

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION**

In Re:

RANDOLPH HOSPITAL, INC. d/b/a
RANDOLPH HEALTH,

Debtors¹

Chapter 11

Case No. 20-10247

**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
TO EMPLOY SPILMAN THOMAS & BATTLE, PLLC
AS ATTORNEYS FOR THE COMMITTEE**

The Official Committee of Unsecured Creditors of Randolph Hospital, Inc., d/b/a Randolph Health and its Affiliated Debtors (the "Committee") appointed in these cases makes this application (the "Application") pursuant to §§ 330, 331, 1102 and 1103 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Local Bankruptcy Rules for the Middle District of North Carolina (the "Local Rules"), for entry of an order substantially in the form attached hereto authorizing and approving the retention and employment of the law firm of Spilman Thomas & Battle, PLLC (the "Firm") as attorneys and local counsel for the Committee in these bankruptcy cases, effective as of March 27, 2020. In support of the Application, the Committee states the following:

Jurisdiction and Venue

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

¹ The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248; MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

2. The statutory predicates for this Application are sections 327 and 328 of the Bankruptcy Code,

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. On March 6, 2020 (the “Petition Date”), the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Middle District of North Carolina.

5. Through the Bankruptcy Administrator's Notice of Appointment of Official Unsecured Creditors' Committee filed on March 24, 2020 [Doc 111], the Committee was established. On March 27, 2020, the Bankruptcy Administrator (the "BA") convened a telephonic organizational meeting of the Committee. Shortly after its formation, the Committee pre-screened several law firms that expressed interest in representing the Committee. Five law firms were invited to present their qualifications and views of the bankruptcy cases at the meeting of the Committee held on March 27, 2020. Prior to that meeting, one of the five invited law firms withdrew its interest in representing the Committee due to a potential conflict of interest. On March 27, 2020, during a telephonic meeting attended by all three members of the Committee, the Committee interviewed four law firms, and selected Sills Cummis & Gross P.C. (“Sills”) and Spilman Thomas & Battle, PLLC (“Spilman”) as its proposed attorneys in these cases to advise and represent the Committee with respect to all matters and duties provided in § 1103 of the Bankruptcy Code. The undersigned was elected as the chair of the Committee and is authorized to act on behalf of the Committee in filing this Application.

Relief Requested

6. By this Application, the Committee seeks entry of an order pursuant to §§ 330, 331, 1102 and 1103 of the Bankruptcy Code and Rule 2014(a) of the Bankruptcy Rules authorizing the

Committee to engage the Firm as its co-counsel with respect to the exercise of its powers and the performance of its duties in these bankruptcy cases, effective as of March 27, 2020, the date of the Committee's selection of the Firm. As set forth below, the Firm is well qualified to provide the type of representation required by the Committee, and the Committee believes that it would be best served by engaging the Firm as counsel.

The Firm's Qualifications

7. The Committee has made careful and diligent inquiry and has selected the Firm for representation in these cases for the following reasons:

- a. Rayford K. Adams III, a member of the Firm and the primary attorney acting as local counsel for the Committee, has over forty (40) years of experience as a bankruptcy practitioner before this Court and is well known to many of the attorneys representing other parties in these cases;
- b. Mr. Adams and other attorneys in the Firm have worked with attorneys from the Sills Cummis & Gross P.C. firm on other occasions. Sills Cummis & Gross P.C. has been selected by the Committee to represent it in these cases in addition to the Firm; and
- c. The Firm's attorneys have considerable experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under the Bankruptcy Code, and the Committee believes they are well qualified to represent it in these cases in an efficient and timely manner.

Services To Be Provided

8. The professional services for which the Committee proposes to employ the Firm are necessary to enable the Committee to execute its duties on behalf of the unsecured creditors of

the Debtors. Subject to further order of this Court, the legal services to be rendered by the Firm may include, but shall not be limited to, the following:

- a. Advising the Committee as to its rights, duties, and powers pursuant to § 1103 of the Bankruptcy Code;
- b. Advising the Committee regarding matters of bankruptcy law;
- c. Assisting the Committee in the preparation and filing of all necessary motions, responses, or other filings or pleadings to be filed by the Committee in this case;
- d. Representing the Committee, as local counsel, at all meetings, hearings, or other events that come before the Court or occur in the Debtor's case;
- e. Appearing on behalf of the Committee, as a party-in-interest, in all matters to come before the Court in the Debtors' cases;
- f. Advising and representing the Committee in appropriate matters involving contests with secured creditors, including the claims reconciliation process;
- g. Negotiating with the Debtors and advising, assisting, and representing the Committee concerning the formulation of, preparation of, and confirmation of any proposed plan;
- h. At the request of the Debtors or with the approval of the Court, reviewing the nature and validity of liens asserted against the property of the Debtor or property of the estate and advising the Committee concerning the enforceability and avoidance of such liens;

- i. Providing assistance, advice, and representation to the Committee concerning any further investigation of the assets, liabilities, and financial condition of the Debtors that may be necessary and appropriate;
- j. To the extent authorized by the Court, prosecuting or defending for the benefit of the unsecured creditors litigation matters and such other matters that might arise during the bankruptcy cases;
- k. To the extent authorized by the Court, pursuing avoidable transfers and transactions of the Debtors on the Debtors' behalf and for the benefit of the unsecured creditors, including, but not limited to, transfers and transactions arising under § 547, § 548, and § 549 of the Bankruptcy Code; and
- l. Performing such other legal services as may be necessary and appropriate for the protection and benefit of the interests of the unsecured creditors of the Debtors.

