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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In Re: § Chapter 11
§
NUVECTRA CORPORATION,¹ § Case No. 19-43090
§
Debtor. §

DEBTOR’S MOTION FOR ENTRY OF AN ORDER (I) APPROVING THE DISCLOSURE STATEMENT WITH RESPECT TO THE PLAN OF LIQUIDATION OF NUVECTRA CORPORATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE; (II) APPROVING FORM OF BALLOT AND PROPOSED SOLICITATION AND TABULATION PROCEDURES FOR THE PLAN OF LIQUIDATION; (III) PRESCRIBING THE FORM AND MANNER OF NOTICE THEREOF; (IV) ESTABLISHING PROCEDURES FOR (A) VOTING IN CONNECTION WITH THE PLAN CONFIRMATION PROCESS AND (B) TEMPORARY ALLOWANCE OF CLAIMS RELATED THERETO; (V) ESTABLISHING DEADLINE FOR FILING OBJECTIONS TO THE PLAN OF LIQUIDATION; AND (VI) SCHEDULING A HEARING TO CONSIDER CONFIRMATION OF THE PLAN OF LIQUIDATION OF NUVECTRA CORPORATION

COMES NOW Nuvectra Corporation (the “Debtor”), and hereby files this motion (the “Motion”), pursuant to sections 105, 502, 1125, and 1126 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) and Rules 2002, 3003, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) requesting entry of an order (i) approving the *Disclosure Statement for Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all

¹ The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.



exhibits and supplements, the “Disclosure Statement”) [Dkt. No. 190], (ii) approving the form of ballot and proposed solicitation and tabulation procedures (the “Solicitation Procedures”) for the *Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits and supplements, the “Plan”) [Dkt. No. 189]², (iii) prescribing the form and manner of notice thereof, (iv) establishing procedures for (a) voting in connection with the plan confirmation process and (b) temporary allowance of claims related thereto, (v) establishing a deadline for filing objections to the Plan, and (vi) scheduling a hearing to consider confirmation of the Plan, and respectfully represent as follows:

I. JURISDICTION AND PROCEDURAL BACKGROUND

1. The United States Bankruptcy Court for the Eastern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §1334 and the *Standing Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* from the United States District Court for the Eastern District of Texas, dated August 6, 1984. This is a core proceeding under 28 U.S.C. § 157(b)(2). The Debtor confirms its consent, pursuant to Bankruptcy Rule 7008 to the entry of a final order by the Court in connection with the Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue of this Chapter 11 Case (as defined below) and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The legal bases for the relief requested herein are sections 105, 502, 1125, and 1126 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3017, 3018 and 3020.

² Capitalized terms not otherwise defined herein maintain the meanings ascribed to them in the Plan.

II. FACTUAL BACKGROUND³

4. On November 12, 2019 (the “Petition Date”), the Debtor commenced this chapter 11 case (the “Chapter 11 Case”) by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. Additional factual background regarding the Debtor, including its business operations and the events leading to the filing of the Chapter 11 Case, is set forth in detail in the *Declaration of John Stuart in Support of Chapter 11 Petitions and First Day Pleadings* [Dkt. No. 27], which is fully incorporated herein by reference.

6. The Debtor continues to operate its business and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7. A committee of unsecured creditors (the “Creditors’ Committee”) was appointed in the Chapter 11 Case on November 21, 2019.

8. On December 10, 2019, the Debtor filed its Schedules of Assets and Liabilities (the “Schedules”) and Statement of Financial Affairs (the “SOFAs”) [Dkt. Nos. 93 & 94].

9. On December 20, 2019, after the filing of the Schedules and SOFAs, the U.S. Trustee conducted a meeting of Creditors pursuant to section 341 of the Bankruptcy Code.

10. On January 29, 2019, the Debtor filed the Plan and the Disclosure Statement.

II. RELIEF REQUESTED

11. By this Motion, and pursuant to sections 105, 502, 1125, and 1126 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3017, 3018 and 3020, the Debtor respectfully requests that this Court enter an order (the “Disclosure Statement Order”), in substantially the form attached hereto as **Exhibit A**: (i) approving the Disclosure Statement, (ii)

³ Nothing contained herein constitutes an admission by the Debtor of the validity, extent or enforceability or any pre-petition obligation or any lien or security interest asserted by any party in connection with the Debtor’s property.

approving the Solicitation Procedures for the Plan, (iii) prescribing the form and manner of notice thereof, (iv) establishing procedures for (a) voting in connection with the Plan confirmation process and (b) temporary allowance of claims related thereto, (v) establishing a deadline for filing objections to the Plan, (vi) scheduling a hearing to consider confirmation of the Plan, and (vii) granting such other and further relief as is just and proper.

BASIS FOR THE RELIEF REQUESTED

I. APPROVAL OF THE DISCLOSURE STATEMENT

12. Pursuant to Bankruptcy Code section 1125, the proponent of a proposed plan of reorganization must provide holders of impaired claims and interests entitled to vote on the plan “adequate information” regarding that plan. “Adequate information” has been interpreted as information that is “sufficient” and “reasonably practicable” to enable “informed judgment” by impaired creditors and interest holders entitled to vote on the plan. *See* 11 U.S.C. § 1125(a)(1).

13. A court has broad discretion in determining the adequacy of the information contained in a disclosure statement. *See In re Texas Extrusion Corp.*, 844 F.2d 1142, 1157 (5th Cir. 1988); *see also In re Dakota Rail, Inc.*, 104 B.R. 138, 143 (Bankr. D. Minn. 1989) (court has “wide discretion to determine . . . whether a disclosure statement contains information, without burdensome, unnecessary and cumbersome detail”). Courts may exercise their broad discretion to determine the adequacy of information on a case-by-case basis. *See* H.R. REP. NO. 595, 95TH CONG., 1ST SESS. 408-09 (1977) (“Precisely what constitutes adequate information in any particular instance will develop on a case-by-base basis. *Courts will take a practical approach as to what is necessary under the circumstances of each case, such as the cost of preparation of the statements, the need for relative speed in solicitation and confirmation . . .*”) (emphasis added); *see also In re Ionosphere Clubs, Inc.*, 179 B.R. 24, 29 (S.D.N.Y. 1995)

(“determination of what is adequate information is subjective and made on a case by case basis”); *In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement “is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties”).

14. The Disclosure Statement provides “adequate information” to allow Holders of Claims and Equity Interests entitled to vote to cast informed votes on the Plan. In particular, the Disclosure Statement contains a discussion of the Debtor’s history and business operations as well as the various key events that have occurred during the Chapter 11 Case. The Disclosure Statement also enumerates a variety of risk factors relating to the Debtor’s business that Holders of Claims and Equity Interests entitled to vote should consider.

15. The Disclosure Statement also provides Holders of Claims and Equity Interests entitled to vote comprehensive information regarding: the Plan, including the expected recovery for each Class of Claims and Equity Interests; a summary of the Plan’s provisions for treatment and classification of Claims and Equity Interests, implementation provisions, and the sources of consideration available to satisfy Allowed Claims and Equity Interests under the Plan; the Plan’s proposed treatment of executory contracts and unexpired leases; and the Plan’s provision for releases by the Debtor of certain parties (as well as related injunctions) and exculpation of such parties.

16. The Disclosure Statement also informs Holders of Allowed Claims and Equity Interests of the federal income tax consequences of the Plan, and will contain a Liquidation Analysis, which, demonstrates that Holders of Claims and Equity Interests are expected to

receive higher recoveries under the Plan than they would under a hypothetical chapter 7 liquidation of the Estate.

17. The Debtor will continue to review the Disclosure Statement, and, based upon its ongoing review and further developments in the Chapter 11 Case, may make additional changes and disclosures prior to the hearing to approve the Disclosure Statement (the “Disclosure Statement Hearing”). Any such additional disclosures would only increase the amount of information provided to Holders of Claims and Equity Interests, and consequently, will only enhance the adequacy of information in the Disclosure Statement. Accordingly, the Debtor submits that, given the facts and circumstances, the Disclosure Statement contains more than “adequate information” and, thus, should be approved.

