

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

WELLPATH HOLDINGS, INC., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 24-90533 (ARP)
)
) (Jointly Administered)
)

**STATEMENT OF THE STATUTORY UNSECURED CREDITORS' COMMITTEE
IN SUPPORT OF THE FIRST AMENDED JOINT CHAPTER 11 PLAN
OF REORGANIZATION OF WELLPATH HOLDINGS, INC.
AND CERTAIN OF ITS DEBTOR AFFILIATES**

The Statutory Unsecured Claimholders' Committee (the "Committee") of Wellpath Holdings, Inc., et al. (the "Debtors"), by and through its undersigned counsel, hereby submits this statement (the "Statement") regarding the to-be filed *First Amended Joint Chapter 11 Plan of Reorganization of Wellpath Holdings, Inc. and Certain of its Debtor Affiliates* (the "Plan").² In support hereof, the Committee respectfully states as follows:

STATEMENT

1. Over the past several months, the Committee, the Debtors, and Ad Hoc Group engaged in vigorous negotiations regarding the treatment of general unsecured creditors under the Plan. As stated in the Committee's press release on April 15, 2025 (the "Press Release"), these negotiations resulted in a global settlement resolving the Committee's objections to the Plan in exchange for amending the Plan to provide substantial recoveries to general unsecured

¹ A complete list of the Debtors (as defined below) in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://dm.epiq11.com/Wellpath>. The Debtors' service address for these chapter 11 cases is 3340 Perimeter Hill Drive, Nashville, Tennessee 37211.

² Capitalized but undefined terms shall have the meaning ascribed to them in the Plan.

claimholders.³ A copy of the Press Release is attached hereto as **Exhibit A**. In exchange for, among other things, certain material amendments to be reflected in the Plan and related documents, the Committee agrees to support confirmation of the Plan.

2. The Committee strongly recommends that holders of General Unsecured Claims vote to accept the Plan, as amended, because doing so will promote confirmation of the Plan, the recoveries to be provided to general unsecured claimholders, and the Debtors' swift exit from bankruptcy. While the Committee previously issued a letter recommending general unsecured creditors vote against the Plan, the Committee believes the Plan's updated and significantly improved treatment for Class 6 warrants support by general unsecured creditors.

3. As amended, the Plan provides Class 6 general unsecured claimholders with a beneficial interest in a liquidating trust containing, among other things:

- (i) \$15.5 million in cash,
- (ii) \$10 million in secured first-lien takeback debt,
- (iii) 33.3% of the common equity in Reorganized Wellpath, and
- (iv) all estate causes of action (except for certain (i) released claims and causes of action and (ii) scheduled causes of action that will be retained by the Reorganized Debtors).

4. In addition to supporting the Plan and contributing these assets, the First Lien Lenders have agreed to waive their deficiency claim of approximately \$150 million, thereby dramatically increasing the pro rata share of Liquidating Trust assets available for general unsecured claimholders.

5. The Committee believes the consideration in the Plan based on the settlement provides meaningful recoveries for general unsecured claimholders and satisfies the necessary

³ The Committee continues to negotiate and finalize the details of the settlement agreement and the necessary amendments to the Plan and related documents.

standards of the Bankruptcy Code. The Committee will support confirmation of the Plan so long as the Plan contains the terms agreed to by the Committee, the Debtors, and Ad Hoc Group.

6. While the Committee supports confirmation of the Plan, general unsecured claimholders should be aware the Plan contains “Third-Party Releases” which, if a creditor fails to opt out, will bind such creditor. The Committee takes no position as to whether general unsecured claimholders should opt out of these releases, but recommends they carefully review the terms of the releases under the Plan and understand the implications of failure to opt out.

7. The Committee welcomes any communications from general unsecured claimholders related to the Plan.

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Respectfully submitted this 21st day of April, 2025.

STINSON LLP

By: /s/ Nicholas Zluticky

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*Counsel to the Statutory
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Certificate of Service

I certify that on April 21st, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Nicholas Zluticky

Nicholas Zluticky

Exhibit A

Press Release

Statutory Unsecured Claimholders' Committee Announces Agreement on Terms of Amended Wellpath Chapter 11 Plan

Encourages creditors to vote in favor of Wellpath's amended proposed Plan of Reorganization

Houston, Texas – April 15, 2025 – The Statutory Unsecured Claimholders' Committee (the “Committee”) in the chapter 11 cases of Wellpath Holdings, Inc. *et al* (the “Debtors”) announced today that it has reached a global settlement with the Debtors and Ad Hoc Lender Group to amend the Debtors' proposed chapter 11 plan of reorganization. The amended plan represents a significant improvement over the current plan for general unsecured claimholders by providing them with substantial and meaningful recoveries on their allowed claims.

Accordingly, the Committee is now encouraging all unsecured creditors to vote in favor of the amended plan ahead of the April 28, 2025 deadline.

The plan first filed in December provided, according to the Debtors, a baseline projected 0.8% recovery for general unsecured claimholders based on the contribution of (i) a subset of estate causes of action to be placed in a liquidating trust, and (ii) \$5 million to fund the trust's activities. The Committee has opposed this plan and distributed a letter to all general unsecured claimholders recommending they vote to reject the currently-filed plan.

Following extensive negotiations and numerous hearings before the U.S. Bankruptcy Court for the Southern District of Texas (the “Court”), the Committee has reached an agreement with the Debtors and Ad Hoc Lender Group to amend the plan to provide, among other things, that general unsecured claimholders would be beneficiaries of a liquidating trust containing the following consideration:

- **\$15.5 million in cash;**
- **\$10 million of secured first lien takeback debt;**
- **33.3% of the common equity in Reorganized Wellpath** with certain minority equity rights; and
- **All estate causes of action** (except for certain (i) released claims and causes of action and (ii) scheduled causes of action that will be retained by the Reorganized Debtors).

The holders of first lien secured claims also agreed to waive their deficiency claims as part of the settlement, further bolstering recoveries to general unsecured claimholders.

The Debtors have agreed to amend the plan to reflect the settlement, and those amendments would resolve the Committee's opposition to the plan as well as the pending settlement motion between the Debtors' and their existing financial sponsor.

The Committee believes that the amended plan represents a substantial improvement in value for unsecured claimholders that will benefit all stakeholders.

Additional information regarding the amended plan and the Committee's recommendation will be made available in the coming days.

About the Statutory Unsecured Claimholders' Committee

The Committee is a fiduciary appointed under the Bankruptcy Code to represent the interests of all general unsecured claimholders in the Debtors' chapter 11 cases. The Committee is represented by Proskauer Rose LLP and Stinson LLP as counsel, and Huron Consulting Group LLC and Dundon Advisers LLC as financial advisors.

For further inquiries, please contact:

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