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

In re:	Chapter 11
WELLPATH HOLDINGS, INC., *et al.*,[1]	Case No. 24-90533 (ARP)
Debtors.	Jointly Administered **Re: Docket Nos. 567, 1832-1, 1835-1, 2039, 2376**

DECLARATION OF TIMOTHY J. DRAGELIN IN SUPPORT OF CONFIRMATION OF THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF WELLPATH HOLDINGS, INC. AND CERTAIN OF ITS DEBTOR AFFILIATES

I, Timothy J. Dragelin, hereby declare as follows under penalty of perjury:

1. I have served in the dual roles of Wellpath's Chief Restructuring Officer and Chief Financial Officer since October 2024.[2] Prior to assuming these roles with Wellpath, I advised Wellpath in my capacity as Senior Managing Director at FTI Consulting, Inc. ("FTI"). In November 2024, the above-captioned debtors and debtors in possession (collectively, the "Debtors") engaged FTI to provide financial advisory services both before and after the commencement of these chapter 11 cases.

2. I submit this declaration (this "Declaration") in support of confirmation of the *First Amended Joint Chapter 11 Plan of Reorganization of Wellpath Holdings, Inc. and Certain of its Debtor Affiliates* [Docket No. 2376] (as amended, modified, or supplemented from time to time in accordance with the terms thereof (including all appendices, exhibits, schedules, and

[1] A complete list of the Debtors in the Chapter 11 Cases may be obtained on the website of the Claims and Solicitation Agent at https://dm.epiq11.com/Wellpath. The Debtors' service address for the Chapter 11 Cases is 3340 Perimeter Hill Drive, Nashville, Tennessee 37211.

[2] I served as Wellpath's Chief Financial Officer since July of 2024.

supplements (including any Plan Supplements) thereto), the "Plan") and approval of the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Wellpath Holdings, Inc. and Certain of its Debtor Affiliates* [Docket No. 1835-1] (as amended, modified, or supplemented from time to time in accordance with the terms thereof (including all appendices, exhibits, schedules, and supplements thereto), the "Disclosure Statement").[3]

3. Except as otherwise indicated, I have personal knowledge of all facts in this Declaration, which are based on my roles at the Debtors as CFO and CRO and my involvement in the programs and processes described herein, my review of the Debtors' businesses and compensation practices, and information supplied to me by the Debtors' management team and the Debtors' other advisors. If called upon to testify, I could and would testify competently to the facts and opinions set forth in this Declaration. I am over the age of 18 years and authorized to submit this Declaration.

4. I believe the Plan fully complies with the applicable provisions of section 1129 of the Bankruptcy Code, as such provisions have been explained to me by the Debtors' legal advisors, based on (a) my understanding of the Plan, (b) the events that have occurred throughout these Chapter 11 Cases, and (c) various orders entered by the Bankruptcy Court during these Chapter 11 Cases.

Background and Qualifications

5. I am a Senior Managing Director in the Corporate Finance/Restructuring practice of FTI, where I lead FTI's Healthcare Interim Management Group and co-lead the firm's Healthcare Restructuring practice. I have provided financial advisory services to all types of

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

stakeholders, including borrowers, creditors, and equity interest holders for over 30 years, and have significant experience acting as financial advisor to debtors in chapter 11 bankruptcy cases.

6. Prior to joining FTI, I worked in the Financial Advisory Services practice at PricewaterhouseCoopers, and also previously served in the capacity of the controller and chief financial officer for a division of a Fortune 500 financial services company. I hold a B.B.A. in accounting from the College of William & Mary, and I previously held both certified public accountant in the Commonwealth of Virginia, certified valuation analyst designations, and have provided expert testimony on feasibility, valuation, and other financial matters.

I. The Plan Satisfies the Confirmation Requirements

7. Based upon the advice of the Debtors' other advisors, I understand that the Bankruptcy Code sets forth certain requirements that any chapter 11 plan must comply with in order to be confirmed. The following is a recitation of certain features and characteristics of the Plan, organized by the section of the Bankruptcy Code, to which I understand they are relevant for Confirmation of the Plan.

A. The Plan Complies with Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(1))

8. Based upon the advice of the Debtors' other advisors, I understand that the Plan must comply with sections 1122 and 1123 of the Bankruptcy Code in order to satisfy the confirmation requirement set forth in section 1129(a)(1). I believe that the Plan complies with section 1129(a)(1) of the Bankruptcy Code, as I believe that it satisfies the requirements in sections 1122 and 1123 of the Bankruptcy Code as follows:

a. 11 U.S.C. §§ 1122 and 1123(a)(1). Article III designates all Claims and Interests (other than Administrative Claims, Professional Fee Claims, DIP Claims, Priority Tax Claims, U.S. Trustee Fees, and Restructuring Expenses and Agent Fees) into the following 10 Classes:

Class	Claims or Interests
1	Other Secured Claims
2	Other Priority Claims
3	First Lien Secured Claims
4	First Lien Deficiency Claims
5	Second Lien Deficiency Claims
6	General Unsecured Claims
7	Intercompany Claims
8	Intercompany Interests
9	Existing Parent Interests
10	Section 510(b) Claims

Under the Plan, all Claims and Interests within each designated Class have the same or substantially similar rights as the other Claims or Interests in such Class. Furthermore, this classification scheme is premised on, among other things, the secured or unsecured status, and the differences in the legal nature or priority, of the applicable underlying obligation. Specifically, the Plan separately classifies general unsecured claims into Class 4 (First Lien Deficiency Claims), Class 5 (Second Lien Deficiency Claims), Class 6 (General Unsecured Claims), Class 7 (Intercompany Claims), and Class 10 (Section 510(b) Claims) due to the different legal character or rights of such Claims.

b. 11 U.S.C. § 1123(a)(2). Article III identifies each Unimpaired Class under the Plan (*i.e.*, Class 1 (Other Secured Claims) and Class 2 (Other Priority Claims)) and each potentially Unimpaired Class (*i.e.*, Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests)), within the meaning of section 1124 of the Bankruptcy Code.

c. 11 U.S.C. § 1123(a)(3). Article III sets forth the treatment of each of Impaired Class under the Plan (*i.e.,* Class 3 (First Lien Secured Claims), Class 4 (First Lien Deficiency Claims), Class 5 (Second Lien Deficiency Claims), Class 6 (General Unsecured Claims), Class 9 (Existing Parent Interests), and Class 10 (Section 510(b) Claims)) and each potentially Impaired Class (*i.e.*, Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests)) within the meaning of section 1124 of the Bankruptcy Code.

