

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	x Chapter 11
CarePoint Health Systems Inc. d/b/a Just Health	:	
Foundation, et al., ¹	:	Case No. 24-12534 (JKS)
	:	
	:	(Jointly Administered)
	:	
Debtors.	:	
	:	x

CarePoint Health Systems Inc. d/b/a Just Health	:	
Foundation, et al.,	:	Adv. Pro. No. 24-50296 (JKS)
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
BMC Hospital LLC, Vijayant Singh, Nashima	:	
Highsmith, CD&R Realty, LLC,	:	
Dr. Marc Goldstein, and Dr. Alejandro Presilla,	:	
	:	
	:	
Defendants.	:	
	:	x

**AMENDED COMPLAINT SEEKING EXTENSION OF THE AUTOMATIC STAY
UNDER 11 U.S.C. § 362(a) AND FOR INJUNCTIVE RELIEF PURSUANT TO 11 U.S.C.
§ 105(a)**

Pursuant to Federal Rule of Bankruptcy Procedure 7001 and 11 U.S.C. §§ 105(a) and 362(a), the above-captioned debtors (collectively, the “Debtors”) bring this Amended Complaint seeking an injunction and/or an extension of the scope of the automatic stay to include Dr.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: (i) Bayonne Intermediate Holdco, LLC (7716); (ii) Benego CarePoint, LLC (2199); (iii) Briar Hill CarePoint, LLC (iv) CarePoint Health Management Associates Intermediate Holdco, LLC (none); (v) CarePoint Health Management Associates, LLC d/b/a CarePoint Health (3478); (vi) CarePoint Health Systems, Inc. d/b/a Just Health Foundation (6996); (vii) CH Hudson Holdco, LLC (3376); (viii) Christ Intermediate Holdco, LLC (3376); (ix) Evergreen Community Assets (1726); (x) Garden State Healthcare Associates, LLC (4414); (xi) Hoboken Intermediate Holdco, LLC (2105); (xii) Hudson Hospital Holdco, LLC (3869); (xiii) Hudson Hospital Opco, LLC d/b/a CarePoint Health-Christ Hospital (0608); (xiv) HUMC Holdco, LLC (3488); (xv) HUMCO Opco, LLC d/b/a CarePoint Health-Hoboken University Medical Center (7328); (xvi) IJKG, LLC (7430); (xvii) Just Health MSO, LLC (1593); (xviii) New Jersey Medical and Health Associates d/b/a CarePoint Health Medical Group (0232); (xix) Quality Care Associates, LLC (4710); (xx) Sequoia BMC Holdco, LLC (9812); (xxi) IJKG Opco LLC d/b/a CarePoint Health-Bayonne Medical Center (2063). The address for CarePoint Health Systems Inc. is 308 Willow Avenue, Hoboken, NJ 07030.

Achintya Moulick, William Pelino and Jessica Magnotta (together, the “Non-Debtor Related Parties”). In support of this Complaint, the Debtors aver as follows:

1. This is an adversary proceeding commenced by the Debtors, pursuant to sections 105(a) and 362(a) title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rule 7001(7) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 65 of the Federal Rules of Civil Procedure (the “Federal Rules”), made applicable hereto by Bankruptcy Rule 7065, seeking (i) extension of the automatic stay under section 362(a) of the Bankruptcy Code and/or (ii) injunctive relief under section 105(a) of the Bankruptcy Code, to enjoin the above-captioned defendant parties from asserting claims or otherwise attempting to exercise remedies against the Non-Debtor Related Parties.

2. This adversary action presents the requisite unusual circumstances that justify extension of the automatic stay and demonstrate that the Debtors are entitled to injunctive relief.

THE DEBTORS AND NON-DEBTOR RELATED PARTIES

3. The Debtors collectively oversee and operate three hospitals - Bayonne Medical Center, Christ Hospital in Jersey City and Hoboken University Medical Center - and related neighborhood health centers in Hudson County, New Jersey.

4. Debtor CarePoint Health Management Associates, LLC (“CarePoint”) is the manager of Debtor IJKG Opco LLC and the direct parent of Debtor Quality Care Associates, LLC. With Quality Care Associates, LLC, CarePoint is the MSO of the hospitals and provides management services to the Debtors’ hospitals and physician owned practices.

