

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

	X	
	:	
In re:	:	Chapter 11
	:	
HYGEA HOLDINGS CORP., <i>et al.</i> ,	:	Case No. 20-10361 (KBO)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	:	Related to Docket No. 61
	:	
	X	

**DEBTORS’ OBJECTION TO NEVADA 5, INC.’S EMERGENCY
PRECAUTIONARY MOTION FOR RELIEF FROM AUTOMATIC STAY**

Hygea Holdings Corp. (“Hygea Holdings”) and certain of its affiliates, the debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”), by and through their undersigned counsel, file this objection (the “Objection”) to *Nevada 5, Inc.’s Emergency Precautionary Motion for Relief from Automatic Stay* [Docket No. 59] (the “Motion”). In support of the Objection, the Debtors state as follows:

I. INTRODUCTION

1. Over the last two years, Nevada 5, Inc. (“Nevada 5”) and its subsidiary N5HYG, LLC (“N5HYG”) have unsuccessfully attempted to assert numerous causes of action in three (3)

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are: All Care Management Services, Inc. (6484); First Harbour Health Management, LLC (0941); First Harbour Medical Centers, LLC (3861); Florida Group Healthcare LLC (7956); Gemini Healthcare Fund, LLC (4928); Hygea Acquisition Longwood, LLC (1649); Hygea Acquisition Orlando, LLC (3507); Hygea Health Holdings, Inc. (8926); Hygea Holdings Corp. (2605); Hygea IGP of Central Florida, Inc. (9453); Hygea IGP, LLC (7724); Hygea Medical Centers of Florida, LLC (5301); Hygea Medical Partners, LLC (4486); Hygea of Delaware, LLC (4830); Hygea of Georgia, LLC (5862); Hygea of Pembroke Pines, LLC (6666); Hygea Primum Acquisition, Inc. (8567); Medlife Activity Center, LLC (2311); Mobile Clinic Services, LLC (9758); Palm A.C. MSO, LLC (2585); Palm Allcare Medicaid MSO, Inc. (6956); Palm Allcare MSO, Inc. (0319); Palm Medical Group, Inc. (5028); Palm Medical MSO LLC (7738); Palm Medical Network, LLC (9158); Palm MSO System, Inc. (2178); Palm PGA MSO, Inc. (8468); Physician Management Associates East Coast, LLC (7319); Physician Management Associates SE, LLC (3883); Physicians Group Alliance, LLC (7824); Primum Alternatives, Inc. (7441); Primum Healthcare, LLC (0157); and Professional Health Choice, Inc. (6850). The address of the Debtors’ corporate headquarters is 8700 W Flagler Street, Suite 280, Miami, FL 33174.

different litigations against Hygea Holdings, Hygea Health Holdings, Inc. (“Hygea Health”) and certain of the Debtors’ officers and directors to recover on a failed investment. After multiple efforts to plead facts that may yield results, losing every time, and even being sanctioned by a Court in Nevada for approximately \$800,000, Nevada 5 is seeking to amend its complaint that will include allegations against Debtor Hygea Health. Although the Motion fails to assert any facts to demonstrate “cause” warranting relief from the automatic stay, the Debtors do not object to the modification of the automatic stay for the limited and sole purpose of allowing Nevada 5 to amend its complaint in the Florida Action (defined below). However, the Debtors’ position is expressly conditioned on the assurance that the proposed new amended Complaint will not add any additional legal claims for relief, nor any additional factual allegations, against any Debtor. The Debtors have been unable to obtain adequate substantiation for this since Nevada 5 has been unwilling to provide a draft of the proposed amended Complaint, despite the Debtors’ requests and the fact that Nevada 5 has had well over 2 weeks to draft its amended pleading. Accordingly, as an initial matter, the Debtors submit that *no* relief should be granted to Nevada 5 unless and until the Debtors are given a copy of the proposed amended Complaint so that they- and the Court- can assess the veracity of Nevada’s 5’s assertion that “[t]he Second Amended Complaint will not add any additional counts against Debtor Hygea Health”. *See* Stay Relief Motion, ¶ 8.²

2. The Debtors hope to confirm their chapter 11 plan well before the Florida Action reaches trial. Accordingly, Nevada 5’s claims against the Debtors should be addressed through the normal bankruptcy claims allowance and confirmation processes and the Debtors reserve all