d. 11 U.S.C. § 1123(a)(4). Article III provides for the same treatment for each Claim or Interest of a particular Class, except to the extent that a Holder of a particular Claim or Interest agrees to a less favorable treatment.

e. 11 U.S.C. § 1123(a)(5). The Plan (including the Plan Supplement) and the Definitive Documents, in accordance with their terms, provide adequate means for implementing the Plan by providing for or containing, among other things, the following:

i. the authorization to take all actions as may be deemed necessary or appropriate to effectuate any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan (Articles IV.B, IV.M, and IV.Q);

ii. the sources of consideration for Plan Distributions (Article IV.D);

iii. the consummation of the Equity Financing (Article IV.D);

iv. the entry into the Takeback Facility Documents and the incurrence of Liens and security interests in connection therewith (Article IV.D);

v. the issuance of the New Common Equity and New Preferred Equity (Article IV.D);

vi. the continued existence and vesting of certain assets in the Post-Restructuring Debtors (Article IV.K);

vii. the adoption of the New Organizational Documents (Article IV.I);

viii. the creation of the Liquidating Trust (including entry into the Liquidating Trust Documents) (Articles IV.N and VII), the appointment of the Liquidating Trustee (Article VII), and the vesting of the Liquidating Trust Assets in the Liquidating Trust (Articles IV.N and VII);

ix. the cancellation of all notes, instruments, certificates, credit agreements, indentures, Securities, or other documents governing Claims or Interests (other than those Claims or Interests Reinstated under the Plan (Article IV.P);

x. provisions governing Plan Distributions, Disputed Claims, and claims reconciliation (Articles VI and VIII);

xi. the assumption and rejection of Executory Contracts, Unexpired Leases, indemnification obligations, and insurance contracts and the payment of Cure Costs (Articles IV.R, IV.T, and V);

xii. the release of Liens (Article IX.B); and

xiii. the exemption of transfers of property pursuant to section 1146(a) of the Bankruptcy Code (Article IV.S).

f. 11 U.S.C. § 1123(a)(6). Article IV.I provides that the New Organizational Documents, which will be deemed executed and authorized in all respects on the Effective Date, will include a provision prohibiting the issuance of nonvoting equity securities pursuant to (and only to the extent required by) section 1123(a)(6) of the Bankruptcy Code.

g. 11 U.S.C. § 1123(a)(7). Article IV.J provides for the termination of each of the Wellpath Parents's current board of directors in that role and sets forth the parameters of the Post-Restructuring Debtors' boards of directors (or similar governing entities) except as otherwise set forth in the Plan Supplement. Furthermore, I believe that the Plan complies with section 1129(a)(5) of the Bankruptcy Code as explained below. I believe that these provisions are consistent with stakeholder interests and public policy.

B. The Debtors Have Complied with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(2))

9. I believe that the Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126 thereof, and the Bankruptcy Rules regarding disclosure and Plan solicitation. I understand that the Debtors have complied with section 1125 of the Bankruptcy Code in light of the Bankruptcy Court's entry of the Disclosure Statement Order, upon which, the Debtors (a) transmitted (i) the Solicitation Packages to Holders of Claims in Voting Classes and (ii) the Non-Voting Status Notices (each of which included an Opt Out Form and pertinent information and instructions) and a Confirmation Hearing Notice on each non-Debtor Holder of a Claim or Interest in a Non-Voting Class,[4] (b) published the Confirmation Hearing Notice in the in *The New York Times*, *USA Today*, and *Prison Legal News*, (c) solicited and tabulated votes with respect to the Plan, and (d) provided good, sufficient, and timely notice of the Confirmation Hearing to each Holder of a Claim or Interest (regardless of whether such Claim or Interest was in a Voting Class or Non-Voting Class) and to other parties in interest in compliance with the Disclosure Statement Order (including the Solicitation and Voting Procedures) and, to the extent applicable, the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and the Complex Procedures. This is further supported by the

[4] Pursuant to the Disclosure Statement Order, the Debtors were not required to solicit votes from, or send Non-Voting Status Notices or any other type of notice in connection with the Plan to, the Holders of Claims and Interests in Class 7 (Intercompany Claims) or Class 8 (Intercompany Interests) as each such Claim or Interest is held by a Debtor or a Debtor's affiliate and either (a) will receive no distribution under the Plan and is deemed to reject the Plan or (b) will be Unimpaired and is presumed to accept the Plan.

Verification of Publications Filed by the Claims and Solicitation Agent on March 28, 2025 [Docket Nos. 2013 and 2014] and April 15, 2025 [Docket No. 2258] and the *Certificate of Service* and the *Supplemental Certificate of Service* Filed by the Claims and Solicitation Agent with respect to solicitation [Docket Nos. 2121, 2315] (collectively, the "Solicitation Affidavits"). Additionally, the Debtors have made the Disclosure Statement Order, the Plan, the Disclosure Statement, and all other documents publicly Filed in the Chapter 11 Cases available on the Debtors' case information website maintained by the Claims and Solicitation Agent.

10. Further, based on my review of the Solicitation Affidavits, the *Declaration of Emily Young, on Behalf of Epiq Corporate Restructuring, LLC, Regarding Solicitation and Tabulation of Ballots Case in Connection the First Amended Joint Chapter 11 Plan of Reorganization of Wellpath Holdings, Inc. and Certain of Its Debtor Affiliates* (the "Tabulation Declaration"), and the Disclosure Statement Order, it is my understanding that the Claims and Solicitation Agent properly solicited and tabulated votes with respect to the Plan. As detailed in the Tabulation Declaration, I understand that the Plan has been accepted by more than the requisite number and amount of Claims in at least one Impaired Class of Claims entitled to vote on the Plan.[5]

11. Based on the foregoing, I believe that the Plan satisfies the requirements of sections 1125 and 1126 of the Bankruptcy Code. Accordingly, I believe that the Debtors have complied with section 1129(a)(2) of the Bankruptcy Code.

C. The Plan was Proposed in Good Faith (11 U.S.C. § 1129(a)(3))

12. I believe that the Plan was proposed by the Debtors in good faith, with the legitimate and honest purpose of effectuating a reorganization of the Corrections Business and positioning the Post-Restructuring Debtors for long-term success, while enabling creditors to realize the

[5] Additional information relating to the tabulation of votes on the Plan can be found in the Tabulation Declaration.

highest possible recoveries under the circumstances of the Chapter 11 Cases, all as overseen by the Debtors' independent directors.

