trust and any of its permitted successors, assigns or designees, all of the CC Capital Parties' right, title, benefit, interest in and to the Assigned Assets. Such assignment shall be deemed an absolute and unconditional assignment of the Assigned Assets for the purpose of enforcement, collection and satisfaction and shall not be deemed to create a security interest. The Liquidating Trustee shall prosecute the Assigned Causes of Action at the sole cost and expense of the Liquidating Trust.

3.2 Acceptance of Assignment. Within one (1) year after the Effective Date, the Liquidating Trust shall provide written confirmation to each of the CC Capital Parties, with a copy of each such confirmation to the Liquidating Trust Oversight Board, acknowledging and agreeing to accept the assignment of specific Causes of Action, reasonably identifying with particularity each such Cause of Action which the Liquidating Trust has agreed to accept. Title to any Cause of Action shall not effectively pass to the Liquidating Trust unless and until the Liquidating Trust has identified such Cause of Action in such a written confirmation accepting its assignment. In the event that the Liquidating Trust fails to timely confirm its acceptance of the assignment of any Cause of Action, then such Cause of Action shall conclusively be deemed to be an Unassigned Cause of Action. The CC Capital Parties shall have no liability arising from the Liquidating Trustee's acceptance of, non-acceptance of or failure to accept the assignment of any Cause of Action.

3.3 Expenses of CC Capital Parties. To the extent that any of the CC Capital Parties, at the request of the Liquidating Trustee, incurs any out-of-pocket costs or expenses, including any reasonable attorneys' fees, advance retainers and other documented legal expenses (collectively, the "CC Capital Expenses"), assisting or cooperating with the Liquidating Trustee

in the pursuit or prosecution of any Assigned Causes of Action or in the Liquidating Trustee's analysis of whether to accept assignment of any Cause of Action, then the Liquidating Trust shall promptly pay for or reimburse the CC Capital Parties for such CC Capital Expenses upon presentation of invoices or other documentation by the CC Capital Parties. The CC Capital Parties shall have the right to offset any CC Capital Expenses against any Unassigned Causes of Action Proceeds that would otherwise be payable to the Liquidating Trust as required pursuant to Section 4.1.

3.4 Further Assurances. Each of the CC Capital Parties and the Liquidating Trust will cooperate with each other in executing and delivering any documents and taking any other actions reasonably necessary to evidence and effectuate the transfer of the Assigned Assets and all interests therein to the Liquidating Trust and to otherwise effectuate the intent of this Agreement.

4. Treatment of Unassigned Causes of Action and Victims' Claims.

4.1 Unassigned Cause of Action. To the extent the Liquidating Trustee determines, based on advice of counsel, that it is in the best interest of the Liquidating Trust that a Cause of Action be pursued in the name of the CC Capital Parties rather than the Liquidating Trust, the Liquidating Trustee shall provide written notification thereof (each an "Unassigned Cause of Action") to the CC Capital Parties, with a copy of each such notification to the Liquidating Trust Oversight Board. Subject to Section 4.3 hereof, the CC Capital Parties agree to reasonably cooperate and assist in a timely manner, to the extent consistent with the terms hereof, with the Liquidating Trustee's pursuit of such Unassigned Cause of Action in the name and on behalf of the applicable CC Capital Parties, including the execution of pleadings

necessary to pursue such Unassigned Cause of Action provided that the Liquidating Trust pays or reimburses the CC Capital Parties for CC Capital Expenses as required pursuant to Section 3.3. Any Unassigned Cause of Action Proceeds paid to or received by any of the CC Capital Parties (net of any tax obligations owed by such CC Capital Party as a result of its receipt of such Unassigned Causes of Action Proceeds) shall be turned over and delivered by the CC Capital Parties to the Liquidating Trust, together with any necessary endorsement. The CC Capital Parties shall not commingle any Unassigned Cause of Action Proceeds which they receive with any other funds or assets of the CC Capital Parties.

