

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

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In re: : Chapter 11
: :
PROTEUS DIGITAL HEALTH, INC., : Case No. 20-11580 (BLS)
: :
Debtor.¹ :
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**NOTICE OF (I) APPROVAL OF COMBINED DISCLOSURE STATEMENT AND
PLAN ON AN INTERIM BASIS FOR SOLICITATION PURPOSES ONLY, AND
(II) THE HEARING TO CONSIDER (A) FINAL APPROVAL OF THE
DISCLOSURE STATEMENT, AND (B) CONFIRMATION OF THE
CHAPTER 11 PLAN OF LIQUIDATION**

NOTICE IS HEREBY GIVEN as follows:

On June 15, 2020 (the “Petition Date”), the above-captioned debtor (the “Debtor”) commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). An Official Committee of Unsecured Creditors (the “Committee”) has been appointed in the Chapter 11 Case.

On October 2, 2020, the Debtor filed the First Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation (dated October 2, 2020) (as it may be amended or modified, the “Combined Disclosure Statement and Plan”).² As used herein, the term “Disclosure Statement” means the disclosure statement that is embodied in the Combined Disclosure Statement and Plan, and the term “Plan” means the plan of liquidation that is embodied in the Combined Disclosure Statement and Plan.

The Debtor has proposed the Plan and the Committee is in favor of the Plan.

Parties may request a copy of the Combined Disclosure Statement and Plan through Kurtzman Carson Consultants LLC (the “Voting Agent”) by: (i) accessing the Debtor’s restructuring website at <https://www.kccllc.net/proteus>; (ii) calling the Voting Agent at (866) 967-

¹ The last four digits of the Debtor’s taxpayer identification number are 2680. The Debtor’s mailing address is Proteus Digital Health, Inc., c/o SierraConstellation Partners LLC, 355 S. Grand Ave., Suite 1450, Los Angeles, CA 90071.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Combined Disclosure Statement and Plan. The statements contained herein are summaries of the provisions contained in the Combined Disclosure Statement and Plan and do not purport to be precise or complete statements of all the terms and provisions thereof or documents referred to therein. To the extent there is a discrepancy between the terms herein and the Combined Disclosure Statement and Plan, the terms in the Combined Disclosure Statement and Plan shall govern and control.



1788 or, if calling from outside the United States or Canada, at (310) 751-2688; or (iii) emailing proteusinfo@kccllc.com.

Summary of Plan Treatment

The following chart summarizes the treatment provided under the Plan to each class of Claims against, and Interests in, the Debtor, and indicates the voting status of each class. This chart is only a summary of the classification of Claims and Interests under the Plan. You should review the entire Combined Disclosure Statement and Plan for a complete description.

Class	Claim or Interest	Voting Rights	Status
1	Priority Non-Tax Claims	Not Entitled to Vote	Unimpaired
2	Other Secured Claims	Not Entitled to Vote	Unimpaired
3	General Unsecured Claims	Entitled to Vote	Impaired
4	Interests	Not Entitled to Vote	Impaired

Non-Voting Status of Holders of Certain Claims and Interests

As set forth above, certain Holders of Claims and all Holders of Interests are **not** entitled to vote on the Plan. As a result, such parties will not receive any ballots and other related solicitation materials in order to vote on the Plan. Claims in Classes 1 and 2 are Unimpaired under the Plan and, therefore, are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Holders of Interests in Class 4 will neither receive nor retain any property under the Plan and, accordingly, are deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

As explained above, the Voting Agent will provide to you, free of charge, a copy of the Combined Disclosure Statement and Plan, upon request.

Exculpation, Releases and Injunctions³

PLEASE BE ADVISED THAT ARTICLE XIV OF THE COMBINED DISCLOSURE STATEMENT AND PLAN CONTAINS CERTAIN EXCULPATION, RELEASE AND INJUNCTION PROVISIONS, WHICH ARE RESTATED BELOW:

Section 14.1(a): Exculpation and Limitation of Liability. Notwithstanding any other provision of the Plan, the Exculpated Parties shall not have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors,

³ The Plan provisions referenced herein are for summary purposes only and do not include all provisions of the Plan that may affect your rights. Defined terms used in this summary have the meanings ascribed in the Plan. If there is an inconsistency between the provisions set forth herein and the Plan, the Plan governs.

attorneys, or agents acting in such capacity, or Affiliates, or any of their successors or assigns, for any act or omission occurring on or after the Petition Date and before the Effective Date relating to, in any way, or arising from (i) the Chapter 11 Case, (ii) formulating, negotiating or implementing the combined Disclosure Statement and Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the combined Disclosure Statement and Plan; (iii) the Sale; (iv) any other postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring, sale or liquidation of the Debtor; (v) the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the Confirmation of the Plan, the Consummation of the Plan or (vi) the administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct as determined by a Final Order, and in all respects shall be entitled to reasonably rely upon the advice of counsel and other retained professionals with respect to their duties and responsibilities under the Plan. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting the Exculpated Parties from liability. The Confirmation Order shall serve as a permanent injunction against any Entity seeking to enforce any claim or cause of action against the Exculpated Parties that has been exculpated pursuant to Section 14.1(a) of the Plan.

