

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

In re:)	Chapter 11
PHYSIOTHERAPY HOLDINGS, INC., <i>et</i>)	Case No. 13-12965 (KG)
<i>al.</i> ¹)	
Debtors.)	Jointly Administered

SUPPLEMENTAL AFFIDAVIT OF SERVICE

I, Stephanie Delgado, depose and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtor in the above-captioned case.

On or before December 11, 2013, at my direction and under my supervision, employees of KCC caused to be served per postal forwarding address the following document via First Class mail on the service list attached hereto as **Exhibit A**:

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¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Physiotherapy Holdings, Inc. (5193); Actra Rehabilitation Associates, Inc. (7806); Alexandria Sports, Inc. (7654); Benchmark Acquisition Corp. (3850); Benchmark Medical Management Company (0335); Benchmark O&P Holdings, Inc. (6848); Benchmark Orthotics & Prosthetics, Inc. (7000); Blue Hen Physical Therapy, Inc. (7267); Cape Prosthetics-Orthotics, Inc. (7914); Carrollton Physical Therapy Clinic, Inc. (2832); Integrity Physical Therapy, Inc. (1075); Keystone Rehabilitation Associates of Warren (8341); Keystone Rehabilitation Systems, Inc. (8380); Keystone Rehabilitation Systems of McMurray (6304); Leesburg Sports, Inc. (4190); MATRIX Healthcare Services, LLC (7344); MATRIX Rehabilitation, Inc. (3147); MATRIX Rehabilitation-Delaware, Inc. (2504); MATRIX Rehabilitation-Georgia, Inc. (4073); MATRIX Rehabilitation-Ohio, Inc. (2505); MATRIX Rehabilitation-South Carolina, Inc. (5603); MATRIX Rehabilitation-Texas, Inc. (9542); Morris Area Rehabilitation Association, Inc. (2043); North Dallas Physical Therapy Associates, Inc. (5331); Northstar Health Services, Inc. (7152); NSHS Services, Inc. (6789); Orthopaedic Services of Paducah, Inc. (3143); PhysioLink Corporation (3705); Physiotherapy Associates Holdings, Inc. (3367); Physiotherapy Associates, Inc. (7193); Physiotherapy Associates-Union Rehab, LLC (0041); Physiotherapy Corporation (3816); Physiotherapy-BMHI Holdings, Inc. (3361); Physiotherapy-BMI, Inc. (4107); Potomac Rehabilitation Services, Inc. (2725); Professional Rehab Associates, Inc. (2393); Progressive Therapy Services, Inc. (8449); Rehab Associates, L.L.C. (9381); Rehab Colorado, LLC (5804); Rehab Missouri, LLC (0587); Rehab Xcel, LLC (0586); Rehabilitation Consultants, Inc. (1166); R.S. Network, Inc. (9104); SMR Banyan Tree, Inc. (6933); Swanson Orthotic & Prosthetic Center, Inc. (2308); The Parks Physical Therapy and Work Hardening Center, Inc. (2926); Theraphysics Partners of Colorado, Inc. (2115); Theraphysics Partners of Texas, Inc. (9976); Therapy Associates of Martinsville, Inc. (1394); Trumbull P.T. Corp. (3855); Wisconsin Prosthetics and Orthotics, Inc. (7815). The Debtors' main corporate address is 855 Springdale Drive, Suite 200, Exton, PA 19341.



- (Customized) Notice of (A) Proposed Assumption of Executory Contract or Unexpired Lease, (B) Proposed Cure Amounts to be Paid in Connection Therewith and (C) Procedures for Objecting to the Assumption or Proposed Cure Amount with Respect to Such Executory Contract or Unexpired Lease [Attached hereto as **Exhibit B**]

Dated: December 13, 2013


Stephanie Delgado

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 13th day of December, 2013, by Stephanie Delgado, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.