4.2 Victims' Claims. To the extent the Liquidating Trustee determines, based on advice of counsel, that it is in the best interest of the Liquidating Trust that a Victims' Claim be pursued in the name of one or more of the CC Capital Parties rather than the Liquidating Trust, the Liquidating Trustee shall provide written notification thereof to the CC Capital Parties, with a copy of each such notification to the Liquidating Trust Oversight Board. The CC Capital Parties agree to reasonably cooperate with and assist the Liquidating Trustee's pursuit of such Victims' Claim in the name and on behalf of the CC Capital Parties, including, diligently and timely filing and pursuing any such claim it may have with respect to any judicial or administrative proceeding related to the Department of Justice for forfeiture, remission and/or restitution processes related to such Victims' Claims. Any proceeds of any Victims' Claims which are paid to or received by any of the CC Capital Parties (net of any tax obligations owed by such CC Capital Party as a result of its receipt of such proceeds of Victims Claims) shall be turned over and delivered by the CC Capital Parties to the Liquidating Trust, together with any necessary endorsement. The CC Capital Parties shall not commingle any proceeds of any Victims' Claims which they receive with any other funds or assets of the CC Capital Parties.

4.3 CC Capital Parties Election Not To Pursue Unassigned Cause of Action.

Notwithstanding anything to the contrary, to the extent that any of the CC Capital Parties determines not to pursue or proceed as a nominal plaintiff or other litigant with respect to any particular Unassigned Cause of Action, then such Party may elect, upon written notice to the Liquidating Trust, to be excluded or otherwise withdraw from the litigation of such Unassigned Cause of Action. In the event that any of the CC Capital Parties provides such notice to the Liquidating Trustee, the Liquidating Trustee shall have thirty (30) days thereafter to accept an assignment of and pursue in the name of the Liquidating Trust such Unassigned Cause of Action, in which case such Unassigned Cause of Action shall thereafter be treated as an Assigned Cause of Action hereunder.

4.4 CC Capital Expenses. All CC Capital Expenses incurred by the CC Capital Parties to pursue the Unassigned Causes of Action and Victims' Claims shall be paid or reimbursed by the Liquidating Trust promptly upon presentation of invoices or other documentation by the CC Capital Parties to the Liquidating Trustee. The CC Capital Parties shall have the right to offset any CC Capital Expenses against any Unassigned Causes of Action Proceeds that would otherwise be payable to the Liquidating trust as required pursuant to Section 4.1.

5. Retained Causes of Action. The Retained Causes of Action shall not be assigned to the Liquidating Trust and the CC Capital Parties shall continue to own all right, title, benefit, interest in and to the Retained Causes of Action (including any proceeds derived therefrom). The Liquidating Trustee agrees to reasonably cooperate and assist in a timely manner, to the extent consistent with the terms hereof, with the CC Capital Parties' pursuit of such Retained Causes of Action. Notwithstanding the foregoing, the CC Capital Parties agree to subordinate

(and if applicable, turnover) any proceeds derived from the Retained Causes of Action to any actions brought by the Liquidating Trustee against any of the Retained Causes of Action Parties.

6. Common Interest and Privileged Materials.

6.1 Protected Materials. The Parties hereto may (but are not obligated to) share information and verbal and written statements concerning the Assigned Assets that are protected by the attorney-client privilege, the work product doctrine or any other applicable privileges, rules of confidentiality and immunities and, therefore, would be immune from discovery by third-parties under any applicable rule of civil procedure or evidence or applicable law (“Protected Materials”). Protected Materials may include, but are not limited to, oral, written, or electronically stored and communicated information relating to the Assigned Assets that is provided by any Party, on the one hand, to any other Party, on the other hand, or is jointly created by the Parties, in confidence and in furtherance of the Parties’ common interests.

6.2 No Waiver. The Parties acknowledge and agree that the assignment of Assigned Assets provided for above and/or exchanges and disclosures of Protected Materials do not diminish or constitute a waiver of the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or protection, including doctrines or rules of confidentiality. To this end, it is understood and agreed by the Parties that any Protected Materials obtained from the other party (or jointly created by the Parties) will remain privileged and confidential and shall be protected from disclosure to any third party (except as expressly provided herein), and that any and all sharing of the Protected Materials pursuant to this Agreement shall be protected pursuant to the “common interest” or “joint defense” or any other similar doctrines, to the fullest extent such protection is available under applicable law (subject

to the provisions of this Agreement) and inadvertent disclosure of Protected Materials shall not be construed as a waiver of applicable privilege, confidence or immunity by any Party.

