

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

In re:

CMC II, LLC,

Debtors.¹

Chapter: 11

Case No. 21-10461(JTD)

(Jointly Administered)

Hearing Date: June 8, 2021 at 10:00 p.m. (ET)

Objection Deadline: June 1, 2021 at 4:00 p.m. (ET)

**MOTION FOR ORDER AUTHORIZING
PROCEDURES FOR, AND RULE 2004 EXAMINATIONS OF,
DEBTORS' CONTROLLER AND RELATED NON-DEBTOR PARTIES**

The Official Committee of Unsecured Creditors (the "Committee") of CMC II, LLC, *et al.*, the above-captioned debtors and debtors-in-possession (the "Debtors"), by and through its counsel, Porzio, Bromberg & Newman, P.C., hereby moves (the "2004 Motion") pursuant to Fed. R. Bankr. P. 2004 and Local Rule 2004-1 of the United States Bankruptcy Court for the District of Delaware for an order establishing procedures for, and authorizing, the Committee to seek documents from and conduct oral examinations of the Debtors' Controller and related non-Debtor entities, and respectfully states as follows:

I. PRELIMINARY STATEMENT

1. The Debtors commenced a process before this Court for the sale of businesses and causes of action upon a foundation that their suggested "bidding procedures ... provide the best opportunity for value-maximizing transactions." *See* ECF No. 114, at ¶ 18. The Debtors explained

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973) ("CMC" or "CMC II"), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470) ("Marshall"), 803 Oak Street Operations LLC (3900) ("Governor's Creek"), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors' corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

that "[t]o oversee and facilitate the value-maximization process, the Debtors appointed an independent manager ... [and] Chief Restructuring Officer" who "engaged Evans Senior Investments ("ESI") to act as their broker for purposes of procuring financing for the Chapter 11 cases and in connection with a potential sale of the Debtors' assets." *See* ECF No. 2, at ¶ 30. As further foundational underpinnings for the relief requested by the Debtors, the Debtors represented that as of March 31, 2021, extensive marketing efforts had already occurred prior to the Petition Date, including "a process to solicit offers from third parties to provide DIP financing for the Debtors" and "a process to solicit offers from third parties to acquire the Debtors' assets." *See* ECF No. 115, at ¶ 7.

2. Not before considerable diligent efforts by the Committee and its professionals to obtain, and then to formally obtain, further information from the Debtors, under oath, the Committee uncovered that despite the foregoing representations, the Debtors' own investment banker, selected by its other professionals, believed that there is "no" market for management-only company sales (*i.e.*, CMC II) and admitted that he had no experience selling causes of action as of April 15, 2021. *See* April 15, 2021 hearing transcript, at 130:19-133:4, 134:8-10.

3. The Committee's unusual uphill battle in this case to preserve and identify value for the Debtors' bankruptcy estates and the Debtors' unsecured creditors has not been limited to discovery of facts relating to the Debtors' out-of-the-gate proposed defective processes. The uphill battle continues for the Committee in gathering information relevant to estate interests and value arising from the web of Debtor-related entities that transfer material value between each other, sometimes with, but seemingly at this stage of investigation, often without, contracts or other appropriate documentation. This includes \$1.6 billion flowing to CMC II's parent in 2020, without contract or documentation seen by the Committee to date to explain this flow of funds (and perhaps

further funds on account of prior years).

4. The Committee's goal is to efficiently obtain the information necessary for it to fulfill its fiduciary duties. Unfortunately, the Committee has already expended substantial estate time and resources pursuing meaningful information regarding the Debtors' financial affairs, which, to date, have been noticeably more forthcoming from formal discovery under oath or the imminent threat thereof.

5. In order to continue its investigation into the sale process that the Debtors have proposed or are pursuing, as well as the claims and causes of action held by the Debtors' estates, the Committee requires the ability to seek formal document production and oral examinations under Rule 2004 from the Debtors' Controller and related non-Debtor parties / entities as the Committee's investigation progresses, especially in regards to those who may not be fully cooperating informally.² Accordingly, the Committee seeks to issue Rule 2004 subpoenas *duces tecum* and conduct oral examinations of the Debtors' Controller and related non-Debtor parties, so that the Committee can determine the value of certain claims and causes of action that the Debtors hold and appear to be seeking to dispose of through a transfer to a related party. This discovery sought fits squarely within the scope of Rule 2004, which allows a party in interest to seek discovery regarding all matters related to the financial affairs of a debtor and its estate. As noted above, the discovery addressed hereby has been designed by the Committee with the intent to be efficient and surgical in order to avoid an inefficient shotgun approach.

II. RELEVANT BACKGROUND

6. On March 1, 2021 (the "Petition Date"), each Debtor commenced a case by filing

² At this time, the Debtors and non-Debtor entities have expressed a willingness to engage in a dialogue and cooperate with respect to the Committee's requests. This 2004 Motion is therefore being filed out of an abundance of caution and based upon the Committee's experience to date with respect to the flow of information regarding the Debtors' assets and liabilities.

a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases"). The Chapter 11 Cases are jointly administered.

7. The Debtors continue to operate their businesses and manage their affairs as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. The Debtors in these Chapter 11 Cases include: CMC II, an entity that allegedly provides management and back-office services to both Debtor and non-Debtor skilled nursing facilities ("SNFs"); Governor's Creek and Marshall, two skilled nursing facilities; and three non-operating entities.

8. On May 3, 2021, this Court entered an order approving bidding procedures for the sale of the skilled nursing facility Debtors (the "SNF Sale"), with the sale hearing scheduled to take place on June 2, 2021.

9. On April 16, 2021, this Court ruled that the remaining assets – namely, CMC II and all Debtor claims and causes of action – would be subject to an adjourned sale process (the "CMC II Sale"), with the sale hearing to take place on August 3, 2021.³

10. Notably, the Court ruled that with respect to both the SNF Sale and the CMC II Sale, the Committee and other parties in interest have reserved all rights related to the sale process, including whether the process proposed by the Debtors is reasonable and intended to maximize value for these estates.

11. Since the Committee's involvement in these Chapter 11 Cases, the Committee has been at the forefront of exposing relevant information to evaluate the Debtors' proposed sale process and valuations, including with respect to, *inter alia*:

- a. The Debtors' parent entity collecting management fees and managed funds, both pre- and post-petition, including the collection of approximately \$1.6 billion in 2020 alone, while CMC II is the management company pursuant

³ Notwithstanding that nearly 4-weeks have elapsed since such ruling, the Debtors have yet to submit a proposed bidding procedures order with respect to the CMC II Sale.

to contract;⁴

- b. Intercompany receivables of an amount greater than \$13 million on a "net" basis, which amount may increase substantially based on the characterization of claims held by related parties against the Debtors;⁵
- c. Uncollected and/or undercollected management fees due to CMC II, both pre and post-petition, due to the failure to comply with the terms of certain management agreements by affiliated entities;⁶
- d. Claims under the management agreements for, *inter alia*, the sharing of certain costs;⁷
- e. Debtor employees and/or officers working for both the Debtors and the insider stalking horse bidder / DIP lender with respect to transactions in these proceedings;⁸ and
- f. Outstanding rent or related claims, on account of both the pre- and post-petition periods, with respect to the various affiliated entities utilizing CMC's office space.⁹

12. While the Debtors have shared some information in regards to the above, many critical pieces of data remain outstanding. *See* Declaration in Support of 2004 Motion (the "Ganti Declaration"). For example:

- a. The Committee has not received all relevant information regarding the Debtors' parent entity collecting over \$1.6 billion in 2020, or other monies prior to that time, on account of funds that were contractually owed to, and were to be managed by, CMC II, other than statements that such sweeps by the parent entity were due to a historical "accounting practice." This was discovered during the testimony elicited by the Committee at the April 15, 2021 hearing on the DIP and Bid Procedures motion, and there is yet to adequate transparency about how that \$1.6 billion was employed in 2020. Moreover, as of today, the Committee has no information regarding the monies swept by LaVie, or the use of those funds, prior to 2020.
- b. Since the Committee discovered that assertions that CMC II is an "at-cost" entity are not supported by the terms of its own contracts, the Committee

⁴ See April 15, 2021 hearing transcript, at 68:5-68:23.