II. APPROVAL OF SOLICITATION AND NOTICE PROCEDURES

18. To solicit acceptances or rejections of the Plan effectively and consistently with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and due process, the Debtor seeks approval of the following Solicitation Procedures described herein. The Solicitation Procedures will allow the Debtor to distribute solicitation materials and tabulate votes on the Plan effectively. Furthermore, the Solicitation Procedures, in conjunction with the proposed notice of the Confirmation Hearing (the “Confirmation Hearing Notice”), in substantially the form attached as **Exhibit 3** to the Disclosure Statement Order, will provide adequate notice to all Holders of Claims and Equity Interests regarding the solicitation process as well as the relevant dates associated with the confirmation of the Plan. The Solicitation Procedures are thus

appropriate as they address the particular circumstances of the Chapter 11 Case, and therefore should be approved.⁴

A. Approval of Form of Solicitation Package and Distribution Thereof

19. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims and equity interests for purposes of soliciting their votes and providing adequate notice of the hearing on confirmation of a plan of reorganization. *See* Fed. R. Bankr. P. 3017(d). Following approval of the Disclosure Statement, the Debtor proposes that it will direct Kurtzman Carson Consultants LLC (“KCC”), the Debtor’s notice, claims and solicitation agent, to distribute the materials (the “Solicitation Package”) required by Bankruptcy Rule 3017(d) to those parties entitled to vote on the Plan in the form and manner set forth below.

20. Specifically, the Solicitation Package shall contain copies of:
- (a) a cover letter (i) describing the contents of the Solicitation Package, and (ii) urging the Holders of Claims in Classes 2 and 4 (the “Voting Classes”) to vote to accept the Plan;
 - (b) the Disclosure Statement Order;
 - (c) an appropriate form of Ballot;
 - (d) the Confirmation Hearing Notice;
 - (e) the approved form of the Disclosure Statement (together with the Plan, which is Exhibit 1 thereto); and
 - (f) such other materials as the Bankruptcy Court may direct.

21. The Debtor intends to distribute the Solicitation Packages, on or before the date that is five (5) days after the Court enters the Disclosure Statement Order on the docket (the “Solicitation Date”), to the following:

⁴ To the extent that circumstances require further modifications of, or amendments to, the Solicitation Procedures, the Debtor reserves the right to supplement or amend the Solicitation Procedures to further facilitate the Plan solicitation process.

- (a) the record Holders, as of the Record Date, of scheduled Claims in each of the Voting Classes, to the extent that such Claims (i) are listed in the Schedules in an amount greater than zero and are not identified as contingent, unliquidated or disputed, and (ii) have not been paid or superseded by a timely filed proof of claim; and
- (b) the record Holders, as of the Record Date, of Claims in each of the Voting Classes subject to timely filed proofs of claim, to the extent that their Claims (i) have not been paid, (ii) have not been disallowed, expunged, disqualified, or suspended, and (iii) are not the subject of a pending objection unless, notwithstanding being the subject of such an objection, the Voting Procedures (as defined below) entitle such Holder to vote on the Plan;

22. In addition to the service of the Solicitation Package as set forth above, the Plan and Disclosure Statement may be downloaded from the Bankruptcy Court's website at <http://ecf.txeb.uscourts.gov> or downloaded free of charge from the Debtor's case website at <http://www.kccllc.net/nuvectra>.

23. The Debtor also proposes the following additional procedures with respect to the solicitation of votes on the Plan:

- (a) All Ballots must be actually received by KCC by the Voting Deadline (as defined in the Disclosure Statement Order).
- (b) KCC will be responsible for the distribution of Solicitation Packages and the tabulation of Ballots.
- (c) All inquiries related to the Plan, the Disclosure Statement, and the Voting Procedures (as defined below) should be directed to KCC at the contact information set forth on the Ballot.

24. As discussed in section III.C. below, the Debtor proposes that the Voting Deadline be at least twenty-eight days after the Solicitation Date. The Debtor submits that distribution of the Solicitation Packages on or before the Solicitation Date will provide the requisite materials to Holders of Claims entitled to vote on the Plan in compliance with Bankruptcy Rules 3017(d) and 2002(b). *See* Fed. R. Bankr. P. 3017(d) (after approval of disclosure statement, the debtors must transmit the plan, the approved disclosure statement,

notice of the time within which acceptances and rejections of such plan may be filed, and any other information that the court may direct to creditors and equity security holders); Fed. R. Bankr. P. 2002(b) (requiring twenty-five days notice by mail of the time for filing objections to the confirmation of a plan of reorganization).

B. Approval of Form of Ballot

25. Bankruptcy Rule 3017(d) requires that a debtor mail a form of ballot to “creditors and equity security holders entitled to vote on the plan.” *See* Fed. R. Bankr. P. 3017(d). The Debtor proposes to distribute to Creditors entitled to vote on the Plan one or more ballots, substantially in the form attached as **Exhibit 2** to the Disclosure Statement Order (the “Ballot”). The form for these Ballots is based on Official Form No. 14, but has been modified to address the particular aspects of the Chapter 11 Case and to include certain additional information that the Debtor believes to be relevant and appropriate to each Class of Claims that is entitled to vote to accept or reject the Plan.

26. Solicitation shall be conducted by KCC. Pursuant to the Solicitation Procedures, KCC will distribute the Ballot to Holders of Claims in the Voting Classes. The Debtor submits that the form of the Ballot complies with Bankruptcy Rule 3018(c) and thus should be approved.

27. Finally, to the extent that a Creditor was not initially sent a Solicitation Package, and the Creditor files a Temporary Allowance Motion on or before the Temporary Allowance Motion Deadline (as each such term is defined below), the Debtor will direct KCC to mail, via express or overnight mail, a Solicitation Package together with a “provisional” Ballot (as discussed below, a “Provisional Ballot”) to such Creditor within five (5) business days after the filing of such motion. The Creditor shall execute and return the Provisional Ballot to KCC by the Voting Deadline. The Provisional Ballot shall be clearly and conspicuously identified as a

“provisional” Ballot. Each Provisional Ballot shall, directly under the title for such Ballot, include a statement in bold, conspicuous text substantially as follows:

This is a provisional Ballot (“Provisional Ballot”) that has been sent to you because you have filed a motion requesting the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division (the “Bankruptcy Court”) to temporarily allow your claim for voting purposes. Receipt of this Provisional Ballot does not mean that your claim has been allowed for voting or any other purposes. Rather, the amount and classification of your claim (if any) shall be determined by order of the Bankruptcy Court on or before [____], 2020. The Debtor has provided you with this Provisional Ballot to provide you with sufficient time to review the *Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (the “Plan”), the *Disclosure Statement for Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* and all exhibits thereto (the “Disclosure Statement”) and related materials so that you may determine how to vote on the Plan if your claim is ultimately allowed for voting purposes. Please review the attached voting instructions, complete this Provisional Ballot as directed and return it to the Debtor as indicated on this Provisional Ballot, in the envelope provided herein by no later than [____], 2020, at 5:00 p.m. (Prevailing Central Time) (the “Voting Deadline”). If the Bankruptcy Court ultimately allows your claim for voting purposes, then your vote will be counted if and only if the Debtor actually receives a fully executed copy of this Provisional Ballot by the Voting Deadline. If you have any questions about this Provisional Ballot, please contact the Debtor.

C. Approval of Form of Notice to Non-Voting Classes

28. For those Classes of Claims that are unimpaired and deemed to accept the Plan or impaired and deemed to reject the Plan and, thus, not entitled to vote to accept or reject the Plan (collectively, the “Non-Voting Classes”), the Debtor proposes to distribute to each member of such Non-Voting Classes the notice of non-voting status substantially in the form attached as **Exhibit 1** to the Disclosure Statement Order (the “Notice of Non-Voting Status”).

29. The Notice of Non-Voting Status informs such members of the status of their Claims (*i.e.*, unimpaired or impaired) and contains, among other things, (a) information regarding the Confirmation Hearing, (b) the deadline for objecting to the Plan, and (c) instructions on how to obtain a copy of the Plan and Disclosure Statement.