Signature: 



EXHIBIT A

Served via First Class Mail

CREDITOR NAME	CREDITOR NOTICE NAME	ADDRESS	CITY	STATE	ZIP
American Physical Therapy Network (Aptnet)	Gregg Kelbaugh	3601 N Aviation Blvd Ste 1300	Manhattan Bch	CA	90266-3761
Aptn (American Physical Therapy Network)	Gregg Kelbaugh	3601 N Aviation Blvd Ste 1300	Manhattan Bch	CA	90266-3761
Brandywine School District	Attention Director or Officer	1311 Brandywine Blvd	Wilmington	DE	91809-2306
Cigna	Gregg Kelbaugh	3601 N Aviation Blvd Ste 1300	Manhattan Bch	CA	90266-3761
Keirns, Mike		4355 E Phillips Pl	Centennial	CO	80122-3907
Susquehanna Rehabilitation Services	Attntention Director or Officer	PO Box 335	Mechanicsburg	PA	17055-0335
The Jungle Gym Rehabilitation Center for Children	Attention Director or Officer	1418 S State St	Dover	DE	19901-4948

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
PHYSIOTHERAPY HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 13-12965 (KG)
)	
Debtors.)	Jointly Administered
)	

**NOTICE OF (A) PROPOSED ASSUMPTION OF EXECUTORY
CONTRACT OR UNEXPIRED LEASE, (B) PROPOSED CURE AMOUNTS
TO BE PAID IN CONNECTION THEREWITH AND (C) PROCEDURES
FOR OBJECTING TO THE ASSUMPTION OR PROPOSED CURE AMOUNT
WITH RESPECT TO SUCH EXECUTORY CONTRACT OR UNEXPIRED LEASE**

PLEASE TAKE NOTICE THAT on November 12, 2013 (the “*Petition Date*”), the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) commenced chapter 11 cases under title 11 of the United States Code (the “*Bankruptcy Code*”) and filed with the United States Bankruptcy Court for the District of Delaware (the “*Court*”) the proposed *Joint Prepackaged Plan of Reorganization of Physiotherapy Holdings, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 18] (the “*Plan*”)² and the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Physiotherapy Holdings, Inc. (5193); Actra Rehabilitation Associates, Inc. (7806); Alexandria Sports, Inc. (7654); Benchmark Acquisition Corp. (3850); Benchmark Medical Management Company (0335); Benchmark O&P Holdings, Inc. (6848); Benchmark Orthotics & Prosthetics, Inc. (7000); Blue Hen Physical Therapy, Inc. (7267); Cape Prosthetics-Orthotics, Inc. (7914); Carrollton Physical Therapy Clinic, Inc. (2832); Integrity Physical Therapy, Inc. (1075); Keystone Rehabilitation Associates of Warren (8341); Keystone Rehabilitation Systems, Inc. (8380); Keystone Rehabilitation Systems of McMurray (6304); Leesburg Sports, Inc. (4190); MATRIX Healthcare Services, LLC (7344); MATRIX Rehabilitation, Inc. (3147); MATRIX Rehabilitation-Delaware, Inc. (2504); MATRIX Rehabilitation-Georgia, Inc. (4073); MATRIX Rehabilitation-Ohio, Inc. (2505); MATRIX Rehabilitation-South Carolina, Inc. (5603); MATRIX Rehabilitation-Texas, Inc. (9542); Morris Area Rehabilitation Association, Inc. (2043); North Dallas Physical Therapy Associates, Inc. (5331); Northstar Health Services, Inc. (7152); NSHS Services, Inc. (6789); Orthopaedic Services of Paducah, Inc. (3143); PhysioLink Corporation (3705); Physiotherapy Associates Holdings, Inc. (3367); Physiotherapy Associates, Inc. (7193); Physiotherapy Associates-Union Rehab, LLC (0041); Physiotherapy Corporation (3816); Physiotherapy-BMHI Holdings, Inc. (3361); Physiotherapy-BMI, Inc. (4107); Potomac Rehabilitation Services, Inc. (2725); Professional Rehab Associates, Inc. (2393); Progressive Therapy Services, Inc. (8449); Rehab Associates, L.L.C. (9381); Rehab Colorado, LLC (5804); Rehab Missouri, LLC (0587); Rehab Xcel, LLC (0586); Rehabilitation Consultants, Inc. (1166); R.S. Network, Inc. (9104); SMR Banyan Tree, Inc. (6933); Swanson Orthotic & Prosthetic Center, Inc. (2308); The Parks Physical Therapy and Work Hardening Center, Inc. (2926); Theraphysics Partners of Colorado, Inc. (2115); Theraphysics Partners of Texas, Inc. (9976); Therapy Associates of Martinsville, Inc. (1394); Trumbull P.T. Corp. (3855); Wisconsin Prosthetics and Orthotics, Inc. (7815). The Debtors’ main corporate address is 855 Springdale Drive, Suite 200, Exton, PA 19341.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

