

Elliott Cappuccio  
State Bar No. 24008419  
[ecappuccio@pulmanlaw.com](mailto:ecappuccio@pulmanlaw.com)  
Thomas Rice  
State Bar No. 24025613  
[trice@pulmanlaw.com](mailto:trice@pulmanlaw.com)  
Ryan Reed  
State Bar No. 24065957  
[rreed@pulmanlaw.com](mailto:rreed@pulmanlaw.com)  
**PULMAN, CAPPuccio,**  
**PULLEN, BENSON & JONES, LLP**  
2161 NW Military Highway, Suite 400  
San Antonio, Texas 78213  
(210) 222-9494 Telephone

Attorneys for Alliance Partners LLC

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

IN RE:	§	CHAPTER 11
	§	
VICTORY MEDICAL CENTER	§	CASE NO. 15-42373-RFN-11
MID-CITIES, LP, ET AL.,	§	
DEBTORS	§	JOINTLY ADMINISTERED
	§	
	§	HEARING ON AMENDED SALE
	§	MOTION (DOCKET NO. 66)
	§	HEARING: JUNE 22, 2015 AT 10:30 AM

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**RESPONSE BY ALLIANCE PARTNERS, LLC TO AMENDED EMERGENCY MOTION OF DEBTORS  
FOR ORDERS (1) APPROVING SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS,  
ENCUMBRANCES AND OTHER INTERESTS, (2) AUTHORIZING THE ASSUMPTION, ASSIGNMENT  
AND SALE OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (3) APPROVING  
BIDDING PROCEDURES IN ADVANCE OF AUCTION, AND (4) GRANTING RELATED RELIEF**

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TO THE HONORABLE UNITED STATES BANKRUPTCY COURT JUDGE:

Alliance Partners LLC (“Alliance”), by and through its counsel Pulman, Cappuccio, Pullen, Benson & Jones, LLP, hereby files this response to the *Amended Emergency Motion of Debtors for Orders (1) Approving Sale of Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (2) Authorizing the Assumption, Assignment and Sale of Certain Executory Contracts and Unexpired Leases, (3) Approving Bidding Procedures in Advance of Auction, and (4) Granting Related Relief* [Docket No. 66] (the “Motion”) and would respectfully show the Court as follows:

### **I. BACKGROUND**

1. Between December 13, 2013 and March 27, 2015, Alliance provided medical products and/or medical services worth \$672,887.44 to Victory Medical Center Landmark, LP (“Landmark”)<sup>1</sup>. This debt is also jointly and severally owed by Victory Parent Company, LLC (“Victory Parent”). On May 4, 2015, Alliance filed the Plaintiff’s Original Petition against Landmark and Victory Parent, as well as the other non-debtor entities, initiating the case styled *Alliance Partners LLC v. Victory Medical Center Landmark, LP et al.*, Cause No. 2015-CI-07301 (the “State Court Lawsuit”), which is pending in the 225th Judicial District for Bexar County, Texas. A copy of the State Court Lawsuit is attached hereto as Exhibit A and incorporated herein by reference.

2. Despite having a claim in excess of \$600,000, Alliance was not listed on the Debtors’ *Consolidated List of Creditors Holding 20 Largest Unsecured Claims* [Docket No. 3] (the “Consolidated Top Twenty List”). A copy of the Consolidated Top Twenty List is attached hereto as Exhibit B and incorporated herein by reference. Based on the claims held by Alliance

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<sup>1</sup> Alliance also provided services to the non-debtors Victory Medical Center Houston, LP and Victory Medical Center Beaumont, LP, which are included in the State Court Lawsuit.

against Landmark, Alliance would be the second largest trade creditor in these jointly administered cases, yet it was inexplicably excluded.

## **II. OBJECTIONS TO MOTION**

3. The Motion and requested relief are significantly flawed in two areas: timing and transparency. In consideration of the timing, Debtors are seeking to conduct a sale hearing for each of their facilities within 33 days of filing these Bankruptcy Cases, with closing on the sale of assets to occur by no later than July 29, 2015. The Debtors assert this timing is necessary, otherwise they will be forced into an orderly shutdown of the facilities. These statements are contradicted, however, by the *Affidavit of Robert N. Helms, Jr. in Support of the Debtors' Chapter 11 Petitions and Requests for First-Day Relief* [Docket No. 15], which states in Paragraph 27 that Debtors have sufficient funds to operate into September 2015. Furthermore, while the Motion mentions that there have been recent Letters of Intent submitted by various parties, there is no further information on the amount of time those parties have been given to undertake the necessary due diligence. Given that there is limited time to undertake due diligence between the Petition Date and the proposed Qualified Bid deadline (July 7, 2015), it is unlikely that any party that recently expressed an interest will have sufficient time to complete due diligence in order to make a Qualified Bid.

4. The harm to unsecured creditors in these Bankruptcy Cases from the limited amount of time is exacerbated by the lack of transparency from the Debtors during the sale process. The Motion provides that the sole representative of unsecured creditors throughout the sale process will be a representative from any unsecured creditors committee that may be appointed. *Motion* at ¶27(c)(v), ¶27(e) and ¶27(f)(i). Given the timing of the sale, it is unlikely that the United States Trustee has sufficient time to contact and obtain the necessary information

to even form an unsecured creditors committee in these Bankruptcy Cases. The potential for lack of representation of unsecured creditors is intensified by the fact that Debtors intentionally left Alliance off of the Consolidated Top Twenty List, even though Alliance has the second largest unsecured claim. The United States Trustee cannot properly undertake its obligations to form an unsecured creditors committee, if the Debtors are not providing the proper information in their filed pleadings. Unsecured creditors are likely to be harmed by the lack of representation as the Debtors have already indicated that their main criteria for a highest and best offer is the ability to close quickly [Motion at ¶18 “Nobilis being the best offer (largely due to its ability to close quickly).”]. The Court should insure that unsecured creditors have a representative present and receiving the necessary information to determine whether an offer is truly the highest and best offer, not simply the quickest to close.