5. Debtor HUMC Opco LLC, d/b/a CarePoint Health – Hoboken University Medical Center (“HUMC”) is located at 308 Willow Avenue, Hoboken, NJ 07030 and is a licensed 348

bed acute care facility that provides inpatient and outpatient services. Debtor CarePoint Health Systems Inc. is now the beneficial owner of 100% of the membership interests in HUMC.

6. Debtor IJKG Opco LLC d/b/a CarePoint Health – Bayonne Medical Center (“Bayonne”) is located at 308 Willow Avenue, Hoboken, NJ 07030 and is a licensed 278 bed acute care facility that provides inpatient and outpatient services. Bayonne was a wholly owned subsidiary of Debtor IJKG, LLC (“IJKG”). As a result of subsequent transactions, Debtor CarePoint Health Services Inc. is presently the beneficial owner of 90.1% of the membership interests in Bayonne.

7. Debtor Hudson Hospital Opco LLC d/b/a CarePoint Health – Christ Hospital (“Christ Hospital”) is located at 176 Palisade Avenue, Jersey City NJ 07306 and a 349-bed acute care facility that provides inpatient and outpatient services. Debtor CarePoint Health Services Inc. is the beneficial owner of 100% of the membership interests in Christ Hospital.

8. Debtor New Jersey Medical and Health Associates, LLC is a physician-owned entity located at 308 Willow Avenue, Hoboken, NJ 07030 that provides medical services to HUMC, Bayonne and Christ Hospital through contracts with the hospitals and/or CarePoint.

9. During all relevant times, Dr. Achintya Moulick, with a business address at 308 Willow Avenue, Hoboken, NJ 07030, was the Chief Executive Officer of CarePoint.

10. During all relevant times, Jessica Magnotta, residing at 18 New Haven Avenue, Nanuet NY 10954, was the Chief Human Resources Officer of CarePoint, though she has since left the Debtors’ employ.

11. During all relevant times, William Pelino, with a business address of Inspira Health, 700 Mullica Hill Road, Mullica Hill, NJ 08062, was the Chief Financial Officer of CarePoint, though he has since left the Debtors' employ.

THE DEFENDANTS

12. Defendant BMC Hospital LLC is a limited liability company with a business address at BMC Hospital LLC, c/o James P. Flynn and Sheila Woolson, Epstein, Becker & Green PC, One Gateway Center, 13th Floor, Newark, NJ 07102. Defendant BMC Hospital LLC initiated an action in the Hudson County Chancery Court, Case No. HUD-C-000089-24, against Debtors IJKG Opco LLC d/b/a/ CarePoint Health-Bayonne Medical Center, IJKG, LLC, and Non-Debtor Related Party Dr. Achintya Moulick (the "BMC Litigation").

13. Defendant Vijayant Singh is an individual with a business address at Hudson Regional Hospital, 55 Meadowlands Parkway, Secaucus, NJ 07094. Defendant Singh initiated a *Qui Tam* suit in the District of New Jersey, Case No. 2:21-cv-19788, against Debtors HUMC, Bayonne, Christ Hospital and CarePoint, in addition to non-debtors Dr. Achintya Moulick and William Pelino prior to November 3, 2024 (the "Qui Tam Litigation"). In discovery in the *Qui Tam* Litigation, Defendant Singh provided his address as that of his attorneys, McMoran, O'Connor, Bramley & Burns, P.C., 2399 Highway 34, Building D, Suite D-1, Manasquan, NJ 08736.

14. Defendant Nashima Highsmith is an individual who resides at 14 Packard Street, Bayonne, NJ 07002. Defendant Highsmith filed a complaint against Debtor CarePoint, non-debtor Jessica Magnotta, John Does 1-10 and XYZ Corp. 1-10 at Docket No. HUD-L-2983-24 in

the Superior Court of New Jersey, Hudson County, which action was subsequently removed to federal court on September 27, 2024 (the “Highsmith Litigation”).

15. Defendants CD&R Realty, LLC is a limited liability company with a principal place of business at 8100 Kennedy Boulevard, North Bergen, NJ 07047, and Defendant Dr. Marc Goldstein is an individual whose practice exists at 8100 Kennedy Boulevard, North Bergen, NJ 07047. Defendants CD&R Realty, LLC and Dr. Marc Goldstein filed a complaint against Debtor New Jersey Medical and Health Associates, LLC, nondebtor Dr. Achintya Moulick and XYZ employers I-X in the New Jersey Superior Court, Law Division, Case No. HUD-L-1425-24 prior to November 3, 2024 (the “Goldstein Litigation”).

