

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MISSOURI**

<b>In re:</b>	)	
	)	
<b>JOHN FITZGIBBON MEMORIAL HOSPITAL, INC.,</b>	)	<b>Chapter 11</b>
	)	
<b>AND</b>	)	<b>Case No. 26-40689-11</b>
	)	
<b>FITZGIBBON HEALTH SERVICES</b>	)	<b>Case No. 26-40691-11</b>
	)	
<b>Debtors.</b>	)	<b>(Joint Administration Requested)</b>

**DECLARATION OF ANGELA LITTRELL IN SUPPORT OF  
CHAPTER 11 PETITIONS AND REQUESTS FOR FIRST DAY RELIEF**

I, Angela Littrell, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am the President and Chief Executive Officer of John Fitzgibbon Memorial Hospital, Inc. (the “**Hospital**”) and Fitzgibbon Health Services (“**Fitzgibbon Services**” and collectively with the Hospital, the “**Debtors**”).

2. I am over 18 years of age and authorized to submit this declaration (this “**First Day Declaration**”) on behalf of the Debtors.

3. I joined the Debtors in 2014 and was selected to serve as Chief Executive Officer in February 2020.

4. Before joining the Debtors, I was Director of Physician Services at Boone Hospital Center in Columbia, Missouri starting in 1998.

5. I have over 30 years of experience in health care leadership.

6. Except as otherwise stated in this First Day Declaration, the statements set forth herein are based upon: (i) my personal knowledge or opinions based upon my experience; (ii) information that I have received from the Debtors’ advisors or employees and/or the

professionals working directly with me or under my supervision, direction, or control, and/or (iii) my review of relevant documents and information concerning the Debtors' operations and financial affairs. Any references to the Bankruptcy Code (as defined below), the chapter 11 process, and related legal matters herein reflect my understanding of such matters based on the explanations and advice provided to me by the Debtors' counsel. If called upon, I could and would testify competently to the facts set forth in this First Day Declaration.

7. I submit this First Day Declaration on behalf of the Debtors in support of: (a) the Debtors' voluntary petitions (these "**Chapter 11 Cases**") for relief that they filed under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq* (the "**Bankruptcy Code**"); and (b) the "first-day" motions filed concurrently herewith (collectively, the "**First Day Motions**"). The relief sought in the First Day Motions is intended to minimize the adverse effects of the commencement of these Chapter 11 Cases on the Debtors' operations. I have reviewed the Debtors' petitions and the First Day Motions, and it is my belief that the relief sought therein is necessary to preserve and maximize the value of the Debtors' estates and serve the best interests of the Debtors' estates, creditors, and other parties in interest.

### **DEBTORS' HISTORY AND OPERATIONS**

8. John Fitzgibbon, an Irish immigrant who settled in Saline County, Missouri in the 1800s, saw the need for a hospital in Marshall, Missouri. At the time of his death in 1916, Mr. Fitzgibbon specified in his will that a board of trustees be named, and they were to oversee the construction of a hospital. The hospital was to operate as a private, not-for-profit corporation.

9. Mr. Fitzgibbon's estate paid for the construction of the original hospital. Construction began with a groundbreaking ceremony in March 1922. The first patient was admitted approximately one year later, in April 1923.

10. Patient load increased in the 1950s. To alleviate overcrowding, the hospital expanded to 90 beds.

11. In 1987, as the health care needs of area residents continued to change, the board of trustees decided they could address the need for expanded services and recruit additional physicians by constructing a new building. They chose a +/-73-acre site west of Highway 65, across from the Saline County, Missouri Fairgrounds. In July 1991, the acute care facility opened (the “**Acute Care Facility**”).

12. The Acute Care Facility is in a 106,000 square foot building, has 60 beds, and is located on the north side of the Hospital’s campus. Departments include surgery, obstetrics, outpatient and emergency services, imaging, pharmacy, dietary with a public cafeteria, physical therapy, respiratory therapy, lab services, and a cancer center. An expansion project, which included 28,000 square feet of new spaces and 13,000 square feet of redesigned and remodeled space, opened in the winter of 2007. The expansion features a new imaging center and houses outpatient clinics for specialties such as orthopedics, pain management and wound care. After 2007, the Cancer Center was added.

13. The Hospital’s campus includes a 99-bed, Medicare and Medicaid certified, skilled nursing facility known as The Living Center (“**TLC**”). Fitzgibbon Services operates TLC, which includes private and semi-private rooms and offers skilled nursing and memory care. TLC and the Acute Care Facility are connected through a hallway, which provides for an easy transition from a hospital stay to post-acute care with around-the-clock access to resources at the Acute Care Facility. TLC’s amenities include a nourishment station, activities/recreational program, weekly worship services and outdoor areas with a water garden, goldfish ponds and a gazebo. Most support services are provided by the Hospital.