² The requested relief should be denied on the simple ground that Nevada 5 astoundingly chose ***not*** to annex to its Motion a copy of the amended pleading that directly relates to the relief it seeks. This dubious tactic is made more suspect by Nevada 5’s misstatements in its Motion. For example, Nevada 5 asserts that Nevada 5 already amended its initial Complaint by “dropping a co-plaintiff and adding ...Hygea Health and Bridging Finance Inc. as additional defendants”. Motion, ¶ 5. In reality, Nevada 5 “dropped” *two* original plaintiffs and also fails to mention that it also “dropped” three other Debtors named in its original Complaint.

rights and defenses with respect to the Florida Action and Nevada 5's alleged claims including, without limitation, subordination under section 510(b) of the Bankruptcy Code.³

3. Nevada 5's additional request to pursue discovery from the Debtors in the Florida Action should be denied. A fundamental purpose of the automatic stay is to allow a debtor to avoid responding to time-consuming, ancillary pre-petition litigation matters. The automatic stay is the cornerstone of the Bankruptcy Code, a chapter 11 debtor's shield from litigants and creditor demands. Modifying the automatic stay or otherwise allowing Nevada 5 to take extensive discovery of the Debtors at this early and critical juncture in these cases would be extremely prejudicial to the Debtors and their estates from a time and cost standpoint. The Debtors should not be burdened with such demands from an aggressive litigant just days after commencing these cases. This is especially the case where this Court is being asked to balance the competing interests between advancement of dubious pre-petition claims by an aggressive, scorched earth litigant and the legitimate reorganization objectives of the Debtors under the federal Bankruptcy Code. Accordingly, the Debtors respectfully submit that the request to continue with discovery against the Debtors be denied.

II. BACKGROUND

4. On February 19, 2020 (the "Petition Date"), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases"). The Chapter 11 Cases are being jointly administered. The factual background regarding the Debtors, including their business operations, their capital and debt structure, and the events leading to the filing of the Chapter 11 Cases, is set forth in the *Declaration of Keith*

³ Section 510(b) may be applicable since Nevada 5's claims are for damages which essentially arise in connection with its purchase of equity securities in Hygea Holdings.

Collins, M.D. in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 13]
(“First Day Declaration”).

5. The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

6. To date, no creditors’ committee has been appointed in the Chapter 11 Cases by the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”). No trustee or examiner has been appointed in the Chapter 11 Cases.

A. The Debtors’ Chapter 11 Cases

7. As set forth in the First Day Declaration, before the Petition Date, the Debtors confronted liquidity challenges and operational issues that threatened their ability to continue as a going concern. As a result of the Debtors’ significant operating losses, the Debtors were unable to service their debt to Bridging Finance Inc. (“Bridging”), their pre-petition lender. Given the Debtors’ dire financial situation and lack of any other viable alternatives, the Debtors entered into a Restructuring Support Agreement (the “RSA”) with Bridging which provides for (i) the consensual reorganization of the Debtors and (ii) the provision of nearly \$10 million of post-petition financing to enable the Debtors to operate their businesses during the Chapter 11 cases pursuant to an approved budget (the “Budget”).

8. In the few days since the Petition Date, the Debtors have focused on stabilizing their business operations and easing their transition into Chapter 11. The Debtors’ business is largely dependent on maintaining key relationships with both physicians and third-party insurance providers. In order to preserve those relationships and the corresponding value of the Debtors’ businesses, the Debtors must emerge quickly from Chapter 11. As such, the RSA requires that the Debtors obtain confirmation of a Chapter 11 plan within 75 days of the Petition Date. The Debtors are working closely with Bridging to finalize their proposed plan and move

expeditiously towards confirmation. In addition to their day-to-day business operations, in the coming weeks, the Debtors will be required to complete 33 sets of Schedules of Assets and Liabilities and Statements of Financial Affairs, respond to information requests from Bridging, the U. S. Trustee and an Official Committee of Unsecured Creditors, if appointed, as well as to seek relief from the Court relating to both operational and administrative issues.

