

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION
www.flsb.uscourts.gov

In re:

DELPHI BEHAVIORAL HEALTH
GROUP, LLC, *et al.*,¹

Debtors.

Case No. 23-10945-PDR

Chapter 11 Cases
(Jointly Administered)

**LIQUIDATING TRUSTEE’S MOTION TO APPROVE SETTLEMENT
AGREEMENT BETWEEN (I) JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE
FOR DR PARENT, LLC, DELPHI HEALTH GROUP, LLC, AND UNION FRESH
START, LLC D/B/A SERENITY AT SUMMIT, (II) MARKEL AMERICAN
INSURANCE COMPANY, (III) KEIRA SCOTT, AND (IV) ERIC SAINT PATRICK**

NOTICE

Any interested party who fails to file and serve a written response to this motion within 21 days after the date of service stated in this motion shall, pursuant to Local Rule 9013-1(D), be deemed to have consented to the entry of an order in the form attached to this motion. Any scheduled hearing may then be canceled.

Joseph Luzinski, in his capacity as the Liquidating Trustee of the Delphi Behavioral Health Group, LLC et al. Liquidating Trust (“Trust”), established in the above-captioned chapter 11 cases of Delphi Behavioral Health Group, LLC and affiliated debtors (collectively, the “Debtors”), by and through his undersigned counsel, files this motion (the “Motion”) pursuant

¹ The Debtors and the last four digits of their federal tax identification numbers are: (i) Delphi Behavioral Health Group, LLC (2076), (ii) 61 Brown Street Holdings, LLC (0007), (iii) Aloft Recovery LLC (5643), (iv) Banyan Recovery Institute, LLC (6998), (v) Breakthrough Living Recovery Community, LLC (5966), (vi) California Addiction Treatment Center LLC (7655), (vii) California Vistas Addiction Treatment LLC (8272), (viii) DBHG Holding Company, LLC (6574), (ix) Defining Moment Recovery Community, LLC (3532), (x) Delphi Health BuyerCo, LLC (2325), (xi) Delphi Health Group, LLC (0570), (xii) Delphi Intermediate HealthCo, LLC (6378), (xiii) Delphi Management LLC (6474), (xiv) Desert View Recovery Community, LLC (7437), (xv) DR Parent, LLC (2700), (xvi) DR Sub, LLC (8183), (xvii) Las Olas Recovery LLC (9082), (xviii) Maryland House Detox, LLC (1626), (xix) New Perspectives, LLC (0508), (xx) Next Step Housing LLC (6975), (xxi) Ocean Breeze Detox, LLC (7019), (xxii) Ocean Breeze Recovery, LLC (9621), (xxiii) Onward Living Recovery Community, LLC (4735), (xxiv) Palm Beach Recovery, LLC (4459), (xxv) Peak Health NJ, LLC (7286), (xxvi) QBR Diagnostics, LLC (7835), (xxvii) Rogers Learning, LLC (1699), (xxviii) SBH Haverhill, LLC (0971), (xxix) SBH Union IOP LLC (4139), (xxx) Summit at Florham Park, LLC (8226), (xxxi) Summit Behavioral Health Limited Liability Company (3337), (xxxii) Summit Health BuyerCo, LLC (2762), (xxxiii) Summit IOP Limited (4567), and (xxxiv) Union Fresh Start LLC (6841).

to Rule 9019 of the Federal Rules of Bankruptcy Procedure and Local Rule 9013-1(D)(3)(b), seeking approval of a settlement and compromise on negative notice, between Joseph J. Luzinski, not in his individual capacity but as the Liquidating Trustee (“Liquidating Trustee”) for DR Parent, LLC (“DR Parent”), Delphi Health Group, LLC (“Delphi Health”), and Union Fresh Start, LLC d/b/a Serenity at Summit (“Union Fresh Start”), Markel American Insurance Company (“MAIC”), Keira Scott (“Scott”), and Eric Saint Patrick (“Saint Patrick”) (“Saint Patrick” and, along with the Liquidating Trustee on behalf of DR Parent, Delphi Health, and Union Fresh Start, MAIC and Scott, collectively, the “Parties”), with respect to contested matters and a pending adversary case, as more specifically described below. In support of this Motion, the Liquidating Trustee states as follows:

Background

On February 6, 2023 (the “Petition Date”), Delphi Behavioral Health Group, LLC (“Delphi”), along with 33 of its affiliates (collectively, the “Debtors”), including DR Parent, Delphi Health and Union Fresh Start, filed voluntary Chapter 11 petitions in this Court, which are jointly administered under lead case no. 23-10945-PDR for Delphi (collectively, the “Bankruptcy Proceeding”).

On May 16, 2023, the Court entered an *Order Confirming the Debtors’ Amended Joint Plan of Liquidation Dated March 29, 2023, as Amended* [ECF No. 609]. The Effective Date of the confirmed Chapter 11 Plan occurred on June 30, 2023 [ECF No. 705], which is also the effective date of the Liquidating Trust Agreement, the creation of the Trust and the Liquidating Trustee’s appointment thereunder.

On or about July 26, 2023, a civil action was commenced by Scott and Saint Patrick against Delphi Health, Union Fresh Start, Allen Gabriel (“Gabriel”), Gregory Marc Ackerman (“Ackerman”), ABC Corporations 1-5 (fictitious names describing presently unidentified

business entities), and John Does 1-5 (fictitious names describing presently unidentified individuals) in the Superior Court of New Jersey, Union County, bearing case number: UNN-L-002429-23 (the “New Jersey Lawsuit”), asserting claims for, among others, sexual harassment and retaliation.

On February 28, 2024, MAIC commenced an adversary proceeding in this Court by filing a *Complaint for Declaratory Judgment* against DR Parent, Delphi Health, Union Fresh Start, Scott and Saint Patrick, bearing Case No. 24-01036-PDR (the “MAIC Adversary” or “Adversary Proceeding”). *See* MAIC Adversary at ECF No. 1. The Complaint seeks a declaration that MAIC does not owe a duty to defend the New Jersey Lawsuit.

On or about January 23, 2024, Scott and Saint Patrick each filed a proof of claim against Delphi and Union Fresh Start (collectively, the “Proofs of Claim”). The Liquidating Trustee filed objections to the Proofs of Claim in a *Thirteenth Omnibus Objection to Claims* [ECF No. 1042] (“Claim Objections”).

Settlement Agreement²

On or about June 7, 2024, the Parties entered into a Settlement Agreement and Release (the “Settlement Agreement” or “Agreement”), a copy of which is attached hereto as **Exhibit “A”**, subject to approval by this Court. The significant terms of the Settlement Agreement,³ found at paragraphs 2 and 3 therein, are as follows:

2. Settlement Terms.

- MAIC shall pay or cause to be paid to the trust account of Scott’s and Saint Patrick’s counsel, the sum of \$235,000 (“Settlement Payment”) within 30 days after this Court enters a final and non-appealable Order approving the Settlement Agreement.