⁵ See April 15, 2021 hearing transcript, at 150:24-151:3.

⁶ See April 15, 2021 hearing transcript, at 159:6-160:6.

⁷ See April 15, 2021 hearing transcript, at 86:7-12.

⁸ See April 15, 2021 hearing transcript, UCC Exhibit 607 (NDA signed by Gregory Hayes, CMC II's CFO, on behalf of the stalking horse bidder).

⁹ See April 15, 2021 hearing transcript, at 58:11-59:24.

has been working to understand the extent of the undercollection of management fees, both pre and post-petition. To assist with this analysis, since as early as March 22, the Committee has been seeking all of CMC II's contractual agreements with its SNFs and related ancillary documents. As of the date of this filing, the Debtors have still not made available to the Committee the documents necessary to evaluate the extent of CMC II's undercollection, including, *inter alia*, "Overhead Budgets", "Capital Budgets", "Operating Budgets" and "Annual Budgets" as referenced in the management agreements, in addition to: all versions of management fee agreements; historical CMC II actual expenses and management fee calculations; detail of revenue of each SNF and fees paid by each SNF to CMC II pursuant to management fee agreements.

- c. After the Committee discovered that over \$3.7 million of monies owed to the Debtors were missing from the Debtors' intercompany analysis provided to the Committee, the Committee sought detailed information related to those intercompany debts. The Committee has not yet received all relevant information related to those debts, the entities owing such monies to the Debtors, or the collectability of such debts, all factors that the Debtors' CRO testified to were considered in landing on a \$3 million "purchase price."¹⁰
- d. The Committee continues to seek information related to shared costs of the SNFs pre-bankruptcy, and reimbursable costs of CMC II, contractual or otherwise, including with respect to "extraordinary" expenses, such as legal expenses related to the Ruckh litigation.
- e. The Debtors continue to direct the Committee to its affiliated entities for information relating to CPSTN, the DIP Lender / affiliate / stalking horse bidder, notwithstanding that the Debtors' own CFO is the signatory and apparent authority / decision maker for CPSTN with respect to the DIP and CMC Sale process, and that CMC II is the management company in the Debtors' larger enterprise.

13. Notwithstanding that certain critical data has yet to be made available to the Committee, the Committee is, at this time, formally seeking only limited information from the Debtors and Debtor-related parties to efficiently assess related third-party debts due and owing to these Debtors, and the value and collectability of same. *See* Ganti Declaration at ¶ 5.

14. The Committee is continuing its efforts in good faith to obtain this information informally from the Debtors and Debtor-related parties. However, the relief requested herein may

¹⁰ *See* April 15, 2021 hearing transcript, at 100:18-101:25.

be necessary to ensure the Committee is provided with requested and relevant information on a timely basis.

III. ARGUMENT

A. Legal Standard to Obtain Rule 2004 Discovery

15. Federal Rule of Bankruptcy Procedure 2004(a) provides that "[o]n motion of any party in interest, the court may order the examination of any entity." Fed. R. Bankr. P. § 2004(a). The scope of a Rule 2004 examination is much broader than discovery under the Federal Rules of Civil Procedure. *In re Washington Mut., Inc.*, 408 B.R. 45, 49 (Bankr. D. Del. 2009) ("The scope of a Rule 2004 examination is 'unfettered and broad.'"). Indeed, "[a] Rule 2004 examination is commonly recognized as more in the nature of a fishing expedition." *Id.* at 50 (quotations omitted).

16. A Rule 2004 examination may relate to the following:

the acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor's estate, or to the debtor's right to a discharge.

Fed. R. Bankr. P. § 2004(a).

17. In addition, "the examination may also relate to the operation of any business and the desirability of its continuance, the source of any money or property acquired or to be acquired by the debtor for purposes of consummating a plan and the consideration given or offered therefor, and any other matter relevant to the case or to the formulation of a plan." *Id.* at § 2004(c).

18. The purpose of Rule 2004 is to permit a broad investigation into the financial affairs of the debtor to assure the proper administration of the bankruptcy estate. *In re Symington*, 209 B.R. 678, 683 (Bankr. D. Md. 1997). "Legitimate goals of Rule 2004 examinations include discovering assets, examining transactions, and determining whether wrongdoing has occurred." *Id.*; see also *In re DeWitt*, 608 B.R. 794, 800 (W.D. Pa. 2019) ("[Debtor's] use of Rule 2004

discovery at this time to identify or evaluate possible claims against [third-party] meets the requirements of Rule 2004") (collecting cases); *In re Table Talk, Inc.*, 51 B.R. 143, 145 (Bankr. D. Mass. 1985) ("Examinations under Rule 2004 are allowed for the 'purpose of discovering assets and unearthing frauds'") (quoting *In re GHR Energy Corp.*, 33 B.R. 451, 453 (Bankr. D. Mass. 1983)); *Matter of Isis Foods, Inc.*, 38 B.R. 45, 47 (Bankr. W.D. Mo. 1983) (holding that a trustee may "elicit the facts as to property transferred by the bankrupt prior to bankruptcy, in an endeavor to find out whether it was fraudulently or preferentially transferred. Such property was once the property of the bankrupt and it may be assets of the bankrupt estate.").

19. Under Rule 2004, "[p]otential examinees include third parties that possess knowledge of the debtor's acts, conduct, liabilities or financial condition which relate to the administration of the bankruptcy estate." *In re Millennium Lab Holdings II, LLC*, 562 B.R. 614, 626 (Bankr. D. Del. 2016).

B. Application Of Rule 2004 To The Facts Present Here

20. Here, the discovery sought by the Committee falls squarely within the scope of Rule 2004. As detailed above, the Committee seeks to obtain documents and testimony regarding millions of dollars that appear to be owed by related entities to the Debtors. The value of such claims, in addition to other claims and causes of action held by the Debtors, allegedly forms the basis for the \$3 million proposed purchase price by the insider / DIP Lender / stalking horse bidder for CMC II and the Debtors' claims and causes of action. Accordingly, the Committee must be permitted to fully investigate the basis of these claims.

21. The specific discovery requests that the Committee seeks are consistent or closely related to informal requests that have been made by the Committee to the Debtors since the beginning of these cases. Moreover, on April 28, 2021 and May 10, 2021 respectively, the

Committee circulated to the Debtors and to Skadden, Arps, Slate, Meagher & Flom LLP (who the Committee believes is counsel to many Debtor-related parties although the Committee does not yet have a clear response to its inquiry of who exactly Skadden represents), specific inquiries relating to intercompany relationships, balances and receivable assets. The requests to the Debtors are set forth in the form subpoena attached hereto as **Exhibit A**, while the requests to related non-Debtor parties with balances owed to the Debtors are set forth in the form subpoena attached hereto as **Exhibit B**.

22. Under Rule 2004, the Committee may investigate the circumstances surrounding these debts, including their value and collectability. *See In re Symington*, 209 B.R. at 683 ("Legitimate goals of Rule 2004 examinations include discovering assets, examining transactions, and determining whether wrongdoing has occurred."). The Committee estimates serving approximately fifteen (15) Rule 2004 subpoenas *duces tecum* pursuant to this 2004 Motion. Specifically, the Committee seeks to depose Jeremy Pyron, who has been named in the Debtors' Statement of Financial Affairs [ECF No. 169] as the controller of CMC II and as a person in possession of the Debtors' books and records as of the Petition Date. Mr. Pyron has also been identified by the Debtors' CRO as a person who oversaw or otherwise authorized some of the transactions at issue here that resulted in intercompany receivables.¹¹

23. In addition, the Committee seeks to serve the subpoena attached hereto as Exhibit B on the following related non-Debtor parties who are identified in the Debtors' intercompany receivables analysis:

- a. NSPR Care Centers, LLC

¹¹ The Committee may later seek to serve the subpoena attached hereto as Exhibit A on other Debtor personnel who have also been identified as persons with personal knowledge of such transactions, such as Gregory Hayes, the CFO of CMC II.