Section 14.1(b): Releases by the Debtor. Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, the Debtor, on its own behalf and as a representative of the Estate, to the fullest extent permitted under applicable law, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally, each and all of the Released Parties of and from any and all Claims, Causes of Action, interests, obligations, suits, judgments, damages, debts, rights, remedies, set offs, and liabilities of any nature whatsoever, whether liquidated or unliquidated, fixed or Contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, tort, contract, or otherwise, that are or may be based in whole or part on any act, omission, transaction, event, occurrence, or other circumstance, whether direct or derivative, taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to the Debtor or its operations, its Assets, the Estate, or the Chapter 11 Case, that may be asserted by or on behalf of the Debtor or its Estate, against any of the Released Parties.

Section 14.1(c): Consensual Third-Party Releases by Holders of Claims. As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Releasing Parties shall be deemed to forever release, waive and discharge the Released Parties of all claims, obligations, suits, judgments, damages, demands, debts, rights, remedies, causes of action and liabilities of any nature whatsoever in connection with or related to the Debtor, the Chapter 11 Case, or the combined Disclosure Statement and Plan, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or hereafter arising, in law, equity, or otherwise that are or may be based in whole or in part upon any act, omission, transaction, event, or other occurrence taking place or existing on or prior to the Effective Date (other than the rights of Holders of Allowed Claims to enforce the obligations under the Confirmation Order and the Plan); *provided, however*, that nothing in this section shall operate as a release, waiver or discharge of any causes of action or liabilities arising out of

gross negligence, willful misconduct, fraud, or criminal acts of any such Released Party as determined by a Final Order.

Section 14.1(d): Non-Discharge of the Debtor; Injunction. In accordance with Bankruptcy Code section 1141(d)(3), the Plan does not discharge the Debtor. Bankruptcy Code section 1141(c) nevertheless provides, among other things, that the property dealt with by the Plan is free and clear of all Claims and Interests against the Debtor. As such, no Entity holding a Claim against the Debtor may receive any payment from, or seek recourse against, any assets that are to be distributed under the Plan other than assets required to be distributed to that Entity under the Plan. Distributions to any such Holder of any such Claim shall be as expressly set forth in the Plan. All parties are precluded from asserting against any property to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, or Interests based upon any act, omission, transaction, or other activity that occurred before the Effective Date except as expressly provided in the Plan or the Confirmation Order.

Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, all Entities are permanently enjoined, on and after the Effective Date, on account of any Claim or Interest, from:

- (1) commencing or continuing in any manner any action or other proceeding of any kind against any of the Estate, the Liquidating Trust, their successors and assigns, and any of their assets and properties;
- (2) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Estate, the Liquidating Trust, their successors and assigns, and any of their assets and properties;
- (3) creating, perfecting or enforcing any encumbrance of any kind against the Estate, the Liquidating Trust, their successors and assigns, and any of their assets and properties;
- (4) asserting any right of setoff or subrogation of any kind against any obligation due from the Estate, the Liquidating Trust or their successors and assigns, or against any of their assets and properties, except to the extent a right to setoff or subrogation is asserted with respect to a timely filed proof of Claim; or
- (5) commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim or Interest or Cause of Action released under Article XIV of the Plan.

Any Entity injured by any willful violation of such injunction may seek actual damages and, in appropriate circumstances, may seek punitive damages from the willful violator.

Section 14.2: Waiver of Statutory Limitations on Releases. Each Entity providing the releases set forth in Section 14.1 above expressly acknowledges that although ordinarily a general release may not extend to Claims or causes of action that the Releasing Party does not know or suspect to exist in its favor, which if known by it may have materially affected

its settlement with the party released, they have carefully considered and taken into account in determining to enter into the above releases the possible existence of such unknown losses or claims. Without limiting the generality of the foregoing, each Releasing Party expressly waives any and all rights conferred upon it by any statute or rule of law which provides that a release does not extend to claims which the claimant does not know or suspect to exist in its favor at the time of providing the release, which if known by it may have materially affected its settlement with the Released Party. The releases contained in this combined Disclosure Statement and Plan are effective regardless of whether those released matters are presently known, unknown, suspected or unsuspected, foreseen or unforeseen.

Section 14.3: Term of Bankruptcy Injunction or Stays. All injunctions or stays provided for in the Chapter 11 Case under Bankruptcy Code sections 105 or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of the Chapter 11 Case.