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Settlement Agreement.

³ The following is a summary of the pertinent terms of the Settlement Agreement. The actual terms of the Settlement Agreement shall control, and parties are urged to review the entirety of the Settlement Agreement.

- The Debtors will not have to pay the \$150,000 per claim self-insured retention required under the applicable insurance policy (“Policy”) with respect to Scott’s and Saint Patrick’s claims that are resolved by the Settlement Agreement.
- Scott and Saint Patrick agree to this Court’s entry of an agreed order sustaining the Trustee’s Claim Objections and, accordingly, the striking and disallowance of their Proofs of Claim.
- With respect to an unfair labor practice charge filed with the National Labor Relations Board (“NLRB”), Case No. 22-CA-309086 (the “NLRB Case”) against Delphi Health and Union Fresh Start, and as a condition precedent to Scott’s and Saint Patrick’s receipt of the Settlement Payment, Scott and Saint Patrick shall release Delphi Health and Union Fresh Start from liability for any damages, including pecuniary damages, associated with the unfair labor practice charge or any reinstatement award and shall notify the NLRB of said release. Notwithstanding, nothing in the Settlement Agreement shall waive any claims or right of recovery, if any, by Scott and Saint Patrick against Harmony Recovery Group LLC (“Harmony”) in the NLRB Case, or any other matter brought by the NLRB, including but not limited to, claims for reinstatement and back pay. However, any such claim against Harmony shall not affect Scott’s and Saint Patrick’s release of MAIC or the Liquidating Trustee/Debtor Parties (defined below) as provided in paragraph 3 of the Settlement Agreement.

3. General Releases.

- Scott and Saint Patrick release all claims against MAIC, Gabriel, Ackerman, the Liquidating Trustee, the Trust, any of the Debtors, the Debtors’ current or former lenders and equity holders, and any of the Debtors’ bankruptcy estates, including but not limited to DR Parent, Delphi, Delphi Health and Union Fresh Start (collectively, the “Liquidating Trustee/Debtor Parties”) (but Scott and Saint Patrick do not release claims against successors for Union Fresh Start and Delphi Health, which may include Harmony or any other successor under NLRB v. Burns International Security Services Inc., 406 U.S. 272 (1972)), in connection with the NLRB Case, the Policy, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding, the Proofs of Claim, any claims related to the NLRB Case, Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding under the Policy, and/or any claims that could have been raised in any proceeding arising from the allegations contained in the NLRB Case, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or Proofs of Claim including, but not limited to, any claim for attorneys’ fees, costs, bad faith, breach of covenant of good faith and fair dealing, breach of contract, fraud, unfair trade practices, any extra-contractual causes of action and damages of any type, including punitive damages.

While Scott and Saint Patrick release all claims related to the NLRB Case against Union Fresh Start and Delphi Health as stated above, notwithstanding anything to the contrary contained in the Settlement Agreement, nothing in the Settlement Agreement shall waive any claims or right of recovery, if any, by Scott and Saint Patrick against Harmony in the NLRB Case, including but not limited to, claims for reinstatement and back pay. Additionally, notwithstanding anything to the contrary contained in the Settlement Agreement, nothing in the Settlement Agreement shall release any of Scott's and Saint Patrick's causes of action, costs, attorneys' fees, damages, expenses, and remedies against any successor, if any, of Union Fresh Start and Delphi Health, including but not limited to Harmony.

Scott's and Saint Patrick's above-referenced release shall not release their obligations under the Settlement Agreement.

- The Liquidating Trustee/Debtor Parties release all claims against MAIC in connection with the Policy (but only in regards to the claims asserted by Scott and Saint Patrick, which are resolved by the Settlement Agreement), the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding, the Proofs of Claim, any claims related to the Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding under the Policy, and/or any claims that could have been raised in any proceeding arising from the allegations contained in the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or Proofs of Claim including, but not limited to, any claim for attorneys' fees, costs, bad faith, breach of covenant of good faith and fair dealing, breach of contract, fraud, unfair trade practices, any extra-contractual causes of action and damages of any type, including punitive damages.

The Liquidating Trustee/Debtor Parties' release shall not release their obligations under the Settlement Agreement.

- MAIC releases all claims against the Liquidating Trustee/Debtor Parties in connection with the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding, the Proofs of Claim, any claims related to the Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding and the NLRB case under the Policy, and/or any claims that could have been raised in any proceeding arising from the allegations contained in the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding and the NLRB case or Proofs of Claim including, but not limited to, any claim for attorneys' fees, costs, bad faith, breach of covenant of good faith and fair dealing, breach of contract, fraud, unfair trade practices, any extra-contractual causes of action and damages of any type, including punitive damages.

MAIC's release does not release it from its obligations under the Settlement Agreement.

Applicable Law

Pursuant to Bankruptcy Rule 9019(a), the Court is authorized to approve compromises and settlements of contested matters and adversary proceedings, and Local Rule 9013-1(D)(3)(b) allows the filing and service of a motion seeking such approval on negative notice.

As this Court noted years ago, “[i]t has long been the law that approval of a settlement in a bankruptcy proceeding is within the sound discretion of the court, and will not be disturbed or modified on appeal unless approval or disapproval is an abuse of discretion”. *In re Litten*, 2007 WL 2020159, at *1 (Bankr. S.D. Fla. July 5, 2007) (citing *In re Arrow Air, Inc.*, 85 B.R. 886, 890-891 (Bankr. S.D. Fla. 1988)).

There is a general policy encouraging settlements and favoring compromises in chapter 11 cases. *In re Bicoastal Corp.*, 164 B.R. 1009, 1016 (Bankr. M.D. Fla. 1993) (recognizing that the law favors compromise of disputes); *see also Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996) (finding that compromises are favored in bankruptcy to minimize litigation and expedite the administration of the estate); *Florida Trailer and Equip. Co. v. Deal*, 284 F.2d 567, 571 (5th Cir. 1960) (acknowledging that the law generally encourages settlements). In fact, some courts have held that a proposed settlement should be approved unless it “falls below the ‘lowest point in the range of reasonableness.’” *In re Holywell Corp.*, 93 B.R. 291, 294 (Bankr. S.D. Fla. 1988).