B. Pre-Petition Litigation with Nevada 5

9. The dispute with Nevada 5 and its subsidiary, N5HYG, arises out of a stock purchase agreement in which Nevada 5 invested in Hygea Holdings through its affiliate N5HYG. Dissatisfied with the investment and their “buyer’s remorse”, N5HYG and Nevada 5 have pursued, without success, multiple attempts to recover on that failed investment against Debtors, Hygea Holdings and Hygea Health as well as numerous individual board members of the Debtors.

10. On October 5, 2017, N5HYG and Nevada 5 commenced a lawsuit against Hygea Holdings and certain of the Debtors’ officers and directors in the District Court of Clark County, Nevada, alleging a purported fraudulent course of conduct by Hygea Holdings and certain of its officers and directors (the “Initial Nevada Action”). *See N5HYG, LLC v. Hygea Holdings Corp., et al.*, Case No. A-17-762664-B. In the Initial Nevada Action, N5HYG and Nevada 5 alleged that during discussions leading up to N5HYG’s execution of a stock purchase agreement, the defendants made two sets of misrepresentations – one as to Hygea’s financial performance and the other as to the intention to take Hygea Holdings public via a reverse merger that never occurred. Based on those allegations, N5HYG and Nevada 5 threw against the wall a “kitchen sink” complaint for breach of contract and twenty other causes of action, including securities fraud, common law fraud, breach of fiduciary duty and conspiracy.

11. On January 26, 2018, while the Initial Nevada Action was still pending, N5HYG filed another state court action in Nevada against Hygea Holdings in which it sought the appointment of a receiver over the company (the “Receivership Action”). See *Claudio Arellano et al. v. Hygea Holdings Corp., et al.*, Case No. 18 OC 00071 1B. In the Receivership Action, N5HYG argued for the appointment of a receiver based on, among other things, alleged misrepresentations made in connection with N5HYG’s purchase of Hygea Holdings’ stock. After a week-long trial in May 2018, the court entered judgment in favor of Hygea Holdings and dismissed the Receivership Action.

12. Following dismissal of the Receivership Action, on December 3, 2019, the court in the Initial Nevada Action dismissed the complaint with prejudice and ordered that any amended complaint filed by N5HYG and/or Nevada 5 must be based on a different nucleus of operative facts from that presented in the Initial Nevada Action. Notwithstanding that ruling, N5HYG and Nevada 5 filed a further amended complaint that parrots in form and substance the allegations of the previously dismissed complaint and the Receivership Action.⁴

13. Having failed in two separate Nevada actions, Nevada 5 proceeded to file yet another complaint in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (the “Florida State Court”) against Debtors Hygea Health, Hygea Holdings Corp. and Hygea Primum Acquisition, Inc., and certain of the Debtors’ officers and directors (the “Florida Action”). It then filed an amended Complaint in the Florida Action which asserts causes of action against, in addition to the individual defendants and Bridging, only the Debtor

⁴ Given the pendency of Hygea Holdings’ Chapter 11 cases, on February 26, 2020, the state court stayed the Initial Nevada Action for 90 days. The Debtors submit that for the same reasons, such a stay is also appropriate in the Florida Action defined above.

Hygea Health for, among other things, unjust enrichment, aiding and abetting a fraud and violation of Florida's Uniform Fraudulent Transfer Act.

14. On February 10, 2020, the Florida State Court dismissed multiple counts in the Florida Action including all but one count against Hygea Health (the "Dismissal Order"). The remaining Count against Hygea Health is for violation of Florida's Uniform Fraudulent Transfer Act. The Dismissal Order requires that Nevada 5 file its amended complaint by March 2, 2020, a date which the Debtors believe may be subject to an extension upon agreement of the parties and request to the Florida State.

C. The Discovery Requested by Nevada 5 in the Florida Action

15. On December 14, 2019, Nevada 5 served its *First Request for Production of Documents to Defendant Hygea Health Holdings, Inc.* (the "Document Request") in the Florida Action. A copy of the Document Request is attached hereto as **Exhibit A**. The Document Request is directed at Hygea Health in its capacity as a defendant in the Florida Action and seeks the production of documents including electronically stored information ("ESI") for ten (10) different categories of documents including, among others, "[a]ny and all documents regarding the Financial Status of Hygea Holdings Corp. between January 1, 2014 through the present." On January 14, 2020, Hygea Health responded and objected to the Document Request. Discovery related issues in the Florida Action are currently being addressed by a Special Master.