proposed *Disclosure Statement for the Joint Prepackaged Plan of Reorganization of Physiotherapy Holdings, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 19] (the “**Disclosure Statement**”) pursuant to sections 1125 and 1126(b) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE THAT on November 14, 2013, the Court entered the *Order (A) Scheduling an Objection Deadline and Combined Hearing on Debtors’ Disclosure Statement and Plan Confirmation, (B) Approving Form and Notice of Confirmation Hearing, (C) Establishing Procedures for Objections to the Disclosure Statement and the Plan, (D) Approving Solicitation Procedures, (E) Waiving the Requirement for Meetings of Creditors or Equity Holders and (F) Granting Related Relief* [Docket No. 49] (the “**Scheduling Order**”). Pursuant to the Scheduling Order, the Court, among other things, (a) set the joint hearing to consider the adequacy of the Disclosure Statement and confirmation of the Plan (the “**Confirmation Hearing**”) for December 17, 2013 at 1:30 p.m. Prevailing Eastern Time, and (b) set the deadline to object, and determined procedures for objecting, to the Disclosure Statement or confirmation of the Plan, including to the assumption of Executory Contracts and Unexpired Leases and the proposed Cure Amounts associated therewith, for December 12, 2013 at 4:00 p.m. Prevailing Eastern Time.

YOU ARE RECEIVING THIS NOTICE BECAUSE THE DEBTORS’ RECORDS REFLECT THAT YOU ARE A PARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE LISTED THAT WILL BE ASSUMED PURSUANT TO THE PLAN. THEREFORE, YOU ARE ADVISED TO REVIEW CAREFULLY THE INFORMATION CONTAINED IN THIS NOTICE AND THE RELATED PROVISIONS OF THE PLAN.³

PLEASE TAKE FURTHER NOTICE THAT each Executory Contract and Unexpired Lease to which you are a party is listed on **Exhibit A** attached hereto. The Debtors have served a separate notice on counterparties to Executory Contracts and Unexpired Leases that will be assumed pursuant to the Plan, along with a list of such Executory Contracts and Unexpired to be assumed (collectively with the Executory Contract(s) and Unexpired Lease(s) identified on **Exhibit A**, the “**Assumption Schedule**”). The Debtors have filed the Assumption Schedule with the Court.

PLEASE TAKE FURTHER NOTICE THAT the Debtors have served a separate notice on counterparties to Executory Contracts and Unexpired Leases that the Debtors intend to reject in connection with the Plan, along with a list of such Executory Contracts and Unexpired Leases to be rejected (the “**Rejection Schedule**”). The Debtors have also filed the Rejection Schedule with the Court. If you are a party to an Executory Contract or Unexpired Lease that is

³ The Debtors, with the consent of the Ad Hoc Committee of Senior Noteholders, shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List or Rejected Executory Contracts and Unexpired Lease List, as applicable, as identified in the Plan Supplement, through and including the Effective Date. To the extent that the Debtors, with the consent of the Ad Hoc Committee of Senior Noteholders, alter, amend, modify or supplement the lists of Executory Contracts and Unexpired Lease included in the Plan Supplement, the Debtors will provide notice to each counterparty to an affected Executory Contract or Unexpired Lease within five days of such decision.

not listed on either the Assumption Schedule or the Rejection Schedule, the Debtors intend to assume such Executory Contract and Unexpired Lease on the Effective Date.

PLEASE TAKE FURTHER NOTICE THAT entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions of the Executory Contracts and Unexpired Leases that the Debtors intend to assume, including those listed on Executory Contract and Unexpired Lease to which you are a party is listed on **Exhibit A**, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date.