The United States Supreme Court requires that all court-approved settlements must be “fair and equitable” before they can be approved by the court. *See Protective Comm. for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968). In the Eleventh Circuit, a bankruptcy court should consider 4 factors identified in *Wallis v. Justice Oaks, II Ltd. (In re Justice Oaks II, Ltd.)*, 898 F.2d 1544, 1549 (11th Cir. 1990), when deciding whether to approve or disapprove a proposed settlement: (i) the probability of success in

litigation; (ii) the difficulties, if any, to be encountered in the matter of collection; (iii) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (iv) the paramount interest of the creditors and a proper deference to their reasonable views in the premises. *Id.* In a later decision, however, the Eleventh Circuit determined that it is not necessary for a bankruptcy court to explicitly consider all four *Justice Oaks*' factors when approving a proposed settlement. *See Chira v. Saal et al. (In re Chira)*, 567 F.3d 1307, 1313 (11th Cir. 2009) (affirming bankruptcy court's approval of settlement agreement where bankruptcy court explicitly evaluated only two of the four *Justice Oaks* factors). Rather, courts consider the four *Justice Oaks* factors "to determine the fairness, reasonableness and adequacy of a proposed settlement agreement." *Chira*, 567 F.3d at 1312-1313.

Additionally, a bankruptcy court is not required to rule on the merits, nor conduct a mini-trial of the claims being settled when determining whether to approve the settlement; rather, it is only supposed to rule on the *probability* of success on those claims. *See In re Van Diepen, P.A.*, 236 F. Appx. 498, 503 (11th Cir. 2007) and *U.S. v Alaska National Bank of the North (In the Matter of Walsh Construction, Inc.)*, 669 F.2d 1325, 1328 (9th Cir. 1982).

Finally, a court should not substitute its own judgment for that of the trustee or debtor in possession when ruling on a proposed compromise. *See McMasters v. Morgan (In re Morgan)*, 2011 WL 3821102 at *1 (11th Cir. Aug. 29, 2011) (affirming bankruptcy court order approving "settlement because it was the Trustee's best business judgment that the settlement be approved"); *Myers*, 91 F.3d at 395 ("...under normal circumstances the court would defer to the trustee's judgment so long as there is a legitimate business justification."); *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993) ("The reviewing court need not conduct its own investigation concerning the reasonableness of the settlement and may credit and consider the

opinion of the Trustee and counsel that the settlement is fair and equitable.”). Nor is the Court’s task to determine whether the settlement was the best that the trustee could have obtained. *See Cosoff v Rodman (In re W.T. Grant)*, 699 F.2d 599, 608, 613 (2d Cir.), *cert. denied* 464 U.S. 822, 104 S. Ct. 89, 78 L. Ed.2d 97 (1983) (“We conclude by reemphasizing that the task of the bankruptcy judge was not to determine whether the settlement was the best that could have been obtained, something that neither he nor we can ever know, but whether it ‘fall[s] below the lowest point in the range of reasonableness”). Rather, the Court should “canvass the issues and see whether the settlement ‘fall[s] below the lowest point in the range of reasonableness.’” *Id.* at 608 and *In re Bell & Beckwith*, 87 B.R. 472, 474 (N.D. Ohio 1987).

The Court Should Approve the Settlement Agreement

Approval of the Settlement Agreement is consistent with and appropriate in light of the factors articulated in *Justice Oaks* because it is fair and reasonable and falls well above the lowest point in the range of reasonableness. Although the central issue in the MAIC Adversary pertains to whether MAIC has a duty to defend the New Jersey Lawsuit, which was commenced by Scott and Saint Patrick, MAIC joined Debtors DR Parent, Delphi Health and Union Fresh Start as defendants to the MAIC Adversary and, thus, the Liquidating Trustee and his undersigned counsel have been required to defend those Debtors and participate in the proceeding. Had the MAIC Adversary not settled, the expense of litigation would have been very substantial due to the fact intensive nature of the claims asserted by Scott and Saint Patrick in the New Jersey Lawsuit and the complexities associated with the Policy. Accordingly, it is in the best interests of the creditors of these estates that the Court approve the Settlement Agreement in order to prevent any further incurring of attorney’s fees and costs in connection with the Liquidating Trustee’s defense of the MAIC Adversary. Although the estates are not receiving a settlement payment from any of the parties, the Settlement Agreement results in the striking and disallowance of Scott’s and Saint

Patrick's Proofs of Claim, and includes Scott's and Saint Patrick's global release of any and all claims that were asserted or could have been asserted against the Debtors, their bankruptcy estates, the Liquidating Trustee or the Trust.

Given the foregoing, in the Liquidating Trustee's judgment, entry into the Settlement Agreement is an exercise of reasonable and sound business judgment based on the facts and circumstances associated with this matter and, for those reasons, the Liquidating Trustee respectfully requests that the Court approve the Settlement Agreement.

WHEREFORE, the Liquidating Trustee respectfully requests that the Court enter an Order substantially in the form attached hereto as **Exhibit "B"** which grants this Motion, requires the Parties to comply with the terms of the Settlement Agreement and grants such other and further relief that the Court deems just and proper.

Dated: June 18, 2024

BERGER SINGERMAN LLP
Counsel for the Liquidating Trustee
1450 Brickell Avenue, Suite 1900
Miami, FL 33131
Telephone: (305) 755-9500
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By: /s/ Robin J. Rubens

Paul Steven Singerman
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Robin J. Rubens
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this Motion and all exhibits attached hereto, were served on June 18, 2024 (i) electronically through the Court's CM/ECF system upon all parties registered to receive electronic notices in this case as reflected on the attached CM/ECF Service List;⁴ and (ii) via U.S. Mail upon (a) Joseph J. Luzinski, Liquidating Trustee for Delphi Behavioral Health Group, LLC, et al., c/o Development Specialists, Inc., 500 East Broward Blvd., Suite 1700, Fort Lauderdale, FL 33394, (b) Christian McOmer and Lauren Hill, McOmer McOmer & Luber, P.C., attorneys for Keira Scott and Eric Saint Patrick, 54 Shrewsbury Avenue, Red Bank, NJ 07701 and (c) James Kaplan, Kaplan Zeena LLP, attorneys for Markel American Insurance Company, 2 South Biscayne Blvd., Suite 3050 – One Biscayne Tower, Miami, FL 33131-1806.

/s/ Robin J. Rubens

Robin J. Rubens

⁴Pursuant to the Court's *Order Granting Liquidating Trustee's Ex Parte Motion for Authorization to Limit Service of Forthcoming Bankruptcy Rule 9019 Motion and Order Thereon Pertaining to Settlement of Markel Adversary Case No. 24-01036-PDR* dated June 7, 2024 [ECF No. 1112], service of this Motion and exhibits thereto may be limited to those who have filed notices of appearance and receive service of docketings via CM/ECF.