16. Defendant Dr. Alejandro Presilla is an individual who resides at 15 Fulton Street, Weehawken, New Jersey 07086. Dr. Presilla filed a complaint against nondebtor Dr. Achintya Moulick as CEO and Individually and against Debtor CarePoint with the New Jersey Department of Labor, Case No. WC-159-01524-HUM prior to November 3, 2024 (the “Presilla Litigation”). Together, the BMC Litigation, *Qui Tam* Litigation, Highsmith Litigation, Goldstein Litigation and Presilla Litigation are referred to herein as the “Pre-Petition Litigation”.

17. The Pre-Petition Litigation matters are the only pending litigation matters of which the Debtors are currently aware that flow from the Debtors’ operations and name one or more Non-Debtor Related Parties as a defendant along with one or more of the Debtors. To the extent that the relief sought herein is granted and additional lawsuits have been or are filed that name one or more of the Non-Debtor Related Parties or another non-debtor related party as a defendant in regard to such defendant’s actions or services performed on behalf of or within the

scope of employment by one or more of the Debtors, the Debtors intend to request that the relief granted as to the Pre-Petition Litigation be extended to such additional lawsuits.

18. It is clear that the Defendants are stayed by section 362(a) of the Bankruptcy Code from attempting to collect pre-petition debts from the Debtors in the Pre-Petition Litigation. The Defendants likewise should be enjoined under the Bankruptcy Code and the Federal Rules of Civil Procedure from attempting to collect from a Non-Debtor Related Party because such efforts (i) will have the effect of an action against the Debtors themselves, and (ii) will cause significant interference with, and impairment of, the Debtors' efforts to reorganize.

19. By amended motion filed contemporaneously herewith (the "Preliminary Injunction Motion"), the Debtors seek entry of an order preliminarily enjoining all such efforts.

20. The relief sought by the Debtors is critical to the Debtors' ability to preserve the assets and value of the Debtors' enterprise for the benefit of present and future creditors and to eventually implement a plan of reorganization, particularly given that the Non-Debtor Related Parties are co-insureds under certain of the Debtors' liability policies.

JURISDICTION AND VENUE

21. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(b) and (e) as this matter arises in, under and is related to a pending bankruptcy case. This adversary proceeding is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A), (B) and (O).

22. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

23. This adversary proceeding is initiated under Bankruptcy Rule 7001(7) and the relief requested herein may be ordered pursuant to Bankruptcy Rule 7065 and sections 105(a) and 362(a) of the Bankruptcy Code.

BACKGROUND

23. On November 3, 2024 (the "Petition Date"), all Debtors except Bayonne filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

24. On the Petition Date, three creditors of Bayonne, 29 E 29 Street Holdings, LLC, Bayonne Medical Center Opco, LLC, and Peter Wong, MD, filed an involuntary petition against Bayonne under Chapter 11 of the Bankruptcy Code. On the Petition Date, Bayonne filed an answer consenting to the relief requested in the involuntary petition.

25. On November 6, 2024, the Court entered an order authorizing the joint administration of the Chapter 11 Cases of each Debtor. [D.I. 80] and an Order for Relief with respect to Bayonne.

26. A description of the Debtors' reasons for commencing the Chapter 11 Cases, the relief sought from the Court, and the facts and circumstances supporting this Amended Complaint are set forth in the First Day Declaration. [D.I. 23].

27. The Debtors are working diligently to reorganize their operations and began their restructuring efforts well before the Petition Date to best ensure a successful reorganization. As such, the Debtors believe that they have a substantial likelihood of successfully reorganizing.

28. On the Petition Date, as set forth above, one or more of the Debtors was a defendant in the Pre-Petition Litigation.

29. Additionally, in the Non-Debtor Related Parties are included as defendants in one or more of the Pre-Petition Litigation matters.

30. The Pre-Petition Litigation matters involve alleged injury that occurred during and within the scope of the Debtors' operations.