13. I believe that the Plan itself and the process of formulating it demonstrate the Debtors' good faith, serve the public interest, and assure fair treatment of Holders of Claims and Interests. The Plan is the culmination of months of rigorous, good-faith, and arm's-length negotiations between the Debtors and certain of their key constituents—including the Ad Hoc Group, the Committee, and the H.I.G. Releasees—and I am unaware of any collusion, fraud, or attempt to take unfair advantage of any party in connection with such negotiations. The Debtors have consistently sought to maximize distributable value for their economic stakeholders, including through the sale of assets during the Chapter 11 Cases and, ultimately, through the proposed transactions contemplated by the Plan. In particular, the Debtors' management team worked tirelessly throughout the Chapter 11 Cases to maintain and improve the Debtors' businesses and operations so that the Post-Restructuring Debtors were positioned for success—all for the goal of value maximization. In addition to achieving a result consistent with the objectives of the Bankruptcy Code, the Plan allows the Debtors' economic stakeholders to realize the highest possible recoveries under the circumstances.

14. Accordingly, I believe that the Plan has been proposed (a) with the legitimate and honest purpose of effectuating a reorganization and (b) in good faith and not by any means forbidden by law.

D. Payments to Professionals Under the Plan are Subject to Court Approval (11 U.S.C. § 1129(a)(4))

15. The payment of Professional Fee Claims is and will continue to be subject to the Bankruptcy Court's approval. In particular, the Professional Fee Claims are already subject to the Bankruptcy Court's approval and the reasonableness requirements under section 330 of the

Bankruptcy Code. Furthermore, Article II.C.1 requires final requests for the payment of Professional Fee Claims must be Filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing (if necessary) in accordance with the procedures established by the Bankruptcy Court. Finally, all other payments covered by section 1129(a)(4) of the Bankruptcy Code that are not on account of Professional Fee Claims have been or will be made with express Bankruptcy Court approval (*e.g.*, pursuant to the Financing Order) or pursuant to procedures established by the Bankruptcy Court (*e.g.*, the procedures in the Bankruptcy Court's *Order Approving Procedures for the Retention and Compensation of Ordinary Course Professionals* [Docket No. 4399]). Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(4) of the Bankruptcy Code.

E. The Plan Properly Discloses Adequate Information Regarding the Post-Restructuring Debtors' Boards of Managers or Directors (or Similar Governing Entities) (11 U.S.C. § 1129(a)(5))

16. Article IV.J provides for the termination of each of the Wellpath Parents's current board of directors in that role and sets forth the parameters of the Post-Restructuring Debtors' boards of directors (or similar governing entities) except as otherwise set forth in the Plan Supplement. Furthermore, the known identities and affiliations of any and all Persons to serve as a director of the board of the Post-Restructuring Debtors will be set forth in the Plan Supplement. The identity of any "insider" (as defined in section 101(31)(b) of the Bankruptcy Code) currently contemplated to be employed or retained by the Post-Restructuring Debtors, and the nature of such insider's compensation, will also be disclosed. Selection of members of the Post-Restructuring Debtors' boards (or similar governing bodies) was, and is, in compliance with the procedures set forth in the New Organizational Documents. The appointment to, or continuance in, such offices and roles of such Persons will allow the Post-Restructuring Debtors to operate smoothly and in

accordance with applicable law and is, thus, consistent with the interests of the Debtors' economic stakeholders and with public policy. Accordingly, I believe that the Plan satisfies section 1129(a)(5) of the Bankruptcy Code.

F. The Plan Does Not Require Regulatory Approval of Rate Changes (11 U.S.C. § 1129(a)(6))

17. The Debtors are not subject to any regulatory approval over rate changes, and the Plan does not provide for any rate changes by the Post-Restructuring Debtors. Therefore, I believe that section 1129(a)(6) of the Bankruptcy Code is not applicable for purposes of Confirmation.

G. The Plan Satisfies the Best Interests Test (11 U.S.C. § 1129(a)(7))[6]

18. I understand that section 1129(a)(7) of the Bankruptcy Code (*i.e.*, the Best Interests Test) requires a court to find either that all holders of claims or interests in an impaired class have accepted the plan or that the plan will provide each such holder who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor's estate was, hypothetically, liquidated under chapter 7 of the Bankruptcy Code.

19. I believe that the Plan provides a substantially greater recovery for creditors than otherwise achievable under a chapter 7 liquidation. In connection with the Plan, I, together with the Debtors' management and other FTI personnel, prepared the Liquidation Analysis (a copy of which is attached as Exhibit D to the Disclosure Statement),[7] which illustrates the estimated recoveries that may be obtained by Holders in Classes of Claims and Interests in a hypothetical liquidation in Chapter 7 upon disposition of assets as an alternative to the Plan. I analyzed

[6] Capitalized terms used but not otherwise defined in this section or the Plan shall have the meanings ascribed to them in the Liquidation Analysis. This section is qualified in its entirety by the assumptions in the Liquidation Analysis, which are incorporated herein by reference.

[7] The Liquidation Analysis is incorporated herein by reference.

recoveries to creditors under each of a "high", "middle", and a "low" recovery scenario to test potential recoveries in a Chapter 7 liquidation under a range of different assumptions. To estimate recoveries to creditors in a hypothetical Chapter 7 liquidation under the range of different assumptions, I undertook the following process, which, based upon my experience, is a standard and well-recognized approach for this type of analysis:

a. *First*, the FTI team identified the assets available for disposition in a liquidation of the Debtors by reviewing the Debtors' balance sheets, examining the Debtors' businesses for any assets of value that were not reflected on their balance sheets, analyzing the Debtors' financial reports and related detailed supporting information, and conducting interviews with key personnel and professionals of the Debtors to identify other assets that might not be reflected on the Debtors' financial statements. The Debtors' assets include, among other things, cash and cash equivalents, accounts receivable, other current assets, property, plant and equipment, and intangible assets. The assets are described in greater detail in the Liquidation Analysis. To estimate the liquidation values of the assets to be sold or collected, I relied on my own experience and expertise, the expertise of my colleagues at FTI, and discussions with relevant members of the Debtors' management. I first estimated the *pro forma* value of the assets available for disposition. I then discounted these values based on the expected recovery for each asset group in a liquidation scenario. The respective discount for each asset group was based on the estimated risk of selling, collecting, or otherwise monetizing these assets in a liquidation scenario, the present market conditions for each asset group, and other factors.

b. *Second*, I estimated that liquidation would occur over a period of six months, and the FTI team estimated the costs of a liquidation to the Debtors' Estates under each of the recovery scenarios, which must be applied against the proceeds from a hypothetical liquidation to form an estimate of the Assets that would be available to pay Allowed Claims or Allowed Interests. Such costs include, among other things, contractual exit costs for the four-month operational wind down period; corporate overhead, such as personnel (including additional retention bonuses), facilities, document storage, and systems that are assumed to be needed to assist the chapter 7 trustee with the wind down once operations have ceased; and ordinary course professionals. These costs are described in greater detail in the Liquidation Analysis.

c. *Third*, the Debtors and the FTI team estimated aggregate claim values under each of the three recovery scenarios, as described in greater detail in the Liquidation Analysis.

d. *Fourth*, the FTI team estimated percentage recoveries in each Class of creditors by applying the proceeds of a hypothetical liquidation to each Class of Claims according to its priority.