CM/ECF Service List

- **Geoffrey S. Aaronson** gaaronson@aspalaw.com, 5408891420@filings.docketbird.com
- **Scott Andron** sandron@broward.org, swulfekuhle@broward.org
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EXHIBIT "A"

(Settlement Agreement)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement” or “Agreement”) is made by and among MARKEL AMERICAN INSURANCE COMPANY (“MAIC”), Keira Scott (“Scott”), Eric Saint Patrick (“Saint Patrick”), and Joseph J. Luzinski, not in his individual capacity but as the Liquidating Trustee (“Liquidating Trustee”) for DR Parent, LLC (“DR Parent”), Delphi Health Group, LLC (“Delphi Health”), and Union Fresh Start, LLC d/b/a Serenity at Summit (“Union Fresh Start”). MAIC, Scott, Saint Patrick, the Liquidating Trustee on behalf of DR Parent, Delphi Health, and Union Fresh Start shall collectively be referred to herein as the “Parties” and individually referred to herein as a “Party”.

RECITALS

WHEREAS, MAIC issued a For Profit Management Liability Policy to DR Parent, LLC DBA: Delphi Health Group, bearing policy number MKLM1MML000850 for the policy period April 8, 2022 to April 8, 2023 (the “Policy”). The Policy contains the following Coverage Parts: A. Directors and Officers and Company Liability; B. Employment Practices and Third Party Discrimination Liability; and C. Fiduciary Liability;

WHEREAS, on or about February 1, 2023, Scott provided notice of her claims of sexual harassment and gender discrimination against Union Fresh Start and asked that Union Fresh Start place its carrier on notice;

WHEREAS, on or about February 6, 2023 (the “Petition Date”), Delphi Behavioral Health Group, LLC (“Delphi”), along with 33 of its affiliates (collectively, the “Debtors”), including DR Parent, Delphi Health and Union Fresh Start, filed Chapter 11 bankruptcy cases in the United States Bankruptcy Court for the Southern District of Florida (“Bankruptcy Court”), which are jointly administered under lead case no. 23-10945-PDR (collectively, the “Bankruptcy Proceeding”);

WHEREAS, On May 18, 2023, the Bankruptcy Court entered an Order [ECF No. 609] confirming the *Debtors’ Amended Joint Plan of Liquidation* dated March 29, 2023, as amended (the “Plan”), which also approved a *Liquidating Trust Agreement Dated as of June 30, 2023* by and among the Debtors and Joseph Luzinski as Liquidating Trustee (the “Trust Agreement” or “Trust”). The effective date of the Plan, and Trust Agreement and Trust was June 30, 2023;

WHEREAS, on or about July 26, 2023, a civil action was commenced by Scott and Saint Patrick against Delphi Health, Union Fresh Start, Allen Gabriel (“Gabriel”), Gregory Marc Ackerman (“Ackerman”), ABC Corporations 1-5 (fictitious names describing presently unidentified business entities, and John Does 1-5 (fictitious names describing presently unidentified individuals) in the Superior Court of New Jersey, Union County, bearing case number: UNN-L-002429-23 (the “New Jersey Lawsuit”);

WHEREAS, on February 28, 2024, MAIC commenced an adversary proceeding in the Bankruptcy Court by filing a Complaint for Declaratory Judgment in the Bankruptcy Proceeding

against DR Parent, Delphi Health, Union Fresh Start, Scott, and Saint Patrick, bearing Case No. 24-01036-PDR (the “Adversary Proceeding”);

WHEREAS, Scott and Saint Patrick each purportedly filed a proof of claim against Delphi and Union Fresh Start in the Bankruptcy Proceeding (collectively, the “Proofs of Claim”). The Liquidating Trustee filed objections to the Proofs of Claim in a *Thirteenth Omnibus Objection to Claims* filed in the Bankruptcy Proceeding [ECF No. 1042] (“Objections to Proofs of Claim”).

WHEREAS, the Parties have agreed to settle any and all disputes raised in, arising out of, or in any way relating to the Policy, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding and the Proofs of Claim;

NOW THEREFORE, in consideration of the premises and mutual promises and covenants contained herein, the Parties have resolved all pending and potential claims and interests that Scott and/or Saint Patrick have or could have against (i) MAIC, (ii) the Liquidating Trustee, the Trust, or any of the Debtors or their bankruptcy estates, including DR Parent, Delphi Health or Union Fresh Start, (iii) Gabriel, and/or Ackerman relating to the Policy, New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding and the Proofs of Claim in accordance with the following terms and conditions:

AGREEMENT

1. Recitals.

The Parties acknowledge that all of the preceding paragraphs are true and correct and are incorporated into this Agreement by reference, and form a part hereof, as though fully set forth herein.

2. Settlement Terms.

A. Settlement Payment. In consideration and exchange for the settlement and releases contained herein, and contingent upon Bankruptcy Court approval of this Settlement Agreement, MAIC shall pay or cause to be paid to the “Trust Account of McOmbler McOmbler & Lubner, P.C.” the total sum of Two-Hundred and Thirty-Five Thousand U.S. Dollars (\$235,000.00) (the “Settlement Payment”) within thirty (30) days of MAIC’s receipt of all of the following items: (1) a fully executed Settlement Agreement; (2) a Form W-9 for McOmbler McOmbler & Lubner, P.C.; (3) a clear child support judgment search for Scott and Saint Patrick; and (4) a final and nonappealable order approving the executed Settlement Agreement entered by the Bankruptcy Court.

B. Bankruptcy Court Approval. The Parties acknowledge and agree that this Settlement Agreement is contingent upon the entry of a final and nonappealable order entered by the Bankruptcy Court which approves the terms stated herein (“Final Order”). The first business day after the Final Order shall be the “Effective Date.” The Parties shall cooperate to obtain the Final Order as soon as possible. Should the Parties be unable to obtain the Final Order, this Agreement shall be null and void, of no force or effect, and the Parties shall be immediately returned to the *status quo ante*, as though the Agreement had never been executed.

C. Entire Payment and Consideration. Scott and Saint Patrick hereby acknowledge and agree that the Settlement Payment constitutes the entire payment and consideration to be paid by MAIC, and that no further consideration or payment is or shall be owed to either Scott or Saint Patrick from MAIC or any other person or entity, including, without limitation, the Liquidating Trustee, the Trust, the Debtors, the Debtors' current or former lenders and equity holders, or any of the Debtors' bankruptcy estates, on account of the Policy, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or the Proofs of Claim, or claims related to the Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, and the Adversary Proceeding under the Policy for any reason whatsoever.