5. While there are numerous other issues with the lack of transparency in these Bankruptcy Cases, the most significant issue is that the Debtors are not required to provide any notice of the winning bids prior to the deadline to object to the Motion. While the Motion and proposed order establish a deadline to object, both documents are absolutely silent about when Debtors will inform all of the creditors in these Cases of the winning bids, not just the lucky few that get to attend the auction, so that all creditors have the right to raise their concerns about the winning bids and whether those bids are really the highest and best offers. The Court should require Debtors to file and serve a notice of the winning bids, including making copies of the relevant Asset Purchase Agreements available to any party upon request, and set an objection deadline for at least 7 days after the filing of such notice.

6. Given that the Motion currently lacks transparency and provides little time for either potential bidders or unsecured creditors to have meaningful participation in the sale process, the Court should deny the relief requested by Debtors.

WHEREFORE, Alliance Partners LLC respectfully requests that the Court deny the relief requested by Debtors in the Motion and grant such other and further relief, at law or in equity, as the Court deems to be just, proper, and equitable.

Respectfully submitted,

**PULMAN, CAPPuccio,**  
**PULLEN, BENSON & JONES, LLP**  
2161 NW Military Highway, Suite 400  
San Antonio, Texas 78213  
(210) 222-9494 Telephone  
(210) 892-1610 Facsimile

By: /s/ Thomas Rice

Elliott S. Cappuccio  
Texas State Bar No. 24008419  
[ecappuccio@pulmanlaw.com](mailto:ecappuccio@pulmanlaw.com)  
Thomas Rice  
Texas State Bar No. 24025613  
[trice@pulmanlaw.com](mailto:trice@pulmanlaw.com)  
Ryan Reed  
Texas State Bar No. 24065957  
[rreed@pulmanlaw.com](mailto:rreed@pulmanlaw.com)

**ATTORNEYS FOR ALLIANCE PARTNERS LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on the 21st day of June, 2015, a true and correct copy of the above and foregoing document has been transmitted through the Court's CM/ECF system, addressed to the parties listed below:

David George Aelvoet sanantonio.bankruptcy@publicans.com

Annie E. Catmull catmull@hooverslovacek.com, ray@hooverslovacek.com

Matthew Dudley Cavanaugh mcavanaugh@jw.com, bruzinsky@jw.com

John Mark Chevallier mchevallier@mcslaw.com

Peter C. DApice dapice@sbep-law.com

Matthew Thomas Ferris mferris@winstead.com, lbayliss@winstead.com

Eric S. Goldstein egoldstein@goodwin.com,  
bankruptcy@goodwin.com;bankruptcyparalegal@goodwin.com

Ian A Hammel ihammel@mintz.com, wkannel@mintz.com

Melissa A. Haselden Haselden@hooverslovacek.com,  
haseldenbankruptcy@gmail.com;welborn@hooverslovacek.com

Laurie Spindler Huffman Laurie.Spindler@publicans.com, evelyn.palmer@lgbs.com

T. Josh Judd judd@hooverslovacek.com, bankruptcy1@hooverslovacek.com

William Wade Kannel wkannel@mintz.com

Matthias J. Kleinsasser matthias.kleinsasser@kellyhart.com

Lloyd A. Lim llim@winstead.com

Brent W. Martinelli brent.martinelli@qpwbllaw.com, wylma.chance@qpwbllaw.com

Susan C. Mathews smathews@bakerdonelson.com,  
arainwater@bakerdonelson.com;mcearley@bakerdonelson.com

Heather J. Panko panko@sbep-law.com

Bradley James Purcell bradley.purcell@bryancave.com

Edward L. Rothberg rothberg@hooverslovacek.com,  
mayle@hooverslovacek.com;bankruptcy1@hooverslovacek.com,ray@hooverslovacek.com

J. Casey Roy casey.roy@texasattorneygeneral.gov

Erin Marie Schmidt ustpregion06.da.ecf@usdoj.gov, erin.schmidt2@usdoj.gov

Robert A. Simon rsimon@whitakerchalk.com,  
bpeck@bgsfirm.com;ctower@whitakerchalk.com

Elizabeth Kay Stepp eks@federal-lawyer.com

John Mark Stern john.stern@texasattorneygeneral.gov,  
Sherri.Simpson@texasattorneygeneral.gov

Sabrina Lynn Streusand streusand@slollp.com, prentice@slollp.com

Eric J. Taube  
etaube@taubesummers.com,ssavala@taubesummers.com,ajezisek@taubesummers.com,mtaylor  
@taubesummers.com

Marc W. Taubenfeld mtaubenfeld@mcsllaw.com

Mark C. Taylor mtaylor@taubesummers.com, tgreenblum@taubesummers.com

United States Trustee ustpregion06.da.ecf@usdoj.gov, albert.loftus@usdoj.gov

Kristin N. Wallis kwallis@csj-law.com, kfontenot@csj-law.com

/s/ Thomas Rice

Thomas Rice

# **EXHIBIT A**



2015CI07301

CAUSE NO. \_\_\_\_\_

ALLIANCE PARTNERS LLC	§	IN THE DISTRICT COURT
PLAINTIFF,	§	
	§	
V.	§	
	§	225 JUDICIAL DISTRICT
VICTORY MEDICAL CENTER LANDMARK, LP,	§	
VICTORY MEDICAL CENTER BEAUMONT, LP,	§	
VICTORY MEDICAL CENTER HOUSTON, LP, AND	§	
VICTORY PARENT COMPANY, LLC D/B/A	§	
VICTORY HEALTH CARE	§	
DEFENDANTS.	§	BEXAR COUNTY, TEXAS

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**PLAINTIFF’S ORIGINAL PETITION**

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TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Alliance Partners LLC and files its Original Petition complaining of Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, Victory Medical Center Houston, LP, and Victory Parent Company, LLC d/b/a Victory Healthcare (collectively, “Defendants”), and in support hereof respectfully shows the Court as follows:

**I. Discovery Control Plan**

1. Discovery is appropriate under a Level 2 Discovery Control Plan in accordance with Rule 190.3 of the Texas Rules of Civil Procedure.

