

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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: **Chapter 11**  
In re :  
: **Case No. 24–10164 (KBO)**  
CANO HEALTH, INC., *et al.*, :  
: **(Jointly Administered)**  
Debtors.<sup>1</sup> :  
: **Objection Deadline: Feb. 29, 2024 at 4:00 p.m. (ET)**  
: **Hearing Date: Mar. 7, 2024 at 10:00 a.m. (ET)**  
: **Re: Docket Nos. 4 & 73**  
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**NOTICE OF (A) ENTRY OF INTERIM ORDER PURSUANT TO 11 U.S.C §§ 105(a), 362(d), AND 363(b) AND FED. R. BANKR. P. 4001 (I) AUTHORIZING DEBTORS TO (A) MAINTAIN THEIR INSURANCE POLICIES, SURETY BOND PROGRAM, AND LETTERS OF CREDIT, AND (B) HONOR ALL INSURANCE, SURETY BOND AND LETTERS OF CREDIT OBLIGATIONS, (II) MODIFYING AUTOMATIC STAY, AND (III) GRANTING RELATED RELIEF; AND (B) FINAL HEARING THEREON**

PLEASE TAKE NOTICE THAT on February 5, 2024, Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases filed the *Motion of Debtors Pursuant to 11 U.S.C §§ 105(a), 362(d), and 363(b) and Fed. R. Bankr. P. 4001 for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Maintain their Insurance Policies, Surety Bond Program, and Letters of Credit, and (B) Honor all Insurance, Surety Bond and Letters of Credit Obligations, (II) Modifying Automatic Stay, and (III) Granting Related Relief* [Docket No. 4] (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”). A copy of the Motion is attached hereto as **Exhibit A**.

<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.



PLEASE TAKE FURTHER NOTICE that on February 6, 2024, following an initial hearing to consider the Motion, the Court entered the *Interim Order Pursuant to 11 U.S.C. §§ 105(a), 362(d), and 363(b) and Fed. R. Bankr. P. 4001 (I) Authorizing Debtors to (A) Maintain Their Insurance Policies, Surety Bond Program, and Letters of Credit, and (B) Honor All Insurance, Surety Bond and Letters of Credit Obligations, (II) Modifying Automatic Stay, and (III) Granting Related Relief* [Docket No. 73] (the “**Interim Order**”). A copy of the Interim Order is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, objections or responses to the final relief requested in the Motion, if any, must be made in writing and filed with the Court on or before **February 29, 2024 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, the final hearing with respect to the Motion, if required, will be held before The Honorable Karen B. Owens at the Court, 824 North Market Street, 6<sup>th</sup> Floor, Courtroom 3, Wilmington, Delaware 19801 on **March 7, 2024 at 10:00 a.m. (prevailing Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE FINAL RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Dated: February 7, 2024  
Wilmington, Delaware

/s/ James F. McCauley

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**EXHIBIT A**

**Motion**

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

	X	
	:	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CANO HEALTH, INC., et al.,<sup>1</sup></b>	:	<b>Case No. 24-10164 (     )</b>
	:	
<b>Debtors.</b>	:	<b>(Joint Administration Requested)</b>
	:	
	X	

**MOTION OF DEBTORS PURSUANT TO 11 U.S.C. §§ 105(a), 362(d), AND 363(b)  
AND FED. R. BANKR. P. 4001 FOR ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING DEBTORS TO (A) MAINTAIN THEIR INSURANCE POLICIES,  
SURETY BOND PROGRAM, AND LETTERS OF CREDIT, AND (B) HONOR ALL  
INSURANCE, SURETY BOND AND LETTERS OF CREDIT OBLIGATIONS,  
(II) MODIFYING AUTOMATIC STAY, AND (III) GRANTING RELATED RELIEF**

Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, respectfully represent as follows:

**Relief Requested**

1. By this motion (the “**Motion**”), pursuant to sections 105(a), 362(d), and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), the Debtors request entry of interim and final orders (i) authorizing, but not directing, the Debtors to (a) maintain their Insurance Policies, the Surety Bond Program and Letters of Credit (each as defined below) in accordance with their terms as provided for in the underlying agreements and to perform with respect thereto in the ordinary course of business, including with respect to Insurance Obligations

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<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

(as defined below) arising during the administration of these chapter 11 cases, and (b) pay prepetition Insurance Obligations, including amounts owed to the Insurance Service Providers (as defined below), and prepetition obligations arising under the Surety Bond Program and Letters of Credit, (ii) modifying the automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program (as defined below), whether they arose before or after the Petition Date (as defined below), in the appropriate judicial or administrative forum to proceed against the proceeds of such policies only, and (iii) granting related relief. In furtherance of the foregoing, the Debtors also seek authority to increase, renew, supplement, extend, or replace their insurance coverage if they determine, in their reasonable business judgment, that such action is necessary or appropriate.

2. The Debtors further request the Court (i) authorize all applicable financial institutions (collectively, the "**Banks**") to receive, process, honor, and pay all checks presented for payment and electronic payment requests relating to the foregoing to the extent directed by the Debtors in accordance with this Motion and to the extent the Debtors have sufficient funds standing to their credit with such Bank, whether such checks were presented or electronic requests were submitted before or after the Petition Date, and (ii) authorize all Banks to rely on the Debtors' designation of any particular check or electronic payment request as appropriate pursuant to this Motion, without any duty of further inquiry, and without liability for following the Debtors' instructions.

3. Proposed forms of order granting the relief requested herein on an interim basis and, pending a final hearing on the relief requested herein, on a final basis are annexed hereto as **Exhibit A** (the "**Proposed Interim Order**") and **Exhibit B** (the "**Proposed Final Order**" and, together with the Proposed Interim Order, the "**Proposed Orders**"), respectively.

### **Background**

4. Beginning on February 4, 2024 (the “**Petition Date**”), the Debtors each commenced with the Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

5. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Bankruptcy Rules**”).

6. The Debtors, together with their non-debtor affiliates (collectively, the “**Company**”), are one of the largest independent primary care physician groups in the United States. The Debtors commenced their chapter 11 cases on a prearranged basis with the support, pursuant to the terms of a restructuring support agreement (the “**Restructuring Support Agreement**”), of creditors holding approximately 86% of the Debtors’ secured revolving and term loan debt and approximately 92% of the Debtors’ senior unsecured notes (collectively, the “**Consenting Creditors**”). With the support of the Consenting Creditors, the Debtors are seeking to implement a comprehensive restructuring, which may be implemented through a chapter 11 plan or a sale of substantially all of the Debtors’ assets. The Debtors expect to file a chapter 11 plan and disclosure statement in short order, consistent with the terms of the Restructuring Support Agreement, and to efficiently and expeditiously proceed through these cases towards emergence.

7. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Mark Kent in Support of Debtors’ Chapter 11 Petitions* (the “**Kent Declaration**”)

and the *Declaration of Clayton Gring in Support of the Debtors' First Day Relief* (the “**Gring Declaration**” and, together with the Kent Declaration, the “**First Day Declarations**”), each filed contemporaneously herewith and incorporated by reference herein.

### **Jurisdiction**

8. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

9. Pursuant to Local Bankruptcy Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

### **Debtors' Insurance Policies**

10. In connection with the operation of the Debtors' healthcare and wellness businesses and the management of their medical centers, pharmacies, other properties, and affiliated practices, the Debtors maintain various liability, property and other insurance policies and a workers' compensation program (collectively, the “**Insurance Policies**” and all premiums and other obligations related thereto, including any broker, advisor, or third-party administrator fees, assessments, other fees, deductibles, taxes, interest payments, and amounts owed under premium financing arrangements, collectively, the “**Insurance Obligations**”) through several different insurance carriers (the “**Insurance Carriers**”) including, but not limited to, those Insurance Policies and Insurance Carriers listed on **Exhibit C** hereto (the “**Insurance**

**Schedule**”).<sup>2</sup> As set forth in greater detail below, the Insurance Policies are necessary for the Debtors to responsibly and legally operate their business. Further, maintaining the Insurance Policies is necessary to comply with section 1112(b)(4)(C) of the Bankruptcy Code, which provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public,” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Accordingly, the Debtors submit the relief requested herein is warranted and integral to the preservation of the Debtors’ estates.

11. The Debtors pay approximately \$34,910,000 each year in Insurance Obligations, which is almost exclusively comprised of premiums. The Debtors estimate approximately \$2,500,000 of prepetition Insurance Obligations remain outstanding as of the Petition Date and expect an additional approximately \$2,440,000 of prepetition Insurance Obligations to become due and payable during the period from the Petition Date through the final hearing on this motion (the “**Interim Period**”). Pursuant to this Motion, the Debtors seek authority, but not direction, to continue the Insurance Policies in the ordinary course of business and to pay the Insurance Obligations as they come due and payable, whether arising from the prepetition or postpetition period, throughout these chapter 11 cases.

#### **A. Liability and Property Insurance Policies**

12. Through certain Insurance Carriers, the Debtors maintain various liability and property insurance policies, which provide the Debtors with insurance coverage for liabilities relating to, among other things, general liability, professional liability, property, automobile liability, umbrella liability, excess liability, employment practice liability, fiduciary liability,

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<sup>2</sup> The Insurance Schedule includes certain Insurance Policies that cover locations Debtors have either sold, exited, or in the process of exiting, but for which the Debtors continue to require insurance coverage for a limited period of time and/or are required by contractual agreement to continue to pay for such Insurance Policies.

crime, and cyber (collectively, the “**Liability and Property Insurance Policies**”). The Debtors maintain the Liability and Property Insurance Policies to help manage the various risks associated with their business operations. Additionally, certain of the Liability and Property Insurance Policies are required by applicable regulations, laws, and contracts that govern the Debtors’ healthcare and pharmacy activities and businesses.

13. Pursuant to the Liability and Property Insurance Policies, the Debtors are required to pay premiums based upon fixed rates, in addition to applicable deductibles, established by the applicable Insurance Carriers. These amounts are paid either: (i) directly by the Debtors, (ii) through the Debtors’ insurance broker, Lockton Companies (the “**Insurance Broker**”), or (iii) through a premium financing agreement with Northeast Series of Lockton Companies, LLC - PA, which was renewed on January 10, 2024 (the “**Premium Finance Agreement**”). The employment practices liability, fiduciary liability, and crime policies each have an annual premium that is paid prospectively in full. The property and automobile liability policies are paid over time directly to the insurers according to a predetermined payment schedule. The general liability, professional liability, umbrella liability, excess liability, cyber, and excess cyber policies are paid through the Premium Finance Agreement, pursuant to which the Debtors paid an initial payment of approximately \$800,000 prior to the Petition Date and agreed to pay ten (10) equal installments of approximately \$192,000 through the policy term, inclusive of the fees, interest, and taxes associated with the program. For the current coverage periods (which are set forth on **Exhibit C**), premiums for the Liability and Property Insurance Policies totaled approximately \$6,000,000 in the aggregate.

14. As of the Petition Date, the Debtors estimate they owe approximately \$1,900,000 in total prepetition obligations for the Liability and Property Policies, all of which is

due and payable within the Interim Period. Accordingly, the Debtors request authority to pay the remaining installments under the Premium Finance Agreement, any prepetition obligations that have accrued or will accrue under the Liability and Property Insurance Policies, and to continue the Liability and Property Insurance Policies after the Petition Date in the ordinary course of the Debtors' business.

#### **B. Director and Officers' Insurance**

15. In addition to the Liability and Property Insurance Policies, the Debtors participate in nine (9) Insurance Policies that provide the Debtors with insurance coverage for director and officer liability (the **"Directors' and Officers' Liability Program"**). The Debtors incur premiums under the Directors' and Officers' Liability Program based upon fixed rates, and applicable deductibles, established by the applicable Insurance Carriers and paid through the Debtors' Insurance Broker. The Debtors also obtain tail coverage for the Directors' and Officers' Liability Program (the **"Tail Coverage"**).

16. The current coverage, with the exception of the Tail Coverage, ends on June 3, 2024, at which time further premiums will become due in order to prevent coverage from expiring. The Tail Coverage is prepaid and provides director and officer liability coverage for six years, starting in 2024 and expiring in 2030. Premiums for the Directors' and Officers' Liability Programs totaling approximately \$3,610,000 in the aggregate (which amount includes the Tail Coverage for 2024), were paid by the Debtors in full in advance for the current coverage periods.

17. Accordingly, as of the Petition Date, the Debtors are not aware of any outstanding premiums or other prepetition amounts owed to the various Insurance Carriers for the Directors' and Officers' Liability Program. However, out of an abundance of caution, the Debtors request authority to (i) pay any prepetition obligations that have accrued or will accrue under the

Directors' and Officers' Liability Program, and (ii) continue the Directors' and Officers' Liability Program after the Petition Date in the ordinary course of the Debtors' business.

### **C. Stop Loss Insurance Program**

18. The Debtors maintain insurance programs to cover third party medical expenses for certain Medicare plans (the "**Stop Loss Insurance Program**"). For the Stop Loss Insurance Program, the Debtors incur premiums based on reported membership, established by the Insurance Carrier, and paid through certain brokers including Brown and Brown Risk Solutions, Beecher Carlson Insurance Services, LLC, and RSC Insurance Brokerage, Inc. (together, the "**Stop Loss Insurance Brokers**"). The Stop Loss Insurance Brokers are paid directly through the Stop Loss Insurance Program's Insurance Carriers, Convex Insurance UK Ltd or PartnerRe America Insurance Company, as applicable. In 2024, the projected annual premium for the Stop Loss Insurance Program is approximately \$23,350,000 in the aggregate to be paid in monthly installments.