7. Indemnification; Indemnification Reserve.

7.1 Indemnification. The Liquidating Trust hereby agrees to indemnify, defend and hold harmless the CC Capital Parties and, solely to the extent that a CC Capital Party is legally or contractually obligated to indemnify, each of their affiliates, subsidiaries, successors and assigns, and the officers, directors, partners, shareholders, members, managers, employees, parent and subsidiary corporations and partnerships and predecessors-in-interest, including without limitation the CC Capital Related Parties (collectively, the “CC Capital Indemnitees”), from and against, and shall pay and reimburse each of them for, any and all Losses and CC Capital Expenses incurred or sustained by, or imposed upon the CC Capital Indemnitees, as a result of: (a) the Liquidating Trust’s acceptance of any Cause of Action or determination that a Cause of Action be pursued in the name of the CC Capital Parties rather than the Liquidating Trust pursuant to Section 4.1 above, (b) the Liquidating Trust’s investigation, prosecution, pursuit, litigation or collection efforts with respect to any Assigned Assets, (c) the Liquidating Trust’s investigation, prosecution, pursuit, litigation or collection efforts with respect to any consultants, accountants, attorneys, representatives or advisors engaged by any of the CC Capital Indemnitees in connection with the Merger Transaction or any other third parties that the CC Capital Indemnitees have a legal or contractual obligation to indemnify who assert claims, crossclaims or counterclaims for indemnification or other recovery of any kind against any of the CC Capital Indemnitees that is related to or arises from the Liquidating Trust’s investigation, prosecution, pursuit, litigation or collection efforts directed at any such third party, (d) the CC Capital Parties’ investigation, prosecution, pursuit, litigation or collection efforts with respect to

any Unassigned Causes of Action or Victims' Claims that the Liquidating Trustee has requested be pursued, or that the Liquidating Trustee pursues, in the name of the CC Capital Parties, or (e) the CC Capital Parties' receipt of any Unassigned Causes of Action Proceeds or proceeds of Victims Claims that are turned over and delivered to the Liquidating Trust pursuant to Section 4.1 or Section 4.2 hereto but solely to the extent of the amount of such turned over proceeds. For the avoidance of any doubt, the term "CC Capital Indemnites" shall not include any of the Parmar Parties and in no event shall the Liquidating Trust be obligated to indemnify any CC Capital Indemnites from Losses and/or CC Capital Expenses incurred or sustained by, or imposed upon such CC Capital Indemnites, as a result of claims asserted by another CC Capital Indemnitee.

7.2 No Indemnification Reserve. Absent receiving written notification from the CC Capital Parties of the assertion of a claim for indemnification pursuant to Section 7.1 above, the Liquidating Trustee shall not be obligated to maintain any reserve with respect to such indemnification obligations. In the event the Liquidating Trustee does receive a written notification from the CC Capital Parties of the assertion of a claim for indemnification, the Liquidating Trustee shall establish and maintain a reserve in an amount to be determined by the Liquidating Trustee, in his reasonable judgment, which in no event shall be less than ten percent (10%) of the amount of the claim asserted for indemnification, to the extent specified. Nothing contained herein shall restrict or prevent the Liquidating Trustee from seeking entry of a final decree by the Bankruptcy Court in the Orion HealthCorp., Inc. bankruptcy case (Case No. 18-71748 (AST)).