**II. Parties**

2. Alliance Partners LLC (“Plaintiff” or “Alliance”) is a Texas limited liability company doing business in Bexar County, Texas.

3. Defendant Victory Medical Center Landmark, LP (“VMC-Landmark”) is a Texas limited partnership whose general partner is Victory Medical Center Landmark GP, LLC. VMC-Landmark can be served with process by serving its registered agent, Robert N. Helms, Jr.

at VMC-Landmark's registered address, 2201 Timberloch Place, Suite 200, The Woodlands, Texas 77380, or wherever else he or any other person authorized to accept services may be found.

4. Defendant Victory Medical Center Beaumont, LP ("VMC-Beaumont") is a Texas limited partnership whose general partner is Victory Medical Center Beaumont GP, LLC. VMC-Beaumont can be served with process by serving its registered agent, Robert N. Helms, Jr. at VMC-Beaumont's registered address, 2201 Timberloch Place, Suite 200, The Woodlands, Texas 77380, or wherever else he or any other person authorized to accept services may be found.

5. Defendant Victory Medical Center Houston, LP ("VMC-Houston") is a Texas limited partnership whose general partner is Victory Medical Center Houston GP, LLC. VMC-Houston can be served with process by serving its registered agent, Robert N. Helms, Jr. at VMC-Houston's registered address, 2201 Timberloch Place, Suite 200, The Woodlands, Texas 77380, or wherever else he or any other person authorized to accept services may be found.

6. Defendant Victory Parent Company, LLC d/b/a Victory Healthcare ("Victory") is a Texas limited liability company doing business as Victory Healthcare. Victory can be served with process by serving its registered agent, Robert N. Helms, Jr. at VMC-Houston's registered address, 2201 Timberloch Place, Suite 200, The Woodlands, Texas 77380, or wherever else he or any other person authorized to accept services may be found.

### **III. Jurisdiction and Venue**

7. This Court has jurisdiction because Plaintiff seeks damages and remedies within the jurisdictional limits of the Court. Plaintiff seeks monetary relief in excess of \$1,000,000.00.

8. Venue is proper in Bexar County, Texas pursuant to section 15.002(a)(1) and (3) of the Texas Civil Practice and Remedies Code because all or a substantial part of the events and omissions giving rise to Plaintiff's claims occurred in Bexar County, because payments were required to be made in Bexar County, and because Bexar County is the county of VMC-Landmark's principal place of business. Pursuant to section 15.005 of the Texas Civil Practice and Remedies Code, because venue is proper in Bexar County as to one defendant, venue is proper in Bexar County as to all Defendants.

#### **IV. Statement of Facts**

9. Since at least 2013, Alliance has provided medical products and/or medical services to Defendants upon the joint oral agreement, understanding, and course of business that Defendants would jointly and severally tender payment to Alliance, at its office in San Antonio, Bexar County, Texas, in return for the products and/or services of Alliance. Defendants jointly and severally accepted Alliance's medical products and/or medical services and, until late 2013 and sporadically thereafter, paid Alliance for all such products and/or services provided by Alliance to Defendants.

10. Beginning in late 2013 and continuing through the end of March 2015, Defendants have failed to pay Alliance all outstanding amounts owed. The total amount jointly and severally owed to Alliance by Defendants is no less than \$908,535.95. *See* Exhibit 1-1, Alliance's Aging Report dated April 2, 2015. Of this total, VMC-Landmark and Victory incurred no less than \$672,887.44 for medical products and/or medical services invoiced between December 13, 2013 and March 27, 2015. VMC-Beaumont and Victory incurred no less than \$140,990.09 for medical products and/or medical services invoiced between December 27, 2013 and December

16, 2014. VMC-Houston and Victory incurred no less than \$94,658.42 for medical products and/or medical services invoiced between December 18, 2013 and November 28, 2014.

11. By email dated November 12, 2014, Jim Berend, Executive Vice President and Chief Financial Officer of Victory Healthcare, acting on behalf of all Defendants: (1) acknowledged the relationship between Alliance and Defendants; (2) acknowledged that at the time Defendants owed Alliance over \$700,000.00; and (3) confirmed the intention of Defendants to pay the amount owed. *See Exhibit 2, Berend Email dated November 12, 2014.*

## **V. Conditions Precedent**

12. All conditions precedent to Alliance's recovery have occurred or have been waived, excused, or otherwise satisfied. All notices required have been provided or were waived, excused, or otherwise satisfied.

## **VI. Causes of Action**

### **A. Suit on Sworn Account**

13. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1-12.

14. Upon request and with the knowledge and consent of Defendants to be jointly and severally responsible for payment, Alliance provided Defendants with medical products and/or medical services in the regular course of business, which is set out in a duly itemized account maintained by Alliance. Defendants were and remain jointly and severally obligated to pay Alliance for the medical products and/or medical services Defendants knowingly obtained from Alliance. Alliance's account of the medical products and/or medical services provided to Defendants is based upon the business dealings between Alliance and Defendants, of which Alliance keeps systematic records. After applying all just and lawful offsets, payments, and

credits, together the Defendants jointly and severally owe Alliance no less than \$908,535.95. Alternatively, after applying all just and lawful offsets, payments, and credits, VMC-Landmark and Victory owe Alliance \$672,887.44, VMC-Beaumont and Victory owe Alliance \$140,990.09, and VMC-Houston and Victory owe Alliance \$94,658.42. Attached hereto as Exhibit 1 is the Affidavit of Emad Hassouneh confirming Alliance's account for Defendants and the amount due and owing, together with its Exhibit 1-1, a true and correct copy of Alliance's Aging Report dated April 2, 2015 reflecting Alliance's itemized, systematic account for Defendants.