19. As of the Petition Date, the Debtors estimate they owe approximately \$1,970,000 in total prepetition obligations for the Stop Loss Insurance Program, all of which is due and payable within the Interim Period. The Debtors request authority to pay monthly premiums under the Stop Loss Insurance Program, any prepetition obligations that have accrued or will accrue under the Stop Loss Insurance Program, and to continue the Stop Loss Insurance Program after the Petition Date in the ordinary course of the Debtors' business.

### **D. Workers' Compensation Program**

20. The Debtors maintain workers' compensation insurance as required by statute in each of the states and territories in which they operate and provide coverage to employees for claims arising from or related to their employment by the Company (the "**Workers' Compensation Program**"). The Debtors participate in two (2) policies with two (2) Insurance

Carriers, which are both affiliates of the Hartford Financial Services Group, Inc., including Twin City Fire Insurance Company and Property & Casualty Insurance Company of Hartford (together “**Hartford**”). In addition to acting as the Insurance Carrier under the Workers’ Compensation Program, Hartford also serves as a third-party administrator under the policies and is responsible for investigating, administering, and paying all Workers’ Compensation Claims (as defined below) arising under the Workers’ Compensation Program.

21. In 2023, the Debtors paid approximately \$3,600,000 in payments to Hartford on account of obligations arising under or in connection with the Workers’ Compensation Program, including claims arising from or related to an employee’s employment with the Debtors (the “**Workers’ Compensation Claims**”). As of the Petition Date, there are thirty-six pending Workers’ Compensation Claims against the Debtors representing an aggregate total liability of approximately \$1,000,000 outstanding in connection with pending, but unpaid, prepetition Workers’ Compensation Claims.<sup>3</sup>

22. Under the Workers’ Compensation Program, Hartford, as third-party administrator, makes payments in respect of the Workers’ Compensation Claims and is later reimbursed by the Debtors (the “**Claim Reimbursements**”). The Debtors are responsible for the first \$250,000 of each Workers’ Compensation Claim, and once the claim exceeds \$250,000, Hartford pays the remaining balance. Hartford is obligated to satisfy Workers’ Compensation Claims even if the Debtors fail to pay or fulfill their obligations, including payment of deductibles.

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<sup>3</sup> The \$1,700,000 represents open claim balances, of which the Debtors anticipate approximately \$800,000 will be covered under the Workers’ Compensation Program, and the remaining \$900,000 in deductibles to be paid by the Debtors.

Accordingly, to secure payment, the Debtors posted collateral in the form of a letter of credit totaling approximately \$3,100,000 in favor of Hartford (collectively, the “**Policy Collateral**”).<sup>4</sup>

23. As of the Petition Date, the Debtors estimate they owe approximately \$1,200,000 in total prepetition obligations under the Workers’ Compensation Program (including premiums, Claim Reimbursements, and Administrative Fees (as defined below)), \$370,000 of which is due and payable during the Interim Period.

24. By this Motion, the Debtors are requesting authority, but not direction, to continue and maintain the Workers’ Compensation Program in the ordinary course of business, including the continued posting of any collateral in connection therewith. In addition, the Debtors seek authority to modify the automatic stay to permit employees who hold valid Workers’ Compensation Claims to proceed with such claims in the appropriate judicial or administrative forum; *provided that* any recovery on account of such claims are limited solely to funds available under the Debtors’ Workers’ Compensation Program and not to other estate assets.

#### **E. Insurance Providers**

25. As discussed above, the Debtors employ Hartford as a third-party administrator for the Workers’ Compensation Program. The Debtors do not pay a separate broker fee to Hartford and commission payments to Hartford are included in the insurance premium for each line of coverage.

26. The Debtors also utilize the Insurance Broker (together with Hartford, the “**Insurance Service Providers**”) to assist with the procurement and negotiation of certain Insurance Policies, and, in certain circumstances, to remit payment to the Insurance Carriers on

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<sup>4</sup> The Policy Collateral is for the benefit of the Hartford Fire Insurance Company in connection with both the Workers Compensation Program and the automobile liability insurance. In connection with the 2024 renewal of Hartford’s policies, the Debtors are required to increase the Policy Collateral by approximately \$2,400,000 in the Interim Period, bringing the total to \$5,500,000.

behalf of the Debtors. The Insurance Broker does not have a separate fee structure and commission payments to the Insurance Broker are included in the insurance premium for each line of coverage.

27. As of the Petition Date, the Debtors are not aware of any outstanding prepetition amounts owed to the Insurance Service Providers on account of the Insurance Fees. However, because of the Insurance Service Providers' familiarity with the Insurance Policies, the Debtors request authority, but not direction, to pay any prepetition obligations owed to continue utilizing their services and pay any subsequent Insurance Fees that may become due and payable in the ordinary course of the Debtors' business.

### **Debtors' Surety Bond Program and Letters of Credit**

28. In the ordinary course of business, the Debtors provide surety bonds (the "**Surety Bonds**") securing payment or performance of certain obligations arising from contractual agreements between the Debtors and the beneficiaries of the Surety Bonds (collectively, the "**Surety Bond Program**").

29. As of the Petition Date, the Debtors currently have one Surety Bond outstanding in an amount of approximately \$37,000,000 for the benefit of the Centers for Medicare and Medicaid Services ("**CMS**" and such bond, the "**CMS Bond**") which secures the performance of obligations arising from the Debtors' participation agreement with CMS under the Accountable Care Organization Realizing Equity, Access, and Community Health (ACO REACH) program. The CMS Bond is partially collateralized by restricted cash in an amount of approximately \$26,800,000.<sup>5</sup>

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<sup>5</sup> The Surety Writing Company for the CMS Bond is Intact Insurance, Bond No. 800051561, and is set to expire on December 31, 2026.

30. In addition, in the ordinary course of business, the Debtors maintain letters of credit for the benefit of third parties in connection with certain obligations including, among other things, their obligations related to the lease agreement for the Company's headquarters, certain provider participation agreements, and other insurance related obligations (the "**Letters of Credit**"). The Company's Letters of Credit include, but are not limited to, those listed on **Exhibit D** hereto.