20. Notwithstanding the difficulties in quantifying recoveries to Holders of Claims with precision, as summarized in the Liquidation Analysis, I believe that, upon the Effective Date, the Plan will provide each Holder of an Impaired Claim or Interest with a recovery (if any) that is either (a) accepted by such Holder or (b) not less than what such Holder would otherwise receive if the Chapter 11 Cases were converted to cases under Chapter 7. Accordingly, I believe that the Plan and the continued operation of the Corrections Business as a going concern satisfy the Best Interests Test and, thereby, satisfies the requirement of section 1129(a)(7) of the Bankruptcy Code.

H. The Plan Satisfies the Voting Requirements of the Bankruptcy Code (11 U.S.C. § 1129(a)(8))

21. Based on my review of the Tabulation Declaration, I understand that the Plan has not been accepted by all Impaired Classes; however, Confirmation of the Plan remains appropriate given the satisfaction of the cramdown provisions of the Bankruptcy Code as explained below. In light of the foregoing, I believe that the Plan satisfies the requirements of section 1129(a)(8) of the Bankruptcy Code.

I. The Plan Provides for Payment of Administrative and Tax Claims (11 U.S.C. § 1129(a)(9))

22. Based on my own understanding, as well as discussions with the Debtors' legal advisors, I believe that the Plan complies with section 1129(a)(9) of the Bankruptcy Code because, Article II.A provides that, unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Post-Restructuring Debtors, as applicable, and with respect to any non-ordinary course Allowed Administrative Claims, or as otherwise provided for under the Plan, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than holders of Professional Fee Claims, and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction

of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim. Similarly, Article II. D provides that, except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. Based on the foregoing, I believe that the Plan satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

J. An Impaired Class Voted in Favor of the Plan (11 U.S.C. § 1129(a)(10)

23. Based on my review of the Tabulation Declaration, I understand that the Plan has been accepted by more than the requisite number and amount of Claims in at least one Impaired Voting Class. In light of the foregoing, I believe that the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

K. The Plan is Feasible (11 U.S.C. § 1129(a)(11))

24. I understand that section 1129(a)(11) of the Bankruptcy Code requires the Bankruptcy Court to determine that the Plan is feasible and that Confirmation of the Plan is not likely to be followed by the liquidation or further financial reorganization of the Debtors.

25. I believe that the transactions contemplated by the Plan are reasonably likely to succeed and that the Post-Restructuring Debtors are not likely to require further financial reorganization or a liquidation. The Plan provides a framework for, among other things, a significant reduction of the Company's prepetition funded indebtedness and an operational restructuring of the Corrections Business to further advance the Debtors' efforts in positioning itself for long-term success. In doing so, the Plan contemplates, among other things, (a) the satisfaction in full of $276,105,278 the Class 3 First Lien Secured Claims with 3% of the New Class A Common Equity (subject to dilution on account of the MIP Interests) and $124,213,836

of the Takeback Facility, (b) the issuance of $63,200,000 in Preferred Equity to the Equity Financing Participants in exchange for up to $55 million in Equity Financing, (c) the issuance of New Common Equity, which will be split between New Class A Common Equity distributed to the Equity Financing Participants and the Holders of Allowed First Lien Secured Claims, and New Class B Common Equity distributed to the Liquidating Trust, (d) the Pro Rata distribution of the beneficial interests in the Liquidating Trust to Holders of Allowed Second Lien Deficiency Claims and Allowed General Unsecured Claims, (e) funding the Liquidating Trust with the Liquidating Trust Assets, which assets are sufficient to administer the Liquidating Trust, pursue the Liquidating Trust Causes of Action, and distribute proceeds therefrom in accordance with the Liquidating Trust Documents, (f) payment in full in Cash or such other treatment rendering such claim Unimpaired of all other Allowed Other Secured Claims and Other Priority Claims, (g) the cancellation of the Existing Parent Interests, (h) the full and final discharge of Claims against and Interests in the Debtors, and the good-faith compromises thereof and with respect thereto, (i) customary exculpation, release, and injunction provisions, (j) the retention of certain Causes of Action by the Post-Restructuring Debtors and the Liquidating Trust Causes of Action by the Liquidating Trust, (k) customary assumption and rejection provisions regarding the Debtors' Executory Contracts, Unexpired Leases, insurance policies, and indemnification obligations, (l) provisions regarding the New Organizational Documents, and (m) committed Equity Financing sufficient to fund the Debtors' emergence from bankruptcy (including the payment of all Allowed Administrative Claims (including Professional Fee Claims, U.S. Trustee Fees, and Restructuring Expenses and Agent Fees), Other Secured Claims, and Other Priority Claims), and provide working capital required by the Post Restructuring Debtors' businesses at emergence, each as more fully described in, and subject to the terms of, the Plan.

26. As set forth in Article IV.D, Plan Distributions will be funded, as applicable, with (a) the issuance of New Preferred Equity, including through the Equity Financing, (b) the Liquidating Trust Assets, (c) the issuance of the Takeback Facility, and (c) Cash on hand. Accordingly, the Debtors will be able to make all payments required under the Plan.