16. Before the Petition Date, Debtor Hygea Health collected a substantial amount of ESI in response to the Document Request. Over 900,000 documents have been collected to date from the personal email accounts of the individual defendants and from Hygea Health. That volume of documents does not include the Hygea.net domain which was included in the

Document Request to Hygea Health but remains subject to objection.⁵ The documents collected to date have not been reviewed for relevance, privilege, privacy or other similar concerns.

Debtor Hygea Health estimates that, in addition to severely straining its business personnel, it would require hundreds of hours of attorney time to conduct that review, which would also require the retention of an eDiscovery consultant at substantial cost. The costs have been estimated by the Debtors' litigation counsel to be at least \$250,000 with respect to documents already culled, plus at least the same amount if the Debtors are forced to collect additional documents sought by Nevada 5. None these costs are contemplated in the Budget nor authorized by the Debtors' DIP lender.

III. OBJECTION

17. While the Debtors may be amenable to Nevada 5 amending its complaint in the Florida Action upon receiving and reviewing a copy of that proposed pleading, they vehemently oppose any attempt to pursue discovery from Debtor Hygea Health or otherwise take any action in the Florida Action against Debtor Hygea Health or any other Debtor. The automatic stay imposed by section 362 of the Bankruptcy Code is one of the most fundamental and significant protections that the Bankruptcy Code affords a debtor. *Midlantic Nat'l Bank. v. N.J. Dep't of Env't'l Prot.*, 474 U.S. 494, 503 (1986); *see also In re Drexel Burnham Lambert Group Inc.*, 113 B.R. 830, 837 (Bankr. S.D.N.Y. 1990) ("automatic stay is key to the collective and preservative nature of a bankruptcy proceeding"). The automatic stay is designed to, among other things, give the debtor a "breathing spell" after the commencement of a chapter 11 case, shielding debtors from creditor harassment and a multitude of litigation in a variety of forums at a time when the

⁵ If compelled to produce ESI on the Hygea.net domain, the total number of documents collected will likely exceed 1 million.

debtor's personnel should be focusing on restructuring. *See Taylor v. Slick*, 178 F.3d 698, 702 (3d Cir. 1999), *cert. denied*, 528 U.S. 1079 (2000).

18. The automatic stay broadly extends to all matters which may have an effect on a debtor's estate, enabling bankruptcy courts to ensure that debtors have the opportunity to rehabilitate and reorganize their operation. *See Manville Corp. v. Equity Sec. holders Comm.* (In re Johns-Manville Corp.), 801 F.2d 60, 62-64 (2d Cir. 1986); *see also Fid. Mortgage Investors v. Camelia Builders, Inc.*, 550 F.2d 47, 53 (2d Cir. 1976) ("Such jurisdiction is 'necessary to exclude any interference by the acts of others or by proceedings in other courts where such activities or proceedings tend to hinder the process of reorganization.' ") (citation omitted). Indeed, the automatic stay is "undeniably broad" and encompasses "all legal obligations of the debtor, no matter how remote or contingent." *In re Baldwin-United Corp.*, 57 B.R. 759, 763-64 (S.D. Ohio 1985) (*quoting* H.R. Rep. No. 595, 95th Cong., 2d Sess. 309).

19. Discovery is a "continuation" of litigation and is subject to the automatic stay. *See In re Manown*, 213 B.R. 411, 412 (Bankr. N.D. Ga. 1997) ("Discovery is considered part of the 'continuation' of a proceeding and is, therefore, subject to the automatic stay.... [T]he automatic stay is designed to protect Debtor from the burden of responding to discovery and defending a court action, even if the creditor agrees to proceed no further than judgment and to refrain from any execution of the judgment against Debtor."); *In re Ronald Perlstein Enters., Inc.*, 70 B.R. 1005, 1009 (Bankr. E.D. Pa. 1987) (denying relief from stay to engage in discovery even where creditor would promise to refrain from execution).