7.3 Treatment of Indemnification Proofs of Claim Filed by Certain of the CC Capital Related Parties. Annexed hereto on Schedule C is a list of the proofs of claim filed

against certain of the Debtors by certain of the CC Capital Related Parties asserting certain indemnification claims arising from their roles as former officers and/or directors of the Debtors (the “D&O Indemnification Claims”). Nothing contained in this Agreement shall release or discharge the D&O Indemnification Claims, provided, however, that (a) the Liquidating Trustee shall not be obligated to maintain any reserve with respect to such D&O Indemnification Claims, (b) the D&O Indemnification Claims shall not be entitled to participate in any distributions from the Liquidating Trust except to the extent that insurance proceeds made available to cover the D&O Indemnification Claims are first paid to and retained by the Liquidating Trust, and (c) the D&O Indemnification Claims shall be allowed solely to the extent such claims are covered by available insurance, if any.

8. Releases.

8.1 Release by the Liquidating Trust Release Parties. The Liquidating Trust, on its own behalf and on behalf of the Debtors and the Debtors’ present, former or future, direct or indirect, affiliates, subsidiaries, successors and assigns (the “Liquidating Trust Release Parties”), do hereby forever, absolutely, unconditionally and irrevocably release, discharge and acquit the CC Capital Parties, and, except as set forth in the last sentence of this Section, each of their affiliates, subsidiaries, successors and assigns, and each of the CC Capital Related Parties (collectively, with the CC Capital Parties, the “CC Capital Release Parties”) of and from any and all claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, damages, costs, Losses, CC Capital Expenses and other expenses of every type, kind, nature, description or character and irrespective of how, why or by reason of what facts, whether heretofore or now existing or hereafter

discovered, or which could, might or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, whether at law, equity or in administrative proceedings, whether at common law or pursuant to federal, state or local statute, each as though fully set forth herein at length, which either one, or any one or more of them, ever had, now have or which, absent the execution and delivery of this Agreement, could have, resulting from the existing or past state of things, from the beginning of the world to the end of the day upon which the parties execute this Agreement (collectively, “Claims”) arising from, out of or in connection with any matter relating to (a) the Chapter 11 Cases (including the Proofs of Claim), (b) the Litigations, and (c) the Merger Transaction and Sham Acquisitions ((a)-(c) above collectively referred to as the “Liquidating Trust Released Claims); provided, that the (i) Liquidating Trust Released Claims shall not include a release of any Claims of the Liquidating Trust Release Parties against one or more of the CC Capital Release Parties solely to the extent any of the CC Capital Release Parties was a stockholder of record (or beneficial owner) of CHT prior to the consummation of the Merger Transaction to the extent of the Liquidating Trustee’s efforts to avoid or otherwise recover Merger Transaction proceeds paid to or for the benefit of former CHT shareholders in the Shareholder Litigation; and (ii) the CC Capital Release Parties shall not be released from their respective obligations under this Agreement or the Destra/DOJ Settlement Agreement. For the avoidance of any doubt, the term “CC Capital Release Parties” shall not include the Parmar Parties for purposes of this Section 8.1 and Section 8.2.

8.2 Release by the Secured Lender Release Parties. Each of the Secured Lenders, on its own behalf and on behalf of its respective present, former or future, direct or indirect, affiliates, subsidiaries, successors and assigns (the “Secured Lender Release Parties”) do

hereby forever, absolutely, unconditionally and irrevocably release, discharge and acquit the CC Capital Release Parties of and from any and all Claims arising from, out of or in connection with any matter relating to (a) the Chapter 11 Cases (including the Proofs of Claim), (b) the Litigations, and (c) the Merger Transaction and Sham Acquisitions; provided, that the CC Capital Release Parties shall not be released from their respective obligations under this Agreement.

8.3 Release by the CC Capital Release Parties. Each of the CC Capital Release Parties do hereby forever, absolutely, unconditionally and irrevocably release, discharge and acquit (i) the Liquidating Trust Release Parties, and (ii) the Secured Lender Release Parties of and from any and all Claims arising from, out of or in connection with any matter relating to (a) the Chapter 11 Cases (including the Proofs of Claim), (b) the Litigations, and (c) the Merger Transaction and Sham Acquisitions ((a)-(c) above collectively referred to as the “CC Capital Released Claims”); provided, that (i) the CC Capital Released Claims shall not include a release of any Claims or rights of the CC Capital Release Parties with respect to the D&O Indemnification Claims to the extent set forth herein, and (ii) the Liquidating Trust Release Parties and the Secured Lender Release Parties shall not be released from their respective obligations under this Agreement and the Destra/DOJ Settlement Agreement.