15. Based on its sworn account, Alliance seeks judgment, jointly and severally, against Defendants for all of its actual damages reflected on its sworn account in the total amount of at least \$908,535.95. Alternatively, Alliance seeks judgment against VMC-Landmark and Victory for at least \$672,887.44, VMC-Beaumont and Victory for at least \$140,990.09, and VMC-Houston and Victory for at least \$94,658.42. Alliance further seeks judgment for all costs of court, attorneys' fees, and pre- and post-judgment interest.

**B. Breach of Oral Agreement**

16. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1 – 15.

17. Alliance and Defendants entered into a valid, enforceable oral agreement pursuant to which Alliance tendered medical products and/or medical services to Defendants and Defendants jointly and severally agreed to pay Alliance for the same. Alliance performed its obligations under the agreement, but Defendants materially breached the agreement by failing to pay Alliance for the medical products and/or medical services provided. As a result, Alliance suffered monetary loss as a natural, probable, and foreseeable consequence.

18. Alliance seeks judgment, jointly and severally, against Defendants for all of its actual damages in the total amount of at least \$908,535.95. Alternatively, Alliance seeks judgment against VMC-Landmark and Victory for at least \$672,887.44, VMC-Beaumont and Victory for at least \$140,990.09, and VMC-Houston and Victory for at least \$94,658.42. Alliance further seeks judgment for all costs of court, attorneys' fees, and pre- and post-judgment interest.

**C. Quantum Meruit**

19. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1 - 18.

20. Alliance provided Defendants with medical products and/or medical services reflected in invoices identified in Exhibit 1-1. Defendants accepted the same with reasonable notice that Alliance expected compensation.

21. Alliance seeks judgment, jointly and severally, against Defendants for the reasonable value of the goods and/or services provided to Defendants in the total amount of at least \$908,535.95. Alternatively, Alliance seeks judgment against VMC-Landmark and Victory for at least \$672,887.44, VMC-Beaumont and Victory for at least \$140,990.09, and VMC-Houston and Victory for at least \$94,658.42. Alliance further seeks judgment for all costs of court, attorneys' fees, and pre- and post-judgment interest.

**D. Unjust Enrichment**

22. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1 – 21.

23. Defendants, with full knowledge of their requests to Alliance to provide medical products and/or medical services and full knowledge of the fact that Alliance expected compensation, have wrongfully secured a benefit from Alliance. *See* Exhibit 1-2. It would be

unconscionable for Defendants to be permitted to retain the benefit without paying Alliance for the value thereof, and Defendants would be unjustly enriched if the same were permitted.

24. Accordingly, Alliance seeks judgment, jointly and severally, against Defendants for the reasonable value of its goods and/or services in the total amount of at least \$908,535.95. Alternatively, Alliance seeks judgment against VMC-Landmark and Victory for at least \$672,887.44, VMC-Beaumont and Victory for at least \$140,990.09, and VMC-Houston and Victory for at least \$94,658.42. Alliance further seeks judgment for all costs of court, attorneys' fees, and pre- and post-judgment interest.

**E. Promissory Estoppel**

25. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1 – 24.

26. Defendants, jointly and severally, promised to pay Alliance for medical products and/or medical services provided to Defendants, and Alliance, in reliance on the promise, provided Defendants with a substantial amount of medical products and/or medical services with a significant monetary value upon the expectation of payment. *See* Exhibits 1-1 and 1-2. Based on their promise, Defendants are estopped from retaining the valuable medical products and/or medical services provided by Alliance without paying Alliance.

27. Accordingly, Alliance seeks judgment, jointly and severally, against Defendants for the value of its goods and/or services in the total amount of at least \$908,535.95. Alternatively, Alliance seeks judgment against VMC-Landmark and Victory for at least \$672,887.44, VMC-Beaumont and Victory for at least \$140,990.09, and VMC-Houston and Victory for at least \$94,658.42. Alliance further seeks judgment for all costs of court, attorneys' fees, and pre- and post-judgment interest.

## **VII. Joint Liability**

28. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1 – 27.

### **A. Single Business Enterprise**

29. Defendants integrated their resources to achieve a common business purpose. Defendants had common employees, agents, and representatives, shared common offices, and, upon information and belief, transferred funds between themselves without proper documentation. Therefore, all Defendants are jointly and severally liable for all of the claims asserted against each of them.

### **B. Joint Enterprise**

30. Defendants carried on the business of each other as a mutual undertaking with a common business or pecuniary purpose. Upon information and belief, all Defendants had an express or implied agreement for a common purpose to be carried out by their enterprise, had a community of pecuniary interest, and each had an equal right to direct and control the enterprise. Therefore, all Defendants were engaged in a joint enterprise, and each of them is jointly and severally liable for the claims asserted against each of them.

## **VIII. Attorneys' Fees & Costs**

31. Alliance repeats and incorporates by reference the facts and allegations set forth in paragraphs 1 – 30.

32. Pursuant to section 38.001 of the Texas Civil Practice and Remedies Code, Alliance is entitled to recover all of its reasonable attorneys' fees incurred to recover the amounts owed to it by Defendants. Alliance is also entitled to recover all costs of court.



**IX. Prayer**

**WHEREFORE**, Alliance respectfully requests that Defendants be cited to appear and answer herein, and that the Court enter judgment in favor of Alliance (1) against Defendants, jointly and severally, awarding Alliance damages of no less than \$908,535.95; (2) alternatively, against VMC-Landmark and Victory for at least \$672,887.44, VMC-Beaumont and Victory for at least \$140,990.09, and VMC-Houston and Victory for at least \$94,658.42; and (3) against Defendants, jointly and severally, for pre- and post-judgment interest, costs of court, and attorneys' fees, together with all writs necessary to effectuate the judgment; and grant Alliance such other and further relief to which it may be justly entitled.