20. Courts have recognized that the automatic stay protects debtors from discovery that would aid actions against non-debtors. *See, e.g., Johns-Manville Corp. et al. v. The Asbestos Litigation Group, et al.* 40 B.R. 219, 223 (S.D.N.Y. 1984) (discovery requests should be upheld

only when they will not significantly interfere with the debtor's reorganization efforts); *In re Penn-Dixie Industries*, 6 B.R. 832, 836 (Bankr. S.D.N.Y. 1980) (in denying relief from stay to allow discovery of the debtor, the court noted, "[i]nterference by creditors in the administration of the estate, no matter how small, through the continuance of a preliminary skirmish in a suit outside Bankruptcy Court is prohibited [and]...the Debtor should not be required to devote energy to this collateral matter..."); *Time Warner Cable v. M.D. Elecs.*, 101 F.3d 278, 280 (2d Cir. 1996) (court ordered plaintiff to seek more limited discovery that "would not interfere with the reorganization of the debtor in the bankruptcy court").

21. Nevada 5's reliance on cases that permit discovery against the Debtors ignore the critical fact that responding to the discovery here will undoubtedly interfere with the Debtors' reorganization efforts and run up substantial costs which are not in the approved Budget in the Debtors' DIP financing facility. The cases cited by Nevada 5 do not involve a massive request for the production of documents as is the case here. Rather, in those cases co-defendants sought to depose the debtor (or its present and former employees). *See In re Hillsborough Holdings Corp.*, 130 B.R. 603, 605 (Bankr. M.D. Fla. 1991) ("seeking relief from the automatic stay in order to depose several present and former employees...for the purpose of discovering facts..."); *In re Miller*, 262 B.R. 499, 501 (B.A.P. 9th Cir. 2001) (served the debtor with a third-party subpoena to appear as a deposition witness). Nevada 5's reliance on those cases is misplaced and provides no legal basis to require the Debtors to respond to the Document Request and other discovery in the Florida Action. The Debtors would suffer prejudice because of the distraction and interference to the Debtors' reorganization efforts that would flow from allowing discovery requests to proceed at these critical stages of these Chapter 11 Cases. *In re U.S. Brass Corp.*, 173 B.R. 1000, 1006 (Bankr. E.D. Tex. 1994) ("When balancing the hardships in lifting the stay,

the most important factor is the effect of such litigation on the administration of the estate; even slight interference with the administration may be enough to preclude relief.”) (citing *In re Curtis*, 40 B.R. 795, 806 (Bankr. D. Utah 1984)). While the Debtors have been provided access to post-petition financing, those funds are limited and are budgeted to fund operational expenses and the critical administrative costs of the Chapter 11 cases as set forth on the Budget. The Debtors simply do not have the resources to engage in massive and cost prohibitive discovery at this juncture. Requiring the Debtors to respond to the Document Requests and additional discovery from Nevada 5 would thwart the Debtors’ reorganization efforts and render the protections of the automatic stay meaningless.

22. Moreover, the Debtors must focus all efforts to emerge from Chapter 11 within the 75 days required by the RSA or such other expedited timeframe agreed to by the post-petition lender. The Document Request (directed to the Debtor Hygea Health in its capacity as a defendant) is extremely broad and underly burdensome and was drafted, in part, to elicit information to validate Nevada 5’s claims against Hygea Health, which claims are certainly stayed. The Debtors would need to deploy substantial time and resources to comply, neither of which are available to the Debtors. The Debtors are currently in a critical stage of their Chapter 11 Cases. Allowing discovery against the Debtors in the first week of their Chapter 11 filings would divert their attention from critical issues. Based on the foregoing, requiring the Debtors to comply with the Document Request (and other discovery) is clearly inconsistent with the fundamental purpose of the automatic stay.

23. Even assuming the automatic stay does not apply to discovery against the Debtors (which the Debtors deny), the Court may exercise its discretion under section 105 of the Bankruptcy Code “to limit or condition discovery from a debtor to protect a debtor from

unreasonable burden or expense that threatens administration of the bankruptcy case.” *In re Residential Capital, LLC, et. al.*, 480 B.R. 529, 544 (Bankr. S.D.N.Y. 2012). In *Residential Capital*, the court reviewed the scope, context, need, timing, burden and expense associated with a document request against the debtor and concluded that “[t]his is truly a situation where the requested discovery must be stayed to protect a debtor from unreasonable burden that threatens administration of these bankruptcy cases.” *Id.* at 545. The same holds true here.