PLEASE TAKE FURTHER NOTICE THAT section 365(b)(1)(A) of the Bankruptcy Code requires that the Debtors cure or provide adequate assurance that they will promptly cure defaults under executory contracts at the time of assumption. Based on a review of the Debtors' books and records and related documents, the Debtors have determined the amounts required to cure monetary defaults under the Executory Contracts and Unexpired Leases (collectively, the "**Proposed Cure Amounts**"). The Proposed Cure Amount(s) for the relevant Executory Contract(s) or Unexpired Lease(s) to which you are a counterparty is listed on **Exhibit A**, and is net of any setoffs, credits or discounts associated with such executory contract(s) or unexpired lease(s), including postpetition setoffs, credits or discounts. If an Executory Contract or Unexpired Lease to which you are a party with one or more of the Debtors is not listed on **Exhibit A** or the Rejection Schedule, the Debtors intend to assume such Executory Contract or Unexpired Lease on the Effective Date and the Proposed Cure Amount associated therewith is \$0.

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Scheduling Order, and notwithstanding any provision in the Disclosure Statement or the Plan to the contrary, any objection to the proposed assumption or the Proposed Cure Amounts set forth in **Exhibit A** must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Bankruptcy Rules, and any orders of the Bankruptcy Court; (c) state the name and address of the objecting party; (d) state with particularity the basis and nature of any objection to the assumption or the Proposed Cure Amounts; and (e) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is *actually received* no later than **December 12, 2013 at 4:00 p.m. (Prevailing Eastern Time)** (the "**Objection Deadline**"), by the following parties:

<i>The Debtors</i>
General Counsel PHYSIOTHERAPY HOLDINGS, INC. Whiteland Business Park, Suite 200 Exton, Pennsylvania 19341
<i>Proposed Co-Counsel to the Debtors</i>
Jonathan S. Henes, Nicole L. Greenblatt, and David S. Meyer KIRKLAND & ELLIS LLP 601 Lexington Avenue New York, New York 10022 Fax: 212-446-4900 Email: jonathan.henes@kirkland.com; nicole.greenblatt@kirkland.com; david.meyer@kirkland.com

<i>Proposed Co-Counsel to the Debtors</i>		
<p>Domenic E. Pacitti KLEHR HARRISON HARVEY BRANZBURG LLP 919 N. Market Street, Suite 1000 Wilmington Delaware 19801 Fax: 302-426-9193 Email: dpacitti@klehr.com</p>		<p>Morton Branzburg KLEHR HARRISON HARVEY BRANZBURG LLP 1835 Market Street, Suite 1400, Philadelphia, Pennsylvania, 19103 Fax: 215-568-6603 Email: mbranzburg@klehr.com</p>
<i>Bridge Loan Agent</i>	<i>Counsel to the Bridge Loan Agent</i>	<i>Counsel to Certain Bridge Loan Lenders</i>
<p>James Hanley / CDO Trust Services U.S. Bank National Association 214 N. Tryon Street, 26th Floor Charlotte, North Carolina 28202 Fax: 302-576-3717 Email: james.hanley1@usbank.com</p>	<p>Catherine Ng Nixon Peabody LLP 100 Summer Street Boston, Massachusetts 02110 Fax: 866-885-0545 Email: cng@nixonpeabody.com</p>	<p>Stacey Rosenberg Latham and Watkins LLP 355 South Grand Avenue Los Angeles, California 90071 Tel: 213-891-8554 Email: stacey.rosenberg@lw.com</p>
<i>Co-Counsel to the Ad Hoc Committee of Senior Noteholders</i>	<i>Co-Counsel to the Ad Hoc Committee of Senior Noteholders</i>	<i>Senior Notes Indenture Trustee</i>
<p>Michael Tuchin and David Fidler Klee, Tuchin, Bogdanoff & Stern LLP 1999 Avenue of the Stars, 39th Floor Los Angeles, California 90067 Fax: 310-407-9090 Email: mtuchin@ktbslaw.com; dfidler@ktbslaw.com</p>	<p>Michael R. Nestor Young Conaway Stargatt & Taylor, LLP 1000 North King Street Wilmington, Delaware 19801 Fax: 302-576-3321 Email: mnestor@ycst.com</p>	<p>Dennis J. Roemlein CCTS Bank of New York Mellon Trust Company, N.A. 601 Travis, 16th Floor Houston, Texas 77002 Fax: 713-483-6954 Email: dennis.roemlein@bnymellon.com</p>
<i>Counsel to the Senior Notes Indenture Trustee</i>	<i>Counsel to the Consenting Shareholders</i>	<i>Office of the United States Trustee</i>
<p>Eric A. Schaffer Reed Smith LLP Reed Smith Centre 225 Fifth Avenue Pittsburgh, Pennsylvania 15222 Fax: 412-288-3063 Email: eschaffer@reedsmith.com</p>	<p>Michael J. Sage and Nicole B. Herther-Spiro Dechert LLP 1095 Avenue of the Americas New York, New York 10036 Fax: 212-698-0439; 212-698-0671 Email: michael.sage@dechert.com; nicole.hertherspiro@dechert.com</p>	<p>Tiara N.A. Patton Office of the United States Trustee for the District of Delaware Caleb Boggs Federal Building 844 King Street, Suite 2207 Lockbox 35 Wilmington, Delaware 19801 Fax: 302-573-6497 Email: tiara.patton@usdoj.gov</p>