14. The Hospital's campus also includes 3 additional buildings. The first is the Buckner Wellness Center ("**BWC**"), which houses cardiac rehabilitation services on the main level and provides rentable office and clinic space in the basement, which is presently unoccupied. The other 2 buildings are medical office buildings ("**MOB1**" and "**MOB2**"). MOB1 houses 2 physician practices that are provider-based rural health clinics: Missouri Valley Physicians, an internal medicine clinic and Mid-Missouri Family Health, a primary care clinic. The clinics offer community-based family health care and provide employment drug screens and exams, DOT physicals, well-woman exams, management of chronic conditions, as well as diagnosis and treatment of acute injuries and illness. MOB1 also provides space for visiting specialty physicians who utilize the space intermittently through a time-share lease. MOB2 leases space to a private physician practice and private practice dentist.

15. Off campus, the Hospital operates the Pilot Grove Medical Clinic at Fitzgibbon ("**Pilot Grove**") in Pilot Grove, Missouri. Pilot Grove is a provider-based rural health clinic. It offers community-based family health care and provides well-child physicals, employment drug screens and exams, well-woman exams, nursing home services, management of chronic conditions, as well as diagnosis and treatment of acute injuries and illness. The clinic collects laboratory specimens sent to the Hospital for processing.

16. The Hospital also operates the Akeman-McBurney Medical Clinic in Slater, Missouri ("**Akerman-McBurney**"). Akerman-McBurney is a provider-based rural health clinic. It offers community-based family health care and provides well-child physicals, employment drug screens and exams, well-woman exams, management of chronic conditions, as well as diagnosis and treatment of acute injuries and illness. The clinic has x-ray capability and collects lab specimens sent to the Hospital for processing.

17. The Hospital leases space for both Pilot Grove and Akerman-McBurney.

**PREPETITION CAPITAL STRUCTURE<sup>1</sup>**

18. As of the Petition Date, the Debtors’ capital structure includes liabilities totaling approximately \$21.7 million, including approximately (a) \$10.2 million in secured indebtedness, and (b) approximately \$11.5 million in unsecured indebtedness.

Debt	Maturity Date	Face Amount	Approx. Balance as of Petition Date
<b>Secured Debt</b>			
2010 Series Bonds	December 1, 2028	\$12,400,000	\$3,800,000
2016 Series Bonds	December 1, 2035	\$7,550,000	\$4,760,000
Community Bank	September 30, 2026	\$1,322,807.20	\$1,100,000
Wood & Huston	February 11, 2027	\$270,810.80	\$270,810.80
AmerisourceBergen	Revolving	\$250,000	\$250,000
<b>Unsecured Debt</b>			
Various	n/a	n/a	\$11,500,000
<b>Total</b>			<b>\$21,680,810</b>

**A. Secured Indebtedness**

*i. 2010 Series Bonds<sup>2</sup>*

19. The Debtors and BNY Trust Company of Missouri (“**Master Trustee**”)<sup>3</sup> executed that certain Master Trust Indenture dated December 1, 1998 (as amended, supplemented, and modified, the “**Master Indenture**”) to facilitate certain borrowing by the Debtors pursuant to the Master Notes (as defined in the Master Indenture).

<sup>1</sup> The following description of the Debtors’ capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements. The Debtors make no representations or concessions regarding whether any claims are valid and/or that claims are fully secured, partially secured, or otherwise. The Debtors reserve all rights accordingly, including with respect to the Avoidance Action.

<sup>2</sup> True and accurate copies of relevant documents for the 2010 Series Bonds and 2016 Series Bonds are attached to the Complaint filed in *John Fitzgibbon Memorial Hospital, Inc. et al., vs. Bank of New York Mellon* Case No. 26-04017 (“**Avoidance Action**”) pending in this Court, and are hereby incorporated by reference.

<sup>3</sup> Now known as The Bank of New York Mellon Trust Company, N.A.

20. The Hospital and the Industrial Development Authority of the County of Saline, Missouri (the “**Authority**”) entered that certain Loan Agreement dated November 1, 2010 (“**2010 Loan Agreement**”), whereby the Hospital borrowed the principal sum of \$12,400,000 from the Authority’s issuance of certain Health Facilities Revenue Bonds (“**Series 2010 Bonds**”).

21. The Authority issued the Series 2010 Bonds pursuant to that certain Bond Trust Indenture dated November 1, 2010, between the Authority and the Master Trustee (the “**2010 Bond Indenture**”), which sets forth certain provisions and conditions, including without limitation the pledge and assignment of certain revenues and funds to the Master Trustee for the benefit and security of the owners of the 2010 Series Bonds.

22. The obligations under the 2010 Loan Agreement and Master Notes are secured by a: (i) Deed of Trust, Mortgage and Security Agreement dated December 1, 1998, between Fitzgibbon Services and Ms. Jennifer Ericson as Grantee and the Master Trustee as Beneficiary, which was recorded in the Saline County Recorder of Deeds in book 1004 at page 302 (as amended, supplemented, and modified, the “**Fitzgibbon Services Deed of Trust**”); and (ii) Deed of Trust, Mortgage and Security Agreement dated December 1, 1998, between the Hospital and Ms. Jennifer Ericson as Grantee and the Master Trustee as Beneficiary, which was recorded in the Saline County Recorder of Deeds in book 1004 at page 326 (as amended, supplemented, and modified, the “**Hospital Deed of Trust**”). The Fitzgibbon Services Deed of Trust and Hospital Deed of Trust detail specific real and personal property that secures the 2010 Loan Agreement and Master Notes obligations. As of the Petition Date, the aggregate principal balance owed pursuant to the 2010 Series Bonds is approximately \$3.8 million.