27. In response to requests for additional details about improvements to ongoing medical care from certain personal injury claimants, I am summarizing some of the operational actions that the Debtors are implementing to provide compassionate care to vulnerable patients in challenging clinical environments, such as correctional facilities, in concert with continuing efforts to improve operations for the benefit of our client partners. Patient care remains and will be a top priority at Wellpath. Prior to the Chapter 11 Cases, the Debtors faced a short-term increase in professional liability expenses. The Debtors undertook a series of mitigation efforts that the Debtors believe will result in reduced professional liability expense exposure. For example, as part of the Debtors' contract rationalization efforts, the Debtors terminated approximately 65 underperforming contracts that carried outsized risk and which had factors present that made it impossible for the Debtors to unilaterally reduce that risk. The remaining active contracts have historically lower risk profiles (*i.e.*, fewer claims and lower claim expenses per average daily population). The Debtors have also been able to strengthen their partnership with existing clients, focusing on improving patient outcomes and reducing risk.

28. The Debtors have and will continue to have a robust continuous quality improvement program that focuses on improving patient outcomes while partnering with the accreditation, clinical, compliance, operations, and risk management teams. CQI studies are assigned on a quarterly basis, with the Debtors exceeding 94% compliance in the areas of

emergency response, receiving screening and initial healthcare assessments during the first quarter of 2025.

29. In late 2024, the Debtors elevated their credentialing, quality, and risk management departments to be part of the independent C-suite level compliance department (which had been part of the legal department until late 2022). The former Chief Compliance Officer has been promoted to Chief Compliance and Quality Officer and now reports directly to the Chief Executive Officer and the Board. Pursuant to the Plan, the Committee will have a board observer who will be privy to compliance reporting. The Chief Compliance and Quality Officer also represents the Debtors on the National Commission on Correctional Healthcare "NCCHC" standards review council, which focuses on setting accreditation standards that improve patient outcomes.

30. Ninety percent (90%) of the Debtors' accreditation, compliance, quality, and risk management team members are Certified Correctional Healthcare Professionals.

31. Additionally, the Debtors are increasing staff training and awareness. The Debtors 2025 training initiatives are reflected in their increased training budget, which provides an additional $6,700,000 support training and awareness efforts. The additional training budget covers, among other initiatives, (a) specialized trainings for all employees in the field, including clinical professionals, and (b) a dedicated learning and organizational development program addressing key operational areas such as scheduling, attendance tracking, and active management of staffing matrices. Additionally, the Debtors plan to implement technical training on the UKG Workforce Management (WFM) module to improve time tracking, compliance with fill rate metrics, and adherence to regulatory and contractual requirements for meal and rest breaks—all of which changes are intended to positively impact the quality of patient care. The Debtors plan to maintain its training and awareness activities on an ongoing basis.

32. Part of the Debtors' training budget covers employee tuition reimbursements, which the Debtors are increasing significantly. Tuition reimbursements for eligible employees who sought to further their education for all of 2024 were approximately $180,000. On a year to date basis in 2025, the Debtors have already provided approximately $270,000 in tuition reimbursements and has budgeted additional funds for tuition reimbursement as this number will increase throughout the remainder of the year. The tuition reimbursement program encourages patient-facing staff to obtain certifications, complete degrees, and/or take courses relevant to providing care in a correctional setting.

33. The Debtors have invested more than $450,000 in software that provides real time tracking and reporting of clinical events, audit data, peer review data and clinical quality improvement studies. This program allows the Debtors to better monitor patient care and respond to potential concerns in a timely manner. In addition, the Debtors have invested another $150,000 to purchase software that monitors all state and federal government screening lists and state clinical licensing bodies real time. The Debtors have invested an additional $200,000 this year to maintain and upgrade these software programs.

34. Another change that the Debtors are implementing to address patient care is to charge the compliance department with direct monitoring of the Debtors' dedicated compliance and patient safety hotlines that are available to employees, clients, patients and family members to ensure all issues, including those related to patient safety, are addressed in a timely manner. This change has already produced results, with compliance complaints and grievances addressed on average within seven to ten days, well below the Debtors' minimum required response time of 60 days.

35. The Debtors are continuing to strive to exceed the applicable standards of care in the communities that the Debtors serve as evident by their ongoing monitoring and comparison of certain Wellpath data to Healthcare Effectiveness Data and Information Set metrics ("HEDIS"). HEDIS metrics are the standard by which health plans and providers evaluate the quality of health care provided in communities across the country.

36. The Debtors continue to provide highly competitive compensation to their patient care practitioners to attract and retain qualified practitioners. On average, the Debtors target compensation at the 75th percentile in the individual markets in which they operate. The Debtors invest $40,000 a year in a robust provider credentialing tool that feeds data to the Wellpath credentialing committee. The Debtors' provision of competitive compensation is intended to ensure that, per their contracts, the Debtors are able to hire, retain, and fill open positions as soon as practicable with personnel with the requisite qualifications under their contracts.

37. The Debtors are operating approximately 127 sites accredited by third party accreditation services that are audited regularly by subject matter experts, client contract monitors and multiple accrediting bodies. The Debtors will continue to conduct internal audits to monitor the level of care provided through chart audits, on-site risk assessments that assess compliance with the Debtors' policy, regulatory and accreditation requirements and on-site investigations, training and technical support as needed.

38. In sum, the Debtors remain dedicated to providing the best possible care to their patients. To that end, the Debtors have made significant investments to operate a continuous quality improvement program to monitor and improve the level of care that that the Debtors provide. I believe these efforts culminated in a meaningful decline in professional liability expenses and expense exposure lead to the decline in professional liability expenses. Further, the

mortality rate[8] in the Debtors' local government correctional facilities has declined sharply in the last 18 months and appears to be stabilizing at a level that is approximately a third of the national average – a testament to the Debtors' mitigation efforts and heightened focus on patient care.

39. In addition, I, together with the Debtors' management and other FTI personnel, and with the assistance of the Debtors' financial advisor, analyzed the ability of the Post-Restructuring Debtors to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their businesses. As part of this analysis, we collectively prepared the Financial Projections, a copy of which is attached as Exhibit E to the Disclosure Statement.[9]

40. Based upon the Financial Projections, I believe that the Debtors will be able to make all Plan Distributions and payments under the Plan and that Confirmation of the Plan is not likely to be followed by liquidation of the Debtors or the need for further restructuring. In addition, I believe that the Financial Projections further support the Debtors' expectation that the cash flow from operations will be sufficient to support the Post-Restructuring Debtors' capital structure, including servicing their post-emergence debt obligations, paying all of their operating expenses (including insurance and forecasted claim costs) as they come due in the ordinary course of business, and reserving funds to address potential professional liability obligations, and that Confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization.

41. Accordingly, I believe that the Plan satisfies section 1129(a)(11) of the Bankruptcy Code.

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[8] Mortality rate has historically been a key indicator of patient claims. As the mortality rate declines, the incidence of claims also declines.