Respectfully submitted,

**PULMAN, CAPPuccio,**  
**PULLEN, BENSON & JONES, LLP**  
2161 NW Military Highway, Suite 400  
San Antonio, Texas 78213  
(210) 222-9494 Telephone  
(210) 892-1610 Telecopier

By: /s/ Elliott S. Cappuccio

Elliott S. Cappuccio  
[ecappuccio@pulmanlaw.com](mailto:ecappuccio@pulmanlaw.com)  
Texas State Bar No. 24008419  
Ryan C. Reed  
[rreed@pulmanlaw.com](mailto:rreed@pulmanlaw.com)  
Texas State Bar No. 24065957

**ATTORNEYS FOR ALLIANCE PARTNERS LLC**

CAUSE NO. \_\_\_\_\_

ALLIANCE PARTNERS LLC	§	IN THE DISTRICT COURT
PLAINTIFF,	§	
	§	
v.	§	
	§	_____ JUDICIAL DISTRICT
VICTORY MEDICAL CENTER LANDMARK, LP,	§	
VICTORY MEDICAL CENTER BEAUMONT, LP,	§	
VICTORY MEDICAL CENTER HOUSTON, LP, AND	§	
VICTORY PARENT COMPANY, LLC D/B/A	§	
VICTORY HEALTH CARE	§	
DEFENDANTS.	§	BEXAR COUNTY, TEXAS

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**AFFIDAVIT OF EMAD HASSOUNEH**

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**THE STATE OF TEXAS**       §  
    §  
**COUNTY OF BEXAR**       §

BEFORE ME, the undersigned authority, on this day personally appeared Emad Hassouneh, known to me to be the person whose name is subscribed to this Affidavit and who, being by me first duly sworn, upon his oath deposed and said:

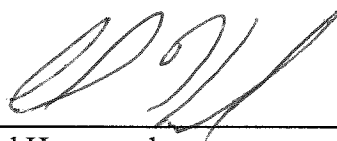
1. "My name is Emad Hassouneh. I am a Managing Member of Alliance Partners LLC ("Alliance"). I am over the age of 18 and fully capable and authorized to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. Upon request, Alliance has provided medical products and/or medical services to Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP. Although Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP have made some payments to Alliance for medical products and/or medical services provided by Alliance, each of these entities has failed to pay all amounts due and owing. Attached hereto as Exhibit 1-1 is Alliance's Aging Report dated April 2, 2015 reflecting the account and all outstanding amounts owed to Alliance by Defendants Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP. As of April 2, 2015, Victory Medical Center Landmark, LP and Victory Parent Company, LLC d/b/a Victory Healthcare owe Alliance the sum of \$672,887.44, Victory

Medical Center Beaumont, LP and Victory Parent Company, LLC d/b/a Victory Healthcare owe Alliance the sum of \$140,990.09, and Victory Medical Center Houston, LP and Victory Parent Company, LLC d/b/a Victory Healthcare owe Alliance the sum of \$94,658.42. These debts, reflected on Exhibit 1-1, are just and true, due, and remain unpaid.

3. I am the custodian of records of Alliance. Alliance's Aging Report attached hereto as Exhibit 1-1 is kept by Alliance in the regular course of business, and it was the regular course of business of Alliance for an employee or representative of Alliance, with knowledge of the act, event, condition, or opinion recorded to make the record or to transmit information thereof to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The records attached to this affidavit are the original or exact duplicates of the original.
4. Alliance's claim for amounts owed by Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP is founded upon an open account and the business dealings between Alliance and Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP. Specifically, Alliance provided Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP with medical products and/or medical services in the regular course of business, which is set out in a duly itemized account maintained by Alliance. Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP were and remain obligated, jointly and severally, to pay Alliance for the medical products and/or medical services they knowingly obtained from Alliance. A systematic record of the open account between Alliance and Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP has been kept and a true and correct copy thereof is attached hereto as Exhibit 1-1. The account attached hereto as Exhibit 1-1 is a just and true account of amounts owed by Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP to Alliance, and, after all just and lawful offsets, payments, and credits have been allowed, the total amount owing, jointly and severally, on the open account by Victory Parent Company, LLC d/b/a Victory Healthcare, Victory Medical Center Landmark, LP, Victory Medical Center Beaumont, LP, and Victory Medical Center Houston, LP is \$908,535.95, of which \$672,887.44 is owed by Victory Medical Center Landmark, LP and Victory Parent Company, LLC d/b/a Victory Healthcare, \$140,990.09 is owed by Victory Medical Center Beaumont, LP and Victory Parent Company, LLC d/b/a Victory Healthcare, and \$94,658.42 is owed by Victory Medical Center Houston, LP and Victory Parent Company, LLC d/b/a Victory Healthcare.

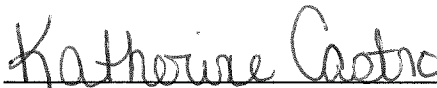
**FURTHER AFFIANT SAYETH NAUGHT.”**

SIGNED this 29<sup>th</sup> day of April, 2015



Emad Hassouneh

**SUBSCRIBED AND SWORN TO** before me on this 29<sup>th</sup> day of April, 2015, to certify which witness my Hand and Seal of Office.