31. Pursuant to their employment agreements with the Debtors, the Non-Debtor Related Parties have certain indemnification rights with respect to the Debtors, and the Debtors could be liable for a judgment against the Non-Debtor Related Parties in the Pre-Petition Litigation. Paragraph 12 of Dr. Moulick's employment agreement provides:

INDEMNIFICATION. The Corporation shall indemnify and hold harmless Executive from and against any claim, loss, expense, damage, or injury suffered or sustained by Executive by reason of any acts, errors in judgment, omissions or alleged acts or omissions made by Executive related to the business of Corporation to the fullest extent allowed by law. Corporation's duty to indemnify will include any judgment, award, settlement, reasonable attorneys' fees, and other costs and expenses related to the defense of any actual or threatened action, proceeding, or claim and including any payments made by Executive. Corporation shall, to the fullest extent allowed by law advance to the Executive the costs of defense of any claim, action, suit or demand, civil or criminal subject only to an undertaking by the Executive to reimburse the Corporation in the even that a court of competent jurisdiction enters a final, non-appealable judgment that the Executive was not entitled to be indemnified and held harmless.

32. Moreover, Title 14A, section 3-5 of the New Jersey Statutes provides for indemnification of employees, officers and directors for amounts incurred in satisfaction of settlement, judgment, fine or penalties and advancement of expense, with few exceptions.

33. Additionally, the Debtors and the Non-Debtor Related Parties are co-insureds under the applicable liability policies.

34. Because one or more of the Debtors is the real party defendant, a judgment against one of the Non-Debtor Related Parties is effectively a judgment or finding against the Debtors.

35. Allowing the Defendants to proceed with litigation against the Non-Debtor Related Parties would allow them to indirectly do what the Bankruptcy Code prohibits them from doing

directly, and would place burdensome discovery on bankrupt entities that should be focusing their efforts on reorganization – including the resolution of the Pre-Petition Litigation.

36. The Debtors operate with minimal administrative and management staff, who are responsible for coordinating the operation of the Debtors' various medical and treatment programs, financing, and all aspects of maintaining the Debtors' hospitals and medical programs for the benefit of the community. In addition, these same staff members, including Dr. Achintya Moulick (Chief Executive Officer) and Jessica Magnotta (Chief Human Resources Officer) are responsible for the significant time and effort of gathering documentation and data to defend the Pre-Petition Litigation.

37. If the Pre-Petition Litigation is permitted to proceed against the Non-Debtor Related Parties, who are named as defendants solely due to their relationship with the Debtors, the Debtors and various management and other employees will undoubtedly be compelled to participate in the litigation in order to protect the Debtors' interests and preserve, as equitably as possible, available insurance coverage.

38. Their involvement in protracted and burdensome discovery and litigation, should the Pre-Petition Litigation proceed against the Non-Debtor Related Parties, will unquestionably detract from the Debtors' efforts to reorganize.

39. Moreover, if the Pre-Petition Litigation proceeds without the Debtors, the Debtors could arguably be collaterally estopped from re-litigating critical factual and legal issues to fairly resolve the litigation against them as part of their Chapter 11 plan. If issues are decided in favor of the Non-Debtor Related Parties, there is also the possibility that substantially identical issues will have to be re-litigated, creating a risk of duplication and inconsistent judgments.

40. Finally, if the Pre-Petition Litigation proceeds against the Non-Debtor Related Parties, a judgment against the Non-Debtor Related Parties might impact the Debtors' estates because of the Debtors' indemnity obligations.

41. Enjoining the Pre-Petition Litigation against the Non-Debtor Related Parties is essential to the Debtors' ability to reorganize and provide fair treatment to their creditors.

42. Enjoining actions against the Non-Debtor Related Parties will not harm the Defendants because they will be able to pursue their claims against the Debtors in the Chapter 11 Cases and, to the extent appropriate, against the Non-Debtor Related Parties after the conclusion of the bankruptcy proceedings.

43. Enjoining actions against the Non-Debtor Related Parties is in the best interests of all constituencies in the Chapter 11 Cases, including the public generally, which will benefit from the reorganized Debtors' continued operations in the communities they serve and the ability of all creditors to best share in recoveries under the reorganized Debtors' Chapter 11 plan.

COUNT I
INJUNCTIVE RELIEF UNDER SECTION 362(a)

(AGAINST ALL DEFENDANTS)

44. The Debtors repeat and reallege the allegations contained in paragraphs 1 through 43 above as if fully set forth herein.

45. Sections 362(a)(1) of the Bankruptcy Code operates as a stay, "applicable to all entities," of "the commencement or continuation . . . of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title."