9. Miscellaneous.

9.1 Effectiveness. This Agreement and all provisions set forth herein are subject in all respects to Bankruptcy Court approval and this Agreement shall only become effective on the date that this Agreement is approved by final order of the Bankruptcy Court (the “Effective Date”). If this Agreement does not become effective, is not consummated or is

overruled, revoked or rescinded, this Agreement shall be null and void and of no force or effect and may not be used for any purpose.

9.2 Governing Law. This Agreement, including all matters arising under or relating to this Agreement, shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within New York, without regard to the conflicts of law principles of New York.

9.3 Submission to Jurisdiction; Waiver of Jury Trial. Each of the Parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the Bankruptcy Court for any matter arising out of or relating to this Agreement, including for purposes of enforcing this Agreement for so long as such court retains jurisdiction and thereafter, to the exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in Manhattan. In any action or proceeding, each of the Parties irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or proceeding is brought in an inconvenient forum or that the venue of such action or proceeding is improper. Each of the Parties also agrees that, subject to any applicable rights of appeal, any final and non-appealable judgment against a Party in connection with any action or proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR

RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED
HEREBY.

9.4 Headings; Interpretation. The headings of this Agreement are inserted for convenience only and shall not affect the interpretation hereof. Each Party has agreed to the use of the particular language of the provisions of this Agreement, and any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement.

9.5 Amendment; Waiver. This Agreement may be amended modified or restated only by a written instrument executed by all Parties. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition.

9.6 Successors and Assigns. The Parties agree that this Agreement shall be binding on, and inure to the benefit of, the Parties hereto and their predecessors, successors and assigns. This Agreement may not be assigned unless agreed to by all Parties in writing.

9.7 Entire Agreement. This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the Parties in connection therewith.

9.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means

of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]


IN WITNESS WHEREOF, the undersigned have duly executed this Agreement by its duly authorized representatives as of the Effective Date.

CC CAPITAL PARTIES:

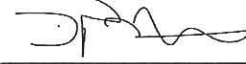
CC CAPITAL MANAGEMENT, LLC

By: 
Name: Douglas Newton
Title: Senior Managing Director

CHT HOLDCO, LLC

By: 
Name: Douglas Newton
Title: Manager

CC CAPITAL CHT HOLDCO LLC
by CC Capital Management, LLC, its managing member

By: 
Name: Douglas Newton
Title: Managing Director


LIQUIDATING TRUST:



Howard M. Ehrenberg, as Liquidating Trustee

SECURED LENDERS:

BANK OF AMERICA, N.A.

By: 
Name: *G. Christopher Miller*
Title: *Senior Vice President*

BMO HARRIS BANK, N.A.

By: _____
Name: _____
Title: _____

KEYBANK NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

STIFEL BANK & TRUST

By: _____
Name: _____
Title: _____

WOODFOREST NATIONAL BANK

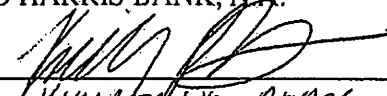
By: _____
Name: _____
Title: _____

SECURED LENDERS:

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

BMO HARRIS BANK, N.A.

By:  _____
Name: *KIMBERLY PTAK*
Title: *AUTHORIZED OFFICER*

KEYBANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

STIFEL BANK & TRUST

By: _____
Name:
Title:

WOODFOREST NATIONAL BANK

By: _____
Name:
Title:

SECURED LENDERS:

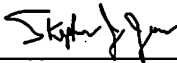
BANK OF AMERICA, N.A.

By: _____
Name:
Title:

BMO HARRIS BANK, N.A.