31. Failing to provide, maintain, or timely replace their Surety Bonds and Letters of Credit may prevent the Debtors from undertaking essential functions related to their operations. The issuance of surety bonds shifts the risk of the Debtors' nonperformance or nonpayment from the Debtors to a surety. Unlike an insurance policy, if a surety incurs a loss on a surety bond, it is entitled to recover the full amount of that loss from the principal. Similarly, if a beneficiary draws on a letter of credit, the letter of credit issuer is typically entitled to recover from the applicant.

32. By this Motion, the Debtors seek authority, but not direction, to continue the Surety Bond Program and maintain the Letters of Credit in the ordinary course of business, and, out of an abundance of caution, to honor all obligations and post additional collateral on account of the Surety Bonds and Letters of Credit that may become due during the chapter 11 cases. The Debtors also seek authority to provide additional or new Surety Bonds or Letters of Credit to third parties as necessary to operate their business in the ordinary course.

**Relief Requested Should Be Granted**

**A. Maintaining the Debtors' Insurance Policies, Surety Bond Program, and Letters of Credit, and Payment of Obligations Related Thereto is Warranted Under Section 363(b)(1) and 105(a) of the Bankruptcy Code and the Doctrine of Necessity**

33. A bankruptcy court may authorize a debtor to pay certain prepetition obligations pursuant to section 363(b) of the Bankruptcy Code. 11 U.S.C. § 363(b)(1). Section

363(b) of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). To approve the use of assets outside the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code, courts require only that the debtor “show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *see also In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987). Moreover, if “the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also Stanziale v. Nachtomi (In re Tower Air, Inc.)*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”).

34. Further, in a long line of well-established cases, courts consistently have permitted payment of prepetition obligations where such payment is necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. *See, e.g., Miltenberger v. Logansport, C. & S. W.R. Co.*, 106 U.S. 286, 312 (1882) (payment of pre-receivership claim prior to reorganization permitted to prevent “stoppage of the continuance of [crucial] business relations”); *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that “if payment of a claim which arose prior to reorganization is essential to the continued operation of the . . . [business] during reorganization, payment may be authorized even if it is made out of [the] corpus.”); *Dudley v. Mealey*, 147 F.2d 268, 271 (2d Cir. 1945) (extending doctrine for payment of prepetition claims beyond railroad reorganization cases); *Mich. Bureau of Workers’ Disability*

*Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 285-86 (S.D.N.Y. 1987) (approving lower court order authorizing payment of prepetition wages, salaries, expenses, and benefits).

35. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their fiduciary duties under section 1107(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a); *see In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (applying section 105(a) to justify an order authorizing the payment of certain prepetition wages, salaries, medical benefits, and business expense claims to debtor’s employees). Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to act as a fiduciary to “protect and preserve the estate, including an operating business’ going-concern value,” on behalf of a debtor’s creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of Equity Holders of Penick Pharma., Inc. v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232–33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee.”). Courts consistently have permitted payment of prepetition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. *See, e.g., In re Lehigh*, 657 F.2d at 581 (holding that “if payment of a claim which arose prior to reorganization is essential to the continued

operation of the . . . [business] during reorganization, payment may be authorized even if it is made out of [the] corpus.”).

36. The Court may also authorize the payment of prepetition claims in appropriate circumstances under section 105(a) of the Bankruptcy Code and the doctrine of necessity when such payment is essential to the continued operation of a debtor’s business. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of Bankruptcy Code provides a statutory basis for payment of prepetition claims under the doctrine of necessity and noting that “[t]he Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11.”); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (confirming that the doctrine of necessity is standard for enabling a court to authorize payment of prepetition claims prior to confirmation of a reorganization plan).

37. Paying the Insurance Obligations, and honoring obligations in connection with the Surety Bond Program and Letters of Credit are necessary costs of preserving the Debtors’ estates. In addition, the Debtors are contractually and legally obligated to maintain certain types of insurance, and the Debtors must maintain certain of the Insurance Policies in order to comply with the operating guidelines of the Office of the United States Trustee for Region 3, which includes the District of Delaware, and applicable state law. Additionally, section 1112(b)(4)(C) of the Bankruptcy Code provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Continuing to maintain the Surety Bond Program and Letters of Credit is similarly necessary to maintain the Debtors’ current business operations. As described

above, the Debtors are contractually obligated to provide the surety bonds and maintain letters of credit under certain of their contracts with governmental units. Based on the Debtors' current circumstances, it is not likely that the Debtors will be able to renew or replace their existing Insurance Policies, the Surety Bond Program and Letters of Credit on more favorable terms. The process of establishing new programs would also be burdensome and costly to the Debtors. In this regard, the Insurance Policies, Surety Bond Program and Letters of Credit are essential to the Debtors' operations, as the Debtors would be exposed to significant liability if the Insurance Policies, Surety Bond Program, and Letters of Credit were allowed to lapse or terminate. Such exposure could detrimentally impact the Debtors' ability to reorganize successfully.

38. The Court should also authorize, but not direct, the Debtors to continue paying their Insurance Service Providers in the ordinary course of business. The Insurance Service Providers are intimately familiar with the Debtors' Insurance Policies and Insurance Obligations. Losing the services provided by the Insurance Service Providers would result in a costly disruption to the Debtors' businesses and would detract from efficient administration of these chapter 11 cases.

39. Accordingly, authority to continue maintaining the Insurance Policies, the Surety Bond Program, and Letters of Credit and to pay any unpaid Insurance Obligations and unpaid amounts related to the Surety Bond Program and Letters of Credit arising prior to the Petition Date, is critical to the Debtors' ability to preserve the going-concern value of their businesses, which will inure to the benefit of all parties in interest.

40. Moreover, the relief requested by this Motion represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, and is justified under sections 363(b) and 105(a) of the Bankruptcy Code.

Authorizing the Debtors to, in consultation with the Ad Hoc First Lien Group, (i) pay prepetition amounts related to maintaining the Insurance Policies, Surety Bond Program, Letters of Credit and (ii) pay all prepetition amounts related to the Insurance Obligations is in the best interests of the Debtors, their estates, and their economic stakeholders.

**B. The Automatic Stay Should Be Modified for Workers' Compensation Claims**

41. Section 362(a)(1) of the Bankruptcy Code operates to stay:

the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title . . . .

11 U.S.C. § 362(a)(1). Section 362(d)(1), however, permits a debtor or other party in interest to request a modification or termination of the automatic stay for “cause.” 11 U.S.C. § 362(d)(1).

42. Pursuant to section 362(d) of the Bankruptcy Code, the Debtors seek authority to modify the automatic stay to permit employees who hold valid Workers' Compensation Claims to proceed with such claims in the appropriate judicial or administrative forum; *provided that* any recovery on account of such a claim is limited solely to funds available under the Workers' Compensation Program and not to other estate assets.