*ii. 2016 Series Bonds*

23. The Hospital and the Authority entered that certain Loan Agreement dated March 1, 2016 (“**2016 Loan Agreement**”), whereby the Hospital borrowed the principal sum of \$7,550,000 from the Authority’s issuance of certain Health Facilities Revenue Bonds (“**Series 2016 Bonds**”).

24. The Authority issued the Series 2016 Bonds pursuant to that certain Bond Trust Indenture dated March 1, 2016, between the Authority and the Master Trustee (the “**2016 Bond Indenture**”), which sets forth certain provisions and conditions, including without limitation the pledge and assignment of certain revenues and funds to the Master Trustee for the benefit and security of the owners of the 2016 Series Bonds.

25. The obligations under the 2016 Loan Agreement and Master Notes are secured by the Fitzgibbon Services Deed of Trust and the Hospital Deed of Trust. The Fitzgibbon Services Deed of Trust and Hospital Deed of Trust detail specific real and personal property that secures the 2016 Loan Agreement and Master Notes obligations. As of the Petition Date, the aggregate principal balance owed pursuant to the 2016 Series Bonds is approximately \$4.76 million.

*iii. Community Bank of Marshall*

26. The Hospital executed a promissory note dated September 30, 2023, in the original principal amount of \$1,322,807.20 in favor of Community Bank of Marshall (as amended, modified, or supplemented, the “**Community Bank Note**”).

27. The Community Bank Note is secured by that certain Deed of Trust dated September 30, 2016, between the Hospital and Community Bank of Marshall (“**Community Bank Deed of Trust**”), which gives Community Bank of Marshall a lien on certain real property known as MOB1.

28. As of the Petition Date, the aggregate principal balance owed pursuant to the Community Bank Note is approximately \$1.1 million.

*iv. Wood & Huston Bank*

29. The Hospital executed a promissory note dated May 10, 2024, in the original principal amount of \$270,810.80 in favor of Wood & Huston Bank (as amended, modified, or supplemented, the “**WH Note**”).

30. The WH Note is secured by a certificate of deposit, with Certificate Number 45502, and a face amount of \$271,689.94.

31. As of the Petition Date, the aggregate principal balance owed pursuant to the WH Note is approximately \$270,000.

*v. AmerisourceBergen*

32. The Hospital purchases certain pharmaceuticals from AmerisourceBergen Drug Corporation (“**AmerisourceBergen**”). The purchases are made on credit extended by AmerisourceBergen (up to \$250,000), which is secured and evidenced by AmerisourceBergen’s UCC-1 filing on May 24, 2013, and continued on December 29, 2017, and March 31, 2023. As of the Petition Date, the aggregate amount owed to AmerisourceBergen is approximately \$250,000.

**B. Unsecured Debt**

33. As of the Petition Date, the Debtors have approximately \$11.5 million in accounts payable including disputed, unliquidated, or contingent claims, which are generally comprised of trade creditors that provided goods and services for patient care and operations.

## EVENTS LEADING TO THE CHAPTER 11 CASES

### A. Macro-Economic Factors and Industry Headwinds

34. The Debtors' filings did not arise from a single event. Rather, they are the product of a sustained and accelerating deterioration in the operating environment for rural healthcare providers across the United States.

35. For years, many rural hospitals have operated on the financial edge. The COVID-19 pandemic pushed many—including the Debtors—to the brink. And now, recent federal policy changes, including the “One Big Beautiful Bill Act” (“**OBBBA**”), threaten to further destabilize an already fragile system.

36. Even before the pandemic, the Debtors operated in a system that was structurally disadvantaged and increasingly unsustainable. Rural hospitals like the Debtors face a fundamental economic mismatch: they must maintain round-the-clock facilities, staffing, and emergency capabilities, but serve smaller, lower-income populations that often generate insufficient reimbursement to cover those costs. The Debtors' payer mix reflects this reality. Like most rural providers, the Debtors rely heavily on Medicare and Medicaid reimbursement, which can pay less than the cost of delivering care. At the same time, the communities they serve have higher rates of chronic illness and lower rates of commercial insurance coverage, further compressing margins. Compounding these challenges, the Debtors—like many rural health systems—have struggled to recruit and retain physicians, nurses, and specialized staff. To maintain operations, they have increasingly relied on higher-cost contract labor and premium compensation arrangements, further eroding already thin margins. In short, prior to 2020, the Debtors were operating in an environment where financial sustainability was already precarious.