[9] The Financial Projections are incorporated herein by reference.

L. The Plan Provides for Payment of U.S. Trustee Fees (11 U.S.C. § 1129(a)(12))

42. Article XIII.C provides that, on and after the Effective Date, the Post-Restructuring Debtors and the Liquidating Trust shall file all quarterly reports and pay all fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code or as agreed by the U.S. Trustee, for each quarter (including any fraction thereof) until the earlier of that particular Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code. The Liquidating Trust Assets disbursed to the Liquidating Trust will not be included in the calculation of the statutory fees payable to the U.S. Trustee by the Debtors and the Post-Restructuring Debtors for the quarter in which such disbursement occurs.

M. The Plan Provides for the Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13))

43. Article IV.G provides that, following the Effective Date, all of the Debtors' retirement benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law, thereby satisfying section 1129(a)(13) of the Bankruptcy Code.

N. The Remaining Provisions of 11 U.S.C. § 1129(a) Do Not Apply to the Plan (11 U.S.C. §§ 1129(a)(14)–(16))

44. The Debtors are not required to pay any domestic support obligations and the Debtors are not individuals. Accordingly, I believe that sections 1129(a)(14) and 1129(a)(15) of the Bankruptcy Code do not apply.

45. No Debtor is a nonprofit entity and, therefore, I believe that section 1129(a)(16) of the Bankruptcy Code is inapplicable.

II. The Plan Satisfies Cramdown Requirements for the Non-Accepting Classes (11 U.S.C. § 1129(b))

46. I understand that, if less than all Classes of Claims or Interests either accept the Plan or are Unimpaired, section 1129(b) of the Bankruptcy Code provides that the Bankruptcy Court may confirm the Plan if it does not "discriminate unfairly" against, and provides "fair and equitable" treatment to, each rejecting Impaired Class. Based on my review of the Tabulation Declaration, I understand that there are Impaired Classes that are either deemed to reject or voted to reject the Plan.

47. I believe that the Plan does not discriminate unfairly with respect to any rejecting Class. The Claims and Interests in the rejecting Impaired Classes—Class 4 (First Lien Deficiency Claim), Class 6 (General Unsecured Claims), Class 7 (Intercompany Claims), and Class 9 (Existing Parent Interests) and potentially Class 8 (Intercompany Interests)—are specifically classified in such manner because of, among other things, the unsecured status (as opposed to secured status of First Lien Secured Claims in Class 3), or the differences in the legal nature or priority, of the underlying obligations, and there are no other Classes of similarly situated Claims or Interests.

48. Even if Classes 8 and 9 are similarly situated, the Plan does not discriminate unfairly against such Holders because the Interests in Class 9 are Interests in Wellpath Parent held by non-Debtors (potentially including insiders of the Debtors), whereas the Interests in Class 8 are those of the other Debtors held by another Debtor (including Wellpath Parent). Because of the legally distinct nature of the Interests in Wellpath Parent and the Interests in the other Debtors, such Interests are separately classified. Nonetheless, all Interests in Wellpath Parent are classified together in one Class, and all Interests in the other Debtors are classified together in another Class.

49. I also believe that the Plan is "fair and equitable" with respect to any rejecting Impaired Class, because no Holder of a Claim or Interest junior to Claims or Interests in any of the rejecting Impaired Classes—((a)Class 4 (First Lien Deficiency Claim), Class 6 (General Unsecured Claims), (b) Class 7 (Intercompany Claims), (c) potentially Class 8 (Intercompany Interests), (d) Class 9 (Existing Parent Interests), and (e) Class 10 (Section 510(b) Claims)—will receive or retain any economic property or distribution under the Plan.

50. Accordingly, I believe the Plan satisfies "cramdown" requirements under section 1129(b) of the Bankruptcy Code.

III. The Remaining Confirmation Requirements are Satisfied or Inapplicable (11 U.S.C. §§ 1129(c)–(e))

51. No chapter 11 plan other than the Plan has been Filed in the Chapter 11 Cases, and the Plan is the only chapter 11 plan being considered for confirmation at this time. Accordingly, I believe that the requirements of section 1129(c) of the Bankruptcy Code are satisfied.

52. The principal purpose of the Plan is to maximize distributable value to the Debtors' stakeholders and not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act, and no Governmental Unit has requested that the Bankruptcy Court deny Confirmation on these grounds. Accordingly, I believe that the requirements of section 1129(d) of the Bankruptcy Code are satisfied.

53. Finally, the Chapter 11 Cases are not "small business case[s]" (as defined in section 101(51C) of the Bankruptcy Code) and, accordingly, section 1129(e) of the Bankruptcy Code is inapplicable.

IV. The Plan's Discretionary Provisions are Appropriate

54. The Plan contains (among others) discretionary provisions that provide for or relate to the following (in each case, subject to the terms, conditions, exceptions, and limitations set forth in the Plan):

a. the settlement of certain claims and interests belonging to the Debtors and the Estates, as permitted by section 1123(b)(3)(A) of the Bankruptcy Code (*e.g.*, Articles II, III, IV.A, and IX.A);

b. the retention of the Retained Causes of Action and the Liquidating Trust Causes of Action, as permitted by section 1123(b)(3)(B) of the Bankruptcy Code (*e.g.*, Articles IV.L and IV.N);

c. the designation of (i) Classes 1, 2, 7, and 8 as Unimpaired or potentially Unimpaired, as the case may be, and (ii) Classes 3, 4, 5, 6, 7, 8, 9, and 10 as Impaired or potentially Impaired, as the case may be, as permitted by section 1123(b)(1) of the Bankruptcy Code (*e.g.*, Article III);

d. the assumption and treatment of Executory Contracts, Unexpired Leases, and the payment of Cure Costs, subject to the exceptions and limitations set forth in the Plan (including the rejection of those Executory Contracts and Unexpired Leases set forth on the Rejected Executory Contracts and Unexpired Leases Schedule), as permitted by sections 1123(b)(2) and 1123(d) of the Bankruptcy Code (*e.g.*, Article V);

e. the exculpation of certain parties (*e.g.*, Article IX.E);

f. the release of the Debtors and certain other parties (*e.g.*, Articles IX.C–D); and

g. injunctions from certain actions (*e.g.*, Article IX.F–G).

55. I believe that the Plan's discretionary provisions (a) reflect a reasonable exercise of the Debtors' business judgement (where necessary) and (b) are fair, equitable, reasonable, necessary, appropriate, and not inconsistent with the Bankruptcy Code or applicable law, and thus, permissible under sections 1123(b)(3) and 1123(b)(6) of the Bankruptcy Code.