43. There is cause to modify the automatic stay because staying the workers' compensation claims could result in employee departures or otherwise harm employee morale, at a time when the Debtors need their workforce to be operating at peak efficiency. Unnecessary distractions—or heavy attrition—could jeopardize the Debtors' chapter 11 strategy and result in irreversible harm to the Debtors' businesses. Accordingly, the Debtors respectfully request that the Court modify the automatic stay as it relates to valid Workers' Compensation Claims to allow

employees holding any such claims to pursue resolution and collection from the applicable Insurance Carriers and other non-Debtor sources.

**C. Cause Exists to Authorize Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers**

44. The Debtors have sufficient funds to pay the Insurance Obligations and amounts related to the Surety Bond Program and Letters of Credit in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral and debtor-in-possession financing. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the obligations addressed in this Motion. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, inadvertently may not be honored and that the Court should authorize the Banks, when requested by the Debtors, to receive, process, honor and pay any and all checks or wire transfer requests in respect of the relief requested herein, solely to the extent that the Debtors have sufficient funds standing to their credit with such Banks, and such Banks may rely on the representations of the Debtors without any duty of further inquiry and without liability for following the Debtors' instructions.

**Bankruptcy Rule 6003(b) Has Been Satisfied**

45. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" prior to 21 days after the Petition Date. Fed. R. Bankr. P. 6003(b). As explained above and in the Gring Declaration, the lapse, termination, or non-renewal of any of the Insurance Policies, the Surety Bond Program,

and Letters of Credit as a result of the Debtors' failure to pay their Insurance Obligations, or honor obligations under the Surety Bond Program and Letters of Credit could subject the Debtors to substantial administrative liability and a potential cessation of operations. Accordingly, the Debtors would suffer immediate and irreparable harm if the relief sought herein is not promptly granted. The Debtors, therefore, submit that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

#### **Request for Bankruptcy Rule 6004(a) and (h) Waivers**

46. To implement the foregoing successfully, the Debtors seek waivers of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above and in the Gring Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

#### **Reservation of Rights**

47. Nothing contained herein is intended to be or shall be construed as (a) an implication admission as to the validity of any claim against the Debtors or any liens satisfied pursuant to this Motion, (b) an agreement or obligation to pay any claims, (c) a waiver of any claims or causes of action that may exist against any creditor or interest holder, (d) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim, (e) a waiver of the obligation of any party in interest to file a proof of claim, (f) an approval, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code, or (g) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease. Likewise, if the Court grants the relief sought

herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

### Notice

48. Notice of this Motion will be provided to the following parties (each as defined in the First Day Declarations): (a) the Office of the United States Trustee for the District of Delaware (Attn: Benjamin A. Hackman, Esq. (Benjamin.A.Hackman@usdoj.gov) and Jon Lipshie, Esq. (Jon.Lipshie@usdoj.gov)); (b) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (c) the Internal Revenue Service; (d) the U.S. Securities and Exchange Commission; (e) the United States Attorney's Office for the District of Delaware; (f) Gibson, Dunn & Crutcher LLP, 200 Park Ave, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown@gibsondunn.com)) and Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, Delaware 19801 (Attn: Laura Davis Jones, Esq. (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com)), as counsel to the Ad Hoc First Lien Group; (g) ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. (jeffrey.gleit@afslaw.com)), as counsel to the DIP Agent; (h) Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com) and Scott D Talmadge, Esq. (scott.talmadge@freshfields.com)), as counsel to the Agent under the CS Credit Agreement; (i) Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Evan Palenschat, Esq. (EPalenschat@proskauer.com)), as counsel to the Agent under the Side-Car Credit Agreement; (j) U.S. Bank National Association, West Side Flats 60 Livingston Ave. EP-MN-WS3C Saint Paul, MN 55107 (Attn: Global Corporate

Trust Services), the Indenture Trustee under the Senior Note Indenture; (k) the Insurance Carriers; (l) the Sureties; (m) the Insurance Service Providers (n) the Banks; and (o) any other party entitled to notice pursuant to Local Bankruptcy Rule 9013-1 (collectively, the “**Notice Parties**”). Notice of this Motion and any order entered hereon will be served in accordance with Local Bankruptcy Rule 9013-1(m).

49. The Debtors respectfully submit that no further notice is required. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

*[Remainder of page intentionally left blank]*

WHEREFORE the Debtors respectfully request entry of the Proposed Orders granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: February 5, 2024  
Wilmington, Delaware

/s/ Amanda R. Steele

RICHARDS, LAYTON & FINGER, P.A.

Mark D. Collins (No. 2981)

Michael J. Merchant (No. 3854)

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-and-

WEIL, GOTSHAL & MANGES LLP

Gary T. Holtzer (*pro hac vice* pending)

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*Proposed Attorneys for the Debtors  
and the Debtors in Possession*

**Exhibit A**

**Proposed Interim Order**

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

	X	
	:	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CANO HEALTH, INC., et al.,</b>	:	<b>Case No. 24-10164 (    )</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	:	
	X	

**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 362(d), AND  
363(b) AND FED. R. BANKR. P. 4001 (I) AUTHORIZING DEBTORS  
TO (A) MAINTAIN THEIR INSURANCE POLICIES, SURETY  
BOND PROGRAM, AND LETTERS OF CREDIT, AND (B) HONOR ALL  
INSURANCE, SURETY BOND AND LETTERS OF CREDIT OBLIGATIONS,  
(II) MODIFYING AUTOMATIC STAY, AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated February 5, 2024 (the “**Motion**”)<sup>2</sup> of Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, pursuant to sections 105(a), 362(d), and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of interim and final orders (i) authorizing the Debtors to (a) maintain their Insurance Policies, the Surety Bond Program, and Letters of Credit in accordance with their terms as provided for in the underlying agreements and to perform with respect thereto in the ordinary course of business, including with respect to Insurance Obligations arising during the administration of these chapter 11 cases, and (b) pay prepetition Insurance