30. Additionally, the Debtor will prepare and file a Form 8-K (affixing the Confirmation Hearing Notice) with the United States Securities Exchange Commission to notify the Debtor's shareholders of, among other things, (a) information regarding the Confirmation Hearing, (b) the deadline for objecting to the Plan, and (c) instructions on how to obtain a copy of the Plan and Disclosure Statement.

31. The Debtor submits that such notice satisfies the requirements of Bankruptcy Rule 3017(d), and accordingly, requests that the Court direct that copies of the Disclosure Statement and the Plan need not be mailed to any Holder of Claim or Equity Interest in the Non-Voting Classes unless such Holder makes a specific request in writing for the same.

III. VOTING AND GENERAL TABULATION PROCEDURES

32. The Debtor respectfully requests that the Bankruptcy Court approve the voting and tabulation procedures described herein in accordance with section 1126(c) of the Bankruptcy Code and Bankruptcy Rule 3018(a).

A. Establishment of a Record Date for the Holders of Claims

33. Bankruptcy Rule 3017(d) provides that, for the purposes of transmission of a plan and disclosure statement, "creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record at the date the order approving the disclosure statement is entered." Generally, the record date for claims is the date on which the order approving the disclosure statement is entered. *See* Fed. R. Bankr. P. 3017(d).

34. The Debtor requests that the Bankruptcy Court establish the date that the Disclosure Statement Order is entered on the docket in the Chapter 11 Case as the record date (the "Record Date") for determining: (a) the Holders of Claims that are entitled to receive the Solicitation Package pursuant to the Solicitation Procedures; and (b) the Holders of Claims and Equity Interests entitled to receive the Notice of Non-Voting Status; provided, however, that the

Debtor may agree to a later Record Date for one or more Creditors, so long as adequate notice of such agreement is provided and the later date is so ordered by the Court.

35. The establishment of this Record Date is for transmission purposes only and shall have no preclusive effect with regard to who is entitled to receive Distributions under the Plan.

B. Approval of Voting Procedures

36. The Debtor requests approval of the voting procedures described below in order for the Debtor to conduct an effective and efficient solicitation of acceptances and rejections of the Plan that is consistent with the requirements of the Bankruptcy Code, the Bankruptcy Rules and due process (collectively, the "Voting Procedures"):

- (a) if a Claim is deemed Allowed pursuant to the Plan, then such Claim shall be Allowed for voting purposes in the amount and classification deemed Allowed in the Plan;
- (b) except as otherwise provided herein and unless temporarily allowed for voting purposes by the Court, if a filed proof of claim asserts a Claim in a wholly undetermined or unliquidated amount, then such Claim shall be Allowed for voting purposes in the amount of \$1.00;
- (c) except as otherwise provided herein and unless temporarily allowed for voting purposes by the Court, if a filed proof of claim asserts a Claim in a partially undetermined or unliquidated amount, then such Claim shall be Allowed for voting purposes only in the amount of the known or liquidated portion of the Claim;
- (d) if a Claim has been estimated and Allowed by an order of the Court, then such Claim will be Allowed for voting purposes in the amount Allowed by the Court, provided that such order is entered on or before the Voting Deadline;
- (e) unless temporarily allowed for voting purposes by the Court or the Debtor has consented in writing, if a Claim is listed in the Debtor's Schedules as contingent, unliquidated, or disputed and a proof of claim was not timely filed or deemed timely filed by an order of the Court entered prior to the Voting Deadline, then such Claim shall be disallowed for voting purposes;
- (f) notwithstanding anything else provided herein, if (i) the Debtor has objected to the entirety of a Claim by serving an objection, motion, adversary proceeding or otherwise on or before the date of the entry of the

Disclosure Statement Order and (ii) the Claim has not been temporarily allowed for voting purposes by the Court, then such Claim shall be disallowed for voting purposes;

- (g) notwithstanding anything else provided herein, if (i) the Debtor has objected to a portion of Claim by serving an objection, motion, adversary proceeding or otherwise on or before the date of the entry of the Disclosure Statement Order and (ii) such portion of the Claim has not been temporarily allowed for voting purposes by the Court, then the Claim shall be disallowed for voting purposes only in the amount of its portion that is not subject to the pending objection;
- (h) unless otherwise provided by an order of the Court, the Allowed amount of any proof of claim for voting purposes shall be the amount as docketed in the claims registry being maintained by KCC as of the Record Date;
- (i) if a Claim is Allowed pursuant to a Court approved settlement (except for a Claim that is temporarily allowed by the Court, which Claim may vote so long as such order temporarily allowing the Claim is entered by the Voting Deadline) on or before ten (10) days prior to the Voting Deadline, then such Claim will be entitled to vote on the Plan in accordance with the terms of such settlement;
- (j) if a Claim is Allowed pursuant to a Court approved settlement (except for a Claim that is temporarily allowed by the Court for voting purposes) on or before ten (10) days prior to the Voting Deadline, then such Claim will be entitled to vote on the Plan in accordance with the terms of such settlement;
- (k) unless temporarily allowed for voting purposes by the Court, if (i) a proof of claim was filed after March 11, 2020 (the "General Bar Date"), (ii) the Creditor did not obtain leave to file such late Claim, and (iii) the proof of claim is not docketed in the claims registry being maintained by KCC as of the Record Date as an amendment of a timely filed proof of claim, then such Claim shall be disallowed for voting purposes;
- (l) unless otherwise temporarily allowed for voting purposes by the Court, if a Claim is disallowed pursuant to section 502(d) of the Bankruptcy Code or is equitably subordinated under the Bankruptcy Code, then such Claim shall be disallowed for voting purposes;
- (m) if the Debtor has scheduled a Claim and the Creditor filed a proof of claim superseding such scheduled Claim, such scheduled Claim shall be disallowed for voting purposes; and
- (n) in addition to the foregoing, the Debtor may seek an order of the Court disallowing a Claim for voting purposes at anytime prior to the commencement of the Confirmation Hearing.

37. Many Claims may be docketed or scheduled as priority, unclassified, or unimpaired under the Plan and therefore deemed to have accepted the Plan. Nothing contained in this Motion shall constitute a waiver of the Debtor's right to file an objection to such Claims, based on the amount, classification, or validity of such Claims.

38. The assignee of a transferred Claim (whether a timely-filed or scheduled Claim) shall be permitted to vote such Claim only if the transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e) and such transfer is reflected on the claims registry being maintained by KCC on the Record Date.

39. The foregoing Voting Procedures are subject to change and may be amended at any time on or before the Disclosure Statement Hearing. These Voting Procedures, including any amendment thereto, will be submitted for Court approval at the Disclosure Statement Hearing and will be incorporated into the voting instructions to be included with each Ballot. The Debtor believes that the proposed Voting Procedures provide for a fair and equitable voting process.

C. Establishing the Voting Deadline

40. The Debtor requests that the Bankruptcy Court establish 5:00 p.m. (prevailing Central Time) on a date that is at least thirty days after the Solicitation Date as the voting deadline (the "Voting Deadline"). For votes to be counted, all Ballots must be properly executed, completed, and delivered to the Debtor by the Voting Deadline. The Confirmation Hearing Notice will prominently display the Voting Deadline date and time.