37. The COVID-19 pandemic exacerbated the Debtors' challenges. Almost overnight, the Debtors were forced to suspend or significantly curtail elective procedures—the very services that typically generate positive margins and subsidize essential but unprofitable care. While revenue remained largely stagnant, the demand for emergency and critical care services increased. At the same time, the Debtors experienced dramatic increases in operating costs. Labor costs surged due to staffing shortages and reliance on temporary personnel. The Debtors were required to procure protective equipment, expand capacity, and implement new protocols, all of which imposed additional burdens. Although federal relief programs provided temporary support, those funds were not designed to—and did not—solve the underlying structural challenges facing rural providers. As those funds were exhausted, the Debtors were left with a weakened balance sheet, depleted liquidity, and ongoing operating losses.<sup>4</sup>

38. Unlike some larger health systems, rural providers like the Debtors have not experienced a meaningful post-pandemic recovery. Costs have remained elevated, particularly labor and supply expenses. Workforce shortages persist, limiting the Debtors' ability to expand or maintain certain service lines. In some instances, rural providers nationwide have been forced to eliminate key services, including labor and delivery, simply to preserve core operations. As a result, the Debtors have had to make the hard decision to eliminate certain services, including the intensive care unit, in-patient behavioral health unit, home health and hospice services, 2 primary care rural health clinics, the chiropractic clinic, and miscellaneous staffing reductions including eliminating 2 C-suite positions. At the same time, patient volumes and payer mix have not improved in a way that would restore financial stability. The Debtors continue to serve a population

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<sup>4</sup> The Debtors still have approximately \$2.4 million in COVID relief funds due to the Debtors from the Federal Emergency Management Agency and approximately \$3.0 million (plus accrued interest) in CARES Act Employee Retention Credits submitted to the Internal Revenue Service.

that is older, sicker, and more dependent on government reimbursement programs. As a result, the Debtors have faced ongoing liquidity pressure, with insufficient cash flow to meet both operational needs and debt service obligations.

39. Just as rural providers attempt to stabilize, recent federal legislation—including the OBBBA—introduces additional and significant headwinds. The OBBBA is expected to reduce Medicaid funding and increase the number of uninsured individuals. For the Debtors, this has two immediate and compounding effects: reduced reimbursement and increased uncompensated care. Because rural providers lack the commercial patient base necessary to offset these losses, even modest reductions in Medicaid funding can have an outsized impact. In practical terms, the Debtors are being asked to deliver the same or greater levels of care with fewer financial resources. While the legislation includes certain rural health funding measures, those programs appear temporary and limited in scope.

40. Compounding the liquidity challenges has been a shift in payer mix from traditional Medicare to Medicare Advantage Plans for health insurance coverage. Traditional Medicare typically pays claims within 14 days. Medicare Advantage Plans typically pay claims within 45 to 90 days, and require prior authorizations and additional documentation for review, and have higher denial rates and more onerous credentialing requirements relative to traditional Medicare. As a result, liquidity is tighter and forecasting is more difficult.

## **B. Background to Restructuring**

41. Because of the industry-wide headwinds discussed above and other challenges, the Debtors have operated at a significant loss over the last several years, including losing over \$36 million since 2018.

42. In 2024, the Hospital engaged Juniper Advisory, LLC (“**Juniper**”) to run a sale and marketing process to identify a strategic operations or financial partner. That process did not yield an acceptable option to the Debtors’ board of trustees.

43. On December 1, 2025, the Debtors missed principal and interest payments on the Series 2010 Bonds and Series 2016 Bonds.

44. On December 23, 2025, the Master Trustee served notices of default under the Series 2010 Bonds and Series 2016 Bonds. The Hospital owes approximately \$3.8 million on the 2010 Bonds and \$4.76 million on the 2016 Bonds.

45. In 2025 and early 2026, the Debtors explored options to work through financial and operational challenges as they sought to right-size their balance sheet.

46. The Debtors re-engaged Juniper to market and sell substantially all the Debtors’ assets on January 22, 2026, with a focus on the Acute Care Facility.

47. The Debtors engaged Healthcare Transactions Group, Inc. to market and sell TLC on February 18, 2026.

48. The Debtors’ prepetition sale and marketing process is summarized in the contemporaneously filed *Motion for Entry of Order Authorizing Sale of Substantially All Assets Free and Clear of All Liens, Interests, Claims, and Encumbrances*.

### **FIRST DAY MOTIONS**

49. Contemporaneously herewith, the Debtors have filed several First Day Motions seeking orders granting various forms of relief intended to stabilize the Debtors’ operations, facilitate the efficient administration of these Chapter 11 Cases, and execute an efficient and smooth sale transaction.