PLEASE TAKE FURTHER NOTICE THAT pursuant to Article V.A of the Plan, on the Effective Date, except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, Executory Contracts and Unexpired Leases shall be deemed assumed as of the Effective Date, unless such Executory Contract or Unexpired Lease: (1) was assumed or rejected prior to the Effective Date by the Debtors; (2) previously expired or terminated pursuant to its own terms; (3) is the subject of a motion to reject Filed on or before the Effective Date; (4) is identified as an Executory Contract or Unexpired Lease on the Rejection Schedule, or (5) is the subject of a dispute regarding the Proposed Cure Amount.

PLEASE TAKE FURTHER NOTICE THAT pursuant to Article V.C of the Plan, in the event of a dispute regarding (1) the amount of the Proposed Cure Amount, (2) the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or by mutual agreement between Debtors and the applicable counterparty. To the extent a mutual resolution cannot be reached, any such objection or dispute shall be heard by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT the Plan and Disclosure Statement are available for inspection on the Court’s Internet site at www.deb.uscourts.gov or free of charge on the Debtors’ restructuring website at www.kccllc.net/PhysioCorp. If you have questions regarding the procedures and requirements for objecting to the proposed assumption or the Proposed Cure Amount, you may contact Kurtzman Carson Consultants, LLC, the Debtors’ notice and claims agent, at (877) 725-7537 (toll-free) and (424) 236-7246 (international).

IF YOU FAIL TO TIMELY FILE AN OBJECTION TO THE PROPOSED ASSUMPTION OR PROPOSED CURE AMOUNT WITH RESPECT TO YOUR EXECUTORY CONTRACT(S) OR UNEXPIRED LEASE(S), YOU WILL BE DEEMED TO ASSENT TO THE ASSUMPTION AND AGREE THAT THE PROPOSED CURE AMOUNT DETERMINED BY THE DEBTORS IS CORRECT AND YOU MAY BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING ADDITIONAL CURE AMOUNTS OR THAT ASSUMPTION WAS IMPROPER IN RESPECT OF THE EXECUTORY CONTRACT(S) OR UNEXPIRED LEASE(S) TO WHICH YOU ARE A COUNTERPARTY.

Dated: November 27, 2013
Wilmington, Delaware

/s/ Michael W. Yurkewicz

Domenic E. Pacitti (DE Bar No. 3989)
Michael W. Yurkewicz (DE Bar No. 4165)
**KLEHR HARRISON HARVEY
BRANZBURG LLP**
919 N. Market Street, Suite 1000
Wilmington, Delaware 19801
Telephone: (302) 426-1189
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- and -

Morton Branzburg (admitted *pro hac vice*)
**KLEHR HARRISON HARVEY
BRANZBURG LLP**
1835 Market Street, Suite 1400
Philadelphia, Pennsylvania 19103
Telephone: (215) 569-2700
Facsimile: (215) 568-6603

- and -

Jonathan S. Henes (admitted *pro hac vice*)
Nicole L. Greenblatt (admitted *pro hac vice*)
David S. Meyer (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Exhibit A

Assumed Executory Contract(s) or Unexpired Lease(s)

Counterparty: Counterparty

Debtor	Contract Description	Est. Cure
Debtor1	Contract1	Cure1 (\$)