D. Approval of General Tabulation Procedures

41. To augment the Voting Procedures and facilitate the tabulation of votes on the Plan, the Debtor proposes the following procedures (the "Tabulation Procedures"):

- (a) Any Ballot received by KCC after the Voting Deadline shall not be counted, unless the Court orders otherwise;
- (b) Whenever a Holder casts more than one Ballot voting the same Claim prior to the Voting Deadline, the last properly completed Ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and to supersede any prior Ballots;
- (c) A Holder must vote all of its Claims within a Class either to accept or reject the Plan and may not split its vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan, that does not indicate an acceptance or a rejection of the Plan, or that indicates both acceptance and rejection of the Plan will not be counted. In addition, votes to accept or reject the Plan must be unequivocal and not conditional or qualified in any way;
- (d) If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another acting in a fiduciary or representative capacity, such persons should indicate such capacity when signing and, on request of the Debtor and prior to the Ballot being counted, such signatory must submit proper evidence satisfactory to the Debtor of its authority to act on behalf of a Holder of Claims;
- (e) The Debtor in its discretion, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Except as provided below, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtor may, in its discretion, reject such ballot as invalid and, therefore, decline to utilize it in connection with confirmation of the Plan by the Court;
- (f) Unless otherwise ordered by the Court, all questions as to the validity, form, eligibility (including time of receipt), and revocation or withdrawal of Ballots will be determined by the Debtor in its discretion, which determination shall be final and binding;
- (g) Subject to contrary order of the Court, the Debtor reserves the absolute right to reject any and all Ballots not proper in form, the acceptance of which would, in the opinion of the Debtor, not be in accordance with the provisions of the Bankruptcy Code;
- (h) Any Ballot transmitted to KCC by facsimile or other electronic means, except in the Debtor's sole discretion, will not be counted;
- (i) Any Ballot that is ineligible, contains insufficient information to permit the identification of the claimant or is unsigned or without an original signature will not be counted;

- (j) Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtor or the Court determine. Neither the Debtor nor any other person or entity will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not therefore been cured or waived) will not be counted; and
- (k) Any vote purportedly cast on behalf of a Class of Creditors will not count for voting purposes unless and until the Class is certified by the Court pursuant to a class proof of claim to which no objection has been filed, or if an objection has been filed to such a proof of claim, which has been temporarily certified in an Allowed amount for purposes of voting.

The foregoing Tabulation Procedures are subject to change and may be amended at any time on or before the Disclosure Statement Hearing.

42. The Debtor further requests that the order entered by the Court provide that any entity entitled to vote to accept or reject the Plan may change its vote before the Voting Deadline by casting a superseding Ballot so that the superseding Ballot is received by the Debtor on or before the Voting Deadline. Unless otherwise agreed to by the Debtor, entities desiring to change their votes after the Voting Deadline may do so only with approval of the Court for “cause” pursuant to Bankruptcy Rule 3018(a) by filing a motion with the Court on or before the Plan Objection Deadline so that it may be heard and considered at the Confirmation Hearing.

43. The Debtor submits that the proposed Tabulation Rules will establish a fair and equitable voting process and, therefore, should be approved.

E. Temporary Allowance Motions

44. The Debtor requests that the Court enter an order providing that if any claimant seeks to challenge the disallowance of its Claim for voting purposes, such claimant must serve on the Debtor and file with the Court a motion seeking entry of an order pursuant to Bankruptcy

Rule 3018(a) temporarily allowing such Claim only for purposes of voting to accept or reject the Plan (the “Temporary Allowance Motion”), provided that such motion is filed on or before the twentieth (20th) calendar day after the service of the Confirmation Hearing Notice (the “Temporary Allowance Deadline”). In order for the vote of the Holder of a Claim that is the subject of a Temporary Allowance Motion to be counted, such Claim must be temporarily allowed by an order of the Court by the Voting Deadline.

IV. ESTABLISHING NOTICE AND OBJECTION PROCEDURES RELATING TO CONFIRMATION

A. Setting The Confirmation Hearing

45. In accordance with Bankruptcy Rule 3017(c) and section 1128 of the Bankruptcy Code, the Debtor requests that a hearing on confirmation of the Plan be scheduled on April [], 2020 at [] a.m/p.m. (the “Confirmation Hearing”). The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtor without further notice other than adjournments announced in open court.

46. The Debtor submits that the proposed timing for the Confirmation Hearing is in compliance with the Bankruptcy Code and the Bankruptcy Rules and will enable the Debtor to pursue Confirmation within the timeframe contemplated by the Debtor.

B. Approval of the Form of Confirmation Hearing Notice

47. Bankruptcy Rule 2002(b) and (d) requires not less than twenty-eight (28) days’ notice to all creditors and equity security holders of the time fixed for filing objections and the hearing to consider confirmation of a chapter 11 plan. In accordance with Bankruptcy Rules 2002 and 3017(d), the Debtor proposes to provide to all Creditors and Equity Interest Holders as of the Record Date a copy of the Confirmation Hearing Notice, in substantially the form attached as **Exhibit 3** to the Disclosure Statement Order, setting forth a) the date of approval of the

Disclosure Statement, (b) the deadline for filing objections to confirmation of the Plan, (c) the deadline for voting on the Plan, and (d) the time, date and place of the Confirmation Hearing.

48. The Debtor submits that the foregoing will provide parties in interest adequate notice of the Confirmation Hearing and, accordingly, requests that the Court approve such notice as adequate and sufficient.

C. Establishing Procedures for Filing Objections to Confirmation of the Plan

49. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” *See* Fed. R. Bankr. P. 3020(b)(1). The Debtor requests that the Court direct that objections to confirmation of the Plan or proposed modifications to the Plan, if any, (i) be in writing; (ii) state the name and address of the responding party and the amount and nature of the claim or interest of such party; (iii) state with particularity the legal and factual basis of any response; (iv) conform to the Bankruptcy Rules and Local Rules; and (v) be filed with the Bankruptcy Court, together with proof of service, electronically, in accordance with the Administrative Procedures for the Filing, Signing, and Verifying of Documents by Electronic Means (the “Administrative Procedures”) (the Administrative Procedures can be found at the Bankruptcy Court’s official website (<http://www.txeb.uscourts.gov>)), by registered users of the Bankruptcy Court’s case filing system and, by all other parties in interest without legal representation, in paper form, and served in accordance with the Administrative Procedures and the Local Rules, so as to be actually received not later than 5:00 p.m. (prevailing Central Time) on a date to be determined by the Court (the “Objection Deadline”) and, such service shall be completed and actually received by the following parties on or prior to the Objection Deadline: (a) Counsel for the Debtor, Norton Rose Fulbright US LLP (Attn: Ryan Manns), 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932, ryan.manns@nortonrosefulbright.com; (b) counsel for the Creditors’ Committee, (i)

Barnes & Thornburg LLP (Attn: Connie Lahn and Peter Clark), 225 South Sixth Street, Suite 2800, Minneapolis, Minnesota 55402, connie.lahn@btlaw.com and peter.clark@btlaw.com, and (ii) Thompson & Knight LLP (Attn: Demetra Liggins), 811 Main Street, Suite 2500, Houston, Texas 77002, demetra.liggins@tklaw.com; and (c) the Office of the United States Trustee, U.S. Department of Justice (Attn: Marc Salitore), 110 N. College Avenue, Suite 300, Tyler, Texas 75702, marc.f.salitore@usdoj.gov.

50. The proposed timing for filing and service of objections will afford the Court, the Debtor, and other parties in interest sufficient time to consider the objections and proposed modifications to the Plan prior to the Confirmation Hearing.

III. RESERVATION OF RIGHTS

51. To the extent that circumstances arise requiring a modification or amendment of the Solicitation Procedures and/or any other procedures described herein, the Debtor hereby reserves the right to supplement and/or amend the Solicitation Procedures and procedures as appropriate to better facilitate the solicitation and/or confirmation process.

IV. NOTICE

52. The Debtor will provide notice of the Motion to: (a) the U.S. Trustee; (b) the holders of the 20 largest unsecured claims against the Debtor; (c) the United States Attorney's Office for the Eastern District of Texas; (d) the Internal Revenue Service; (e) counsel to the prepetition lenders Oxford Finance LLC and Silicon Valley Bank; (f) counsel to the Creditors' Committee; (g) the state attorneys general for states in which the Debtor conducts business; (h) the Securities and Exchange Commission; (i) the applicable taxing authorities; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002.

V. PRAYER

The Debtor respectfully requests that the Court enter an order, substantially in the form

attached hereto as **Exhibit A**, (i) approving the Disclosure Statement, (ii) approving the Solicitation Procedures for the Plan, (iii) prescribing the form and manner of notice thereof, (iv) establishing procedures for (a) voting in connection with the plan confirmation process and (b) temporary allowance of claims related thereto, (v) establishing a deadline for filing objections to the Plan, (vi) scheduling a hearing to consider confirmation of the Plan, and (vii) granting such other and further relief as is just and proper.