24. Granting the relief requested by Nevada 5 will open the floodgates to the substantial number of other litigants to seek similar relief. The Debtors are co-defendants in multiple other pre-petition lawsuits. Setting a precedent of permitting Nevada 5’s burdensome discovery demands would cause a possible domino effect regarding other discovery that might be requested of the Debtors relating to pre-petition litigation. This would further undermine the balance of harms and purpose of Chapter 11 proceedings, which are designed to give debtors a breathing spell.

25. Finally, if the relief requested by Nevada 5 is denied, there is still a substantial amount of discovery work Nevada 5 can undertake as to the non-Debtor defendants. At worst, the stay should remain in effect through the conclusion of these fast-moving chapter 11 proceedings.

IV. CONCLUSION

26. For the reasons set forth above, the Debtors respectfully request that the Court deny the request to obtain discovery from Debtor Hygea Health in the Florida Action.

WHEREFORE, the Debtors respectfully request that the Court enter an order: (i) directing Nevada 5 to provide the Debtors with a copy of its proposed amended Complaint in the Florida Action prior to granting relief from the automatic stay, assuming such relief is warranted after a review the pleading, (ii) providing that if stay relief is appropriate upon review of the proposed amended Complaint that such relief be strictly for the limited purpose of allowing Nevada 5 to file its amended complaint and prohibiting any action against the Debtors, (iii) denying Nevada 5 relief from the automatic stay to continue discovery from the Debtors in the Florida Action, and (iv) granting the Debtors such other and further relief as is just and necessary.

Dated: Wilmington, Delaware
February 25, 2020

COLE SCHOTZ P.C.

/s/ J. Kate Stickles

J. Kate Stickles (I.D. No. 2917)
500 Delaware Avenue, Suite 1410
Wilmington, Delaware 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117
kstickles@coleschotz.com

– and –

Michael D. Sirota (admitted *pro hac vice*)
Stuart Komrower (admitted *pro hac vice*)
Felice R. Yudkin (admitted *pro hac vice*)
Jacob S. Frumkin (admitted *pro hac vice*)
Michael Trentin (admitted *pro hac vice*)
25 Main Street
Hackensack, New Jersey 07601
Telephone: (201) 489-3000
Facsimile: (201) 489-3479

*Proposed Counsel for Debtors and
Debtors-in-Possession*

Exhibit A

IN THE CIRCUIT COURT OF THE
ELEVENTH JUDICIAL CIRCUIT IN AND
FOR MIAMI-DADE COUNTY, FLORIDA

COMPLEX BUSINESS LITIGATION
DIVISION

Case No. 19-014926 CA 44

NEVADA 5, INC., a Nevada corporation,

Plaintiff,

v.

DANIEL T. MCGOWAN; FRANK KELLY;
MARTHA MAIRENA CASTILLO; LACY
LOAR; RICHARD WILLIAMS, ESQ.; GLENN
MARRICHI; KEITH COLLINS, M.D.; JACK
MANN, M.D.; MARC G. SUSSMAN, AS
PERSONAL REPRESENTATIVE OF THE
ESTATE OF HOWARD SUSSMAN, M.D.;
JOSEPH CAMPANELLA; CARL
ROSENKRANTZ; RAY GONZALEZ; HYGEA
HEALTH HOLDINGS, INC.; and BRIDGING
FINANCE INC.,

Defendants.

**PLAINTIFF'S FIRST REQUEST FOR PRODUCTION
OF DOCUMENTS TO DEFENDANT HYGEA HEALTH HOLDINGS, INC.**

Plaintiff, Nevada 5, Inc. ("Plaintiff"), pursuant to Florida Rule of Civil Procedure 1.350, requests that Defendant Hygea Health Holdings, Inc. ("Defendant" or "Hygea Health") produce the following documents to undersigned counsel within 30 days of service of this Request.

DEFINITIONS AND INSTRUCTIONS

- A. The words "Document" or "Documents" are used in their broadest and most liberal sense, and shall include electronically-stored information ("ESI").
- B. **ESI format.** ESI is to be searched for and produced in its native form.
- C. **Sources of ESI.** ESI searches should be made on every source that may contain

responsive ESI, including but not limited to, all telephones, iPads and tablets, computers and laptops, whether used for personal or business purposes. ESI searches should specifically include any and all text messages from whatever application, including WhatsApp and iMessenger programs, and both personal and business email addresses and telephone numbers.