- b. Envoy Health Care LLC and Facilities¹²
- c. Consulate MZHBS Leaseholdings, LLC
- d. Consulate Facs. Lsg LLC¹³
- e. Hurstbourne¹⁴
- f. FHCP Parent¹⁵
- g. Coastal Administrative Services
- h. Genoa Healthcare Group
- i. Epsilon Parent & Epsilon Topside¹⁶
- j. Ambassador¹⁷
- k. Gena (or Genoa) Healthcare Consulting¹⁸
- l. Shoreline Healthcare Management¹⁹

24. As the Court can note, all of the proposed subpoenas, with the exception of one, request the exact same information of a small number of the multitude of entities related to the Debtors.

IV. CERTIFICATION OF COMPLIANCE WITH LOCAL RULE 2004-1

25. The Committee has met and conferred with both counsel for the Debtors and counsel for the non-Debtor affiliates regarding the Committee's informal information requests, of which many remain outstanding to date. In addition to efforts of the Committee's financial advisor to obtain information of utility, as described in the Ganti Declaration, Committee counsel has communicated with counsel to the Debtors as well as the attorneys that the Committee understands represent Debtor-related parties, including holding in person telephone conferences with each earlier this week.

¹² The Committee is investigating the legal name of such entity, but believes that it could also be Envoy Management LLC.

¹³ The Committee is investigating the legal name of such entity, but believes it to be Consulate Facility Leasing, LLC.

¹⁴ The Committee is investigating the legal name of such entity, but believes it to be Hurstbourne Healthcare, LLC

¹⁵ The Committee is investigating the legal name of such entity.

¹⁶ The Committee is investigating the legal name of such entity, but believes it to be Epsilon Health Care Properties.

¹⁷ The Committee is investigating the legal name of such entity, but believes it may be either Ambassador Ancillary Services, LLC or Ambassador Rehabilitative Services, LLC.

¹⁸ The Committee is investigating the legal name of such entity, but believes that it could also be Genoa Healthcare Group, LLC.

¹⁹ The Committee will endeavor to work with the Debtors and non-debtors to identify the appropriate legal names of each targeted entity.

26. The Committee will continue to work with the parties cooperatively and will conduct further meet and confers so as to minimize the use of this Court's resources should discovery disputes arise. However, due to the lack of complete information received to date, and the Debtors moving quickly toward a sale of all assets in these cases, the Committee believes that it is critical to obtain Court approval of the requests in the attached subpoenas on an appropriate timeline given the upcoming SNF Sale and CMC II Sale (including claims and causes of action) proposed by the Debtors. The Committee may seek to shorten time on this 2004 Motion if the information flow continues to hamper the Committee in light of the timeline in these cases. While the Committee will undoubtedly require information beyond the limited scope of these requests, the Committee has and continues to make requests in a limited and orderly manner so that it can best gauge further information or the scope of inquiry required with the least burden and cost on these estates.

V. NOTICE

27. Notice of this 2004 Motion has been provided to the following parties, or, in lieu thereof, their counsel: (i) the Debtors; (ii) the Office of the United States Trustee for the District of Delaware; (iii) the DIP Lender; (iv) counsel for the related non-Debtor parties; (v) Jeremy Pyron; and (vi) any party that has requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure. In light of the nature of the relief requested herein, the Committee submits that no other or further notice is necessary. The Committee reserves its right to seek additional Rule 2004 discovery from any individual or entity.

VI. CONCLUSION

28. For these reasons, the Committee respectfully requests that the Court grant the 2004 Motion and enter an order, substantially in the form attached hereto as **Exhibit C**, permitting

the following:

A. The Committee may issue the Subpoenas attached hereto as **Exhibit A and Exhibit B** requiring the relevant party to produce documents responsive to the document requests contained in the Subpoenas within 30 days after service of such Subpoenas;

B. The Committee may serve additional subpoenas seeking documents that are related to the topics set forth in this 2004 Motion, provided that the recipient of any such subpoena within 14 days of receipt may seek a protective order if such recipient asserts that the requests contained in such additional subpoena are beyond the scope of Rule 2004; and

C. The Committee may schedule oral examinations on the topics set forth in the Subpoenas to occur by remote video means (e.g., Zoom) within 35 days of service of such Subpoenas (or such date as may be mutually agreed upon by the parties), with the parties to meet and confer within 7 days of service of the Subpoenas to schedule the date of the examination.

Dated: May 14, 2021
Wilmington, Delaware

/s/ Cheryl A. Santaniello

Cheryl A. Santaniello, Esq. (DE Bar No. 5062)
Porzio, Bromberg & Newman, P.C.
300 Delaware Avenue, Suite 1220
Wilmington, DE 19801
Telephone: (302) 526-1235
Facsimile: (302) 416-6064
E-mail: casantaniello@pbnlaw.com

-and-

Robert M. Schechter, Esq. (*Pro Hac Vice Admitted*)
William J. Hughes, Jr., Esq. (*Pro Hac Vice Admitted*)
Rachel A. Parisi, Esq. (*Pro Hac Vice Admitted*)
David E. Sklar, Esq. (*Pro Hac Vice Admitted*)
Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
P.O. Box. 1997
Morristown, New Jersey 07962

Telephone: (973) 538-4006
Facsimile: (973) 538-5146
E-mail: rmschechter@pbnlaw.com
E-mail: wjhughes@pbnlaw.com
E-mail: raparisi@pbnlaw.com
E-mail: deskлар@pbnlaw.com

*Counsel for the Official Committee of Unsecured
Creditors*

Exhibit A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: CMC II LLC, et al. Case No.: 21-10461
Debtors Chapter: 11

SUBPOENA FOR RULE 2004 EXAMINATION¹

To: JEREMY PYRON, Controller of CMC II, LLC
(Name of person to whom the subpoena is directed)

Testimony: YOU ARE COMMANDED to appear at the time, date, and place set forth below to testify at an examination under Rule 2004, Federal Rules of Bankruptcy Procedure. A copy of the court order authorizing the examination is attached.

PLACE: Remote testimony requested	DATE AND TIME: TBD
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The examination will be recorded by this method: Video and audio

Production: You, or your representatives, must also bring with you to the examination the following documents, electronically stored information, or objects, and must permit inspection, copying, testing, or sampling of the material:

SEE "EXHIBIT A" ATTACHED HERETO

The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: _____
CLERK OF COURT

OR

Signature of Clerk or Deputy Clerk

Attorney's signature

The name, address, email address, and telephone number of the attorney representing the Official Committee of Unsecured Creditors, who issues or requests this subpoena, are:

Cheryl Santaniello
300 Delaware Ave, Suite 1220
Wilmington, DE 19801-1607
TEL: 302.526.1234

Notice to the person who issues or requests this subpoena

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

¹ This Subpoena may be issued to other Debtor-representatives, and will be identical except for the named party.
6428828

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 45.)

I received this subpoena for *(name of individual and title, if any)*: _____
on *(date)* _____.

I served the subpoena by delivering a copy to the named person as follows: _____
_____ on *(date)* _____; or

I returned the subpoena unexecuted because: _____

Unless the subpoena was issued on behalf of the United States, or one of its officers or agents, I have also tendered to the witness the fees for one day's attendance, and the mileage allowed by law, in the amount of \$_____.