50. I am familiar with the contents of each of the First Day Motions and believe that the relief sought there is necessary to enable the Debtors to operate during these Chapter 11 Cases with minimal disruption or loss of productivity and value and best serves the Debtors' estates and creditors' interests. The First Day Motions include the following:

***Administrative Motions***

- **“Joint Administration Motion”**: *Debtors’ Emergency Motion for Entry of an Order Jointly Administering the Affiliated Debtors;*
- **“Consolidated Matrix Motion”**: *Emergency Motion for Entry of an Order (I) Authorizing the Debtors to File (A) A Consolidated Creditor Matrix, (B) A Consolidated List of Top 30 Unsecured Creditors; (II) Establishing a Complex Service List; (III) Authorizing the Form and Manner of Notice of Commencement; and (IV) Granting Related Relief;*
- **“Claims Agent Retention Application”**: *Debtors’ Application for Entry of Order (I) Authorizing the Debtors to Employ and Retain Epiq Bankruptcy Solutions, LLC as, Noticing, Claims, and Balloting Agent, Effective Nunc Pro Tunc to the Petition Date, and (II) Granting Related Relief.*
- **“SOAL/SOFA Motion”**: *Debtors’ Emergency Motion for Entry of an Order Extending Time for Debtors to File Schedules and Statement of Financial Affairs.*
- **“Motion to Restrict PII”**: *Debtors’ Emergency Motion for Entry of an Order Protecting Confidential Patient Information.*

***Operational Motions***

- **“Cash Management Motion”**: *Debtors’ Emergency Motion For Order (I) Authorizing the Debtors to (A) Continue to Operate Their Existing Cash Management System and Maintain Existing Bank Accounts, (B) Continue Using Existing Checks and Business Forms, (C) Maintain Their Corporate Card Program, and (D) Continue Intercompany Transactions; (II) Waiving Certain UST Guidelines, and (III) Granting Related Relief;*
- **“Wages Motion”**: *Debtors’ Emergency Motion for Entry of an Order Authorizing Payment of Pre-petition Employee Claims and Continuation of Employee Benefit Plans.*
- **“Insurance Motion”**: *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Continue Prepetition Insurance Coverage*

*and Satisfy Prepetition Obligations Related Thereto, and (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Coverage on a Postpetition Basis in the Ordinary Course; (II) Modifying the Automatic Stay Solely with Respect to Workers' Compensation Claims; and (III) Granting Related Relief;*

- **“Utilities Motion”**: Debtors’ Emergency Motion for Order Determining Adequate Assurance of Payment for Post petition Utility Services.
- **“Cash Collateral Motion”**: Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Use of Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; and (III) Scheduling a Final Hearing.

51. I have consulted with the Debtors’ management and advisors regarding the relief requested in the First Day Motions and I understand each of the First Day Motions and the relief requested therein. To the best of my knowledge and belief, the factual statements contained in each First Day Motion are true and accurate. Capitalized terms used but not otherwise defined in this section of this Declaration shall have the meanings ascribed to such terms in the relevant First Day Motions.

52. The operational First Day Motions seek authority to, among other things, continue use of the Debtors’ cash management system, honor employee-related wages and benefit obligations, and maintain other operations in the ordinary course of business.

53. Certain of the First Day Motions seek authority to pay certain prepetition claims. I understand that Federal Rule of Bankruptcy Procedure 6003 provides, in relevant part, that the Court shall not consider motions to pay prepetition claims during the first 21 days following the filing of a chapter 11 petition, except to the extent necessary “to avoid immediate and irreparable harm.” Considering this requirement, I understand and believe that the Debtors have narrowly tailored their requests for immediate authority to pay certain prepetition claims to those circumstances where the failure to pay such claims would cause immediate and irreparable harm

to the Debtors and their estates. Accordingly, I believe and am advised that emergency consideration of such motions is justified and warranted.

54. I further believe that the relief requested in the First Day Motions is necessary, is in the best interest of the Debtors' estate, their creditors, and all other parties in interest, and will allow the Debtors to operate with minimal disruption and maximize value preservation during the pendency of these Chapter 11 Cases. Additionally, I believe that (i) the relief requested in each operational First Day Motion is critical, (ii) unless the relief is granted, the Debtors risk the probability of harm, or, alternatively, loss of economic advantage to the estates which is disproportionate to the amount of the prepetition claim sought to be satisfied; and (iii) there are no practical or legal alternatives by which the Debtors can deal with the claimants sought to be paid other than by payment of the claim.

55. Accordingly, for the reasons set forth herein and in each respective First Day Motion, I believe that the Court should grant the relief requested in the First Day Motions.

**A. Joint Administration Motion**

56. Pursuant to the Joint Administration Motion filed concurrently herewith, the Debtors request entry of an order directing consolidation of these Chapter 11 Cases for procedural purposes only.

57. I believe joint administration of the Debtors' Chapter 11 Cases will save the Debtors and their estates substantial time and expense by removing the need to prepare, replicate, file, and serve duplicate notices, applications, and orders. Further, joint administration would relieve the Court of entering duplicative orders and maintaining duplicative files and dockets. The United States Trustee and other parties in interest would also benefit from joint administration of

these cases because it would spare them the time and effort of reviewing multiple dockets and duplicative pleadings and papers.

58. As such, based on the foregoing, I believe that joint administration of these Chapter 11 Cases is in the best interest of the Debtors, their estates, and all other parties in interest and should be approved.

**B. Consolidated Matrix Motion**

59. Pursuant to the Consolidated Matrix Motion, the Debtors seek entry of an order (i) authorizing the Debtors to (a) file a consolidated creditor matrix in lieu of submitting separate mailing matrices for each Debtor, (b) file a consolidated list of the Debtors' 30 largest unsecured creditors in lieu of filing separate lists for each Debtor, (ii) establishing a Complex Service List, (iii) authorizing the form and manner of notice of commencement of these Chapter 11 Cases; and (iv) granting related relief.

