

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON

In Re:

ASTRIA HEALTH, et al.<sup>1</sup>

Debtors and Debtors in Possession,

ASTRIA HEALTH, et al.,

Plaintiffs,

v.

UNITED STATES SMALL  
BUSINESS ADMINISTRATION  
and JOVITA CARRANZA, in her  
capacity as Administrator for the  
United States Small Business  
Administration,

Defendants.

Lead Case No. 19-01189-11

Adv. Proc. Case No. 20-80016-WLH

STIPULATED ORDER

<sup>1</sup> The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHC Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-01190-11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-01200-11).



**STIPULATED ORDER**

Astria Health, *et al.* (“Plaintiffs”) and United States Small Business Administration, *et al.* (“United States”) hereby stipulate and agree as follows in the above-captioned adversary proceeding (the “Adversary Proceeding”):

WHEREAS:

- (A) On May 15, 2020, Plaintiffs filed its Verified Complaint (ECF No. 1) initiating the Adversary Proceeding. In the Verified Complaint, Plaintiffs sought, among other things, a preliminary injunction against the United States regarding the PPP loan program of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), Public Law 116-136.
- (B) On May 15 2020, Plaintiffs filed the Motion for Temporary Restraining Order and Request for Hearing and Briefing Schedule with respect to the Debtor's Request for a Preliminary Injunction (the “Motion”) (ECF No. 2).
- (C) On May 26, 2020, the United States filed a timely opposition to Plaintiff's Motion (ECF No. 14).
- (D) On June 3, 2020, the Court held a hearing on Plaintiffs’ Motion and granted the relief requested by Plaintiffs. On June 10, 2020, the Court entered an Order Granting Preliminary Injunction, Denying Stay Pending Appeal, and Certifying Issues to the Ninth Circuit Court of Appeals (ECF No. 22).

1 (E) Plaintiffs have received confirmation that their PPP loan applications  
2 have been approved and will be funded within seven (7) business days.

3 (F) Pursuant to the Notice of Scheduling Conference (ECF No. 4), the parties  
4 were to submit a proposed joint report pursuant to Rule 26(f) on June 18,  
5 2020. In addition, a scheduling conference is scheduled for June 24, 2020.

6 *Id.*

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8 (G) In order to limit the costs and delay associated with litigation, the parties  
9 have agreed to the terms set forth in the ordering paragraphs that follow.

10 Premised on the foregoing recitals, Plaintiff and the United States hereby

11 STIPULATE AND AGREE as follows:  
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13  
14 (1) The parties hereby agree to stay this Adversary Proceeding pending the  
15 United States' appeal of the Order Granting Preliminary Injunction. Such  
16 stay shall only apply to further litigation of this Adversary Proceeding on  
17 the merits and does not stay the Order Granting Preliminary Injunction.

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19 (2) The United States hereby agrees that this agreed upon stay of the  
20 Adversary Proceeding does not apply to any relief obtained by Plaintiffs  
21 as a result of the Order Granting Preliminary Injunction, or Plaintiffs  
22 rights to enforce such relief.

23  
24 (3) This stipulation and standstill agreement will remain in effect until the  
25 entry of a final order in the United States' appeal of the Order Granting  
26 Preliminary Injunction.  
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- 1 (4) Upon the lifting of the stay of litigation of this Adversary Proceeding, the  
2 parties will meet and confer in good faith to agree on a schedule for  
3 briefing and other deadlines, evidentiary issues, and hearing dates for  
4 litigation of the Plaintiff's request for a preliminary injunction and/or a  
5 final hearing on the merits.  
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7 (5) The parties agree to a status hearing on August 25, 2020 at 1:30 p.m. Any  
8 party may request a status hearing prior to that date.  
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10 (6) This Stipulation shall be effective upon endorsement and entry on the  
11 docket by the Court.  
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13 **///End of Order///**  
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1 PRESENTED BY:

2 /s/ Samuel R. Maizel

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11 *Debtors and Debtors In Possession*

12 AND

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14 Assistant Attorney General

15 WILLIAM D. HYSLOP

16 United States Attorney

17 /s/ Brian M. Donovan

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