D. Retention. MAIC acknowledges and agrees that Delphi Health's \$150,000 Each Claim Retention under the Policy's Coverage Part B. Employment Practices and Third Party Discrimination Liability, which applies separately to each Claim, will be deemed satisfied (for the claims of Scott and Saint Patrick only) as of the Effective Date of this Agreement.

E. Striking and Disallowance of the Proofs of Claim. Scott and Saint Patrick hereby stipulate to the Liquidating Trustee's submission and the Bankruptcy Court's entry of an agreed order sustaining the Liquidating Trustee's Objections to Proofs of Claim and, accordingly, the striking and disallowance of the Proofs of Claim in their entirety. Scott and Saint Patrick further agree that neither of them shall assert any claims against the Liquidating Trustee, the Trust, any of the Debtors, the Debtors' current or former lenders and equity holders, or any of the Debtors' bankruptcy estates, including, without limitation, Delphi, DR Parent, Delphi Health, or Union Fresh Start, by way of filing proofs of claim or otherwise, for any remaining deficiency after receipt and application of the Settlement Payment.

F. Release of Liability Relevant to NLRB Case # 22-CA-309086. The Parties acknowledge that an unfair labor practice charge was filed with the National Labor Relations Board ("NLRB") in connection with Case No. 22-CA-309086 (the "NLRB Case") against Delphi Health and Union Fresh Start. As a condition precedent to Scott's and Saint Patrick's receipt of the Settlement Payment set forth in Paragraph Two (2) of this Agreement: (i) Scott and Saint Patrick shall release Delphi Health and Union Fresh Start from liability for any damages, including pecuniary damages, associated with the unfair labor practice charge or any reinstatement award; and (ii) Scott and Saint Patrick shall notify the NLRB of this release. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall waive any claims or right of recovery, if any, by Scott and Saint Patrick against Harmony Recovery Group LLC in the NLRB Case, or any other matter brought by the NLRB, including but not limited to, claims for reinstatement and back pay.

3. General Releases.

A. In consideration for MAIC issuing the Settlement Payment identified in Paragraph 2 of this Agreement, Scott and Saint Patrick, on behalf of themselves and each of their respective present, former, and/or future agents, trustees, beneficiaries, heirs, representatives, officers, directors, managers, members, employees, stockholders, shareholders, subsidiaries, parents, affiliates, predecessors, successors and assigns (collectively, the "Scott and Saint Patrick

Releasers”) fully, finally and forever release, discharge, relinquish and waive any and all claims, causes of action, costs, attorneys’ fees, damages, expenses, and remedies, whether now known or unknown, and whether pending or not yet asserted, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, which the Scott and Saint Patrick Releasers have or may have had against MAIC, the Liquidating Trustee, the Trust, any of the Debtors, the Debtors’ current or former lenders and equity holders, or any of the Debtors’ bankruptcy estates, including but not limited to DR Parent, Delphi, Delphi Health and Union Fresh Start (collectively, the “Liquidating Trustee/Debtor Parties”), Gabriel, and Ackerman, together with any and all of their respective present, former, and/or future agents, representatives, officers, directors, employees, insurers, reinsurers, underwriting and claim service managers, stockholders, shareholders, subsidiaries, parents, affiliates, attorneys, predecessors, successors (not including successors for Union Fresh Start and Delphi Health, which may include Harmony Recovery Group LLC or any other successor under NLRB v. Burns International Security Services Inc., 406 U.S. 272 (1972)), third-party administrators, and assigns, relating in any manner whatsoever, directly or indirectly, to the NLRB Case, the Policy, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding, the Proofs of Claim, any claims related to the NLRB Case, Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding under the Policy, and/or any claims that could have been raised in any proceeding arising from the allegations contained in the NLRB Case, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or Proofs of Claim including, but not limited to, any claim for attorneys’ fees, costs, bad faith, breach of covenant of good faith and fair dealing, breach of contract, fraud, unfair trade practices, any extra-contractual causes of action and damages of any type, including punitive damages

While Scott and Saint Patrick release any claims related to the NLRB Case against Union Fresh Start and Delphi Health as stated above, notwithstanding anything to the contrary contained herein, nothing in this Agreement shall waive any claims or right of recovery, if any, by Scott and Saint Patrick against Harmony Recovery Group LLC in the NLRB Case, including but not limited to, claims for reinstatement and back pay. Additionally, notwithstanding anything to the contrary contained herein, nothing in this Agreement shall release any of Scott’s and Saint Patrick’s causes of action, costs, attorneys’ fees, damages, expenses, and remedies against any successor, if any, of Union Fresh Start and Delphi Health, including but not limited to Harmony Recovery Group LLC.

This release shall not release the Scott and Saint Patrick Releasers’ obligations under this Agreement.

B. In consideration for MAIC issuing the Settlement Payment identified in Paragraph 2 of this Agreement, the Liquidating Trustee/Debtor Parties, on behalf of themselves and each of their respective present, former, and/or future agents, trustees, beneficiaries, heirs, representatives, officers, directors, managers, members, employees, stockholders, shareholders, subsidiaries, parents, affiliates, predecessors, successors, and assigns (the “Liquidating Trustee/Debtor Releasers”) fully, finally and forever release, discharge, relinquish and waive any and all claims, causes of action, costs, attorneys’ fees, damages, expenses, and remedies, whether now known or unknown, and whether pending or not yet asserted, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, which the Liquidating Trustee/Debtor Releasers have or may have had against MAIC, together with any and all of its respective present, former, and/or future agents, representatives, officers, directors, employees, insurers, reinsurers,

underwriting and claim service managers, stockholders, shareholders, subsidiaries, parents, affiliates, attorneys, predecessors, successors, third-party administrators, and assigns, relating in any manner whatsoever, directly or indirectly, to the Policy (but only in regards to the claims asserted by Scott and Saint Patrick, which are resolved by this Agreement), the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding, the Proofs of Claim, any claims related to the Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding under the Policy, and/or any claims that could have been raised in any proceeding arising from the allegations contained in the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or Proofs of Claim including, but not limited to, any claim for attorneys' fees, costs, bad faith, breach of covenant of good faith and fair dealing, breach of contract, fraud, unfair trade practices, any extra-contractual causes of action and damages of any type, including punitive damages. This release shall not release the Liquidating Trustee/Debtor Parties' obligations under this Agreement.