<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

Obligations, including amounts owed to the Insurance Service Providers, and prepetition obligations arising under the Surety Bond Program and Letters of Credit, (ii) modifying the automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program, whether they arose before or after the Petition Date, in the appropriate judicial or administrative forum to proceed against the proceeds of such policies only, and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) and §1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the First Day Declarations and the record of the Hearing; and all objections to the relief requested in the Motion on an interim basis, if any, having been withdrawn, resolved, or overruled; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on an interim basis to the extent set forth herein.
2. The Debtors are authorized, but not directed, pursuant to sections 105(a), 362(d), and 363(b) of the Bankruptcy Code and Bankruptcy Rule 4001, to, in consultation with the Ad Hoc First Lien Group, continue the Insurance Policies, the Surety Bond Program, and Letters of Credit in the ordinary course of business and to perform their obligations with respect thereto, including the payment of prepetition Insurance Obligations owed in connection therewith, in an aggregate amount not to exceed \$4,280,000 and, in accordance with practices and procedures that were in effect before the commencement of these chapter 11 cases, to maintain and post any collateral in connection therewith.
3. The Debtors are authorized, but not directed, to, in consultation with the Ad Hoc First Lien Group, revise, extend, supplement, or otherwise modify their insurance coverage as needed, including through the purchase or renewal of new or existing Insurance Policies, Surety Bonds and Letters of Credit.
4. The automatic stay is modified solely to the extent necessary to permit employees who hold valid workers' compensation claims to proceed with such claims in the appropriate judicial or administrative forum; *provided* that the automatic stay shall be modified solely for the limited purpose of allowing workers' compensation claimants to seek proceeds available under the Workers' Compensation Program and not to other estate assets.
5. Each of the Banks at which the Debtors maintain their accounts relating to the payment of the Insurance Obligations, the Surety Bond Program, and Letters of Credit are authorized to (a) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (b) accept and rely on all representations made by the Debtors

with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

6. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds or automated clearing house transfers, on account of Insurance Obligations, the Surety Bond Program, and Letters of Credit, and to replace any prepetition checks or electronic fund or automated clearing house transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

7. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order, is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) an agreement or obligation to pay any claims, (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (e) a waiver of the obligation of any party in interest to file a proof of claim, (f) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code, or (g) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease.

8. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

9. Notwithstanding anything to the contrary contained in the Motion or herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to and in accordance with any interim and final orders, as applicable, authorizing the Debtors' use of cash collateral and/or post-petition debtor-in-possession financing (such orders, the "**DIP Order**") and any budget in connection with any such use of cash collateral and/or post-petition debtor-in-possession financing. To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

10. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

11. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a) and Local Bankruptcy Rule 9013-1(m).

12. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

13. A hearing to consider entry of an order granting the relief requested in the Motion on a final basis shall be held on \_\_\_\_\_, 2024, at \_\_\_\_\_ (Eastern Time) and any objections or responses to the Motion shall be in writing, filed with the Court, and served by no later than 4:00 p.m. (Eastern Time) on \_\_\_\_\_, 2024 on the following:

- a. proposed attorneys for the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq. (gary.holtzer@weil.com), Jessica Liou, Esq. (jessica.liou@weil.com), Matthew P. Goren, Esq. (matthew.goren@weil.com), and Rachael Foust, Esq. (rachael.foust@weil.com)); and (ii) proposed co-counsel for the Debtors: Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Michael J. Merchant, Esq. (merchant@RLF.com), and Amanda R. Steele, Esq. (steele@rlf.com));

- b. counsel to the DIP Agent: ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. (jeffrey.gleit@afslaw.com));
- c. counsel to the Ad Hoc First Lien Group: Gibson, Dunn & Crutcher LLP, 200 Park Ave, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown@gibsondunn.com)) and Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, Delaware 19801 (Attn: Laura Davis Jones, Esq. (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com));
- d. counsel to the Agent under the CS Credit Agreement: Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com) and Scott D Talmadge, Esq. (scott.talmadge@freshfields.com));
- e. counsel to the Agent under the Side-Car Credit Agreement: Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Evan Palenschat, Esq. (EPalenschat@proskauer.com));
- f. Indenture Trustee under the Senior Note Indenture: U.S. Bank National Association, West Side Flats 60 Livingston Ave. EP-MN-WS3C Saint Paul, MN 55107 (Attn: Global Corporate Trust Services); and
- g. the Office of the United States Trustee for the District of Delaware: 844 King Street, Suite 2207, Lockbox 35, Wilmington Delaware 19801 (Attn: Benjamin A. Hackman, Esq. (Benjamin.A.Hackman@usdoj.gov) and Jon Lipshie, Esq. (Jon.Lipshie@usdoj.gov)).

14. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted in this Interim Order.

15. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

**Exhibit B**

**Proposed Final Order**

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

	X	
	:	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CANO HEALTH, INC., et al.,</b>	:	<b>Case No. 24-10164 (     )</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	:	
	X	

**FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 362(d), AND 363(b)  
AND FED. R. BANKR. P. 4001 (I) AUTHORIZING DEBTORS TO  
(A) MAINTAIN THEIR INSURANCE PROGRAM, SURETY BOND  
PROGRAM, AND LETTERS OF CREDIT, AND (B) HONOR ALL  
INSURANCE, SURETY BOND, AND LETTERS OF CREDIT OBLIGATIONS,  
(II) MODIFYING AUTOMATIC STAY, AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated February 5, 2024 (the “**Motion**”)<sup>2</sup> of Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, pursuant to sections 105(a), 362(d), and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of interim and final orders (i) authorizing the Debtors to (a) maintain their Insurance Policies, the Surety Bond Program, and Letters of Credit in accordance with their terms as provided for in the underlying agreements and to perform with respect thereto in the ordinary course of business, including with respect to Insurance Obligations arising during the administration of these chapter 11 cases, and (b) pay prepetition Insurance

<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

Obligations, including amounts owed to the Insurance Service Providers, and prepetition obligations arising under the Surety Bond Program and Letters of Credit, (ii) modifying the automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program, whether they arose before or after the Petition Date, in the appropriate judicial or administrative forum to proceed against the proceeds of such policies only, and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) and §1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim (the “**Interim Hearing**”) and, if necessary, final basis (the “**Final Hearing**”); and the Court having entered an order granting the relief requested in the Motion on an interim basis; and upon the First Day Declarations, the record of the Interim Hearing, the Final Hearing, and all of the proceedings had before the Court; and all objections to the relief requested in the Motion on a final basis, if any, having been withdrawn, resolved, or overruled; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and

upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on a final basis to the extent set forth herein.
2. The Debtors are authorized, but not directed, pursuant to sections 105(a), 362(d), and 363(b) of the Bankruptcy Code and Bankruptcy Rule 4001, to, in consultation with the Ad Hoc First Lien Group, continue the Insurance Policies, the Surety Bond Program and Letters of Credit in the ordinary course of business and to perform their obligations with respect thereto, including the payment of prepetition Insurance Obligations owed in connection therewith in an aggregate amount not to exceed \$5,110,000 and, in accordance with practices and procedures that were in effect before the commencement of these chapter 11 cases, to maintain and post any collateral in connection therewith.
3. The Debtors are authorized, but not directed, to, in consultation with the Ad Hoc First Lien Group, revise, extend, supplement, or otherwise modify their insurance coverage as needed, including through the purchase or renewal of new or existing Insurance Policies, Surety Bonds and Letters of Credit.
4. The automatic stay is modified solely to the extent necessary to permit employees who hold valid workers' compensation claims to proceed with such claims in the appropriate judicial or administrative forum; *provided* that the automatic stay shall be modified solely for the limited purpose of allowing workers' compensation claimants to seek proceeds available under the Workers' Compensation Program and not to other estate assets.
5. Each of the Banks at which the Debtors maintain their accounts relating to the payment of the Insurance Obligations, the Surety Bond Program, and Letters of Credit are authorized to (i) receive, process, honor, and pay all checks presented for payment and to honor

all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

6. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds or automated clearing house transfers, on account of Insurance Obligations, the Surety Bond Program, and Letters of Credit, and to replace any prepetition checks or electronic fund or automated clearing house transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Final Order.

7. Nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order, is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) an agreement or obligation to pay any claims, (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (e) a waiver of the obligation of any party in interest to file a proof of claim, (f) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code, or (g) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease.

8. Notwithstanding anything to the contrary contained in the Motion or herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to and in accordance with any interim and final orders, as applicable, authorizing the Debtors' use of cash collateral and/or post-petition debtor-in-possession financing (such orders, the "**DIP Order**") and any budget in connection with any such use of cash collateral and/or post-petition debtor-in-possession financing. To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

9. Notwithstanding entry of this Final Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

10. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

11. Notwithstanding Bankruptcy Rules 4001(a)(3) and 6004(h), this Final Order shall be immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted in this Final Order.

13. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

**Exhibit C**

**Insurance Schedule**

**Insurance Schedule**

Type of Coverage	Insurer	Policy Number	Policy Term
<b>Workers' Compensation Policies</b>			
Workers Compensation - Cano Health LLC AOS - excld WI Ded program	Twin City Fire Insurance Company	02 WN S74101	12/23/2023-12/23/2024
Workers Compensation - Cano Health LLC (WI Specific Ded program)	Property & Casualty Insurance Company of Hartford	02 WBR S74102	12/23/2023-12/23/2024
<b>General Liability and Property Insurance Policies</b>			
General Liability	Beazley (Lloyd's Syndicate 2623/623)	W310F8230301	12/23/2023-12/23/2024
Professional Liability	Beazley (Lloyd's Syndicate 2623/623)	W310F8230301	12/23/2023-12/23/2024
Umbrella Liability	Ironshore Specialty Insurance Company	HC7AAB5W3F004	12/23/2023-12/23/2024
Excess Liability	Endurance American Specialty Insurance Company (Sompo)	HAF10015117503	12/23/2023-12/23/2024
Property	Hartford Fire Insurance Company	02 UUN AY6467	12/23/2023-12/23/2024
Automobile Liability	Hartford Fire Insurance Company	02 CSE S74100	12/23/2023-12/23/2024
Employment Practices Liability	Chubb	8262-6611	7/3/2023-7/3/2024
Fiduciary Liability	RLI	EPG0032265	7/3/2023-7/3/2024
Crime	Berkley	BCCR-45004538-21	7/3/2023-7/3/2024
Cyber	Beazley at Lloyd's of London	W2DFA9230401	12/23/2023-12/23/2024
Excess Cyber	Westfield Specialty Insurance Company	XCO-380735M-00	12/23/2023-12/23/2024
<b>Stop Loss</b>			
Stop-Loss	Convex Insurance UK Ltd	2401-CANO01-01	1/1/2024-1/1/2025
Managed Care Excess Loss	PartnerRe America Insurance Company	Unknown	1/1/2024-1/1/2025

Type of Coverage	Insurer	Policy Number	Policy Term
<b>Directors and Officers</b>			
Primary D&O	AXA XL	ELU190389-23	6/3/2023 - 6/3/2024
1st Excess D&O	AIG	01-123-44-95	6/3/2023 - 6/3/2024
2nd Excess D&O	QBE	130000635	6/3/2023 - 6/3/2024
3rd Excess D&O	BerkleyPro	BPRO8098768	6/3/2023 - 6/3/2024
Lead Excess Side A/DIC D&O	QBE	130000642	6/3/2023 - 6/3/2024
1st Excess Side A/DIC D&O	RSUI	NHS705369	6/3/2023 - 6/3/2024
2nd Excess Side A/DIC D&O	Lloyd's of London (Ambridge)	AMB04706	6/3/2023 - 6/3/2024
3rd Excess Side A/DIC D&O	AIG	01-137-41-01	6/3/2023 - 6/3/2024
D&O Run-Off	Various	Various	1/31/2024 - 1/31/2030

**Exhibit D**

**Letters of Credit Schedule**

## Letters of Credit Schedule

<b>Principal</b>	<b>Bank</b>	<b>Letter of Credit No.</b>	<b>Expiration Date</b>	<b>Beneficiary</b>	<b>Face Value</b>	<b>Restricted Cash Amount</b>
Cano Health, LLC	Fifth Third Bank	S507807	10/30/2024	Wellcare of Florida, Inc.	\$300,000.00	\$300,000.00
Cano Health, LLC	Fifth Third Bank	S508834	10/23/2024	Freedom/Optimum Healthcare, Inc.	\$250,000.00	\$250,000.00
Cano Health, LLC	Wells Fargo Bank	IS000255412U	1/19/2024	BOF FL Flager Station LLC	\$1,866,778.59	\$1,866,778.59
Cano Health, LLC	Wells Fargo Bank	IS000275020U	4/1/2024	The Hartford Fire Insurance Comp	\$3,100,000.00	\$3,255,000.00

**File a First Day Motion:**[24-10164 Cano Health, Inc.](#)

Type: bk

Chapter: 11 v

Office: 1 (Delaware)

Assets: y

Case Flag: VerifDue, PlnDue,  
DsclsDue**U.S. Bankruptcy Court****District of Delaware**

## Notice of Electronic Filing

The following transaction was received from Amanda R. Steele entered on 2/5/2024 at 5:31 AM EST and filed on 2/5/2024

**Case Name:** Cano Health, Inc.**Case Number:** [24-10164](#)**Document Number:** [4](#)**Docket Text:**

Motion Regarding Chapter 11 First Day Motions (*Motion of Debtors Pursuant to 11 U.S.C §§ 105(a), 362(d), and 363(b) and Fed. R. Bankr. P. 4001 for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Maintain their Insurance Policies, Surety Bond Program, and Letters of Credit, and (B) Honor all Insurance, Surety Bond and Letters of Credit Obligations, (II) Modifying Automatic Stay, and (III) Granting Related Relief*) Filed By Cano Health, Inc. (Steele, Amanda)

The following document(s) are associated with this transaction:

**Document description:**Main Document**Original filename:**Cano Insurance Motion.pdf**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=2/5/2024] [FileNumber=18416527-0]  
[6e9f2f3b659e47f62f2e2e9fb5397601a943af8e51f4e0d1e5db52d423238e3b6b3f  
df9f098076fb8cf0493a8957f735177d76ef25fa43ad2546130da34d1b2e]]