60. It is my understanding that Bankruptcy Rule 1007 requires each of the Debtors to file a list containing names and addresses of all creditors, including individuals, as well as a separate list of creditors holding the largest unsecured claims against each of the Debtors. Because the Top 30 Lists of the Debtors likely overlap, and certain Debtors may have fewer than 30 significant unsecured creditors, I believe that filing separate Top 30 Lists for each Debtor would be of limited utility. I believe that a single consolidated list of the Debtors' top 30 unsecured creditors that have the greatest stake in these cases provides clearer information to case stakeholders than separate lists for each of the Debtors. In addition, I believe the exercise of compiling separate Top 30 Lists for each individual Debtor would consume excess and additional amounts of the Debtors' limited time and resources. A single Top 30 List will also help alleviate administrative burden, costs, and the possibility of duplicative service. Consequently, I believe

that filing a consolidated Top 30 List is necessary for the efficient and orderly administrative of these Chapter 11 Cases, appropriate under the facts and circumstances, and is in the best interests of the Debtors and their estates.

61. Similarly, in an effort to reduce duplication and leverage efficiencies, the Debtors believe that the proposed Notice Procedures are in the best interests of the Debtors and parties-in-interest.

62. Based on the foregoing, I believe any delay in granting the relief requested in the Consolidated Matrix Motion would hinder the Debtors' operations and cause immediate and irreparable harm. Accordingly, on behalf of the Debtors, I respectfully request that the relief sought in the Consolidated Matrix Motion be approved.

**C. Claims and Notice Agent Application**

63. Pursuant to the *Debtors' Emergency Application for Entry of Order Authorizing the Employment and Retention of Epiq Bankruptcy Solutions, LLC as Claims, Noticing, and Solicitation Agent Effective as of the Petition Date* (the "**Claims and Notice Agent Application**"), the Debtors requests entry of an order (i) appointing Epiq Bankruptcy Solutions, LLC ("**Epiq**") as the Claims, Noticing, and Solicitation Agent for the Debtors and their Chapter 11 Cases, and (ii) granting related relief, the Claims and Notice Agent Application is also supported by the *Declaration of Kathryn Tran in Support of Debtors' Emergency Application for Entry of an Order Authorizing the Employment and Retention of Epiq, Inc. as Claims, Noticing, and Solicitation Agent Effective as of the Petition Date* attached as **Exhibit C** to the Claims and Notice Agent Application.

64. I believe that the Claims and Noticing Agent Application should be granted because the Agent is required to effectuate the Debtors' transition into bankruptcy and to immediately

begin providing effective notice of pleadings and orders to interested parties. Accordingly, on behalf of the Debtors, I respectfully request that the relief sought in the Claims and Noticing Agent Application be approved.

**D. Schedules Motion**

65. The Debtors request, pursuant to their *Emergency Motion for an Order Extending Time for Debtors to File Schedules and Statements of Financial Affairs* (the “**Schedules Motion**”), entry of an order (i) extending the deadline to file (a) schedules of assets and liabilities and (b) statement of financial affairs, (collectively, the “**SOALs and SOFA**”) by establishing May 26, 2026, as the deadline for the filing of the SOALs and SOFA, and (ii) granting related relief.

66. Due to the multi-debtor filing and the significant number of first-day pleadings, the Debtors require more time than the 14 days provided by Bankruptcy Rule 1007(c) to prepare their SOALs and SOFA. The Debtors estimate that the short extensions requested will provide sufficient time to prepare and file the SOALs and SOFA. Consequently, the Debtors therefore request that the Court extend the deadline by which they must file their SOALs and SOFA to May 26, 2026, without prejudice to the Debtors’ right to seek further extensions from this Court.

67. It is my understanding that after the Petition Date, it may take a couple of weeks for the Debtors to close their prepetition books and for all prepetition invoices to be received by the Debtors’ accounting department. I understand that the Debtors will have to extract all necessary information from their books and records and populate such information in the official forms. Additionally, the Debtors’ lean management team has thus far focused most immediately on the Debtors’ efforts to smoothly transition into chapter 11 and, considering the complexity of these cases, it will take additional time to complete the process of preparing the SOALs and SOFAs.

68. Based upon the foregoing, I believe any delay in granting the relief requested in the Schedules Motion would hinder the Debtors' operations and cause immediate and irreparable harm. Accordingly, on behalf of the Debtors, I respectfully request that the relief requested in the Schedules Motion be granted.

**E. Motion to Restrict PII**

69. The Debtors serve a large volume of patients and are subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"), Public Law 104-191, concerning treatment of patient information. Certain patients may be creditors of the Debtors.