A. The Plan Appropriately Incorporates Settlements of Claims and Interests

(i) The Plan Appropriately Incorporates Settlements and Discharge of Claims and Termination of Interests

56. Article IX.A specifies that the releases and discharges of Claims, Interests, and Causes of Action described in the Plan, including releases by the Debtors and by Holders, constitute good-faith compromises and settlements of the matters covered thereby and such releases are consensual. Such compromises and settlements are made in exchange for consideration, are in the best interest of Holders, are fair, equitable, and reasonable, and are integral elements of the resolution of the Chapter 11 Cases in accordance with the Plan. Further, Article IV.A provides that the Plan constitutes a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan.

57. The Debtor Releases set forth in Article IX.B, and all other settlements and compromises on behalf of the Debtors and their estates, were reasonably evaluated in light of these factors, were negotiated extensively, in good faith, and at arm's-length, and were voted on, and approved, by the Holders of the Debtors' Claims and Interests. Accordingly, I believe that the settlements and compromises contained in the Plan (including the Debtor Releases) are fair, equitable, and in the best interest of the Debtors' Estates and comply with the Bankruptcy Code.

(ii) The Debtor Releases are Consensual and Appropriate

58. Article IX.C provides for the Debtors to release certain claims, rights, and Causes of Action that the Debtors, the Post-Restructuring Debtors, their Estates, and Reorganized Wellpath may have against the Released Parties. The Debtor Releases do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, the Confirmation Order, any Restructuring Transactions, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, including any Claim or obligation arising under the Plan, (b) any Liquidating Trust Cause of Action, (c) any Retained Cause of Action, (d) if the H.I.G. Settlement Motion is not approved by a Final Order, H.I.G. Causes of Actions, or (e)

any individual from any Claim or Cause of Action related to an act or omission that constitutes actual fraud, willful misconduct, or gross negligence.

59. The Debtor Releases—each of which is subject to the occurrence of the Effective Date—constitute good-faith compromises and settlements of the matters covered thereby and represent an integral part of the Plan. The Debtor Releases provide appropriate levels of protection to parties whose participation in the resolution of the Chapter 11 Cases and the transactions contemplated under the Plan was, and continues to be, critical. The non-Debtor Released Parties made significant contributions to the Chapter 11 Cases and their inclusion in the Debtor Releases was a material inducement for their funding, participation, negotiation, and ultimate resolution of the Chapter 11 Cases through the Plan. Without these releases, I understand that the non-Debtor Released Parties would not have been willing to negotiate and agree to the terms of the Plan or the transactions contemplated thereunder or otherwise support Confirmation.

60. During the course of the Chapter 11 Cases, potential estate claims against the Released Parties were evaluated extensively by the Debtors, the Ad Hoc Group, and the Committee, through their professionals, in connection with which they carefully and reasonably considered, among other things, (a) the actual potential validity of any litigation, (b) the delay, expense, and risk associated with litigation, and (c) the limited upside for creditors, if any, even in the event that such litigation was successful. Each of the Debtors, the Ad Hoc Group, and the Committee were advised by experienced and competent professionals in weighing those considerations. The Debtors, the Ad Hoc Group, and the Committee ultimately concluded that the Debtor Releases set forth in the Plan would be in the best interests of the Debtors, their Estates, and their various stakeholders.

61. Additionally, in August 2024, to ensure a fair and thorough review of the Debtors' strategic alternatives, I understand that the board of managers of CCS-CMGC Parent GP, LLC (the "Parent Board") appointed Carol Flaton and Patrick J. Bartels to the Parent Board as disinterested directors (the "Independent Directors"). In November 2024, I understand that the Independent Directors were also appointed to the board of directors of CCS-CMGC Intermediate Holdings 2, Inc. (the "Intermediate 2 Board"). At the same time, the Intermediate 2 Board formed a special committee (the "Special Committee") to negotiate, evaluate, and authorize certain strategic and/or financial alternatives available to Wellpath, including authorizing the filing of the Chapter 11 Cases.

62. At the Special Committee's direction, Wellpath requested that McDonald Hopkins LLC ("McDonald Hopkins") assist the Special Committee in an independent investigation (the "Investigation") to determine whether the Debtors' estates may have any viable claims or causes of action against (a) the Debtors' majority equity owner, an HIG entity (the "HIG Target"), or (b) any of the Debtors' current and former members, officers, directors, or affiliates (the "Company Targets" and, together with the HIG Target, collectively, the "Targets"). McDonald Hopkins' mandate was to investigate any and all potential, material claims against each of the Targets that might be released by the Debtors under the proposed Plan. Consistent with that mandate, McDonald Hopkins focused on types of claims that, in the context of the Debtors' businesses and transactional history and facts of these cases, might be asserted against any potential Target, including, without limitation, (w) potential fraudulent conveyances and other avoidance actions, (x) breach of fiduciary duty claims, (y) alter ego and related claims, and (z) equitable subordination and recharacterization claims.

63. Based on their diligence and investigation, the Special Committee concluded that resolution of (a) any potential claims or Causes of Action against the applicable Released Parties under the Plan, including the Debtor Release, was fair, reasonable, and in the best interests of the Debtors' Estates and (b) the H.I.G. Causes of Action against the H.I.G. Releasees in accordance with the H.I.G. Settlement Agreement.

64. Substantial creditor support for the Plan demonstrates that non-Debtor stakeholders agree that the settlements embodied therein are in the best interests of stakeholders and the Debtors' estates. I believe that, without the support of the Released Parties, the Debtors would not have been able to propose the Plan, let alone maximize recoveries thereunder. In addition, given the significant costs attendant to further litigation, pursuing additional Causes of Action against the Released Parties will not serve the ultimate goal of preserving and maximizing the value of the Debtors' estates. Moreover, I understand that the scope of the Debtor Releases is appropriately tailored and limited to various aspects of the Chapter 11 Cases and related transactions and subject to (a) the standard exclusion of willful misconduct, gross negligence, and actual fraud and (b) those Causes of Action listed on the Schedule of Retained Causes of Action or the Schedule of the Liquidating Trust Causes of Action. Accordingly, I believe that the Debtor Releases are fair, equitable, and in the best interests of the estate.