Notary Public In and For the State of Texas



Alliance Partners LLC

**A/R Aging QuickZoom**

As of April 2, 2015

	Type	Date	Num	P. O. #	Name	Terms	Due Date	Aging	Open Balance
<b>Victory Medical Center-Beaumont</b>									
	Invoice	12/27/2013	19442	VMCB002135	Victory Medical Center-Beaumont	Net 90	12/27/2013	461	2,254.88
	Invoice	12/02/2013	19219	VMCB001879	Victory Medical Center-Beaumont	Net 30	01/01/2014	456	3,006.50
	Payment	05/30/2014	1000317		Victory Medical Center-Beaumont				-242.63
	Invoice	06/16/2014	21042	3824	Victory Medical Center-Beaumont	Net 30	07/16/2014	260	4,600.00
	Invoice	07/28/2014	21345	5223	Victory Medical Center-Beaumont	Net 30	08/27/2014	218	30,384.42
	Invoice	08/04/2014	21426	5413	Victory Medical Center-Beaumont	Net 30	09/03/2014	211	5,400.00
	Invoice	08/12/2014	21469	5772	Victory Medical Center-Beaumont	Net 30	09/11/2014	203	16,290.00
	Invoice	09/08/2014	21779	6665	Victory Medical Center-Beaumont	Net 30	10/08/2014	176	12,550.00
	Invoice	10/20/2014	22148	8053	Victory Medical Center-Beaumont	Net 30	11/19/2014	134	6,300.00
	Invoice	11/03/2014	22284	8464	Victory Medical Center-Beaumont	Net 30	12/03/2014	120	6,300.00
	Invoice	11/17/2014	22419	8910	Victory Medical Center-Beaumont	Net 30	12/17/2014	106	10,749.42
	Invoice	11/17/2014	22456	8930	Victory Medical Center-Beaumont	Net 30	12/17/2014	106	13,400.00
	Invoice	12/16/2014	22647	9958	Victory Medical Center-Beaumont	Net 30	01/15/2015	77	13,500.00
	Invoice	12/16/2014	22649	10010	Victory Medical Center-Beaumont	Net 30	01/15/2015	77	4,300.00
	Invoice	12/16/2014	22658	10026	Victory Medical Center-Beaumont	Net 30	01/15/2015	77	12,197.50
Total Victory Medical Center-Beaumont									140,990.09
<b>Victory Medical Center-Houston</b>									
	Invoice	12/18/2013	19417	VMH5217	Victory Medical Center-Houston	Net 30	01/17/2014	440	3,706.50
	Invoice	05/31/2014	20905	3708	Victory Medical Center-Houston	Net 30	06/30/2014	276	4,995.00
	Invoice	07/07/2014	21186	4508	Victory Medical Center-Houston	Net 30	08/06/2014	239	7,500.00
	Invoice	07/07/2014	21187	4506	Victory Medical Center-Houston	Net 30	08/06/2014	239	22,127.50
	Invoice	07/11/2014	21236	4741	Victory Medical Center-Houston	Net 30	08/10/2014	235	9,990.00
	Invoice	09/15/2014	21880	7037	Victory Medical Center-Houston	Net 30	10/15/2014	169	8,444.42
	Invoice	10/14/2014	22101	7942	Victory Medical Center-Houston	Net 30	11/13/2014	140	5,795.00
	Invoice	11/28/2014	22525	9478	Victory Medical Center-Houston	Net 30	12/28/2014	95	32,100.00
Total Victory Medical Center-Houston									94,658.42
<b>Victory Medical Center-Landmark</b>									
	Invoice	12/13/2013	19349	VMCLM2158	Victory Medical Center-Landmark	Net 90	12/13/2013	475	699.13
	Invoice	12/13/2013	19355	VMCLM2154	Victory Medical Center-Landmark	Net 90	12/13/2013	475	2,450.75
	Invoice	12/14/2013	19342	VMCLM2178	Victory Medical Center-Landmark	Net 90	12/14/2013	474	3,329.75
	Invoice	12/21/2013	19425	VMCLM2217	Victory Medical Center-Landmark	Net 90	12/21/2013	467	699.13
	Invoice	12/12/2013	19354	VMCLM2129	Victory Medical Center-Landmark	Net 30	01/11/2014	446	1,699.13
	Invoice	12/31/2013	19467	VMCLM2267	Victory Medical Center-Landmark	Net 30	01/30/2014	427	15,162.63
	Invoice	06/19/2014	21115	3974	Victory Medical Center-Landmark	Net 30	07/19/2014	257	7,992.50
	Invoice	07/08/2014	21198	4688	Victory Medical Center-Landmark	Net 30	08/07/2014	238	75,877.29
	Invoice	07/17/2014	21308	4828	Victory Medical Center-Landmark	Net 30	08/16/2014	229	10,639.42