My fees are \$_____ for travel and \$_____ for services, for a total of \$_____.

I declare under penalty of perjury that this information is true and correct.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information concerning attempted service, etc.:

Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)
(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)

(c) Place of compliance.

(1) *For a Trial, Hearing, or Deposition.* A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

- (A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or
- (B) within the state where the person resides, is employed, or regularly transacts business in person, if the person
 - (i) is a party or a party’s officer; or
 - (ii) is commanded to attend a trial and would not incur substantial expense.

(2) *For Other Discovery.* A subpoena may command:

- (A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and
- (B) inspection of premises, at the premises to be inspected.

(d) Protecting a Person Subject to a Subpoena; Enforcement.

(1) *Avoiding Undue Burden or Expense; Sanctions.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney’s fees — on a party or attorney who fails to comply.

(2) *Command to Produce Materials or Permit Inspection.*

(A) *Appearance Not Required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

- (i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.
- (ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party’s officer from significant expense resulting from compliance.

(3) *Quashing or Modifying a Subpoena.*

(A) *When Required.* On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

- (i) fails to allow a reasonable time to comply;
- (ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);
- (iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or
- (iv) subjects a person to undue burden.

(B) *When Permitted.* To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

- (i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert’s opinion or information that does not describe specific occurrences in dispute and results from the expert’s study that was not requested by a party.

(C) *Specifying Conditions as an Alternative.* In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

- (i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and
- (ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) *Producing Documents or Electronically Stored Information.* These procedures apply to producing documents or electronically stored information:

(A) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) *Form for Producing Electronically Stored Information Not Specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) *Electronically Stored Information Produced in Only One Form.* The person responding need not produce the same electronically stored information in more than one form.

(D) *Inaccessible Electronically Stored Information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) *Claiming Privilege or Protection.*

(A) *Information Withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

- (i) expressly make the claim; and
- (ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) *Information Produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...

(g) Contempt. The court for the district where compliance is required – and also, after a motion is transferred, the issuing court – may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.

For access to subpoena materials, see Fed.R.Civ.P.45(a) Committee Note (2013)

EXHIBIT A

DEFINITIONS

The following definitions apply to each of the requests set forth below:

1. "Communication" or "Communications" means any and all Documents or information constituting, reflecting or evidencing any oral or written transmission or receipt of words or information, by whatever manner or means, regardless of how or by whom the Communication was initiated, including without limitation: (a) any written contact by means such as letter, memorandum, telegram, telex, e-mail, text message, instant message or facsimile, (b) any oral contact by any means including face-to-face meetings and telephone, and (c) any records for telephone or text message Communications. Communications with any Entity includes Communications by or with its subsidiaries, divisions, subdivisions, affiliates, predecessor and successor entities, partners, member shareholders, officers, directors, employees, agents, representatives, legal counsel, financial advisors, investment bankers, rating agencies, or any other Person(s) acting on its or their behalf.
2. "Concerning," "Referencing," "Regarding," "In Connection With," "Relating To," "Referring To," and "Reflecting" shall be construed to mean, without limitation, relating to, referring to, describing, evidencing, constituting, discussing, supporting, pertaining to, containing, analyzing, evaluating, studying, recording, showing, memorializing, reporting on, commenting on, mentioning, reviewed in conjunction with, setting forth, contradicting, refuting, considering, or recommending, in whole or in part.
3. "Debtors" shall refer to CMC II, LLC, a Florida limited liability company, Salus Rehabilitation, LLC, a Delaware limited liability company, 207 Marshall Drive Operations LLC, a Florida limited liability company, 803 Oak Street Operations LLC, a Florida limited liability company, Sea Crest Health Care Management, LLC, a Florida limited liability company, and Consulate Management Company, LLC, a Florida limited liability company, and each of their respective present and former, members, partners, predecessors, successors, employees, officers, directors, agents, advisors, representatives, attorneys, and all other persons and entities acting or purporting to act on their behalf.
4. "Document" is defined in the broadest sense possible, and shall mean any medium upon, through or by which intelligence or information is recorded, in whole or in part, or from which intelligence or information may be retrieved. This includes, but is not limited to, any printed, typewritten, word processed, recorded or other graphic matter of any kind or nature whatsoever, however produced or reproduced, whether sent or received or neither;

all Electronically Stored Information; any and all drafts, abstracts, non-identical copies or copies bearing notations or markings not found on the original; and any and all writings, drawings, graphs, charts, files, correspondence, e-mails, CD ROMS, floppy disks, hard drives, transcripts, contracts, agreements, letters, envelopes, memoranda, telegrams, notes, marginal notations, summaries, opinions, forms, catalogues, journals, fact sheets, credit files, credit reports, credit requests, records, articles, brochures, diaries, reports, calendars, interoffice Communications, statements, Financial Statements, account statements, telephone messages, applications, minutes, day books, pleadings and papers in any action, proceeding or arbitration before any court, agency or tribunal, notices, sworn or unsworn testimony, interviews, depositions, affidavits, photographs, telephone records and other data compilations, tape or video recordings (and transcripts thereof), motion pictures and any carbon or photographic copies of any such material. Requested Documents include all attachments, exhibits, enclosures, appendices and other documents which refer or relate to the designated Documents.

5. "Electronically Stored Information" shall include, without limitation, the following:
 - (a) Information that is generated, received, processed, recorded, or accessed by computers and other electronic devices, including but not limited to e-mail;
 - (b) Internal or external web sites;
 - (c) Output resulting from the use of any software program; and
 - (d) All items stored on cache memories, magnetic disks (such as computer hard drives or floppy drives), optical disks (such as DVDs or CDs), magnetic tapes, microfiche, or on any other media for digital data storage or transmittal (e.g., a smartphone such as an iPhone®, a tablet such as an iPad®, or a personal digital assistant.

6. "Identify" or "identity of" with respect to a document shall mean to set forth the type of document (e.g., letter), its date, authors, recipients, title, if any, and subject matter. If a document is no longer in your possession, custody, or control, so state, identify the document to the best of your knowledge, and state whether disposition was made of it, when, and by whom. In lieu of identifying a document, you may attach a copy of such document to your answer.

7. "Identify" or "identity of" with respect to a natural person shall mean to set forth his or her name, his or her business position and affiliation at the time in question, his or her last known business position and affiliation, and if he or she is not currently employed by you, his or her last known business and home addresses, including telephone numbers. Once a person has been fully identified in your answer, such person may be identified thereafter by name alone.

8. "Identify" or "identity of" with respect to a person other than a natural person shall mean to set forth its name and principal business address, the nature of its business, and the name and position of the individual purporting to act or speak for it or on its behalf.
9. "Person" shall mean and include natural persons, corporations, trusts, partnerships, ventures, governmental or public or quasi-public entities, citizens groups or associations, and any other form of organization or association.
10. "Petition Date" shall mean March 1, 2021, the date the Debtors filed their chapter 11 cases in the United States Bankruptcy Court for the District of Delaware.
11. "You" or "Your" means Jeremy Pyron, as Controller of CMC II, and any Person or Persons acting in any capacity for or on his behalf.
12. Where the context herein makes it appropriate, each singular word shall include its plural and each plural word shall include its singular. "And" as well as "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery all responses which might otherwise be construed to be outside its scope. The word "all" includes the meaning of every other word: "Each," "every," and "any." The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense

INSTRUCTIONS

1. For each and every document herein requested which was formerly in your possession, custody or control and has been lost or destroyed, you are requested to submit in lieu of each such document a written statement which:

- (a) describes in detail the nature of the document;
- (b) identifies the person who prepared or authorized the document and, if applicable, the person to whom the document was sent;
- (c) specifies the date on which the documents was prepared or transmitted; and
- (d) specifies, if possible, the date on which the document was lost or destroyed, and, if destroyed, the conditions of and reasons for such destruction and the persons requesting and performing the destruction.