46. Section 362(a)(3) of the Bankruptcy Code operates as a stay, “applicable to all entities,” of “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.”

47. As set forth above, unusual circumstances exist that require extension of the automatic stay to the Non-Debtor Related Parties.

48. Because (i) Debtor CarePoint Health Management Services Inc. would bear the practical responsibilities of defending the Pre-Petition Litigation asserted against the Non-Debtor Related Parties, (ii) the Debtors’ management and various employees will be required to divert their attention from the Debtors’ reorganization, and (iii) any judgment entered against the Non-Debtor Related Parties could result in the depletion of key assets of the Debtors’ estates, the Debtors are entitled to an Order extending the automatic stay under section 362 of the Bankruptcy Code to enjoin the Defendants from proceeding against the Non-Debtor Related Parties.

49. Accordingly, under the facts and circumstances of this case, the requirements for injunctive relief are met.

WHEREFORE, the Debtors respectfully request entry of an Order extending the automatic stay under section 362 of the Bankruptcy Code to enjoin the Defendants from continuing any action or legal proceeding (including, without limitation, any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever), including by way of direct claim, counterclaim, cross claim, appeal or any other action against Non-Debtor Related Parties, and granting such other relief as this Court deems just.

COUNT II
INJUNCTIVE RELIEF UNDER SECTION 105 (a)

(AGAINST ALL DEFENDANTS)

50. The Debtors repeat and reallege the allegations contained in paragraphs 1 through 49 above as if fully set forth herein.

51. Section 105(a) of the Bankruptcy Code provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” Relief under section 105 of the Bankruptcy Code is particularly appropriate in a chapter 11 case when necessary to protect a debtor’s ability to effectively confirm a plan and to preserve the property of a debtors’ estate for the benefit of all creditors.

52. The Debtors are entitled to a preliminary injunction under section 105(a) of the Bankruptcy Code, enjoining the Defendants from proceeding against the Non-Debtor Related Parties in the Pre-Petition Litigation.

53. Unusual circumstances exist that demonstrate that the Debtors are entitled to an injunction.

54. In addition to depleting assets of their estates, continuation of the Pre-Petition Litigation will divert the attention and resources of key persons who are critical to the Debtors’ ability to arrange a Chapter 11 plan of reorganization and successfully emerge from Chapter 11.

55. Any harm suffered by the Defendants in delaying their ability to pursue claims against the Non-Debtor Related Parties is vastly outweighed by the harm that would be suffered by the Debtors in the absence of an injunction.

56. The Debtors are also entitled to a preliminary injunction pursuant to Federal Rule of Civil Procedure 65 as: (a) the Debtors have a substantial likelihood of successfully reorganizing, (b) there is a substantial risk of irreparable harm to the Debtors if the automatic stay is not extended, (c) the harm to the Debtors outweighs the potential harm to the Defendants presented by the delay in adjudicating their claims, and (d) injunctive relief would not violate the

public interest but would, instead promote the likelihood that the Debtors can successfully reorganize so that all Defendants and others similarly situated will share in a recovery on account of their claims.

WHEREFORE, the Debtors respectfully request entry of an Order granting a preliminary injunction enjoining Defendants from continuing any action or legal proceeding (including, without limitation, any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever), including by way of direct claim, counterclaim, cross claim, appeal or any other action against Non-Debtor Related Parties and granting such other relief as this Court deems just.

Dated: December 24, 2024

DILWORTH PAXSON LLP

/s/ Peter C. Hughes

Peter C. Hughes DE 4180
800 N. King Street, Suite 202
Wilmington, DE 19801
Telephone: 302-571-9800
Facsimile: 302-571-8875
Email: phughes@dilworthlaw.com

and

/s/ Anne M. Aaronson

Lawrence G. McMichael (*admitted pro hac vice*)
Anne M. Aaronson (*admitted pro hac vice*)
Jack Small (*admitted pro hac vice*)
1650 Market St., Suite 1200
Philadelphia, PA 19103
Telephone: (215) 575-7000
Facsimile: (215) 754-4603
Email: lmcmichael@dilworthlaw.com
Email: phughes@dilworthlaw.com
Email: aaaronson@dilworthlaw.com
Email: jsmall@dilworthlaw.com

Counsel for the Debtors