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as GUC Distribution Trustee*

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON**

IN RE:

ASTRIA HEALTH,

Remaining Debtor.

Chapter 11

Case No. 19-01189-11

**THE GUC DISTRIBUTION TRUSTEE’S  
FOURTH OMNIBUS CLAIMS  
OBJECTION (SUPERSEDED CLAIMS)**

Steven D Sass LLC, as GUC Distribution Trustee<sup>1</sup> (the “GUC Distribution Trustee”), by and through its undersigned counsel, hereby objects (the “Objection”), pursuant to section 502 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 3007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 3007-1 of the Local Rules of Bankruptcy Procedure for the Eastern District of Washington (the “Local Rules”), and the *Order Granting Motion of the GUC Distribution Trustee for an Order Authorizing the Filing of Omnibus Objections with Respect to Categories of Claims Consisting of Two or More Claims* [Docket No.

<sup>1</sup> Capitalized terms used but not defined in this objection shall have the meanings ascribed to them in the *Modified Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates* (the “Plan”) [Docket No. 2196].

1 2785] (the “Objection Authorization Order”), to the superseded claims identified on Exhibit A  
2 hereto (the “Superseded Claims”), and seeks entry of an order, substantially in the form attached  
3 hereto (the “Proposed Order”), disallowing the Claims as set forth herein and on Exhibit A. In  
4 support of the Objection, the GUC Distribution Trustee respectfully states as follows:

5 **JURISDICTION AND VENUE**

- 6 1. The Court has jurisdiction over the Objection pursuant to 28 U.S.C. §§ 157 and  
7 1334. The Objection is a core proceeding under 28 U.S.C. § 157(b)(2).  
8  
9 2. Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.  
10  
11 3. The basis for the relief requested herein is section 502 of the Bankruptcy  
12 Code, Bankruptcy Rules 3007 and 9014, Local Rule 3007-1, the Objection Authorization Order,  
13 and such additional authorities as are cited below.

14 **BACKGROUND**

15 4. On May 6, 2019 (the “Petition Date”), the Debtors commenced voluntary cases  
16 under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern  
17 District of Washington.

18 5. On October 18, 2020, the Court entered the *Order Confirming Modified Second*  
19 *Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates*  
20 [Docket No. 2217] (the “Confirmation Order”), which among other things, confirmed the Plan.

21 6. The Effective Date of the Plan occurred on January 15, 2021 [Docket No. 2264].

22 7. Pursuant to the Plan, Steven D Sass LLC was appointed as the GUC Distribution  
23 Trustee (Plan § III(F)(1); Confirmation Order ¶ 9(e)), and the GUC Distribution Trustee was  
24 granted the authority, subject to certain procedural requirements set forth in the Plan, to File  
25 objections to and settle disputes regarding General Unsecured Claims (Plan §§ III(F)(2) and (M)).  
26

1           8.       Since the Effective Date of the Plan, the GUC Distribution Trustee, through its staff  
2 and professionals, has undertaken a comprehensive review and reconciliation of General  
3 Unsecured Claims filed or otherwise asserted against the Debtors or their consolidated Estate (*see*  
4 Plan § II(B) (providing that, except as otherwise set forth in the Plan or ordered by the Court, “all  
5 assets and all liabilities of each of the Debtors shall be deemed merged or treated as though they  
6 were merged into and with the assets and liabilities of each other,” and “each and every Claim filed  
7 or to be filed in any of the Chapter 11 Cases shall be treated as if filed against the consolidated  
8 Debtors and shall be treated [as] one Claim against and obligation of the consolidated Debtors”)).

9  
10           9.       In furtherance of the GUC Distribution Trustee’s review and reconciliation of  
11 General Unsecured Claims, the GUC Distribution Trustee has, among other things, undertaken a  
12 review and comparison of the scheduled and/or asserted General Unsecured Claims, their  
13 supporting materials, and the books and records maintained by the Debtors in the ordinary course  
14 of business (as such Books and Records have been provided by the Reorganized Debtors, the  
15 “Books and Records”) to determine the validity of the scheduled and/or asserted General  
16 Unsecured Claims.  
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18           10.       The GUC Distribution Trustee’s General Unsecured Claims reconciliation process  
19 has also included the identification of particular categories of General Unsecured Claims that may  
20 be subject to, *inter alia*, disallowance, reduction, reassignment, and/or reclassification. To reduce  
21 the number of General Unsecured Claims and avoid improper recoveries by parties asserted  
22 General Unsecured Claims that should be disallowed, reduced, reassigned, and/or reclassified, the  
23 GUC Distribution Trustee anticipates filing multiple claim objections.  
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**RELIEF REQUESTED**

11. Based upon the review of the proofs of claim filed in these cases (including their supporting materials), the claims register, the docket, and the Books and Records (as provided by the Reorganized Debtors) by the GUC Distribution Trustee, the Superseded Claims identified on **Exhibit A** are claims identified in the Debtors' bankruptcy schedules for which a proof of claim was subsequently filed. Under Bankruptcy Rule 3003(c)(4), a filed proof of claim "shall superseded any scheduling of that claim or interest pursuant to § 521 of the Bankruptcy Code." The Superseded Claims should therefore be disallowed and expunged in their entirety.