THE FOLLOWING PARTIES ARE “RELEASING PARTIES” AND WILL BE DEEMED TO HAVE CONSENTED TO AND GRANTED THE THIRD-PARTY RELEASES OF THE “RELEASED PARTIES” AS SET FORTH IN SECTION 14.1(c) OF THE COMBINED DISCLOSURE STATEMENT AND PLAN (WHICH IS THE SECTION RESTATED ABOVE ENTITLED “CONSENSUAL THIRD-PARTY RELEASES BY HOLDERS OF CLAIMS”): (a) the Debtor and its Estate, (b) the Committee, (c) the Purchaser, (d) all Holders of Claims other than (i) Claims subordinated under Bankruptcy Code section 510(b), and (ii) De Minimis Claims, and (e) with respect to each of the foregoing, their Related Parties, except that equity holders of the Debtor shall not be Releasing Parties; *provided, however*, that Releasing Parties shall exclude any of the foregoing parties that makes a Release Opt-Out Election.

In the Plan, “**Exculpated Parties**” include (a) the Debtor, (b) the Committee and its members and their respective representatives, and (c) and the retained professionals, directors and officers, as applicable, of the Debtor and Committee.

In the Plan, the “**Released Parties**” include (a) the Debtor and its Estate, (c) the Committee, (d) the Purchaser and (e) with respect to each of the foregoing, their Related Parties.

The term “**Related Parties**” means any officer, director, agent, attorney, advisor, employee, professional, partner (general or limited), direct or indirect parent, Affiliate, member, representative, manager, equity holder, trustee, executor, predecessor in interest, or successor or assign of any referenced Entity.

In the Plan, “**Release Opt-Out Election**” means the timely election to “opt out” of being a Releasing Party by (a) submitting a Ballot by the Voting Deadline that either (i) votes to reject the Plan or (ii) selects the option set forth on the Ballot to not grant the releases set forth in Section 14.1(c) of the Plan; or (b) Filing a written objection to the releases set forth in Section 14.1(c) of the Plan by the objection deadline established by the Solicitation Procedures Order.

Third-Party Releases Granted by Holders of Claims in Class 3

If you are a Holder of a Claim in Class 3 you will be deemed to have consented to the third-party releases set forth in Section 14.1(c) of the Plan and restated above, unless you (a) submit a Ballot by the Voting Deadline that either (i) votes to reject the Plan or (ii) selects the option set forth on the Ballot to not grant the releases set forth in Section 14.1(c) of the

Plan; or (b) file a written objection to the releases set forth in Section 14.1(c) of the Plan by the Confirmation Objection Deadline (i.e. November 9, 2020 at 5:00 p.m., prevailing Eastern time).

Hearing on Confirmation of the Plan and the Final Approval of the Disclosure Statement

The hearing (the “Confirmation Hearing”) to consider final approval of the Disclosure Statement and confirmation of the Plan, any objections thereto, and any other matter that may properly come before the Bankruptcy Court, will be held before the Honorable Brendan L. Shannon, United States Bankruptcy Judge of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom No. 1, Wilmington, DE 19801, on **November 16, 2020, at 11:00 a.m., prevailing Eastern time**. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on parties entitled to notice.

Objections to Final Approval of the Disclosure Statement and/or Confirmation of the Plan

The deadline for filing objections to final approval of the Disclosure Statement and/or confirmation of the Plan (a “Confirmation Objection”) is **November 9, 2020 at 5:00 p.m., prevailing Eastern time**, (the “Confirmation Objection Deadline”). Any Confirmation Objection must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) state the name, address, phone number, and email address of the objecting party and the amount and nature of the Claim or Interest of such entity, if any; (d) state with particularity the legal and factual bases and nature of any objection to the Combined Disclosure Statement and Plan, and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed with the Court and served on (x) counsel to the Debtor, (i) Goodwin Procter LLP, 620 Eighth Ave., New York, NY 10018 (Attn: Nathan A. Schultz (nschultz@goodwinlaw.com), Barry Z. Bazian (bbazian@goodwinlaw.com)) and (ii) Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801 (Attn: L. Katherine Good (kgood@potteranderson.com)); (y) counsel to the Committee, A.M. Saccullo Legal, LLC, 27 Crimson King Dr., Bear, DE 19701 (Attn: Anthony Saccullo (ams@saccullolegal.com)); and (z) Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Benjamin A. Hackman (Benjamin.A.Hackman@usdoj.gov)) (collectively, the “Objection Recipients”); in each case, so that such Confirmation Objection is **actually received by each of the Objection Recipients before the Confirmation Objection Deadline**.

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT. AS DESCRIBED BELOW, YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE COMBINED DISCLOSURE STATEMENT AND PLAN, INCLUDING THE EXCULPATION, RELEASE AND INJUNCTION PROVISIONS, AS YOUR RIGHTS MIGHT BE AFFECTED.

Dated: October 6, 2020
Wilmington, Delaware

POTTER ANDERSON & CORROON LLP

/s/ L. Katherine Good

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