2. In answering these requests, you are to furnish all documents available to you, including documents in the possession of your attorneys, accountants, agents, or other representatives or affiliated entities, or any information otherwise subject to your custody or control.

3. The requests herein should be read and construed to bring within the scope of the demand all documents which might otherwise be construed to be outside its scope.

4. For each document produced in response to this request, you are requested to specifically identify the request it responds to or, if it responds to more than one request, each request to which it responds.

5. Any Document that exists in electronic form shall be produced in its native format, including (a) all versions and revisions of the Document, (b) all metadata associated with that Document, (c) all related information required to access or review that Document, and (d) Documents stored electronically shall be produced in electronic format in both native and standard production format including a load file with optical character recognition and single page tiff files. If a Document exists in both physical (i.e., "hard copy") form and electronic form, the Document shall be produced in both forms.

6. This request is continuing, and any document obtained or located subsequent to the production which would have been produced had it been available or its existence known at the time is to be supplied forthwith.

7. You are requested to bate-stamp each document produced in response to this

request.

8. In the event You assert any form of objection or privilege as a ground for not answering a production request or any part of a request, set forth the legal grounds and facts upon which the objection or privilege is based. If the objection relates to only part of the Document, the balance of the Document shall be produced. With respect to any Document withheld on a claim of privilege, provide, at the time Your responses are due hereunder, a statement setting forth the following information:

- (a) The name(s) of the sender(s) of the Document;
- (b) The name(s) of the author(s) of the Document;
- (c) The name(s) of the Person(s) to whom the Document or copies were sent;
- (d) The date of the Document;
- (e) A brief description of the nature and subject matter of the Document; and
- (f) The nature of the objection, privilege, doctrine, or immunity that You claim, and all legal and factual bases supporting such claim.

DOCUMENT REQUESTS

No. 1. Any and all documents and communications supporting, or evidencing debt owed by any of the following entities to any of the Debtors:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 2. Any and all documents and communications evidencing the time when any debt owed by the following entities to any of the Debtors arose:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 3. Any and all documents and communications evidencing when any debt owed by the following entities to any of the Debtors became due.

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records

- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 4. Any and all documents and communications evidencing the nature of any debt owed by the following entities to any of the Debtors:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 5. Any and all documents and communications evidencing any services provided by any Debtor to the following entities:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 6. Any and all documents and communications evidencing any payment by the following entities made on account of any services provided by any Debtor:

- a. NSPR Care Centers, LLC

- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 7. Any and all documents and communications evidencing any payments or transfers made by any Debtor to the following entities:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 8. For any bank account in any Debtor's possession or control to which any Debtor transferred any funds or any such funds were deposited by the Debtors to accounts for the following entities, all bank account records or statements relating to such transfers from the date of the first transfer by any Debtor through the present:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records

records

1. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 9. Any and all copies of contracts or agreements between any of the Debtors and the following entities:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
1. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 10. Any and all documents and communications related to attempts made to collect any debts owed by the following entities to any of the Debtors:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
1. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 11. Any and all documents and communications regarding reasons that the following entities did not pay amounts due and owing to any of the Debtors:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records

- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 12. Any and all documents and communications regarding diligence conducted by any of the Debtors regarding the following entities' ability to pay debts due to any of the Debtors:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 13. Any and all documents and communications reflecting the decision makers of the following entities, including with respect to their relationships with any of the Debtors:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 14. Any and all documents and communications reflecting any Debtor write-offs of amounts owed from the following entities:

- a. NSPR Care Centers, LLC

- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

No. 15. Any and all documents and communications reflecting the reasoning for Debtor write-offs of amounts owed from the following entities:

- a. NSPR Care Centers, LLC
- b. Envoy Healthcare, as designated in the Debtors' books and records
- c. Consulate MZHBS Leasehold, as designated in the Debtors' books and records
- d. Consulate Facs. Lsg LLC, as designated in the Debtors' books and records
- e. Hurstbourne, as designated in the Debtors' books and records
- f. FHCP Parent, as designated in the Debtors' books and records
- g. Coastal Administrative Services, as designated in the Debtors' books and records
- h. Epsilon Parent, as designated in the Debtors' books and records
- i. Epsilon Topside, as designated in the Debtors' books and records
- j. Ambassador, as designated in the Debtors' books and records
- k. Gena (or Genoa) Healthcare Consulting, as designated in the Debtors' books and records
- l. Shoreline Healthcare Management, as designated in the Debtors' books and records

Exhibit B

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: CMC II LLC, et al. Case No.: 21-10461
Debtors Chapter: 11

SUBPOENA FOR RULE 2004 EXAMINATION

To: NSPR Care Center, LLC¹
(Name of person to whom the subpoena is directed)

Testimony: YOU ARE COMMANDED to appear at the time, date, and place set forth below to testify at an examination under Rule 2004, Federal Rules of Bankruptcy Procedure. A copy of the court order authorizing the examination is attached.

PLACE: Remote testimony requested	DATE AND TIME: TBD
-----------------------------------	--------------------

The examination will be recorded by this method: Video and audio

Production: You, or your representatives, must also bring with you to the examination the following documents, electronically stored information, or objects, and must permit inspection, copying, testing, or sampling of the material:

SEE "EXHIBIT A" ATTACHED HERETO

The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: _____
CLERK OF COURT

OR

Signature of Clerk or Deputy Clerk

Attorney's signature

The name, address, email address, and telephone number of the attorney representing the Official Committee of Unsecured Creditors, who issues or requests this subpoena, are:

Cheryl Santaniello
300 Delaware Ave, Suite 1220
Wilmington, DE 19801-1607
TEL: 302.526.1234

Notice to the person who issues or requests this subpoena

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

¹ This Subpoena sample will be identical for each related non-Debtor party with the exception of the named entity.
6419988

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 45.)

I received this subpoena for *(name of individual and title, if any)*: _____
on *(date)* _____.

I served the subpoena by delivering a copy to the named person as follows: _____
_____ on *(date)* _____; or

I returned the subpoena unexecuted because: _____

Unless the subpoena was issued on behalf of the United States, or one of its officers or agents, I have also tendered to the witness the fees for one day's attendance, and the mileage allowed by law, in the amount of \$_____.

My fees are \$_____ for travel and \$_____ for services, for a total of \$_____.

I declare under penalty of perjury that this information is true and correct.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information concerning attempted service, etc.:

Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)
(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)

(c) Place of compliance.

(1) *For a Trial, Hearing, or Deposition.* A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

- (A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or
- (B) within the state where the person resides, is employed, or regularly transacts business in person, if the person
 - (i) is a party or a party’s officer; or
 - (ii) is commanded to attend a trial and would not incur substantial expense.

(2) *For Other Discovery.* A subpoena may command:

- (A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and
- (B) inspection of premises, at the premises to be inspected.

(d) Protecting a Person Subject to a Subpoena; Enforcement.

(1) *Avoiding Undue Burden or Expense; Sanctions.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney’s fees — on a party or attorney who fails to comply.

(2) *Command to Produce Materials or Permit Inspection.*

(A) *Appearance Not Required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

(i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.

(ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party’s officer from significant expense resulting from compliance.

(3) *Quashing or Modifying a Subpoena.*

(A) *When Required.* On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

- (i) fails to allow a reasonable time to comply;
- (ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);
- (iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or
- (iv) subjects a person to undue burden.

(B) *When Permitted.* To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

- (i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert’s opinion or information that does not describe specific occurrences in dispute and results from the expert’s study that was not requested by a party.

(C) *Specifying Conditions as an Alternative.* In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

- (i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and
- (ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) *Producing Documents or Electronically Stored Information.* These procedures apply to producing documents or electronically stored information:

(A) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) *Form for Producing Electronically Stored Information Not Specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) *Electronically Stored Information Produced in Only One Form.* The person responding need not produce the same electronically stored information in more than one form.