(iii) Third-Party Release is Consensual and Appropriate

65. Article XI.F contains the consensual Third-Party Release of certain claims, rights, and causes of action that each Releasing Party may have against a Released Party. I understand that the Third-Party Release conforms to similar provisions approved in this district and otherwise meet the applicable standard. *First*, and perhaps most importantly, I understand that the only stakeholders who will be bound by the Third-Party Release are those that do not opt out of or object to being a Releasing Party. Each Releasing Party, whether or not eligible to vote on the

Plan, was provided with an opportunity to affirmatively opt out of the Third-Party Release, either through their Ballot or the Opt Out Form attached to the Non-Voting Status Notice, as applicable, or through a timely and properly Filed objection to Plan release provisions, or the submission of a Lift Stay Motion, Automatic Stay Objection, or Pro Se Objection. Additionally, to ensure that incarcerated individuals were afforded a fair and reasonable opportunity to opt out of the Third-Party Release, the Plan allows incarcerated individuals delivering such election (by checking the appropriate box on such incarcerated individual's Ballot, or by another means of written communication, to indicate that such incarcerated individual elects to opt out of the Third-Party Release) to the Debtors, the Claims and Solicitation Agent, or the Bankruptcy Court by no later than 60 days after the Confirmation Date.

66. *Second*, I understand that the Third-Party Release is specific in language in that the Plan specifies the parties and claims released under the Third-Party Release in a similar fashion to third-party releases in other recently confirmed chapter 11 plans in this district.

67. *Third*, I believe that the Third-Party Release is integral to the Plan and is a condition to the various settlements under the Plan. Indeed, the Third-Party Release was heavily negotiated amongst sophisticated parties (each advised by competent representatives) in good faith and at arm's-length. The release of the non-Debtor Released Parties appropriately protects those parties whose participation in the resolution of the Chapter 11 Cases and the transactions contemplated under the Plan was, and continues to be, critical, absent which I understand they would not have supported the Plan.

68. *Fourth*, I believe that the non-Debtor Released Parties made significant contributions to the Chapter 11 Cases, which benefited the Debtors and all parties in interest; thus, their inclusion in the Third-Party Release is supported by valid consideration (*i.e.*, their funding,

participation, negotiation, and ultimate resolution of the Chapter 11 Cases through, and the transactions contemplated under, the Plan).

69. Accordingly, I believe that the Third-Party Release is consensual and appropriate and should be approved.

B. The Exculpation Provision is Appropriate

70. Article XI.E provides for exculpation of the fiduciaries of the Debtors' Estates for acts or omissions in connection with, related to, or arising out of the Chapter 11 Cases, which is standard in my experience. One subset of Exculpated Parties is the Debtors' independent directors. Based on my experience and observations, I believe that the Independent Directors exercised, and continue to exercise, their fiduciary duties to the Debtors and their Estates. I have observed and been informed that the Independent Directors assisted with, advised on, oversaw, and (where applicable) authorized various aspects of the Debtors' restructuring and the Chapter 11 Cases with the utmost level of care, loyalty, good faith, and diligence. Specifically, based on my observations and information provided to me, the involvement of the Independent Directors in the Debtors' restructuring and the Chapter 11 Cases included, among other things, the formulation, preparation, marketing, dissemination, negotiation, filing, and pursuit of approval, confirmation, and consummation of, among other things, (a) the Chapter 11 Cases themselves, (b) the DIP Facility, (c) the sale of the Recovery Solutions Business, (d) the Disclosure Statement, (e) the Plan (including the Plan Supplement) and the transactions contemplated thereby, and (f) H.I.G. Settlement Agreement. I have further observed and been informed that the Independent Directors also oversaw the Debtors' businesses and operations during the Chapter 11 Cases and supervised and advised the Debtors' management and professionals with respect to the foregoing. Based on my experience, observations, and information provided to me, the Independent Directors at all

times acted consistent with their fiduciary duties to the Debtors and their Estates to maximize value.

71. Accordingly, I believe that the Exculpation Provision should be approved.

C. Injunctions are Narrowly Tailored and Should be Approved

72. Finally, I believe that the Plan's injunction provisions are necessary to effectuate and implement various provisions in the Plan, including the discharge provision, the Debtor Releases, the Third-Party Release, and the Exculpation Provision. Moreover, I believe that the injunctions are essential to protect the beneficiaries of such provisions from any action or other proceeding after the Effective Date from all Entities who held, hold, or may hold claims or interests that arose prior to the Effective Date. Any such proceeding would hinder the efforts of the Post-Restructuring Debtors to effectively fulfill their responsibilities contemplated in the Plan, thereby undermining the Post-Restructuring Debtors' efforts to maximize value for all of their stakeholders. Additionally, I understand that the Plan's injunction provisions are narrowly tailored to achieve their purpose, and similar injunctions are routinely approved by courts in this district.

V. The Debtors Meet the Standard of Administrative Consolidation

73. I understand that the Plan is premised on the administrative consolidation of the Debtors solely for the purposes of voting on the Plan, tabulating the votes to determine which Class or Classes have accepted the Plan, confirming the Plan, and the resulting treatment of all Claims and Interests and Plan Distributions, but shall not constitute a transfer of assets or liabilities between Debtors for any other purpose.

74. It is my understanding that the Debtors file consolidated financial statements and use a consolidated cash management system for collection and disbursement activities. Further, the Debtors are all directly or indirectly owned by CCS-CMGC Parent GP, LLC and have common directors and officers. Pursuant to the First Lien Credit Agreement, substantially all of the assets

of certain of the Debtors are encumbered by Liens held by the Holders of First Lien Secured Claims. Additionally, a majority of the Debtors' assets and liabilities are concentrated at a single entity (*i.e.*, Wellpath, LLC) on an integrated basis. The Debtors also engage in voluminous intercompany transactions with one another on a daily basis.

75. Moreover, the Liquidating Trust Assets will include the Liquidating Trust Causes of Action that are either jointly owned by all of the Debtors' Estates or would be difficult to allocate between the individual Debtors. Therefore, if the Debtors are not administratively consolidated for Plan Distribution purposes, the Plan may need to establish over 30 different trusts and appoint over 30 different trustees, which may result in risk of delay, disruption, and the additional costs for the Debtors' emergence from the Chapter 11 Cases. Moreover, requiring distinct trusts may involve the respective trustees to spend substantial time and money contesting the ownership of the Liquidating Trust Causes of Action, all at the expense of their respective beneficiaries.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: April 28, 2025

/s/ Timothy J. Dragelin
Timothy J. Dragelin
Chief Restructuring Officer and
Chief Financial Officer