D. **Objections to ESI searches:** Pursuant to Florida Rule of Civil Procedure 1.280(d), the responses shall state the reasons that either no ESI searches were performed or why native documents were not produced, if applicable.

E. Unless otherwise indicated, all other capitalized terms in these Requests for Production are being used as defined in the Amended Complaint.

F. **Privilege Log:** If you claim that any document is not subject to production because of any privilege, the attorney-work product doctrine, or some other permissible exclusion from discovery, then for each such document, please provide the following information **at the time of your Response**: (a) the nature of the document (e.g., letter, memorandum, etc.); (b) the date of the document; (c) the author of the document; (d) the names and addresses of those to whom the document was given, shown, or sent; (e) the number of pages of the document, and an explanation and identification of any attachments thereto; (f) a full explanation of the privilege or exclusion claimed and the basis of that claim, including a precise description of the material contained in the document which you claim to be privileged or excluded and an identification of the material contained therein, if any, for which you do not claim a privilege or exclusion from discovery; and (g) the paragraph of this Request to which the document relates.

G. “Hygea Health” or “Defendant” shall mean Defendant Hygea Health Holdings, Inc., its subsidiaries, affiliated companies, parent companies, officers, directors, employees, agents, representatives, and all persons acting or purporting to act on its behalf.

H. “Financial Status” means profits, losses, revenue, income, earnings, indebtedness, EBITDA, corporate valuation, available cash, or cash flow.

I. “Executives” means executives, officers, directors, or other key personnel of Hygea Health.

J. **Time.** Unless otherwise indicated, these Requests seek Documents and Communications from **January 1, 2014** to the present.

REQUESTS FOR DOCUMENTS

1. Any and all documents, including, without limitation, any and all communications, relating to a potential or actual investment in Hygea Holdings Corp. by RIN Capital, LLC, Nevada 5, Inc., or N5HYG, LLC.

2. Any and all documents relating to meetings of the Board of Directors of Hygea Health since January 1, 2014 in which the Financial Status of Hygea Holdings Corp. was discussed or the subject of a resolution or other action of the Board of Directors.

3. Any and all documents regarding the Financial Status of Hygea Holdings Corp. between January 1, 2014 through the present.

4. Any and all documents relating to meetings of the Board of Directors of Hygea Holdings Corp. in which the disposition of any portion of Plaintiff’s \$30 million (USD) investment was the topic of discussion or the subject of a resolution or other action of the Board of Directors.

5. Any and all documents relating to meetings of the Board of Directors of Hygea Holdings Corp. in which a potential or actual investment by Nevada 5, RIN Capital, or N5HYG was discussed or the subject of a resolution or other action of the Board of Directors.

6. Any and all documents relating to any portion of the disposition of Plaintiff’s \$30 million (USD) payment to Hygea Holdings Corp.

7. Any and all documents describing or relating to the document retention measures Hygea Health has implemented since January 1, 2014.

8. Any and all documents describing or relating to any loan, lien, or other financial agreement between Hygea Health and Bridging Finance, Inc.

9. Any and all documents describing or relating to any loan, lien, or other financial agreement between Hygea Health and Hygea Holdings Corp.

10. Any and all documents that support, negate or otherwise refer or relate to any of Plaintiff's Requests for Admission that you have denied.

DATE: December 14, 2019

/s/ Christopher D. Kaye

CHRISTOPHER D. KAYE, ESQ.

(admitted *pro hac vice*)

THE MILLER LAW FIRM, P.C.

950 W. University Dr., Ste. 300

Rochester, MI 48307

Tel: (248) 841-2200

epm@millerlawpc.com

cdk@millerlawpc.com

and

/s/ Alan Rosenthal

Alan Rosenthal

Florida Bar No. 220833

arosenthal@carltonfields.com

Natalie J. Carlos

ncarlos@carltonfields.com

Florida Bar No. 0146269

Carlton Fields

Suite 4200

100 S.E. Second Street

Miami, FL 33131-2114

(305) 530-0050

(305) 530-0055 (fax)

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I CERTIFY that a true and correct copy of the foregoing was served via e-mail on all counsel of record on December 14, 2019.

/s/ Alan Rosenthal