



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed April 1, 2021

*Mark X. Mullins*  
United States Bankruptcy Judge

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

IN RE:

VICTORY MEDICAL CENTER  
MID-CITIES, LP, et al.,

DEBTORS<sup>1</sup>.

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CASE NO. 15-42373-MXM-11  
Jointly Administered

**AGREED ORDER GRANTING HPRH INVESTMENTS, LLC'S  
MOTION TO APPROVE FORECLOSURE OF COLLATERAL  
AND TRUSTEE'S SALE OF CERTAIN PLANO TRUST ASSETS**

Came on for hearing the Notice of Default under Debtors' Joint Plan of Reorganization and Motion to Approve Foreclosure of Assets ("Motion") filed by HPRH Investments, LLC ("HPRH"). After considering the Motion, the Response filed by the Grantor Trustee, Neil Gilmour, III, the Limited Objection filed by First Horizon Bank d/b/a IBERIABANK ("IBERIABANK"), and the agreement of the parties, the Court finds that there has been a default

<sup>1</sup> The Debtors in these cases are Victory Parent Company, LLC, Victory Medical Center Plano, LP, Victory Medical Center Plano GP, LLC, Victory Medical Center Craig Ranch, LP, Victory Medical Center Craig Ranch GP, LLC, Victory Medical Center Landmark, LP, Victory Medical Center Landmark GP, LLC, Victory Medical Center Mid-Cities, LP and Victory Medical Center Mid-Cities GP, LLC

under the Debtors' confirmed Joint Plan of Reorganization with respect to the Trusts' obligations to pay the Exit Financing Loan (as defined in the Plan) at maturity on May 26, 2020, and HPRH is entitled to exercise its rights as a secured creditor and foreclose upon its Collateral (hereinafter defined) granted pursuant to the Plan.

The Trustee has stated in its Response that it intends to terminate all of the trusts, with the exception of the Plano Trust, and agreed that HPRH is entitled to receive its Collateral in satisfaction of all debt held by HPRH. The Trustee has also agreed to sell certain assets of the Plano Trust to HPRH on the terms stated below.

The Trustee has acknowledged and the Court finds that HPRH's Collateral securing the Exit Financing and the prepetition loans it acquired from IBERIABANK includes, among other things, all of the accounts, chattel paper including electronic chattel, general intangibles, payments intangibles, software, instruments, claims, causes of action, rights of appeal, contracts, agreements, computer systems, and books and records, including without limitation patient records, electronic data and other documents containing personal health information ("PHI") (whether or not related to any pending lawsuits), and products and proceeds of the foregoing, that vested in the Trusts of Victory Medical Center Mid-Cities, Victory Medical Center Landmark, Victory Medical Center Southcross, Victory Medical Center Craig Ranch, and Victory Parent upon confirmation of the Plan (the "Collateral"). For the avoidance of doubt, the Collateral does not include cash, the post-confirmation books and records (including accounting software), emails or other documents of any of the Trusts, or any inter-Trust receivable balances. Pursuant to the agreement of the parties, it is

1. ORDERED that HPRH's Motion to Approve Foreclosure of Collateral is hereby granted as set forth herein. It is further

2. ORDERED that the Trustee is authorized to transfer the Collateral to HPRH (the "Transfer") in full and final satisfaction of all secured claims held by HPRH. It is further

3. ORDERED that the Trustee is authorized to sell to HPRH (the "Sale") and, together with the Transfer, the "Transactions") all of the Plano Trust's accounts, chattel paper including electronic chattel, general intangibles, payments intangibles, software, instruments, claims, causes of action, rights of appeal, contracts, agreements, computer systems, and books and records, including without limitation patient records, electronic data and other documents containing PHI (whether or not related to any pending lawsuits), that vested in the Plano Trust upon confirmation of the Plan (the "Purchased Assets"), for the purchase price of \$25,000. For the avoidance of doubt, the Purchased Assets do not include cash, the post-confirmation books and records (including accounting software), emails or other documents of the Plano Trust, or any inter-Trust receivable balances. It is further

4. ORDERED that the Transactions shall be consummated by the parties' execution of a Bill of Sale, Assignment of Claims, and Mutual Release in form satisfactory to the parties within thirty (30) days of entry of this Order unless the parties agree in writing to additional time. Upon completion of the Transactions, (i) HPRH shall be the legal owner of the Collateral and the Purchased Assets; (ii) HPRH shall assume and have sole responsibility for all liabilities relating to the maintenance and disposition of any PHI included in the Collateral or Purchased Assets in accordance with federal and state laws and regulations; (iii) HPRH shall succeed to the Trustee's attorney-client privilege solely with respect to all litigation matters, including appeals, currently pending in the name of the Trustee that are acquired by HPRH; and

(iv) the Trustee shall cooperate in any acts necessary to substitute HPRH as named plaintiff in such litigation matters. HPRH shall ensure that the Transfer of the Collateral and the sale of the Purchased Assets to HPRH shall not impair the security interests of IBERIABANK in any of the assets conveyed to HPRH which constitute its collateral. It is further

5. ORDERED that in the event the Transfer does not occur within 30 days, HPRH shall be entitled to foreclose upon the Collateral, conditioned upon the parties' execution and delivery of mutual releases prior to the sale. It is further

6. ORDERED that HPRH is authorized to schedule a public sale of the Collateral at any public venue including, but not limited to the front door area of any federal courthouse located in Tarrant County, Harris County, Bexar County, or Collin County, Texas, by filing its notice of sale in these jointly administered bankruptcy cases and publishing a notice in the newspaper in the city in which HPRH elects to schedule its foreclosure sale. It is further

7. ORDERED HPRH is authorized at its election to retain the Collateral in satisfaction of the debt evidenced by the Exit Financing Loan pursuant to Section 9.620 of the Texas Business & Commerce Code.

### End of Order ###

**AGREED TO AS TO FORM  
AND SUBSTANCE:**

/s/ Susan C. Mathews

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