Alliance Partners LLC

## A/R Aging QuickZoom

As of April 2, 2015

Type	Date	Num	P. O. #	Name	Terms	Due Date	Aging	Open Balance
Invoice	07/22/2014	21320	4999	Victory Medical Center-Landmark	Net 30	08/21/2014	224	25,521.92
Invoice	08/15/2014	21552	5868	Victory Medical Center-Landmark	Net 30	09/14/2014	200	3,660.71
Invoice	08/15/2014	21571	5863	Victory Medical Center-Landmark	Net 30	09/14/2014	200	14,141.92
Invoice	08/15/2014	21575	5840	Victory Medical Center-Landmark	Net 30	09/14/2014	200	8,995.00
Invoice	09/09/2014	21787	6648	Victory Medical Center-Landmark	Net 30	10/09/2014	175	4,000.00
Invoice	10/10/2014	22106	7743	Victory Medical Center-Landmark	Net 30	11/09/2014	144	9,189.85
Invoice	10/20/2014	22164	7980	Victory Medical Center-Landmark	Net 30	11/19/2014	134	61,592.29
Invoice	10/21/2014	22180	8041	Victory Medical Center-Landmark	Net 30	11/20/2014	133	12,239.79
Invoice	10/31/2014	22287	8382	Victory Medical Center-Landmark	Net 30	11/30/2014	123	71,027.29
Invoice	10/31/2014	22291	8384	Victory Medical Center-Landmark	Net 30	11/30/2014	123	4,742.29
Invoice	11/06/2014	22345	8597	Victory Medical Center-Landmark	Net 30	12/06/2014	117	14,490.00
Invoice	11/08/2014	22354	8625	Victory Medical Center-Landmark	Net 30	12/08/2014	115	4,000.00
Invoice	11/17/2014	22434	8981	Victory Medical Center-Landmark	Net 30	12/17/2014	106	16,339.27
Invoice	12/16/2014	22661	10062	Victory Medical Center-Landmark	Net 30	01/15/2015	77	66,587.29
Invoice	12/18/2014	22710	10168	Victory Medical Center-Landmark	Net 30	01/17/2015	75	4,000.00
Invoice	12/23/2014	22773	10335	Victory Medical Center-Landmark	Net 30	01/22/2015	70	12,639.42
Invoice	01/08/2015	22830	10734	Victory Medical Center-Landmark	Net 30	02/07/2015	54	19,932.14
Invoice	01/09/2015	22844	10770	Victory Medical Center-Landmark	Net 30	02/08/2015	53	14,684.64
Invoice	01/16/2015	22943	10883	Victory Medical Center-Landmark	Net 30	02/15/2015	46	20,384.64
Invoice	01/19/2015	22952	10927	Victory Medical Center-Landmark	Net 30	02/18/2015	43	82,624.79
Invoice	01/23/2015	22997	11061	Victory Medical Center-Landmark	Net 30	02/22/2015	39	4,360.71
Invoice	01/27/2015	23033	11133	Victory Medical Center-Landmark	Net 30	02/26/2015	35	6,000.00
Invoice	01/28/2015	23032	11146	Victory Medical Center-Landmark	Net 30	02/27/2015	34	8,658.21
Invoice	01/30/2015	23061	11195	Victory Medical Center-Landmark	Net 30	03/01/2015	32	6,703.54
Invoice	02/04/2015	23080	11285	Victory Medical Center-Landmark	Net 30	03/06/2015	27	5,760.71
Invoice	02/05/2015	23084	11315	Victory Medical Center-Landmark	Net 30	03/07/2015	26	5,546.92
Invoice	02/09/2015	23095	11352	Victory Medical Center-Landmark	Net 30	03/11/2015	22	4,523.09
Invoice	02/12/2015	23123	11466	Victory Medical Center-Landmark	Net 30	03/14/2015	19	4,000.00
Invoice	02/26/2015	23241	11640	Victory Medical Center-Landmark	Net 30	03/28/2015	5	17,575.69
Invoice	02/27/2015	23265	11683	Victory Medical Center-Landmark	Net 30	03/29/2015	4	4,523.09
Invoice	03/27/2015	23480		Victory Medical Center-Landmark	Net 30	04/26/2015		15,892.50
Total Victory Medical Center-Landmark								672,887.44
Victory Medical Center-Southcross								
Check	11/09/2011			Victory Medical Center-Southcross				9,625.00
Deposit	11/14/2011			Victory Medical Center-Southcross				-9,625.00
Total Victory Medical Center-Southcross								0.00
TOTAL								908,535.95

Begin forwarded message:

**From:** Jim Berend <[jberend@victory-healthcare.com](mailto:jberend@victory-healthcare.com)>  
**Date:** November 12, 2014 at 6:13:19 PM CST  
**To:** "[emad@alliance-spine.com](mailto:emad@alliance-spine.com)" <[emad@alliance-spine.com](mailto:emad@alliance-spine.com)>  
**Cc:** Robert Helms <[rhelms@victory-healthcare.com](mailto:rhelms@victory-healthcare.com)>, Robert Garcia <[rgarcia@victory-healthcare.com](mailto:rgarcia@victory-healthcare.com)>, Kelly Powell <[kpowell@victory-healthcare.com](mailto:kpowell@victory-healthcare.com)>  
**Subject: Victory Payment Plan**

As we discussed on the phone this afternoon, we have put together a payment plan to catch up on the outstanding balances owed to Alliance Spine by Victory Healthcare. The key points of the payment plan are as follows:

1. We acknowledge that as of this date, Victory owes over \$700,000 to Alliance Spine, of which approximately \$516,000 is over 60 days old.
2. It is the intention of Victory to pay these balances in full.
3. Victory's ability to timely pay vendors like Alliance Spine is significantly impacted by the health insurance carriers willingness to pay Victory on a timely basis, including reimbursement for the very implants that you are seeking to be paid for. As the health insurance carriers have delayed payments to Victory, it has been difficult to then pay Alliance Spine for implants on a timely basis.
4. Victory will use its best efforts to make the following payments to Alliance Spine such that Victory pays off the amounts which are currently in excess of 60 days old by March 31, 2015
  - a. \$75,000 to be paid by November 30, 2014
  - b. \$125,000 to be paid by December 31, 2014
  - c. \$100,000 to be paid by January 31, 2015



- d. \$100,000 to be paid by February 28, 2015
- e. \$116,000 to be paid by March 31, 2015
- 5. If there is any disruption in our ability to make these payments by the dates listed, we will communicate immediately with Alliance Spine.
- 6. Alliance Spine agrees to continue to supply product to Victory facilities, as long as payments are being made on time per the payment plan.

With product available for the surgeons to perform their surgeries, we expect the improvements in volume will put Landmark on a more positive financial footing so that bills can be paid on a timely basis. Also, with our efforts to go 'in-network' we expect more timely payments from the carriers, once that transition is made. We appreciate your help as we make this transition.

Please let us know if this plan is acceptable.