C. In consideration for MAIC issuing the Settlement Payment identified in Paragraph 2 of this Agreement, MAIC on behalf of itself and its present, former, and/or future agents, representatives, officers, directors, employees, insurers, reinsurers, underwriting and claim service managers, stockholders, shareholders, subsidiaries, parents, affiliates, attorneys, predecessors, successors, third-party administrators, and assigns (the "MAIC Releasers") fully, finally and forever release, discharge, relinquish and waive any and all claims, causes of action, costs, attorneys' fees, damages, expenses, and remedies, whether now known or unknown, and whether pending or not yet asserted, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, which the MAIC Releasers have or may have had against the Liquidating Trustee/Debtor Parties together with any and all of their respective present, former, and/or future agents, representatives, lenders, officers, directors, employees, insurers, reinsurers, underwriting and claim service managers, stockholders, shareholders, subsidiaries, parents, affiliates, attorneys, predecessors, successors, third-party administrators, and assigns, relating in any manner whatsoever, directly or indirectly, to the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding, the Proofs of Claim, any claims related to the Proofs of Claim, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding under the Policy, and/or any claims that could have been raised in any proceeding arising from the allegations contained in the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or Proofs of Claim including, but not limited to, any claim for attorneys' fees, costs, bad faith, breach of covenant of good faith and fair dealing, breach of contract, fraud, unfair trade practices, any extra-contractual causes of action and damages of any type, including punitive damages. This release shall not release the MAIC Releasers' obligations under this Agreement.

4. No Assignment or Transfer of Released Claims.

Scott and Saint Patrick (together with their respective present, former, and/or future agents, trustees, beneficiaries, heirs, representatives, officers, directors, managers, members, employees, stockholders, shareholders, parents, subsidiaries, affiliates, attorneys, predecessors, successors, and assigns), represent and warrant that as of the Effective Date of this Agreement, they are the owners of the claims asserted in the New Jersey Lawsuit and they have not assigned, pledged, sold, encumbered, impaired, transferred, conveyed, or hypothecated, or purported to assign, pledge, sell, encumber, transfer, or hypothecate, to any person, firm, corporation, association, or entity

whatsoever any right, title, interest or lien in any of the claims released in Paragraph 3 of this Agreement.

5. No Admissions.

This Agreement is expressly agreed to be in compromise of the released claims outlined in Paragraph Three (3) of this Agreement, and neither the Settlement Payment nor the releases contained herein are to be construed as admissions of fault, wrongdoing or liability on the part of MAIC, the Liquidating Trustee/Debtor Parties, Gabriel, and/or Ackerman, which liability is expressly denied. The Parties agree that nothing in this Agreement will be deemed to be an admission of coverage or an admission of lack of coverage with respect to the claims asserted in relation to the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding and/or the Proofs of Claim.

6. Dismissals.

Within three (3) business days of receipt of the Settlement Payment identified in Paragraph 2 of this Agreement, Scott and Saint Patrick will file, or cause to be filed, a stipulated dismissal of the New Jersey Lawsuit with prejudice, with each party to bear hers/his/its own costs and attorneys' fees.

Within three (3) business days of the New Jersey Lawsuit being dismissed, MAIC will dismiss the Adversary Proceeding with prejudice, with each party to bear hers/his/its own costs and attorneys' fees.

7. Medicare.

As a material part of this Agreement:

Scott and Saint Patrick represent and affirm that as of the date they each execute this Agreement, neither are Medicare eligible (i.e., are not 65 years of age or older; are not suffering from end stage renal failure; have not received Social Security Disability Insurance benefits for 24 months or longer, etc.).

Nonetheless, if the Centers for Medicare & Medicaid Services (CMS) (this term includes any related agency representing Medicare's interests) determines that Medicare has an interest in the Settlement Payment under this Agreement, Scott and Saint Patrick agree to (i) reasonably cooperate with MAIC upon request with respect to any information needed to satisfy the reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007, if applicable, and (ii) waive any and all future actions against MAIC for any private cause of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A). Scott and Saint Patrick further agree to indemnify, defend and hold Releasees harmless for any claim, loss or payment Releasees may suffer, including judgments, verdicts, awards, penalties, attorneys' fees and costs, that arises out of Releasor's and/or Releasor's attorneys' failure to pay any unpaid medical bills or future medical expenses, or otherwise protect Medicare's interests under the Medicare Secondary Payer ("MSP") statute, 42 U.S.C. § 1395y(b), and its accompanying regulations.

8. Medicaid.

As a material part of this Agreement:

Scott and Saint Patrick represent and warrant that the proceeds from the Settlement Payment will be used to satisfy all Medicaid liens on this settlement and any and all Medicaid liens relating to Medicaid benefits that Scott and Saint Patrick may have received in connection with their claims.

Scott and Saint Patrick further acknowledge that they are each responsible for payment of any and all Medicaid liens (past/present/future) asserted against MAIC as a result of the Accident and/or the Claim. Scott and Saint Patrick also agree, in consideration for the Settlement Payment, to indemnify and hold harmless the releasees from any and all such claims and liens that have been or may be asserted against them regarding the Accident and/or the Claim (including payment of attorneys' fees and defense costs).

If the Centers for Medicare & Medicaid Services (CMS) (this term includes any related agency representing Medicare's interests) determines that Medicaid has an interest in the payment to Scott and Saint Patrick under this Agreement, Scott and Saint Patrick agree to (i) reasonably cooperate with MAIC upon request with respect to any information needed to satisfy the reporting requirements under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007, if applicable, and (ii) waive any and all future actions against any releasees for any private cause of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A).

9. Liens.

Scott and Saint Patrick each represent and warrant that the proceeds from the Settlement Payment will be used to satisfy any and all non-Medicare/Medicaid liens on this Settlement and any and all non-Medicare/Medicaid liens relating to benefits that Scott and/or Saint Patrick may have received in connection with the claims asserted in the New Jersey Lawsuit.

10. Non-Disparagement and No Statements to the Media and No Publicity.

The Parties agree and acknowledge that neither they, nor their respective agents, insurers, underwriting and claim service managers, affiliates, subsidiaries, parents, heirs, managers, members, partners, shareholders, directors, officers, employees, agents, trustees, and attorneys will make any statements or remarks or cause to be published any statements or remarks of a disparaging nature, whether written or oral, in any way related to the Policy, the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or the Proofs of Claim.

The Parties and their attorneys shall not discuss or disclose this Agreement or its terms to the media, to the press, in any public forum, on their website or marketing materials of any nature including, without limitation, any form of social media or on any social media platform.

11. Tax Consequences.

Except as may be set forth in this Agreement, no statement or representation, written or oral, express or implied, has been made to Scott or Saint Patrick, or any of their respective agents, attorneys, assigns, representatives, and present and former principals and agents, or any other person, by MAIC or any of its respective agents, representatives, employees, attorneys, officers, directors or any other person regarding any matter, including, but not limited to, the federal or state income tax consequences of this Agreement, or the tax treatment of the monies to be received by Scott and Saint Patrick pursuant to this Agreement. Scott and Saint Patrick expressly acknowledge and agree that they have relied solely upon the advice of their own attorneys and/or accountants as to the tax consequences of this Agreement.