Dated: January 31, 2020

Respectfully Submitted,

NORTON ROSE FULBRIGHT US LLP

By: /s/ Ryan E. Manns

Ryan E. Manns (Texas Bar No. 24041391)

Toby L. Gerber (Texas Bar No. 07813700)

Laura L. Smith (Texas Bar No. 24066039)

Shivani P. Shah (Texas Bar No. 24102710)

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laura.smith@nortonrosefulbright.com

shivani.shah@nortonrosefulbright.com

Counsel for the Debtor and Debtor in Possession

Certificate of Service

I certify that on January 31, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Eastern District of Texas.

/s/ Ryan E. Manns

Ryan E. Manns

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In Re:	§	Chapter 11
	§	
NUVECTRA CORPORATION, ¹	§	Case No. 19-43090
	§	
Debtor.	§	

ORDER (I) APPROVING THE DISCLOSURE STATEMENT WITH RESPECT TO PLAN OF LIQUIDATION OF NUVECTRA CORPORATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE; (II) APPROVING FORM OF BALLOT AND PROPOSED SOLICITATION AND TABULATION PROCEDURES FOR THE PLAN OF LIQUIDATION; (III) PRESCRIBING THE FORM AND MANNER OF NOTICE THEREOF; (IV) ESTABLISHING PROCEDURES FOR (A) VOTING IN CONNECTION WITH THE PLAN CONFIRMATION PROCESS AND (B) TEMPORARY ALLOWANCE OF CLAIMS RELATED THERETO; (V) ESTABLISHING DEADLINE FOR FILING OBJECTIONS TO THE PLAN OF LIQUIDATION; AND (VI) SCHEDULING A HEARING TO CONSIDER CONFIRMATION OF THE PLAN OF LIQUIDATION OF NUVECTRA CORPORATION

CAME ON to be considered the *Motion for Entry of an Order (I) Approving the Disclosure Statement with Respect to Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code; (II) Approving Form of Ballot and Proposed Solicitation and Tabulation Procedures for the Plan of Liquidation; (III) Prescribing the Form and Manner of Notice Thereof; (IV) Establishing Procedures for (A) Voting in Connection with the Plan Confirmation Process and (B) Temporary Allowance of Claims Related Thereto; (V) Establishing Deadline for Filing Objections to the Plan of Liquidation; and (VI) Scheduling a Hearing to Consider Confirmation of Plan of Liquidation of Nuvectra Corporation* (the “Motion”),² which was filed by the above-captioned debtor and debtor in possession (the “Debtor”); and the Court having jurisdiction to consider the Motion and the relief requested

¹ The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

therein pursuant to 28 U.S.C. §§ 157 and 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtor having filed with the Court the Disclosure Statement and the Plan; and due and adequate notice of the Motion having been given in accordance with Bankruptcy Rules 2002 and 3017; and it appearing that no other or further notice need be given; after due deliberation thereon, the Court having determined, for the reasons stated in the Motion and based on the record in this Chapter 11 Case and at the hearing held in consideration of the same, that the relief sought in the Motion is in the best interests of the Debtor, its creditors, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore:

THE BANKRUPTCY COURT HEREBY FINDS AND DETERMINES THAT:³

A. The Bankruptcy Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of the Chapter 11 Case in this District is proper under 28 U.S.C. §§ 1408 and 1409.

B. Notice of the Disclosure Statement was proper and the objection and hearing dates with respect to the Disclosure Statement comply with the notice requirements of Bankruptcy Rule 2002(b).

C. The Disclosure Statement contains “adequate information” within the meaning of section 1125 of the Bankruptcy Code.

³This Order constitutes this Court’s findings of fact and conclusions of law under Fed. R. Civ. P. 52, as made applicable by Bankruptcy Rules 7052 and 9014. Any and all findings of fact shall constitute findings of fact even if they are stated as conclusions of law, and any and all conclusions of law shall constitute conclusions of law even if they are stated as findings of fact.

D. The Solicitation Procedures, which are incorporated herein by reference, provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code and Bankruptcy Rule 3018(a).

E. The materials to be provided in the Solicitation Packages satisfy the requirements of Bankruptcy Rule 3017(d).

F. The form of Ballot, in substantially the form annexed hereto as **Exhibit 2**, is sufficiently consistent with Official Form No. 14, with appropriate modifications to address the particular needs of the Chapter 11 Case, and are appropriate for soliciting votes from Holders of Claims in the Voting Classes.

G. The period, set forth below, during which the Debtor may solicit acceptances to the Plan is a reasonable period of time for Holders of Claims in Voting Classes to make an informed decision to accept or reject the Plan.

NOW THEREFORE, IT IS HEREBY ORDERED

1. The Disclosure Statement is approved as set forth herein.
2. The Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017(b), and is hereby approved as containing adequate information, as defined by section 1125(a) of the Bankruptcy Code.
3. The Debtor has provided adequate notice of the time fixed for filing objections and the hearing to consider approval of the Disclosure Statement in accordance with Bankruptcy Rules 2002 and 3017.
4. The Plan and Disclosure Statement provide Creditors and other parties in interest with sufficient notice regarding the injunction, exculpation, and release provisions contained in the Plan in compliance with Bankruptcy Rule 3016(c).

5. Any objections to approval of the Disclosure Statement that were not withdrawn at or prior to the hearing to consider approval of the Disclosure Statement are overruled.

6. The Solicitation Procedures, which are incorporated herein by reference, are hereby approved.

7. The procedures for distribution of the Solicitation Packages as set forth in this Order and the Solicitation Procedures satisfy the requirements of the Bankruptcy Code and the Bankruptcy Rules, and KCC is directed to distribute or cause to be distributed Solicitation Packages to all those parties entitled to vote to accept or reject the Plan.

8. The form of Ballot, substantially in the form attached hereto as **Exhibit 2** is hereby approved.

9. Pursuant to Bankruptcy Rule 3017(a), a Solicitation Package need not be provided to (i) the Holders of Claims in Non-Voting Classes and (ii) the Holders of Claims that are not classified under the Plan.

10. The form of the Notice of Non-Voting Status, substantially in the form attached hereto as **Exhibit 1**, is hereby approved.

11. The Debtor shall be excused from mailing Solicitation Packages to those persons to whom the Debtor mailed a notice regarding the Disclosure Statement Hearing and received a notice from the United States Postal Service or other carrier that such notice was undeliverable.

12. All votes to accept or reject the Plan must be cast by using the appropriate Ballot.

13. All Ballots must be properly executed, completed and delivered by: (a) first class mail; (b) overnight courier; or (c) personal delivery, so that the Ballots are actually received, by KCC no later than the Voting Deadline at the return address set forth in the applicable Ballot.

14. **In accordance with Bankruptcy Rule 3017(c), the Voting Deadline, for voting on the Plan, shall be 5:00 p.m. (prevailing Central Time) on [], 2020.**

15. **In accordance with Bankruptcy Rules 3020(b) and 9006(c)(1), the Plan Objection Deadline, for filing objections to the Plan (“Plan Objections”), shall be 5:00 p.m. (prevailing Central Time) on [], 2020 (the “Plan Objection Deadline”).** Plan Objections shall (i) be in writing; (ii) state the name and address of the responding party and the amount and nature of the claim or interest of such party; (iii) state with particularity the legal and factual basis of any response; (iv) conform to the Bankruptcy Rules and Local Rules; and (v) be filed with the Bankruptcy Court, together with proof of service, electronically, in accordance with the Administrative Procedures for the Filing, Signing, and Verifying of Documents by Electronic Means (the “Administrative Procedures”) (the Administrative Procedures can be found at the Bankruptcy Court’s official website (<http://www.txeb.uscourts.gov>)), by registered users of the Bankruptcy Court’s case filing system and, by all other parties in interest without legal representation, in paper form, and served in accordance with the Administrative Procedures and the Local Rules, so that they are actually received no later than the Plan Objection Deadline, by: (a) Counsel for the Debtor, Norton Rose Fulbright US LLP (Attn: Ryan Manns), 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932, ryan.manns@nortonrosefulbright.com; (b) counsel for the Creditors’ Committee, (i) Barnes & Thornburg LLP (Attn: Connie Lahn and Peter Clark), 225 South Sixth Street, Suite 2800, Minneapolis, Minnesota 55402, connie.lahn@btlaw.com and peter.clark@btlaw.com, and (ii) Thompson & Knight LLP (Attn: Demetra Liggins), 811 Main Street, Suite 2500, Houston, Texas 77002, demetra.liggins@tklaw.com; and (c) the Office of the United States Trustee, U.S. Department of

Justice (Attn: Marc Salitore), 110 N. College Avenue, Suite 300, Tyler, Texas 75702,
marc.f.salitore@usdoj.gov.