9. The Firm will work closely with Sills to prevent unnecessary or inefficient duplication of services, and the Firm and Sills will utilize their respective skills and experience and take all necessary and appropriate steps to avoid any such duplication.

Payment of Fees and Expenses

10. The terms of the Committee's employment of the Firm, agreed to by the Committee and subject to the approval of the Court, are that compensation will be payable to the Firm on an hourly basis, plus reimbursement of actual, necessary expenses incurred by the Firm. The following attorneys and paralegals are expected to participate in this representation at the following hourly rates currently utilized by the Firm for services of this nature, and which are subject to increase from time to time:

Name	Title	Hourly Rate
Rayford K. Adams III	Member	\$450.00
Lee D. Denton	Associate	\$225.00
P. Corey Bonasso	Associate	\$225.00
Christy S. Peterson	Paralegal	\$115.00

The Firm will make periodic applications for interim compensation, and, at the completion of the case, the Firm will make a final application to the Court for the allowance of final compensation to the Firm.

11. In addition, other attorneys and paralegals may provide services in the representation as necessary and appropriate to represent the Committee, at comparable or lower hourly rates. The Firm's hourly rates are subject to periodic adjustments to reflect economic and other conditions.

12. The Firm will maintain detailed records of actual and necessary costs and expenses incurred in connection with the legal services described above. These rates are set at a level to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. In addition, it is the Firm's policy to charge its clients for all other expenses incurred in connection with the client's case, and the Firm will charge the Committee for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients, subject to the Local Rules.

13. The Firm has received no retainer or other payment from the Committee, any of the Committee members, or any of the individuals representing the Committee members.

The Firm's Disclosures Regarding Retention By the Committee

14. To the best of the Committee's knowledge, neither the Firm nor any of its individual members have any connections with the Debtors, their creditors, any other party in

interest, or their respective attorneys or accountants, except as disclosed in the declaration of Rayford K. Adams III filed in these cases in support of this Application (the "Declaration").

15. Upon information and belief and except as disclosed in the Declaration, neither the Firm nor any of its individual members holds or represents any interest adverse to the Committee or the unsecured creditors of the Debtor, and the Firm is a “disinterested person” as that term is defined in § 101(14) of the Bankruptcy Code.

16. The employment of the Firm as the Committee's attorneys and local counsel in these cases is in the best interests of the Committee, the unsecured creditors of the Debtors, and the Debtors' bankruptcy estates.

Notice

17. The Committee has provided notice of this Application to all parties receiving notice in this case by electronic ECF noticing, including counsel for the Debtors, the Office of the Bankruptcy Administrator, and counsel for the Debtors' purported secured creditors. In light of the nature of the relief requested, the Committee submits that no further notice is necessary.

No Prior Request

18. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Committee requests that the Court enter an order, substantially in the form submitted herewith and pursuant to § 1102 of the Bankruptcy Code, (i) granting the Application on the terms and conditions set forth in this Application and authorizing the Committee to employ the law firm of Spilman Thomas & Battle, PLLC as its co-counsel and local counsel with respect to the exercise of its powers and the performance of its duties in this bankruptcy case, effective as of March 27, 2020, the date of the Committee's selection and

engagement of the Firm as its proposed counsel; and (ii) granting such other relief as the Court deems just and proper.

Dated: April 15, 2020.

Respectfully submitted,

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF RANDOLPH HOSPITAL, INC.
D/B/A RANDOLPH HEALTH AND ITS
AFFILIATED DEBTORS.

By: _____
McKesson Corporation, Chair
By: Paul Streeter

SUBMITTED BY:

SPILMAN THOMAS & BATTLE, PLLC

/s/ Rayford K. Adams III
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*Proposed Co-Counsel for the Official Committee of
Unsecured Creditors*

local counsel with respect to the exercise of its powers and the performance of its duties in this bankruptcy case, effective as of March 27, 2020, the date of the Committee's selection and engagement of the Firm as its proposed counsel; and (ii) granting such other relief as the Court deems just and proper.

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SUBMITTED BY:

SPILMAN THOMAS & BATTLE, PLLC

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RANDOLPH HEALTH,

Debtors

Chapter 11

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO EMPLOY SPILMAN THOMAS & BATTLE, PLLC AS ATTORNEYS FOR THE COMMITTEE** was filed electronically in accordance with the local rules and was served upon those receiving notice in these cases by electronic service through CM/ECF.

Dated: April 15, 2020.

/s/ Rayford K. Adams III

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