12. Binding Nature.

The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective estates, heirs, legal representatives, agents, successors and assigns.

13. Integration.

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and the terms of this Agreement are contractual and not a mere recital. The Parties agree that all prior negotiations and understandings between them with respect to the subject matter of this Agreement have been merged herein and that this Agreement may not be modified or changed, except by a writing signed by a duly authorized representative of each Party.

14. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts shall together constitute one and the same agreement, notwithstanding that each Party is not a signatory to the original or the same counterpart. Facsimile, copies, emailed copies or electronic signatures on this Agreement shall be deemed as effective as original signatures.

15. Severability.

If any provision of this Agreement is determined to be invalid, unenforceable or void as against public policy, the remainder of this Agreement shall not be affected thereby; provided, however, that in the event the releases contained in Paragraph Three (3) of this Agreement are invalidated (in whole or in part), for any reason whatsoever, then this entire Agreement shall be void *ab initio*, the Parties shall be restored to the *status quo ante*, and this Agreement shall be null and void.

16. Attorneys' Fees.

Each of the Parties shall bear its/his/her own attorneys' fees, costs, and expenses in connection with the matters set forth in this Agreement, including, without limitation, any litigation relating to the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding or the Proofs of Claim, and the negotiations and preparation of this Agreement. However, if any Party institutes legal proceedings over the enforcement of this Agreement or any provision of it, the prevailing Party shall be entitled to recover from the losing Party its costs and expenses, including, without limitation, reasonable attorneys' fees, costs, and expenses at both the trial and appellate levels.

17. Unemployment

Employer agrees not to contest any application by Employee for unemployment compensation, however in any such proceeding, Employer may provide truthful information in response to inquiries.

18. Neutral Reference

In response to employment reference inquiries for Scott and Saint Patrick, Employer shall only provide Scott and Saint Patrick's dates of employment and last position held.

19. Governing Law, Jurisdiction, and Venue.

A. This Agreement shall be governed by the substantive law of the State of Florida without regard to its conflict of law provisions.

B. The Parties acknowledge, agree, and irrevocably consent to the jurisdiction of the Bankruptcy Court to resolve any and all disputes which may arise out of or in connection with this Agreement, and that venue is appropriate in the Bankruptcy Court.

20. No Precedent.

The Parties stipulate that they have entered this Agreement only for their own business reasons based on the unique circumstances presented by the New Jersey Lawsuit, the Bankruptcy Proceeding, the Adversary Proceeding and the Proofs of Claim, and that the Agreement creates no binding legal or factual precedent for themselves or others in any future case. The Parties voluntarily agree to enter into this Agreement without any admission of liability.

21. Representations and Warranties.

The Parties represent and warrant that: (a) they are not relying upon any statements, understandings, representations, expectations, or agreements other than those expressly set forth in this Agreement; (b) they have had the opportunity to be represented and advised by legal counsel in connection with this Agreement, which they make voluntarily and of their own choice and not under coercion or duress; and (c) they have made their own investigation of the facts relating to

this Agreement and are relying upon their own knowledge and the advice of their counsel.

22. Headings.

The descriptive headings of the paragraphs of this Agreement are inserted for convenience of reference only and in no way define, limit or otherwise describe the scope or intent of this Agreement, or any provision hereof.

23. Authority.

Each signatory hereto represents that he/she/it has authority to execute, deliver, and perform this Agreement, and to bind the Party or Parties on whose behalf he/she/it has signed.

24. Construction.

In the event a reviewing court determines that any provision of this Agreement is ambiguous, the rule of construction that the ambiguity should be construed against the drafter shall not apply because all Parties participated in the drafting of this Agreement. Further, in the event that any term of this Agreement is found to be in violation of any federal or state law or constitution, all of the other terms and conditions of this Agreement shall remain in full force and effect, except as provided in Paragraph Fifteen (15) of this Agreement.

25. Use of This Agreement.

Nothing in this Agreement may be used for any purpose other than enforcement of its terms.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have affixed or caused to be affixed, their respective signatures.

Dated: 6-6, 2024

KEIRA SCOTT

Print: Keira Scott

Sign: 

Dated: _____, 2024

ERIC SAINT PATRICK

Print: _____

Sign: _____

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DR PARENT, LLC

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DELPHI HEALTH GROUP, LLC

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR UNION FRESH START, LLC D/B/A SERENITY AT SUMMIT

MARKEL AMERICAN INSURANCE COMPANY BY MARKEL SERVICE, INCORPORATED, ITS CLAIM SERVICE MANAGER

Dated: _____, 2024

Sign: _____

By: _____

Title: _____

IN WITNESS WHEREOF, the Parties hereto have affixed or caused to be affixed, their respective signatures.

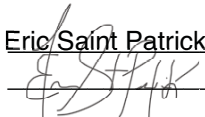
KEIRA SCOTT

Dated: _____, 2024

Print: _____
Sign: _____

ERIC SAINT PATRICK

Dated: 6/6/24, 2024

Print: Eric Saint Patrick
Sign: 

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DR PARENT, LLC

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DELPHI HEALTH GROUP, LLC

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR UNION FRESH START, LLC D/B/A SERENITY AT SUMMIT

MARKEL AMERICAN INSURANCE COMPANY BY MARKEL SERVICE, INCORPORATED, ITS CLAIM SERVICE MANAGER

Dated: _____, 2024

Sign: _____
By: _____
Title: _____

IN WITNESS WHEREOF, the Parties hereto have affixed or caused to be affixed, their respective signatures.

KEIRA SCOTT

Dated: _____, 2024

Print: _____

Sign: _____

ERIC SAINT PATRICK

Dated: _____, 2024

Print: _____


Sign: _____

Dated: June 7, 2024




JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DR PARENT, LLC

Dated: June 7, 2024



JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DELPHI HEALTH GROUP, LLC

Dated: June 7, 2024



JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR UNION FRESH START, LLC D/B/A SERENITY AT SUMMIT

MARKEL AMERICAN INSURANCE COMPANY BY MARKEL SERVICE, INCORPORATED, ITS CLAIM SERVICE MANAGER

Dated: _____, 2024

Sign: _____

By: _____

Title: _____

IN WITNESS WHEREOF, the Parties hereto have affixed or caused to be affixed, their respective signatures.