70. Public disclosure of these creditors' names and identifying information in the Chapter 11 Cases risks revealing sensitive medical information or permitting such information to be inferred, implicating the privacy protections mandated by HIPAA. To comply with HIPAA and other applicable privacy laws, and to protect patients from potential harm, stigma, or misuse of their personal health information, the Debtors request limiting public disclosure of personally identifiable information and seek to file such information under seal or in redacted form. These measures are narrowly tailored to balance the need for transparency in these proceedings with the Debtors' legal and ethical obligations to safeguard patient confidentiality.

71. The Debtors believe that adoption of the Confidentiality Procedures (as defined in the Motion to Restrict PII) appropriately balances the Debtors' legal obligations to patient confidentiality with the need to disclose information regarding these Chapter 11 Cases.

**F. Cash Management Motion**

72. Pursuant to the Cash Management Motion, the Debtors seek entry of an order (i) authorizing the Debtors to (a) continue utilizing their existing Cash Management System (as defined in the Cash Management Motion) and maintain their existing bank accounts; (b) continue

using the Debtors' existing business forms and checks; (c) maintain their Corporate Card Program; and (d) continue to engage in intercompany transactions; (ii) waiving certain operating guidelines (the "**UST Guidelines**") established by the Office of the United States Trustee ("**UST**"), including the requirement that the Debtors close all prepetition bank accounts and open new accounts designated as debtor-in-possession accounts; and (iii) granting related relief.

73. Maintaining the Debtors' Cash Management System in its current state is crucial to the Debtors' continued operations, given the volume of transactions processed through the Cash Management System each day. Any disruption to the Cash Management System would unnecessarily and significantly disrupt the Debtors' operations and impede the successful administration of their Chapter 11 Cases.

74. I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in these Chapter 11 Cases with minimal disruption, thereby benefiting all parties in interest. Accordingly, for the reasons set forth herein and in the Cash Management Motion, on behalf of the Debtors, I respectfully submit that the relief requested in the Cash Management Motion should be granted.

**G. Wages Motion**

75. The Debtors' employees are a critical component to the Debtors' continued operations. To avoid certain immediate and irreparable harm to the Debtors' business operations and restructuring efforts that I believe would occur if the Debtors' employee obligations are not paid when due and the Debtors' compensation and benefit programs are not continued in the ordinary course of business, and to minimize personal hardship on the Debtors' employees, the Debtors seek, pursuant to their *Emergency Motion for an Order Authorizing the Debtor to Pay*

*Prepetition Wages, Compensation, and Employee Benefits* (the “**Wages Motion**”), entry of an order (i) authorizing, but not requiring, the Debtors to (a) pay, in their sole discretion all Compensation and Benefits Obligations, as defined in the Wage Motion, and (b) maintain and continue to honor their practices, programs, and policies for their employees as they were prior on the Petition Date, and as they may be modified, amended, or supplemented from time to time in the ordinary course of business, (ii) authorizing the Debtors’ bank and financial institutions to receive, honor, process, and pay any and all checks or electronic funds transfers drawn on the Debtors’ accounts in satisfaction of any such obligations, and (iii) granting related relief.

76. The Debtors’ employees perform a wide variety of functions that support the Debtors’ operations and will be critical to the administration of these Chapter 11 Cases and to maximizing the value of the Debtors’ estates. Their skills, knowledge, and understanding of the Debtors’ operations are essential to preserving operational stability and efficiency during these Chapter 11 Cases. Employees have specialized industry knowledge and skill. Without the continued, uninterrupted services of the Employees, the Debtors’ business operations will suffer immediate and irreparable harm.

77. The Debtors submit that payment of the Compensation and Benefits Obligations, including amounts in excess of the statutory priority cap set forth in 11 U.S.C. § 507(a)(4), is essential to the continued operation of the business and the preservation of going-concern value for the benefit of all stakeholders. With the exception of myself, the Employees whose claims exceed the statutory cap are physicians who provide critical, front-line medical services integral to the Debtors’ operations. The Debtors’ ability to deliver patient care, maintain regulatory compliance, and preserve licensure depends on the continued services of these physicians, whose roles cannot be readily replaced on short notice due to credentialing requirements, specialized

training, and existing patient relationships. Physicians reasonably expect to be paid in full for services already rendered, and any failure to do so would create a substantial risk of immediate attrition, disruption to patient care, and potential regulatory and accreditation consequences. Such outcomes would cause immediate and irreparable harm to the Debtors' estates, including loss of revenue, diminished enterprise value, and the potential inability to continue operations as a going concern. The Debtors have carefully evaluated the amounts necessary to maintain physician retention and have tailored the requested relief to pay only those amounts required to avoid these harms. Accordingly, payment of prepetition wages in excess of the statutory cap represents a sound exercise of the Debtors' business judgment under 11 U.S.C. §§ 105(a) and 363(b) and is necessary to maximize value for the benefit of all creditors. Moreover, the vast majority of the Debtors' Employees rely exclusively on their compensation and benefits from the Debtors to pay their daily living expenses and support their families. Thus, the Employees will be exposed to significant personal financial hardship if the Debtors are not permitted to continue paying their compensation and providing benefits in the ordinary course. Consequently, the relief requested the Wages Motion is necessary and appropriate.