16. **In accordance with Bankruptcy Rule 3018(c), the Confirmation Hearing shall commence on [], 2020, at [] a.m/p.m. (prevailing Central Time),** before The Honorable Brenda T. Rhoades, United States Bankruptcy Court Eastern District of Texas, 660 North Central Expressway, Suite 300B, Plano, TX 75074. The Confirmation Hearing may be continued from time to time without further notice other than adjournments announced in open court.

17. The form of the Confirmation Hearing Notice, substantially in the form attached hereto as **Exhibit 3**, complies with the requirements of Bankruptcy Rules 2002(b), 2002(d) and 3017(d) and is hereby approved.

18. The terms of this Order shall be binding upon the Debtor, all Holders of Claims and Equity Interests, and any trustees appointed under chapter 7 or chapter 11 of the Bankruptcy Code relating to the Debtor, and all other parties in interest.

19. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006.

20. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

21. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

22. This Bankruptcy Court shall retain jurisdiction, even after the closing of the Chapter 11 Case, with respect to all matters arising from or related to the implementation of this Order.

THE HONORABLE BRENDA T. RHOADES
UNITED STATES BANKRUPTCY JUDGE

END OF ORDER

Exhibit 1

Notice of Non-Voting Status

Ryan E. Manns (TX Bar No. 24041391)
Toby L. Gerber (TX Bar No. 07813700)
Laura L. Smith (TX Bar No. 24066039)
Shivani P. Shah (TX Bar No. 24102710)
NORTON ROSE FULBRIGHT US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
Telephone: (214) 855-8000
Facsimile: (214) 855-8200

Counsel for the Debtor and Debtor In Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In Re: § Chapter 11
§
NUVECTRA CORPORATION,¹ § Case No. 19-43090
§
Debtor. §

**NOTICE OF NON-VOTING STATUS WITH RESPECT TO
CLASSES DEEMED TO EITHER ACCEPT OR REJECT THE PLAN**

PLEASE TAKE NOTICE that on January 29, 2020, the above-captioned debtor and debtor in possession (the “Debtor”), filed the *Disclosure Statement for Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (as amended, modified, or supplemented from time to time, the “Disclosure Statement”) and the *Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (as amended, modified, or supplemented from time to time, the “Plan”). On [], 2020, the Honorable Brenda T. Rhoades, United States Bankruptcy Judge for the Eastern District of Texas (the “Bankruptcy Court”) entered an order (the “Solicitation Procedures Order”) [Dkt. No.], among other things, (a) approving the Disclosure Statement, (b) approving certain related notice procedures and other procedures for the solicitation and tabulation of votes to accept or reject the Plan, and (c) scheduling a hearing for confirmation of the Plan (the “Confirmation Hearing”). The Debtor is using the Disclosure Statement in connection with the solicitation of acceptances of the Plan from the Holders of certain impaired Claims against the Debtor who are entitled to vote to accept or reject the Plan.

UNDER THE TERMS OF THE PLAN, YOU ARE EITHER DEEMED TO ACCEPT THE PLAN OR DEEMED TO REJECT THE PLAN, AND THEREFORE, PURSUANT TO SECTIONS 1126(f) AND (g) OF THE UNITED STATES BANKRUPTCY CODE, YOU ARE (I) DEEMED TO HAVE EITHER ACCEPTED OR REJECTED THE PLAN, AND (II) NOT ENTITLED TO VOTE ON THE PLAN. IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S) OR EQUITY INTEREST(S), YOU SHOULD CONTACT COUNSEL FOR THE DEBTOR, NORTON

¹ The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.

ROSE FULBRIGHT US LLP, 2200 ROSS AVENUE, SUITE 3600, DALLAS, TEXAS 75201-7932, ATTN: RYAN E. MANNS, TELEPHONE NO. (214) 855-8000. ALTHOUGH YOU ARE NOT ENTITLED TO VOTE ON THE PLAN WITH RESPECT TO YOUR CLAIM(S) OR EQUITY INTEREST(S), YOU ARE A PARTY IN INTEREST IN THE DEBTOR'S CHAPTER 11 CASE. ACCORDINGLY, YOU ARE ENTITLED TO PARTICIPATE IN THE CHAPTER 11 CASE, INCLUDING BY FILING OBJECTIONS TO CONFIRMATION OF THE PLAN.

PLEASE TAKE FURTHER NOTICE that Article 9 of the Plan contains certain release, exculpation, and injunction language. You should read the provisions contained in Article 9 of the Plan very carefully so that you understand how confirmation and consummation of the Plan will affect you and any Claim, Equity Interest, right, or action you may have against the Debtor. **THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE AND BY ALL OTHER APPLICABLE LAWS.**

PLEASE TAKE FURTHER NOTICE that the Confirmation Hearing will commence on [], 2020 at [] a.m./p.m. (prevailing Central Time), or as soon thereafter as counsel can be heard, before the Honorable Brenda T. Rhoades, United States Bankruptcy Judge for the Eastern District of Texas, United States Bankruptcy Court Eastern District of Texas, 660 North Central Expressway, Suite 300B, Plano, TX 75074 (the "Bankruptcy Court"). The Confirmation Hearing may be continued from time to time by the announcement of such continuance in open court or otherwise, all without further notice to parties in interest, and the Plan may be modified pursuant to 11 U.S.C. § 1127 prior to, during or as a result of the Confirmation Hearing, without further notice to parties in interest.

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court has established [], 2020 at 5:00 p.m. (prevailing Central Time) as the deadline for filing and serving objections to confirmation of the Plan (the "Objection Deadline"). To be considered by the Bankruptcy Court, any objections to the Plan must (i) be in writing; (ii) state the name and address of the responding party and the amount and nature of the claim or interest of such party; (iii) state with particularity the legal and factual basis of any response; (iv) conform to the Bankruptcy Rules and Local Rules; and (v) be filed with the Bankruptcy Court, together with proof of service, electronically, in accordance with the Administrative Procedures for the Filing, Signing, and Verifying of Documents by Electronic Means (the "Administrative Procedures") (the Administrative Procedures can be found at the Bankruptcy Court's official website (<http://www.txeb.uscourts.gov>)), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest without legal representation, in paper form, and served in accordance with the Administrative Procedures and the Local Rules, so as to be actually received by the Objection Deadline and, such service shall be completed and actually received by the following parties on or prior to the Objection Deadline: (a) Counsel for the Debtor, Norton Rose Fulbright US LLP (Attn: Ryan Manns), 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932, ryan.manns@nortonrosefulbright.com; (b) counsel for the Creditors' Committee, (i) Barnes & Thornburg LLP (Attn: Connie Lahn and Peter Clark), 225 South Sixth Street, Suite 2800, Minneapolis, Minnesota 55402, connie.lahn@btlaw.com and peter.clark@btlaw.com, and (ii) Thompson & Knight LLP (Attn: Demetra Liggins), 811 Main Street, Suite 2500, Houston,

Texas 77002, demetra.liggins@tklaw.com; and (c) the Office of the United States Trustee, U.S. Department of Justice (Attn: Marc Salitore), 110 N. College Avenue, Suite 300, Tyler, Texas 75702, marc.f.salitore@usdoj.gov.

PLEASE TAKE FURTHER NOTICE that any party in interest wishing to obtain a copy of the Disclosure Statement, the Plan, or the Solicitation Procedures Order may request such copies by (a) accessing the Bankruptcy Court's website at <http://www.txeb.uscourts.gov>; (b) contacting the Office of the Clerk of the Court, United States Bankruptcy Court Eastern District of Texas, 660 North Central Expressway, Suite 300B, Plano, TX 75074; (c) contacting Kurtzman Carson Consultants LLC ("KCC") at 1-888-201-2205 (US and Canada) or 1-310-751-1839 (outside the US and Canada), or via e-mail at NuvectorInfo@kccllc.com; or (d) accessing the case website maintained by KCC, available at <http://www.kccllc.net/nuvector>. Note that a PACER password is needed to access documents on the Bankruptcy Court's website.