By: _____
Name:
Title:

KEYBANK NATIONAL ASSOCIATION

By:  _____
Name: Stephen J. Jones
Title: Senior Vice President

STIFEL BANK & TRUST

By: _____
Name:
Title:

WOODFOREST NATIONAL BANK

By: _____
Name:
Title:

SECURED LENDERS:

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

BMO HARRIS BANK, N.A.

By: _____
Name:
Title:

KEYBANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

STIFEL BANK & TRUST

By: _____
Name: *Joel McPeak*
Title: *Assistant Vice President*

WOODFOREST NATIONAL BANK

By: _____
Name:
Title:

SECURED LENDERS:

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

BMO HARRIS BANK, N.A.

By: _____
Name:
Title:


KEYBANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

STIFEL BANK & TRUST

By: _____
Name:
Title:

WOODFOREST NATIONAL BANK

By: 
Name: DAVID A.A. MACDONALD.
Title: REGIONAL PRESIDENT - WEST COAST.

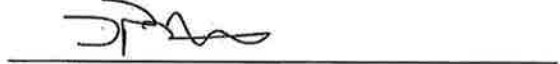
CC CAPITAL RELATED PARTIES

(solely with respect to Section 8.3 and where applicable Section 7.3)



Chinh Chu

James Quella



Douglas Newton

Parth Mehrotra



Richard DiBlasi

Eric Feldstein

Andrew Barnett

Mark Shwartz



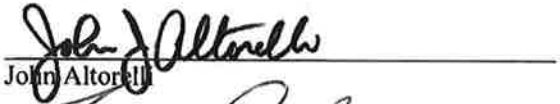
Charles Weintraub

Eric Edell



Sandeep Deb

AEQUUM LAW LLC



John Altorelli

By:

Name:

Title:



Roger Aguirre

TROUTMAN SANDERS LLC

By:

Name:

Title:

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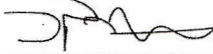
Roger Aguinaldo

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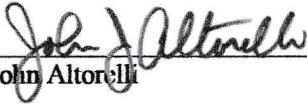
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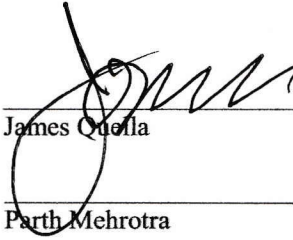
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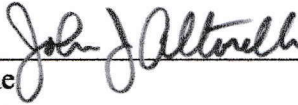
Parth Mehrotra

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Title:

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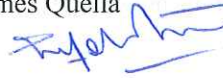
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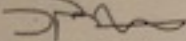
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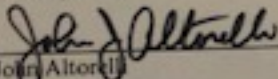
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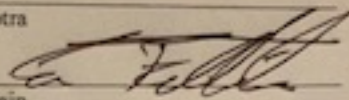
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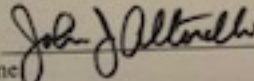


Eric Feldstein

Mark Shwartz

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Douglas Newton

Parth Mehrotra

Richard DiBlasi

Eric Feldstein

Andrew Barnett

Mark Shwartz

Charles Weintraub

Eric Edell

Sandeep Deb

AEQUUM LAW LLC

John Altorelli

By: _____

Name: _____

Title: _____

Roger Aguinaldo

TROUTMAN SANDERS LLP

By:  _____

Name: Patrick Costello

Title: Partner

SCHEDULE A

RETAINED CAUSES OF ACTION PARTIES

- Parmjit Singh Parmar (a/k/a Paul Parmar)
- Sotirios “Sam” Zaharis
- Ravi Chivukula
- Pavandeep Bakhshi
- Alpha Cepheus, LLC
- Constellation Health, LLC
- First United Health, LLC
- Constellation Health Investment, LLC
- Blue Mountain Healthcare, LLC
- PBPP Partners, LLC
- PPSR Partners, LLC
- MYMSMD, LLC
- AAKB Investments Limited
- Winston & Strawn LLP
- Richard, Layton & Finger, P.A.
- McKinsey & Company
- Elicit Insights Consulting