Jim Berend  
Executive Vice President and Chief Financial Officer  
Victory Healthcare  
2201 Timberloch Place, Suite 200  
The Woodlands, TX 77380  
(832) 616-2477 (office)  
[jberend@victory-healthcare.com](mailto:jberend@victory-healthcare.com)





# **EXHIBIT B**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

**IN RE:**

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§  
§  
§  
§  
§

**Chapter 11**

**VICTORY MEDICAL CENTER  
MID-CITIES, LP**

**CASE NO. 15-42373-rfn-11**

**VICTORY MEDICAL CENTER MID-CITIES, LP**

**CONSOLIDATED LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

<b>Rank</b>	<b>Name, Telephone Number and Complete Mailing Address Including Zip Code of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted</b>	<b>Nature of Claim (Trade Debt, Bank Loan, Government Contract, etc.)</b>	<b>Indicate if Claim is Contingent, Unliquidated, Disputed, or Subject to Setoff</b>	<b>Amount of Claim</b>
1	Helix Medical Group 3001 Know St Suite 405 Dallas, TX 75205 jamesregerster@hotmail.com	Trade		\$863,606.00
2	Suture Express, Inc. P.O. Box 842806 Kansas City, MO 64184-2806 Phone: 913.384-2220x315 melody@sutureexpress.com	Trade		\$487,141.21
3	Vision Ortho, LLC 14215 Proton Road Dallas, TX 75244 Phone: 214.405.2870 manderson@acuitysurgical.com	Trade		\$393,060.00
4	Valmed 2140 E. Southlake Blvd L-508 Southlake, TX 76092 Phone: 817.605.6050 isbellmel@gmail.com	Trade		\$312,170.00
5	Matt Media & Technology 7212 Thames Trail Colleyville, TX 76034 Phone: 817.312.7768	Trade		\$300,000.00

Rank	Name, Telephone Number and Complete Mailing Address Including Zip Code of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted	Nature of Claim (Trade Debt, Bank Loan, Government Contract, etc.)	Indicate if Claim is Contingent, Unliquidated, Disputed, or Subject to Setoff	Amount of Claim
6	Cnl Healthcare Properties, Inc c/o Lincoln Harris Csg 6688 North Central Expressway Dallas, TX 75206	Trade		\$297,986.42
7	Medical Information Technology, Inc P.O. Box 74569 Chicago, IL 60696 Phone: 781.774.4513 lboyle@meditech.com	Trade		\$277,043.00
8	Omni Acquisition Inc. DBA Spine 360 5000 Plaza On The Lake Suite 305 Austin, TX 78746 Phone: 512.772.4442 bdaniel@amendia.com	Trade		\$217,489.32
9	St Jude Medical 22400 Network Place Chicago, IL 60673-1224 Phone: 512.286.4066 jjones@sjm.com	Trade		\$211,620.48
10	Allosource P.O. Box 801020 Kansas City, MO 64180-1020 Phone: 800.557.3587 amaynard@allosource.org	Trade		\$162,125.00
11	Centinel Spine 505 Park Ave 14th Floor New York, NY 10022 Phone: 212.583.9700 A.Espinoza@centinelspine.com	Trade		\$152,065.00
12	Spine Smith 93 Red River St Austin, TX 78701 Phone: 512.206.0770 amichel@cellingbiosciences.com	Trade		\$149,351.05
13	Alphatec Spine Inc Dept 892005 P.O. Box 122005	Trade		\$148,189.00

Rank	Name, Telephone Number and Complete Mailing Address Including Zip Code of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted	Nature of Claim (Trade Debt, Bank Loan, Government Contract, etc.)	Indicate if Claim is Contingent, Unliquidated, Disputed, or Subject to Setoff	Amount of Claim
	Dallas, TX 75312-2005 Phone: 800.922.1356 AZazueta@alphatecspine.com			
14	Dell Marketing LP P.O. Box 676021 c/o Dell Usa LP Dallas, TX 75267-6021 Phone: 866.454.0985 Michael_Keller@Dell.com	Trade		\$137,764.53
15	Biomet, Inc. 75 Remittance Dr Suite 3283 Chicago, IL 60675 Phone: 800.526.2579 Lana.robinson@biomet.com	Trade		\$131,002.88
16	X-spine Systems, Inc 452 Alexandersville Rd Miamisburg, OH 45342 Phone: 937.847.8400 vproffit@x-spine.com	Trade		\$101,416.25
17	Shc Services, Inc P.O. Box 27124 Salt Lake City, UT 84127-0124 Phone: 877.309.9748 channah@supplementalhealthcare.com	Trade		\$95,625.19
18	McKesson Medical Surgical, Inc P.O. Box 933027 Atlanta, GA 31193-3027 Phone: 800.366.8990 Colleen.Chadwick@McKesson.com	Trade		\$90,912.23
19	Intercede Health DBA Inpatient Medical Services, Pa P.O. Box 670585 Dallas, TX 75267-0585 Phone: 832.476.3938 Julia.White@intercedehealth.com	Trade		\$88,622.00

Rank	Name, Telephone Number and Complete Mailing Address Including Zip Code of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted	Nature of Claim (Trade Debt, Bank Loan, Government Contract, etc.)	Indicate if Claim is Contingent, Unliquidated, Disputed, or Subject to Setoff	Amount of Claim
20	Gtr Medical Group LLC 5160 Village Creek Dr Suite 400 Plano, TX 75093 Phone: 972.248.3553 mache@gtrmedical.com	Trade		\$83,305.00

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court**  
**Northern District of Texas**

In re **Victory Medical Center Mid-Cities GP, LLC**

Debtor(s)

Case No.

**15-42373-rfn-11**

Chapter

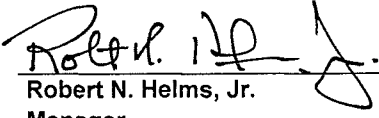
**11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
**DECLARATION UNDER PENALTY OF PERJURY**  
**ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the Manager of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date 6/11/15

Signature

  
**Robert N. Helms, Jr.**  
**Manager**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.