Dated: [], 2020
Dallas, Texas

NORTON ROSE FULBRIGHT US LLP

By: /s/ Ryan E. Manns
Ryan E. Manns (Texas Bar No. 24041391)
Toby L. Gerber (Texas Bar No. 07813700)
Laura L. Smith (Texas Bar No. 24066039)
Shivani P. Shah (Texas Bar No. 24102710)
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toby.gerber@nortonrosefulbright.com
laura.smith@nortonrosefulbright.com
shivani.shah@nortonrosefulbright.com

Counsel for the Debtor and Debtor in Possession

Exhibit 2

Form of Ballot

Ryan E. Manns (TX Bar No. 24041391)
Toby L. Gerber (TX Bar No. 07813700)
Laura L. Smith (TX Bar No. 24066039)
Shivani P. Shah (TX Bar No. 24102710)
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Counsel for the Debtor and Debtor In Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In Re: § Chapter 11
§
NUVECTRA CORPORATION,¹ § Case No. 19-43090
§
Debtor. §

**BALLOT FOR VOTING TO ACCEPT OR REJECT PLAN OF LIQUIDATION
OF NUVECTRA CORPORATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

CLASS [NO.] – [CLASS DESCRIPTION]

On January 29, 2020, Nuvector Corporation (the “Debtor”) filed the *Plan of Liquidation of Nuvector Corporation Under Chapter 11 of the Bankruptcy Code* (as the same may be amended, modified, or supplemented from time to time, the “Plan”). On [], 2020 the Court approved the *Disclosure Statement for Plan of Liquidation of Nuvector Corporation Under Chapter 11 of the Bankruptcy Code* (as the same may be amended, modified, or supplemented from time to time, the “Disclosure Statement”) with respect to the Plan. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

The Debtor is soliciting votes on the Plan, which is attached as Exhibit 1 to the Disclosure Statement. This ballot (the “Ballot”) is being sent to you because records indicate that you are the Holder of a Class [●] Claim as of the [], 2020 (the “Record Date”) and, accordingly, you have a right to vote to accept or reject the Plan. This Ballot may not be used for any purpose other than for submitting votes with respect to the Plan.

The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. If you do not have a Disclosure Statement, you may obtain a copy from Kurtzman Carson Consultants LLC (“KCC”) at 1-888-201-2205 (US and Canada), 1-310-751-1839 (outside the US and Canada), or via e-mail at NuvectorInfo@kcellc.com, or you may view or download a copy from <http://www.kcellc.net/nuvectora>.

YOU SHOULD REVIEW THE PLAN AND THE DISCLOSURE STATEMENT AND THE ATTACHED VOTING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS BALLOT.

¹ The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.

You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. If you hold Claims in more than one class, you will receive a ballot for each class in which you are entitled to vote.

The Voting Deadline is 5:00 p.m. (prevailing Central Time) on [], 2020, and for your vote to count, your properly executed Ballot must be received by KCC by the Voting Deadline.

If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote.

Item 1. Amount of Class [●] Claim for Voting.

The undersigned certifies that as of [], 2020, the Record Date, the undersigned was the Holder of Class [●] Claim(s) in the following aggregate amount.²

\$ _____

Item 2. Vote to accept or to reject the Plan.

The undersigned Holder of the Claim set forth in Item 1 votes as follows - **(check one box only – if you do not check a box, or if you check both boxes, your vote will not be counted):**

- Accept the Plan
- Reject the Plan

Item 3. Optional Release Election.

Article 9 of the Plan contains certain release, exculpation, and injunction language. You should read the provisions contained in Article 9 of the Plan very carefully so that you understand how confirmation and consummation of the Plan will affect you and any Claim, Equity Interest, right, or action you may have against the Debtor. Item 3 is to be completed only if you voted to reject the Plan and wish to opt out of granting the releases. If you voted to reject the Plan and submit your Ballot without checking the box below, you will be deemed to consent to the releases contained to the fullest extent permitted by applicable law.

The undersigned Holder of the Claim(s) set forth in Item 1 hereby:

- Elects to opt-out / not grant the Releases contained in Article 9 of the Plan.

² For voting purposes only; subject to tabulation rules.

Item 4. Acknowledgements and Certification. By returning this Ballot the undersigned Holder of the Claim(s) identified in Item 1 above (a) acknowledges that it has been provided with a copy of the Disclosure Statement and the Plan, including all exhibits thereto; (b) certifies that (i) it is the owner and Holder of the Claim(s) identified in Item 1 above, and/or (ii) it has full power and authority to vote to accept or reject the Plan in the name of the owner and Holder of the Claim(s) identified in Item 1 above;

Print or Type Name of Claimant: _____

Signature: _____

Name of Signatory
(if different than claimant): _____

If by Authorized Signatory or Agent,
Title of Signatory or Agent: _____

Street Address: _____

City, State and Zip Code: _____

Telephone Number: _____

Email Address: _____

Date Completed: _____

**FOR YOUR VOTE TO COUNT, YOUR SIGNED AND DATED BALLOT MUST BE ACTUALLY
RECEIVED BY THE VOTING DEADLINE, WHICH IS
5:00 P.M. (PREVAILING CENTRAL TIME) ON [], 2020.**

Return your Ballot in the envelope provided or to:

If by regular mail: Nuvecetra Ballot Processing Center c/o KCC 222 N. Pacific Coast Highway Suite 300 El Segundo, CA 90245	If by messenger or overnight delivery: Nuvecetra Ballot Processing Center c/o KCC 222 N. Pacific Coast Highway Suite 300 El Segundo, CA 90245
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**BALLOTS SHOULD *NOT* BE SENT TO THE DEBTOR OR ITS ATTORNEYS.
BALLOTS RECEIVED VIA EMAIL OR FACSIMILE WILL *NOT* BE COUNTED.**

If you have any questions regarding this Ballot or these instructions, or if you did not receive a copy of the Disclosure Statement or the Plan, or if you need additional copies of the enclosed materials, please contact KCC at 1-888-201-2205 (US and Canada), 1-310-751-1839 (outside the US and Canada) or via e-mail at NuvecetraInfo@kcellc.com.

**VOTING INFORMATION AND
INSTRUCTIONS FOR COMPLETING THE BALLOT**

1. The Ballot does not constitute and shall not be deemed a proof of claim or an assertion of a Claim.
2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of Claims in at least one class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129(a) of the Bankruptcy Code.
3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in Item 2 of the Ballot; and (c) sign and return the Ballot so that it is actually received by the 5:00 p.m. (prevailing Central Time) on [], 2020, the Voting Deadline. Ballots will not be accepted by email, facsimile or other electronic means.

Return your Ballot in the envelope provided or to:

<u>If by regular mail:</u>	<u>If by messenger or overnight delivery:</u>
Nuvecetra Ballot Processing Center c/o KCC 222 N. Pacific Coast Highway Suite 300 El Segundo, CA 90245	Nuvecetra Ballot Processing Center c/o KCC 222 N. Pacific Coast Highway Suite 300 El Segundo, CA 90245

4. The following Ballots will not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder; (b) any Ballot cast by a Person or Entity that does not hold a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot, or Ballot not bearing an original signature; (d) any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan; and/or (e) any Ballot submitted by a party not entitled to cast a vote with respect to the Plan.
5. If a Claim Holder casts a Ballot and the entirety of such Creditor's Claim is the subject of an objection to said Claim filed before the Voting Deadline, such Ballot shall not be counted. If a voter casts a Ballot and part of such voter's Claim is the subject of an objection filed before the Voting Deadline, the Debtor requests that such voter's Ballot be treated as a Claim for voting purposes only to the extent of the remaining amount of the Claim not subject to any objection. In either case, if a voter desires to vote in a higher amount, the voter may seek authority from the Court to do so following notice and a hearing, pursuant to Bankruptcy Rule 3018(a).
6. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last properly executed Ballot received by KCC before the Voting Deadline (as determined by KCC) will be deemed to reflect your intent either to accept or reject the Plan.
7. You must vote all of your Claims within a single Class under the Plan either to accept or reject the Plan, you may not split your vote.
8. If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another acting in a fiduciary or representative capacity, such persons should indicate such capacity when signing and, on request of the Debtor and prior to the Ballot being counted, such signatory must submit proper evidence satisfactory to the Debtor of its authority to act on behalf of a Holder of Claims.
9. For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor in a particular Class will be aggregated and treated as if such Creditor held one Claim in such Class, and all votes related to such Claim will be treated as a single vote to accept or reject the Plan; *provided, however*, that if separate affiliated entities hold Claims in a particular Class, these Claims will not be aggregated and will not be treated as if such Creditor held one Claim in such Class, and the vote of each affiliated entity will be counted separately as a vote to accept or reject the Plan.