(D) *Inaccessible Electronically Stored Information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) *Claiming Privilege or Protection.*

(A) *Information Withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

- (i) expressly make the claim; and
- (ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) *Information Produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...

(g) Contempt. The court for the district where compliance is required – and also, after a motion is transferred, the issuing court – may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.

For access to subpoena materials, see Fed.R.Civ.P.45(a) Committee Note (2013)

EXHIBIT A

DEFINITIONS

The following definitions apply to each of the requests set forth below:

1. "Communication" or "Communications" means any and all Documents or information constituting, reflecting or evidencing any oral or written transmission or receipt of words or information, by whatever manner or means, regardless of how or by whom the Communication was initiated, including without limitation: (a) any written contact by means such as letter, memorandum, telegram, telex, e-mail, text message, instant message or facsimile, (b) any oral contact by any means including face-to-face meetings and telephone, and (c) any records for telephone or text message Communications. Communications with any Entity includes Communications by or with its subsidiaries, divisions, subdivisions, affiliates, predecessor and successor entities, partners, member shareholders, officers, directors, employees, agents, representatives, legal counsel, financial advisors, investment bankers, rating agencies, or any other Person(s) acting on its or their behalf.
2. "Concerning," "Referencing," "Regarding," "In Connection With," "Relating To," "Referring To," and "Reflecting" shall be construed to mean, without limitation, relating to, referring to, describing, evidencing, constituting, discussing, supporting, pertaining to, containing, analyzing, evaluating, studying, recording, showing, memorializing, reporting on, commenting on, mentioning, reviewed in conjunction with, setting forth, contradicting, refuting, considering, or recommending, in whole or in part.
3. "Debtors" shall refer to CMC II, LLC, a Florida limited liability company, Salus Rehabilitation, LLC, a Delaware limited liability company, 207 Marshall Drive Operations LLC, a Florida limited liability company, 803 Oak Street Operations LLC, a Florida limited liability company, Sea Crest Health Care Management, LLC, a Florida limited liability company, and Consulate Management Company, LLC, a Florida limited liability company, and each of their respective present and former, members, partners, predecessors, successors, employees, officers, directors, agents, advisors, representatives, attorneys, and all other persons and entities acting or purporting to act on their behalf.
4. "Document" is defined in the broadest sense possible, and shall mean any medium upon, through or by which intelligence or information is recorded, in whole or in part, or from which intelligence or information may be retrieved. This includes, but is not limited to, any printed, typewritten, word processed, recorded or other graphic matter of any kind or nature whatsoever, however produced or reproduced, whether sent or received or neither;

all Electronically Stored Information; any and all drafts, abstracts, non-identical copies or copies bearing notations or markings not found on the original; and any and all writings, drawings, graphs, charts, files, correspondence, e-mails, CD ROMS, floppy disks, hard drives, transcripts, contracts, agreements, letters, envelopes, memoranda, telegrams, notes, marginal notations, summaries, opinions, forms, catalogues, journals, fact sheets, credit files, credit reports, credit requests, records, articles, brochures, diaries, reports, calendars, interoffice Communications, statements, Financial Statements, account statements, telephone messages, applications, minutes, day books, pleadings and papers in any action, proceeding or arbitration before any court, agency or tribunal, notices, sworn or unsworn testimony, interviews, depositions, affidavits, photographs, telephone records and other data compilations, tape or video recordings (and transcripts thereof), motion pictures and any carbon or photographic copies of any such material. Requested Documents include all attachments, exhibits, enclosures, appendices and other documents which refer or relate to the designated Documents.

5. "Electronically Stored Information" shall include, without limitation, the following:
 - (a) Information that is generated, received, processed, recorded, or accessed by computers and other electronic devices, including but not limited to e-mail;
 - (b) Internal or external web sites;
 - (c) Output resulting from the use of any software program; and
 - (d) All items stored on cache memories, magnetic disks (such as computer hard drives or floppy drives), optical disks (such as DVDs or CDs), magnetic tapes, microfiche, or on any other media for digital data storage or transmittal (e.g., a smartphone such as an iPhone®, a tablet such as an iPad®, or a personal digital assistant.

6. "Identify" or "identity of" with respect to a document shall mean to set forth the type of document (e.g., letter), its date, authors, recipients, title, if any, and subject matter. If a document is no longer in your possession, custody, or control, so state, identify the document to the best of your knowledge, and state whether disposition was made of it, when, and by whom. In lieu of identifying a document, you may attach a copy of such document to your answer.

7. "Identify" or "identity of" with respect to a natural person shall mean to set forth his or her name, his or her business position and affiliation at the time in question, his or her last known business position and affiliation, and if he or she is not currently employed by you, his or her last known business and home addresses, including telephone numbers. Once a person has been fully identified in your answer, such person may be identified thereafter by name alone.

8. "Identify" or "identity of" with respect to a person other than a natural person shall mean to set forth its name and principal business address, the nature of its business, and the name and position of the individual purporting to act or speak for it or on its behalf.
9. "NSPR" shall mean NSPR Care Centers, LLC and any Person or Persons acting in any capacity for or on its behalf, including but not limited to partners, members, shareholders, officers, directors, employees, agents, representatives, legal counsel, financial advisors, investment bankers, or any other Person
10. "Person" shall mean and include natural persons, corporations, trusts, partnerships, ventures, governmental or public or quasi-public entities, citizens groups or associations, and any other form of organization or association.
11. "Petition Date" shall mean March 1, 2021, the date the Debtors filed their chapter 11 cases in the United States Bankruptcy Court for the District of Delaware.
12. "You" or "Your" means NSPR Care Centers, LLC and any Person or Persons acting in any capacity for or on its behalf, including but not limited to partners, members, shareholders, officers, directors, employees, agents, representatives, legal counsel, financial advisors, investment bankers, or any other Person.
13. Where the context herein makes it appropriate, each singular word shall include its plural and each plural word shall include its singular. "And" as well as "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery all responses which might otherwise be construed to be outside its scope. The word "all" includes the meaning of every other word: "Each," "every," and "any." The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense

INSTRUCTIONS

1. For each and every document herein requested which was formerly in your possession, custody or control and has been lost or destroyed, you are requested to submit in lieu of each such document a written statement which:

- (a) describes in detail the nature of the document;
- (b) identifies the person who prepared or authorized the document and, if applicable, the person to whom the document was sent;
- (c) specifies the date on which the documents was prepared or transmitted; and
- (d) specifies, if possible, the date on which the document was lost or destroyed, and, if destroyed, the conditions of and reasons for such destruction and the persons requesting and performing the destruction.

2. In answering these requests, you are to furnish all documents available to you, including documents in the possession of your attorneys, accountants, agents, or other representatives or affiliated entities, or any information otherwise subject to your custody or control.

3. The requests herein should be read and construed to bring within the scope of the demand all documents which might otherwise be construed to be outside its scope.

4. For each document produced in response to this request, you are requested to specifically identify the request it responds to or, if it responds to more than one request, each request to which it responds.

5. Any Document that exists in electronic form shall be produced in its native format, including (a) all versions and revisions of the Document, (b) all metadata associated with that Document, (c) all related information required to access or review that Document, and (d) Documents stored electronically shall be produced in electronic format in both native and standard production format including a load file with optical character recognition and single page tiff files. If a Document exists in both physical (i.e., "hard copy") form and electronic form, the Document shall be produced in both forms.

6. This request is continuing, and any document obtained or located subsequent to the production which would have been produced had it been available or its existence known at the time is to be supplied forthwith.

7. You are requested to bate-stamp each document produced in response to this

request.