#### **H. Insurance Motion**

78. Pursuant to the Insurance Motion, the Debtors seek entry of an order: (i) authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy obligations thereto in the ordinary course of business, and (b) renew, supplement, or purchase insurance coverage in the Debtors' discretion on a postpetition basis; (ii) modifying the automatic stay solely with respect to workers' compensation claims; and (iii) granting related relief. Maintaining the Insurance Policies is essential to preservation of the value of the Debtors' business, properties and

assets. In many cases, coverage provided by the Insurance Policies is required by regulations, laws, and contracts that govern the Debtors' operations and activities.

79. Accordingly, for the reasons set forth herein and expanded on in the Insurance Motion, on behalf of the Debtors, I respectfully submit that the relief requested in the Insurance Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in the Chapter 11 Cases with minimal disruption, thereby maximizing value for the estates.

**I. Utilities Motion**

80. Pursuant to the Utilities Motion, the Debtors seek entry of an order: (i) prohibiting the Debtors' utility companies from altering, refusing, or discontinuing services to the Debtors on account of prepetition invoices, unless and until this Court issues an Order authorizing such action; (ii) determining the Utilities are adequately assured of future performance; (iii) establishing procedures the Debtors' utility companies must follow in order to request additional Adequate Assurance payments, and (iv) granting related relief.

81. The Debtors currently use gas, water, sewer, electric, internet, telephone, and trash, (collectively, the "**Utility Services**") from utility providers (collectively, the "**Utility Companies**," and individually, a "**Utility Company**").

82. Uninterrupted utility services are critical to the Debtors' ability to operate and maintain the value of their business. The Debtors could not continue normal business operations without utility service. Should any Utility Company refuse or discontinue service, even for a brief period, the Debtors would more than likely be forced to cease operations. Such a cessation would substantially disrupt operations and/or repairs and result in loss of revenues, which could irreparably harm and jeopardize the reorganization efforts of the Debtors.

83. The Debtors have proposed to provide Utility Companies with Adequate Assurance of payment for Utility Services and customary procedures for resolving any disputes. I understand such procedures are routinely approved in this district and would request the Court approve the Utilities Motion to ensure the Debtors maintain uninterrupted Utility Services.

**J. Cash Collateral Motion**

84. Access to cash during these Chapter 11 Cases is critical to the Debtors' restructuring efforts and their ability to preserve and maintain business operations. The Debtors require operating liquidity for payment of general operating expenses such as payroll, vendor payments, and other day-to-day expenses.

85. Court-approved access to the Cash Collateral (as defined in the Cash Collateral Motion) sends a strong message to the Debtors' vendors, employees, contract counterparties, patients and the community that operations will continue, which will minimize the impact on the Debtors' business. Without access to Cash Collateral, the Debtors will be unable to pay their obligations, pay administrative expenses, and consummate a value maximizing transaction for stakeholders.

86. The Debtors need immediate access to existing cash. , together with the Debtors' advisors, undertook a detailed analysis of the Debtors' operations and liquidity needs. The Debtors determined, in consultation with their advisors, that they would require access to operating capital to allow the Debtors to operate in chapter 11 as a going concern as they work with their advisors and key stakeholders to achieve their restructuring goals. Use of the Cash Collateral is critical to ensure the Debtors' smooth entry into chapter 11. The commencement of these Chapter 11 Cases will place increased demands on the Debtors' liquidity due to, among other things, the costs of administering the Chapter 11 Cases. The relief requested is necessary to avoid the immediate and irreparable harm that would otherwise result if the Debtors were denied the proposed interim and final use of the Cash

Collateral, including, among other things, frustrating the Debtors' ability to successfully navigate the Chapter 11 Cases.

87. The Debtors will use Cash Collateral for, *inter alia*, making payments that are critical to the Debtors' business operations, including honoring the Debtors' obligations for day-to-day operations, paying administrative expenses associated with these Chapter 11 Cases, and satisfying working capital needs in the ordinary course of business. These forecasted expenses are detailed on the budget attached to the Cash Collateral Motion. Moreover, without access to Cash Collateral, the Debtors will not be able to (i) fund their operations during the course of these Chapter 11 Cases, including chapter 11 administrative costs; (ii) ensure that value is preserved during the Debtors' Chapter 11 Cases; and (iii) execute value maximizing transaction(s).

### **Conclusion**

88. The above describes the Debtors' business and capital structure, the factors leading up to and that precipitated the commencement of these Chapter 11 Cases, and the critical need for the Debtors to commence these Chapter 11 Cases. The above also describes the need for First Day Motions which are critical in helping the Debtors' ultimate goal in these Chapter 11 Cases to stabilize their operations and effectuate a value-maximizing transaction.

*[Remainder of page left intentionally blank.]*

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Date: April 21, 2026

Marshall, Missouri

A handwritten signature in cursive script that reads "Angela B. Littrell". The signature is written in black ink and is positioned above a horizontal line.

Angela Littrell  
Chief Executive Officer  
John Fitzgibbon Memorial Hospital, Inc.  
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Dated: April 21, 2026.

Respectfully submitted,

**SPENCER FANE LLP**

/s/ Zachary R.G. Fairlie

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