**24-10164 Notice will be electronically mailed to:**

Mark D. Collins on behalf of Debtor Cano Health, Inc.  
rbgroup@rlf.com;ann-jerominski-2390@ecf.pacerpro.com

Michael Joseph Merchant on behalf of Debtor Cano Health, Inc.  
merchant@rlf.com, rbgroup@rlf.com;ann-jerominski-2390@ecf.pacerpro.com

Amanda R. Steele on behalf of Debtor Cano Health, Inc.  
steele@rlf.com, rbgroup@rlf.com;ann-jerominski-2390@ecf.pacerpro.com

U.S. Trustee  
USTPRegion03.WL.ECF@USDOJ.GOV

**24-10164 Notice will not be electronically mailed to:**

**EXHIBIT B**

**Interim Order**

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

	X	
	:	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CANO HEALTH, INC., <i>et al.</i>,</b>	:	<b>Case No. 24–10164 (KBO)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	:	
	X	<b>Re: Docket No. 4</b>

**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 362(d), AND  
363(b) AND FED. R. BANKR. P. 4001 (I) AUTHORIZING DEBTORS  
TO (A) MAINTAIN THEIR INSURANCE POLICIES, SURETY  
BOND PROGRAM, AND LETTERS OF CREDIT, AND (B) HONOR ALL  
INSURANCE, SURETY BOND AND LETTERS OF CREDIT OBLIGATIONS,  
(II) MODIFYING AUTOMATIC STAY, AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated February 5, 2024 [Docket No. 4] (the “**Motion**”)<sup>2</sup> of Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, pursuant to sections 105(a), 362(d), and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of interim and final orders (i) authorizing the Debtors to (a) maintain their Insurance Policies, the Surety Bond Program, and Letters of Credit in accordance with their terms as provided for in the underlying agreements and to perform with respect thereto in the ordinary course of business, including with respect to Insurance Obligations arising during the administration of these chapter 11 cases, and

<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

(b) pay prepetition Insurance Obligations, including amounts owed to the Insurance Service Providers, and prepetition obligations arising under the Surety Bond Program and Letters of Credit, (ii) modifying the automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program, whether they arose before or after the Petition Date, in the appropriate judicial or administrative forum to proceed against the proceeds of such policies only, and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) and §1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the First Day Declarations and the record of the Hearing; and all objections to the relief requested in the Motion on an interim basis, if any, having been withdrawn, resolved, or overruled; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on an interim basis to the extent set forth herein.
2. The Debtors are authorized, but not directed, pursuant to sections 105(a), 362(d), and 363(b) of the Bankruptcy Code and Bankruptcy Rule 4001, to, in consultation with the Ad Hoc First Lien Group, continue the Insurance Policies, the Surety Bond Program, and Letters of Credit in the ordinary course of business and to perform their obligations with respect thereto, including the payment of prepetition Insurance Obligations owed in connection therewith, in an aggregate amount not to exceed \$4,280,000 and, in accordance with practices and procedures that were in effect before the commencement of these chapter 11 cases, to maintain and post any collateral in connection therewith.
3. The Debtors are authorized, but not directed, to, in consultation with the Ad Hoc First Lien Group, revise, extend, supplement, or otherwise modify their insurance coverage as needed, including through the purchase or renewal of new or existing Insurance Policies, Surety Bonds and Letters of Credit.
4. The automatic stay is modified solely to the extent necessary to permit employees who hold valid workers' compensation claims to proceed with such claims in the appropriate judicial or administrative forum; *provided* that the automatic stay shall be modified solely for the limited purpose of allowing workers' compensation claimants to seek proceeds available under the Workers' Compensation Program and not to other estate assets.
5. Each of the Banks at which the Debtors maintain their accounts relating to the payment of the Insurance Obligations, the Surety Bond Program, and Letters of Credit are authorized to (a) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (b) accept and rely on all representations made by the Debtors

with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

6. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds or automated clearing house transfers, on account of Insurance Obligations, the Surety Bond Program, and Letters of Credit, and to replace any prepetition checks or electronic fund or automated clearing house transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

7. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order, is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) an agreement or obligation to pay any claims, (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (e) a waiver of the obligation of any party in interest to file a proof of claim, (f) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code, or (g) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease.

8. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

9. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

10. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a) and Local Bankruptcy Rule 9013-1(m).

11. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

12. A hearing to consider entry of an order granting the relief requested in the Motion on a final basis shall be held on March 7, 2024 at 10:00 a.m. (Eastern Time) and any objections or responses to the Motion shall be in writing, filed with the Court, and served by no later than **4:00 p.m. (Eastern Time) on February 29, 2024** on the following:

- a. proposed attorneys for the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq. (gary.holtzer@weil.com), Jessica Liou, Esq. (jessica.liou@weil.com), Matthew P. Goren, Esq. (matthew.goren@weil.com), and Rachael Foust, Esq. (rachael.foust@weil.com)); and (ii) proposed co-counsel for the Debtors: Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Michael J. Merchant, Esq. (merchant@RLF.com), and Amanda R. Steele, Esq. (steele@rlf.com));
- b. counsel to the DIP Agent: ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. (jeffrey.gleit@afslaw.com));
- c. counsel to the Ad Hoc First Lien Group: Gibson, Dunn & Crutcher LLP, 200 Park Ave, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown@gibsondunn.com)) and Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, Delaware 19801 (Attn: Laura Davis Jones, Esq. (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com));
- d. counsel to the Agent under the CS Credit Agreement: Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, NY

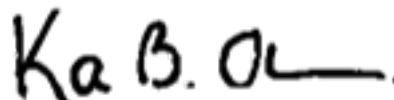
10022 (Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com) and Scott D Talmadge, Esq. (scott.talmadge@freshfields.com));

- e. counsel to the Agent under the Side-Car Credit Agreement: Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Evan Palenschat, Esq. (EPalenschat@proskauer.com));
- f. Indenture Trustee under the Senior Note Indenture: U.S. Bank National Association, West Side Flats 60 Livingston Ave. EP-MN-WS3C Saint Paul, MN 55107 (Attn: Global Corporate Trust Services); and
- g. the Office of the United States Trustee for the District of Delaware: 844 King Street, Suite 2207, Lockbox 35, Wilmington Delaware 19801 (Attn: Benjamin A. Hackman, Esq. (Benjamin.A.Hackman@usdoj.gov) and Jon Lipshie, Esq. (Jon.Lipshie@usdoj.gov)).

13. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted in this Interim Order.

14. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: February 6th, 2024  
Wilmington, Delaware



KAREN B. OWENS  
UNITED STATES BANKRUPTCY JUDGE