8. In the event You assert any form of objection or privilege as a ground for not answering a production request or any part of a request, set forth the legal grounds and facts upon which the objection or privilege is based. If the objection relates to only part of the Document, the balance of the Document shall be produced. With respect to any Document withheld on a claim of privilege, provide, at the time Your responses are due hereunder, a statement setting forth the following information:

- (a) The name(s) of the sender(s) of the Document;
- (b) The name(s) of the author(s) of the Document;
- (c) The name(s) of the Person(s) to whom the Document or copies were sent;
- (d) The date of the Document;
- (e) A brief description of the nature and subject matter of the Document; and
- (f) The nature of the objection, privilege, doctrine, or immunity that You claim, and all legal and factual bases supporting such claim.

DOCUMENT REQUESTS

No. 1. Any and all documents and communications supporting, or evidencing debt owed by NSPR to any of the Debtors.

No. 2. Any and all documents and communications evidencing the time when any debt owed by NSPR to any of the Debtors arose.

No. 3. Any and all documents and communications evidencing when any debt owed by NSPR to any of the Debtors became due.

No. 4. Any and all documents and communications evidencing the nature of any debt owed by NSPR to any of the Debtors.

No. 5. Any and all documents and communications evidencing any services provided by any Debtor to NSPR.

No. 6. Any and all documents and communications evidencing any payment by NSPR made on account of any services provided by any Debtor to NSPR.

No. 7. Any and all documents and communications evidencing any payments or transfers made by any Debtor to NSPR.

No. 8. For any bank account in Your possession or control to which any Debtor transferred any funds or any such funds were deposited by You, all bank account records or statements relating to such transfers from the date of the first transfer by any Debtor through the present.

No. 9. Any and all copies of contracts or agreements between any of the Debtors and NSPR.

No. 10. Any and all documents and communications related to attempts made to collect any debts owed by NSPR to any of the Debtors.

No. 11. Any and all documents and communications regarding NSPR's reasons for not paying amounts due and owing to any of the Debtors.

No. 12. Any and all documents and communications reflecting any transfer of funds or assets worth greater than \$10,000 from You to any person or entity, whether individually or in the aggregate, after the time that NSPR became indebted to any Debtor.

No. 13. Any and all documents and communications sufficient to determine the identity of any person or entity to whom You transferred any funds or assets worth greater than \$10,000,

whether individually or in the aggregate, after the time that NSPR became indebted to any Debtor.

No. 14. Any and all documents and communications reflecting any investment by You of more than \$10,000, whether individually or in the aggregate, after the time that NSPR became indebted to any Debtor.

No. 15. Any and all documents and communications regarding diligence conducted by any of the Debtors regarding NSPR's ability to pay debts due to any of the Debtors.

No. 16. Any and all documents and communications reflecting the members of NSPR.

No. 17. Any and all documents and communications reflecting the decision makers of NSPR, including with respect to its relationship with any of the Debtors.

Exhibit C
Proposed Order

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

In re:

CMC II, LLC,

Debtors.¹

Chapter: 11

Case No. 21-10461(JTD)

(Jointly Administered)

**ORDER GRANTING MOTION FOR ORDER AUTHORIZING
PROCEDURES FOR, AND RULE 2004 EXAMINATIONS OF, DEBTORS'
CONTROLLER AND RELATED NON-DEBTOR PARTIES**

Upon consideration of the motion of the Committee of Unsecured Creditors (the "Committee"), by and through its counsel, Porzio, Bromberg & Newman, P.C., pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure and Local Rule 2004-1 of the United States Bankruptcy Court for the District of Delaware, seeking the entry of an order authorizing procedures for Rule 2004 examinations of Debtors' Controller and related non-Debtor entities (the "2004 Motion"), and due and proper notice of the 2004 Motion having been given, it is hereby **ORDERED** that the 2004 Motion is **GRANTED**.

IT IS FURTHER ORDERED as follows:

1. The document requests set forth in the subpoenas attached to the 2004 Motion as Exhibit A and Exhibit B ("Subpoenas") are authorized pursuant to Bankruptcy Rule 2004 and Local Rule 2004-1.
2. The Committee is authorized to issue the Subpoena attached as Exhibit A on CMC

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470), 803 Oak Street Operations LLC (3900), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors' corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

II's Controller, Jeremy Pyron.

3. The Committee is authorized to issue the Subpoena attached as Exhibit B on related non-Debtor entities who owe the Debtors money according to the Debtors' books and records, including, *inter alia*, (i) NSPR Care Centers, LLC, (ii) Envoy Health Care LLC and Facilities, (iii) Consulate MZHBS Leaseholdings, LLC, (iv) Consulate Facility Leasing, LLC, (v) Hurstbourne Healthcare, LLC, (vi) FHCP Parent, (vii) Coastal Administrative Services, (viii) Genoa Healthcare Group, (ix) Epsilon Health Care Properties, (x) Ambassador Ancillary Services, LLC and/or Ambassador Rehabilitative Services, LLC, (xi) Gena (or Genoa) Healthcare Consulting, and (xii) Shoreline Healthcare Management.

4. Within 30 days of service of a Subpoena, the respective recipient shall produce all documents responsive to the document requests contained in such Subpoena.

5. The Committee may schedule oral examinations on the topics set forth in the Subpoenas to occur by remote video means within 35 days of service of such Subpoenas (or such later date as may be mutually agreed upon by the Committee and the recipient), with the parties to meet and confer within 7 days of service of the Subpoenas to schedule the date of the examination.

6. The Committee is authorized to serve additional subpoenas on the Debtors, their representatives, or non-Debtor related parties relating to the topics described in the 2004 Motion or information uncovered by the Committee during the Rule 2004 discovery authorized by this Order. If the Committee issues an additional subpoena, the recipient may seek a protective order to the extent that it exceeds the scope of discovery permitted pursuant to Rule 2004 or for such other reason permitted by the Federal Rules of Bankruptcy Procedure. Any request for a protective order must be filed with the Court within 14 days of service of such additional subpoena.

7. Nothing herein shall prejudice the Committee from seeking further discovery from

any party, whether under Rule 2004 or otherwise.

8. The Court shall retain jurisdiction with respect to the implementation of this Order.

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

In re:

CMC II, LLC,

Debtors.¹

Chapter: 11

Case No.: 21-10461 (JTD)

(Jointly Administered)

Hearing Date: June 8, 2021 at 10:00 a.m.

Obj. Deadline: June 1, 2021 at 4:00 p.m.

**DECLARATION IN SUPPORT OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITOR'S MOTION FOR ORDER AUTHORIZING
PROCEDURES FOR, AND RULE 2004 EXAMINATIONS OF, DEBTORS'
CONTROLLER AND RELATED NON-DEBTOR PARTIES**

Pursuant to 28 USC Section 1746, Narendra Ganti declares as follows :

1. I am a Managing Director with FTI Consulting, Inc., together with its wholly owned subsidiaries (“FTI”), an international consulting firm. I submit this Declaration on behalf of FTI (the “Declaration”) in support of the motion (the “2004 Motion”) of the Official Committee of Unsecured Creditors (the “Committee”) of CMC II, LLC, the debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), for an order establishing procedures for, and rule 2004 examinations of, Debtors' Controller and related non-Debtor parties.

2. I am authorized to submit this Declaration on behalf of the Committee. Unless otherwise indicated herein, the facts set forth in this Declaration are personally known to me and, if called as a witness, I could and would testify thereto.

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470), 803 Oak Street Operations LLC (3900), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors' corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

3. On March 22, 2021, the Committee informally provided the Debtors with a first set of requests for the production of documents (the "Document Requests") detailing points of interest for the Committee.

4. On March 23, 2021, the Committee's professionals and Debtors' professionals participated in a telephone call where the Document Requests were reviewed and, among other things, certain requests therein were identified by the Committee and agreed between the parties to be of a more urgent nature than others based upon the process proposed by the Debtors, many of which were materially related to the Debtors' proposed truncated timeline and upcoming hearing on the Debtors' DIP motion and Bid Procedures motion.