SCHEDULE B

PROOFS OF CLAIM

CREDITOR	CLAIM NO.	CASE NO.	DEBTOR
CC Capital	10068	71749	CHT
CC Holdco	177	71753	Physicians Practice Plus
CC Holdco	178	71754	Physicians Practice Plus Holdings
CC Holdco	179	71755	Medical Billing Services
CC Holdco	180	71756	Rand Medical Billing
CC Holdco	181	71757	RMI Physician Services
CC Holdco	182	71758	Western Skies Practice Management
CC Holdco	183	71759	Integrated Physician Solutions
CC Holdco	184	71760	NYNM Acquisition
CC Holdco	185	71761	Northstar FHA
CC Holdco	200	71763	Vachette Business Services
CC Holdco	201	71762	Northstar First Health
CC Holdco	202	71764	MDRX
CC Holdco	203	71765	Vega Medical Professionals
CC Holdco	204	71767	Allegiance Billing & Consulting
CC Holdco	205	71766	Allegiance Consulting Associates
CC Holdco	207	71789	Phoenix Health
CC Holdco	213	71749	CHT
CC Holdco	214	71751	Northeast Medical Solutions
CC Holdco	215	71750	NEMS Acquisition
CC Holdco	216	71752	NEMS West Virginia

CC Holdco	217	71748	Orion
CHT Holdco	176	71758	Western Skies Practice Management
CHT Holdco	186	71757	RMI Physician Services
CHT Holdco	187	71756	Rand Medical Billing
CHT Holdco	188	71755	Medical Billing Services
CHT Holdco	189	71754	Physicians Practice Plus Holdings
CHT Holdco	190	71753	Physicians Practice Plus
CHT Holdco	191	71752	NEMS West Virginia
CHT Holdco	192	71751	Northeast Medical Solutions
CHT Holdco	193	71750	NEMS Acquisition
CHT Holdco	194	71748	Orion
CHT Holdco	195	71749	CHT
CHT Holdco	196	71761	Northstar FHA
CHT Holdco	197	71760	NYNM Acquisition
CHT Holdco	198	71763	Vachette Business Services
CHT Holdco	199	71759	Integrated Physician Solutions
CHT Holdco	206	71789	Phoenix Health
CHT Holdco	208	71766	Allegiance Consulting Associates
CHT Holdco	209	71767	Allegiance Billing & Consulting
CHT Holdco	210	71764	MDRX
CHT Holdco	211	71765	Vega Medical Professionals
CHT Holdco	212	71762	Northstar First Health

SCHEDULE C

OFFICER/DIRECTOR INDEMNITY PROOFS OF CLAIM

CREDITOR	CLAIM NO.	CASE NO.	DEBTOR
NEWTON, DOUGLAS	155	71749	Constellation Healthcare Technologies Inc.
NEWTON, DOUGLAS	156	71748	Orion Healthcorp, Inc.
NEWTON, DOUGLAS	157	71755	Medical Billing Services
NEWTON, DOUGLAS	158	71756	Rand Medical Billing
NEWTON, DOUGLAS	159	71757	RMI Physician Services
NEWTON, DOUGLAS	160	71758	Western Skies Practice Management
NEWTON, DOUGLAS	161	71759	Integrated Physician Solutions
DIBLASI, RICHARD	169	71749	Constellation Healthcare Technologies Inc.
DIBLASI, RICHARD	170	71748	Orion Healthcorp, Inc.
DIBLASI, RICHARD	171	71755	Medical Billing Services
DIBLASI, RICHARD	172	71756	Rand Medical Billing
DIBLASI, RICHARD	173	71757	RMI Physician Services
DIBLASI, RICHARD	174	71758	Western Skies Practice Management
DIBLASI, RICHARD	175	71759	Integrated Physician Solutions
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	124	71759	Integrated Physician Solutions
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	125	71758	Western Skies Practice Management
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	126	71757	RMI Physician Services
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	127	71756	Rand Medical Billing
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	128	71755	Medical Billing Services
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	129	71749	Constellation Healthcare Technologies Inc.
CHU, CHINH (IN HIS CAPACITY AS DIRECTOR)	130	71748	Orion Healthcorp, Inc.