KEIRA SCOTT

Dated: _____, 2024

Print: _____
Sign: _____

ERIC SAINT PATRICK

Dated: _____, 2024

Print: _____
Sign: _____

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DR PARENT, LLC

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR DELPHI HEALTH GROUP, LLC

Dated: _____, 2024

JOSEPH LUZINSKI, AS LIQUIDATING TRUSTEE FOR UNION FRESH START, LLC D/B/A SERENITY AT SUMMIT

MARKEL AMERICAN INSURANCE COMPANY BY MARKEL SERVICE, INCORPORATED, ITS CLAIM SERVICE MANAGER

Dated: June 5, 2024

Sign: Rebecca Shantel Dixon
By: Rebecca Shantel Dixon
Title: Senior Claims Specialist

EXHIBIT "B"

(Proposed Order)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION
www.flsb.uscourts.gov

In re:

DELPHI BEHAVIORAL HEALTH
GROUP, LLC, *et al.*,¹

Debtors.

Case No. 23-10945-PDR

Chapter 11 Cases
(Jointly Administered)

**ORDER GRANTING LIQUIDATING TRUSTEE'S MOTION TO APPROVE
SETTLEMENT AGREEMENT BETWEEN (I) JOSEPH LUZINSKI, AS LIQUIDATING
TRUSTEE FOR DR PARENT, LLC, DELPHI HEALTH GROUP, LLC, AND UNION**

¹ The Debtors and the last four digits of their federal tax identification numbers are: (i) Delphi Behavioral Health Group, LLC (2076), (ii) 61 Brown Street Holdings, LLC (0007), (iii) Aloft Recovery LLC (5643), (iv) Banyan Recovery Institute, LLC (6998), (v) Breakthrough Living Recovery Community, LLC (5966), (vi) California Addiction Treatment Center LLC (7655), (vii) California Vistas Addiction Treatment LLC (8272), (viii) DBHG Holding Company, LLC (6574), (ix) Defining Moment Recovery Community, LLC (3532), (x) Delphi Health BuyerCo, LLC (2325), (xi) Delphi Health Group, LLC (0570), (xii) Delphi Intermediate HealthCo, LLC (6378), (xiii) Delphi Management LLC (6474), (xiv) Desert View Recovery Community, LLC (7437), (xv) DR Parent, LLC (2700), (xvi) DR Sub, LLC (8183), (xvii) Las Olas Recovery LLC (9082), (xviii) Maryland House Detox, LLC (1626), (xix) New Perspectives, LLC (0508), (xx) Next Step Housing LLC (6975), (xxi) Ocean Breeze Detox, LLC (7019), (xxii) Ocean Breeze Recovery, LLC (9621), (xxiii) Onward Living Recovery Community, LLC (4735), (xxiv) Palm Beach Recovery, LLC (4459), (xxv) Peak Health NJ, LLC (7286), (xxvi) QBR Diagnostics, LLC (7835), (xxvii) Rogers Learning, LLC (1699), (xxviii) SBH Haverhill, LLC (0971), (xxix) SBH Union IOP LLC (4139), (xxx) Summit at Florham Park, LLC (8226), (xxxi) Summit Behavioral Health Limited Liability Company (3337), (xxxii) Summit Health BuyerCo, LLC (2762), (xxxiii) Summit IOP Limited (4567), and (xxxiv) Union Fresh Start LLC (6841).

FRESH START, LLC D/B/A SERENITY AT SUMMIT, (II) MARKEL AMERICAN INSURANCE COMPANY, (III) KEIRA SCOTT, AND (IV) ERIC SAINT PATRICK

THIS MATTER came before the Court on negative notice and without a hearing to consider the *Liquidating Trustee’s Motion to Approve Settlement Agreement Between (I) Joseph Luzinski, Liquidating Trustee for DR Parent, LLC, Delphi Health Group, LLC, and Union Fresh Start, LLC d/b/a Serenity at Summit, (II) Markel American Insurance Company, (III) Keira Scott, and (IV) Eric Saint Patrick* [ECF No. ____] (the “Motion”), filed pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 9019, and Local Rules 9019-1 and 9013-1(D)(3)(b), for entry of an order approving the Settlement Agreement² entered into between (i) Joseph Luzinski, in his capacity as the Liquidating Trustee (the “Liquidating Trustee”) of the Delphi Behavioral Health Group, LLC et al. Liquidating Trust (“Trust”), established in the above-captioned chapter 11 cases of Delphi Behavioral Health Group, LLC and affiliated debtors (collectively, the “Debtors”), on behalf of DR Parent, LLC (“DR Parent”), Delphi Health Group, LLC (“Delphi Health”), and Union Fresh Start, LLC d/b/a Serenity at Summit (“Union Fresh Start”) and (ii) Markel American Insurance Company (“MAIC”), (iii) Keira Scott (“Scott”), and (iv) Eric Saint Patrick (“Saint Patrick”) (“Saint Patrick” and, along with the Liquidating Trustee on behalf of DR Parent, Delphi Health, and Union Fresh Start, MAIC and Scott, collectively, the “Parties”). The Court, having considered the Motion and Settlement Agreement attached to the Motion as **Exhibit “A”**, and having noted that the Liquidating Trustee, by submitting this form of Order, has represented that the Motion was served on all parties required by Bankruptcy Rule 2002 or Local Rule 2002-1(H) (I) or (J), as modified by this Court’s *Order Granting Liquidating Trustee’s Ex Parte Motion for Authorization to Limit Service of Forthcoming Bankruptcy Rule 9019 Motion and Order Thereon Pertaining to*

² Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Motion or Settlement Agreement, as applicable.

Settlement of Markel Adversary Case No. 24-01036-PDR dated June 7, 2024 [ECF No. 1112], that the 21-day response time provided by Local Rule 9013-1(D) has expired, that no one has filed, or served on the Liquidating Trustee, a response to the Motion, and that this form of Order was attached as an exhibit to the Motion, finds that the Settlement Agreement is fair and equitable, falls well above the lowest point in the range of reasonableness and is in the best interest of the estates and Trust. Accordingly, it is:

ORDERED as follows:

1. The Motion is **GRANTED**.
2. The terms of the Settlement Agreement attached to the Motion as **Exhibit "A"** are **APPROVED** and each and every provision of the Settlement Agreement is incorporated herein as if fully set forth in this Order.
3. By separate Order, the Claim Objections shall be sustained and the Proofs of Claim filed by Keira Scott and Eric Saint Patrick shall be stricken and disallowed in their entirety.
4. The Parties are directed to comply with the terms of the Settlement Agreement.
5. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

#

Submitted by:

Robin J. Rubens, Esq.
rrubens@bergersingerman.com
BERGER SINGERMAN LLP
Counsel for Liquidating Trustee
1450 Brickell Avenue, Ste. 1900
Miami, FL 33131
Telephone: (305) 755-9500
Facsimile: (305) 714-4340

(Robin J. Rubens, Esq. is directed to serve this order upon all non-registered users who have yet to appear electronically in this case and file a conforming certificate of service).