10. If you hold Claims in more than one Class under the Plan or for different Claims within a Class you may receive more than one Ballot. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you receive.
11. If a Claim for which a Proof of Claim has been timely filed for unknown or undetermined amounts, or is wholly unliquidated, or contingent or disputed (as determined (i) on the face of your Claim, (ii) pursuant to the Plan, or (iii) after a reasonable review of the supporting documentation by the Debtor) and such Claim has not been allowed, your Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00.
12. Unless otherwise ordered by the Court, all questions as to the validity, form, eligibility (including time of receipt), and revocation or withdrawal of ballots will be determined by the Debtor in their discretion, which determination shall be final and binding.

PLEASE SUBMIT YOUR BALLOT PROMPTLY!

If you have any questions regarding this Ballot or these instructions, or if you did not receive a copy of the Disclosure Statement or the Plan, or if you need additional copies of the enclosed materials, please contact KCC at 1-888-201-2205 (US and Canada), 1-310-751-1839 (outside the US and Canada), or via e-mail at NuvecetraInfo@kccllc.com.

Exhibit 3

Confirmation Hearing Notice

Ryan E. Manns (TX Bar No. 24041391)
Toby L. Gerber (TX Bar No. 07813700)
Laura L. Smith (TX Bar No. 24066039)
Shivani P. Shah (TX Bar No. 24102710)
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Dallas, Texas 75201-7932
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Counsel for the Debtor and Debtor In Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In Re: § Chapter 11
§
NUVECTRA CORPORATION,¹ § Case No. 19-43090
§
Debtor. §

**NOTICE OF CONFIRMATION HEARING AND
DEADLINE FOR OBJECTING TO CONFIRMATION**

PLEASE TAKE NOTICE that, on January 29, 2020, the above-captioned debtor and debtor in possession (the “Debtor”) filed the *Disclosure Statement for Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (as amended, modified, or supplemented from time to time, the “Disclosure Statement”) and the *Plan of Liquidation of Nuvectra Corporation Under Chapter 11 of the Bankruptcy Code* (as amended, modified, or supplemented from time to time, the “Plan”). On [], 2020, the Honorable Brenda T. Rhoades, United States Bankruptcy Judge for the Eastern District of Texas (the “Bankruptcy Court”) entered an order (the “Solicitation Procedures Order”) [Dkt. No.], among other things, (a) approving the Disclosure Statement, (b) approving certain related notice procedures and other procedures for the solicitation and tabulation of votes to accept or reject the Plan, and (c) scheduling a hearing for confirmation of the Plan.

HEARING ON CONFIRMATION OF THE PLAN

The hearing to confirm the Plan (“Confirmation Hearing”) will commence on [], 2020 at [] a.m./p.m. (prevailing Central Time), or as soon thereafter as counsel can be heard, before the Honorable Stacey Brenda T. Rhoades, United States Bankruptcy Judge for the Eastern District of Texas, United States Bankruptcy Court Eastern District of Texas, 660 North Central Expressway, Suite 300B, Plano, TX 75074. The Confirmation Hearing may be continued from time to time by the announcement of such continuance in open court or otherwise, all without further notice to parties in interest, and the Plan may be modified pursuant to 11 U.S.C. § 1127 prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in

¹ The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.

interest.

THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE AND BY ALL OTHER APPLICABLE LAW. CONFIRMATION OF THE PLAN COULD AFFECT ANY RIGHTS THAT YOU MAY HAVE AGAINST THE DEBTOR AND OTHER PARTIES.

VOTING DEADLINE AND VOTING INFORMATION

The Bankruptcy Court has fixed [], 2020 at 5:00 p.m. (prevailing central time) as the deadline by which Ballots accepting or rejecting the Plan must be received by KCC. Any party that is entitled to vote on the Plan will receive a Ballot with this notice, and in order to be counted as a vote to accept or reject the Plan, that Ballot must be completed and returned according to the instructions set forth therein.

OBJECTION DEADLINE AND PROCEDURES FOR FILING OBJECTIONS TO THE PLAN

The Bankruptcy Court has established [], 2020 at 5:00 p.m. (prevailing Central Time) as the deadline for filing and serving objections to confirmation of the Plan (the “Objection Deadline”). Objections not timely filed and served will be overruled by the Bankruptcy Court.

To be considered by the Bankruptcy Court, any objections to the Plan must (i) be in writing; (ii) state the name and address of the responding party and the amount and nature of the claim or interest of such party; (iii) state with particularity the legal and factual basis of any response; (iv) conform to the Bankruptcy Rules and Local Rules; and (v) be filed with the Bankruptcy Court, together with proof of service, electronically, in accordance with the Administrative Procedures for the Filing, Signing, and Verifying of Documents by Electronic Means (the “Administrative Procedures”) (the Administrative Procedures can be found at the Bankruptcy Court’s official website (<http://www.txeb.uscourts.gov>)), by registered users of the Bankruptcy Court’s case filing system and, by all other parties in interest without legal representation, in paper form, and served in accordance with the Administrative Procedures and the Local Rules, so as to be actually received not later than 5:00 p.m. (prevailing Central Time) on [], 2020 (the “Objection Deadline”) and, such service shall be completed and actually received by the following parties on or prior to the Objection Deadline: (a) Counsel for the Debtor, Norton Rose Fulbright US LLP (Attn: Ryan Manns), 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932, ryan.manns@nortonrosefulbright.com; (b) counsel for the Creditors’ Committee, (i) Barnes & Thornburg LLP (Attn: Connie Lahn and Peter Clark), 225 South Sixth Street, Suite 2800, Minneapolis, Minnesota 55402, connie.lahn@btlaw.com and peter.clark@btlaw.com, and (ii) Thompson & Knight LLP (Attn: Demetra Liggins), 811 Main Street, Suite 2500, Houston, Texas 77002, demetra.liggins@tklaw.com; and (c) the Office of the United States Trustee, U.S. Department of Justice (Attn: Marc Salitore), 110 N. College Avenue, Suite 300, Tyler, Texas 75702, marc.f.salitore@usdoj.gov.

INFORMATION AND DOCUMENTS

Any party in interest wishing to obtain a copy of the Disclosure Statement, the Plan, or the Solicitation Procedures Order, may request such copies by (a) accessing the Bankruptcy Court's website at <http://www.txeb.uscourts.gov>; (b) contacting the Office of the Clerk of the Court, United States Bankruptcy Court Eastern District of Texas, 660 North Central Expressway, Suite 300B, Plano, TX 75074; (c) contacting Kurtzman Carson Consultants LLC ("KCC") at 1-888-201-2205 (US and Canada) or 1-310-751-1839 (outside the US and Canada), or via e-mail at NuvecraInfo@kccllc.com; or (d) accessing the case website maintained by KCC, available at <http://www.kccllc.net/nuvecra>. Note that a PACER password is needed to access documents on the Bankruptcy Court's website.

Dated: [], 2020
Dallas, Texas

NORTON ROSE FULBRIGHT US LLP

By: /s/ Ryan E. Manns

Ryan E. Manns (Texas Bar No. 24041391)

Toby L. Gerber (Texas Bar No. 07813700)

Laura L. Smith (Texas Bar No. 24066039)

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