5. Since that time, the Committee has been receiving and digesting information from the Debtors and/or their professionals and following up with the Debtors' professionals on insufficient information issues. The Committee has worked to make its information and document requests reasonable, orderly and digestible, largely focusing on one specific value-add concept at a time for the benefit of efficient and targeted progress. For example, the Committee has engaged with the Debtors and non-Debtor related parties with an emphasis largely on obtaining complete information to evaluate millions owed to the Debtors by its related parties.

6. While certain information has been shared with the Committee, albeit at times with rounds of follow-up, the information received from the Debtors to date fails to make available documents and factual information necessary to evaluate and analyze paths to potential value that relate to Debtor-related parties, including with respect to, *inter alia*:

- a) Intercompany receivables;
- b) Uncollected or undercollected management fees;
- c) Shared costs and expenses of the SNFs, contractual or otherwise; and
- d) LaVie sweeping of management fees.

7. Additionally, the Committee has been and remains concerned about representations that CMC II, a company contractually obligated to manage well over a hundred SNFs, is not in possession of information that I would have expected to be housed with, or otherwise controlled by, such an entity. Thus, the Committee has also engaged with non-Debtor entities with respect to past and current yet to be explained information gaps alleged by the Debtors.

8. I believe that the Committee may be unable to timely investigate and analyze fully the claims and causes of action held by the Debtors' estates without more formal document production and oral examinations under Rule 2004 from Debtor-personnel and related non-Debtor entities pursuant to an Order of the Court, as the Committee continues to seek progress in its investigation and address areas of inquiry where the management company in the Debtors' enterprise, CMC II, does not have information that it would be expected to have based upon the nature of its business.

9. Should the Court require further information regarding the shortcomings of the information received to date, and how the Committee's work has been impeded, I am available to testify at the Court's convenience.

I declare under penalty of perjury that the foregoing is true and correct

Executed this __14th day of May 2021.

/s/ Narendra Ganti
Narendra Ganti

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

In re:

CMC II, LLC,

Debtors.¹

Chapter: 11

Case No. 21-10461(JTD)
(Jointly Administered)

Hearing Date: June 8, 2021 at 10:00 a.m. (ET)

Objection Deadline: June 1, 2021 at 4:00 p.m. (ET)

**NOTICE OF MOTION FOR ORDER AUTHORIZING
PROCEDURES FOR, AND RULE 2004 EXAMINATIONS OF,
DEBTORS' CONTROLLER AND RELATED NON-DEBTOR PARTIES**

PLEASE TAKE NOTICE that Porzio, Bromberg & Newman, P.C. ("Porzio"), counsel to the Official Committee of Unsecured Creditors (the "Committee") filed its *Motion for Order Authorizing Procedures For, and Rule 2004 Examinations of, the Debtors' Controller and Related Non-Debtor Parties* (the "2004 Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE NOTICE THAT that an objection, if any, to the 2004 Motion must be in writing, in conformity with the Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the District of Delaware, filed with the Bankruptcy Court and served upon the undersigned counsel so as to be received on or before **June 1, 2021 at 4:00 p.m. (ET)** (the "Objection Deadline"). At the same time, you must also serve a copy of the response upon the Committee's counsel:

Cheryl A. Santaniello, Esq.
Porzio, Bromberg & Newman, P.C.
300 Delaware Avenue, Suite 1220
Wilmington, DE 19801
Telephone: (302) 526-1235
Facsimile: (302) 416-6064

Robert M. Schechter, Esq. (*pro hac* admitted)
William J. Hughes, Jr., Esq. (*pro hac*
admitted)
Rachel A. Parisi, Esq. (*pro hac* admitted)
David E. Sklar, Esq. (*pro hac* admitted)
Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
P.O. Box. 1997
Morristown, New Jersey 07962
Telephone: (973) 538-4006
Facsimile: (973) 538-5146

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470), 803 Oak Street Operations LLC (3900), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors' corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

If Objections are filed, a hearing on the 2004 Motion will be held on **June 8, 2021 at 10:00 a.m. (ET)** before the Honorable John T. Dorsey, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom #5, Wilmington, Delaware 19801.

IF NO OBJECTIONS TO THE 2004 MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE 2004 MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: May 14, 2021
Wilmington, Delaware

/s/ Cheryl A. Santaniello
Cheryl A. Santaniello, Esq. (DE Bar No. 5062)
Porzio, Bromberg & Newman, P.C.
300 Delaware Avenue, Suite 1220
Wilmington, DE 19801
Telephone: (302) 526-1235
Facsimile: (302) 416-6064
E-mail: casantaniello@pbnlaw.com

-and-

Robert M. Schechter, Esq.
William J. Hughes, Jr., Esq.
Rachel A. Parisi, Esq.
David E. Sklar, Esq.
Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
P.O. Box. 1997
Morristown, New Jersey 07962
Telephone: (973) 538-4006
Facsimile: (973) 538-5146
E-mail: rmschechter@pbnlaw.com
E-mail: wjhughes@pbnlaw.com
E-mail: raparisi@pbnlaw.com
E-mail: desklar@pbnlaw.com

*Counsel for the Official Committee of
Unsecured Creditors*

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

In re:

CMC II, LLC, *et al.*¹

Debtors.

Chapter 11

Case No. 21-10461 (JTD)

(Jointly Administered)

CERTIFICATE OF SERVICE

I hereby certify that on May 14, 2021, the foregoing *Motion for Order Authorizing Procedures For, Rule 2004 Examinations of, Debtors' Controller and Related Non-Debtor Parties* was electronically filed via CM/ECF and served via CM/ECF upon all parties registered to receive CM/ECF notices in these cases, and I caused to be served upon the following parties via email and/or First Class Mail:

Chipman Brown Cicero & Cole, LLP
Attn: William E. Chipman, Jr., Esq.
Attn: Robert A. Weber, Esq.
Attn: Mark L. Desgrosseilliers, Esq.
Attn: Mark D. Olivere, Esq.
1313 North Market Street, Suite 5400
Wilmington, DE 19801
chipman@chipmanbrown.com
weber@chipmanbrown.com
desgross@chipmanbrown.com
olivere@chipmanbrown.com
Proposed Counsel to the Debtors

Office of the United States Trustee
Attn: Linda J. Casey, Esq.
J. Caleb Boggs Federal Building
844 N. King Street, Room 2207, Lockbox 35
Wilmington, DE 19801
Linda.Casey@usdoj.gov
U.S. Trustee

CMC II, LLC
Attn: Paul Rundell
945 Hemlock Street
Deefield, IL 60015
prundell@alvarezandmarsal.com
Debtors

Skadden, Arps, Slate, Meagher & Flom LLP
Attn: Carl T. Tullson, Esq.
One Rodney Square,
920 N. King Street
Wilmington, Delaware 19801
Carl.tullson@skadden.com

And

Skadden, Arps, Slate, Meagher & Flom LLP
Attn: James J. Mazza, Jr., Esq.
Attn: Robert E. Fitzgerald, Esq.
155 North Wacker Drive

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470) ("Marshall"), 803 Oak Street Operations LLC (3900) ("Governor's Creek"), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors' corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751

CMC II, LLC
ATTN: Jeremy Pyron
1040 Crown Point Parkway,
Atlanta, GA 30338

Debtors' Corporate Controller

Chicago, Illinois 60606-1720
james.mazza@skadden.com
robert.fitzgerald@skadden.com

*Counsel to the DIP Lender and Remaining
Assets Stalking Horse Bidder*

Dated: May 14, 2021
Wilmington, Delaware

/s/ Cheryl A. Santaniello
Cheryl A. Santaniello, Esq.