**SEPARATE CONTESTED MATTERS**

12. To the extent that any Response is filed regarding any Claim that is the subject of this Objection and the GUC Distribution Trustee is unable to resolve that Response, each applicable Claim (together with the objection to such Claim set forth herein and the applicable Response thereto) shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding the Objection shall be deemed a separate order with respect to each applicable Claim (together with the objection to such Claim asserted herein and any applicable Response thereto).

**RESERVATION OF RIGHTS**

13. The GUC Distribution Trustee reserves the right to (i) amend, modify, and/or supplement this Objection and (ii) file additional objections to the Claims identified on **Exhibit A** hereto in the future on any grounds.

14. Notwithstanding anything to the contrary contained in this Objection or the attached exhibits, nothing in this Objection or the attached exhibits is or shall be construed as a waiver of

1 any rights that the GUC Distribution Trustee may have to exercise setoffs or recoupments against  
2 the Holders of any Claims.

3 **CONCLUSION**

4 **WHEREFORE**, the GUC Distribution Trustee respectfully requests that the Court (i)  
5 enter the Proposed Order disallowing or reducing the Claims, as applicable, as set forth herein  
6 and on **Exhibits A** and (ii) grant such other and further relief that the Court deems just and  
7 appropriate.  
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9 Dated: December 27, 2022

10 SCHWEET LINDE & COULSON, PLLC

11  
12 */s/ Michael M. Sperry/*\_\_\_\_\_

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19 *as GUC Distribution Trustee*

## EXHIBIT A - Superseded Claims

Claimant Name	Scheduled Amount		Superseded Schedule ID	Scheduled Debtor Name	Surviving Claim No. <sup>1</sup>	Surviving Claim Amount		Surviving Debtor Name	Reason for Disallowance
Johnson & Johnson Health Care Sys Inc.	\$0.00 \$0.00 \$0.00 \$11,270.31	Administrative Secured Priority General Unsecured	Sched ID 3228250	SHC Medical Center-Toppenish	362	\$738,036.86 \$15,046.00	General Unsecured Administrative	Astria Health	Superseded by subsequently filed claim(s) (see Objection pp.8-9)
Johnson & Johnson Health Care Sys Inc.	\$0.00 \$0.00 \$0.00 \$22,486.74	Administrative Secured Priority General Unsecured	Sched ID 3228252	Sunnyside Community Hospital Association					Superseded by subsequently filed claim(s) (see Objection pp.8-9)
Johnson & Johnson Health Care Sys Inc.	\$0.00 \$0.00 \$0.00 \$621,286.41	Administrative Secured Priority General Unsecured	Sched ID 3228251	SHC Medical Center-Yakima					Superseded by subsequently filed claim(s) (see Objection pp.8-9)

<sup>1</sup> Identification of a claim as a surviving claim does not constitute allowance. Such claims may already have been or may in the future be addressed by other objections, agreements, or otherwise. All rights of the GUC Distribution Trustee and the Debtors are expressly reserved with respect to all surviving claims (or portions thereof) that have not been fully resolved.

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8 **UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON**

9 IN RE:

10 ASTRIA HEALTH,

11 Remaining Debtor.

Chapter 11

Case No. 19-01189-11

12 **ORDER GRANTING THE GUC  
13 DISTRIBUTION TRUSTEE'S FOURTH  
14 OMNIBUS CLAIMS OBJECTION  
(SUPERSEDED CLAIMS)**

15 This matter came before the court on *The GUC Distribution Trustee's Fourth Omnibus*  
16 *Claims Objection* (the "Objection"). Capitalized terms not defined in this Order shall have their  
17 meanings as set forth in the Objection.  
18

19 This court has found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157  
20 and 1334 and has authority to enter a final order consistent with Article III of the United States  
21 Constitution; that venue of this proceeding and the Objection in this district is proper pursuant  
22 to 28 U.S.C. §§ 1408 and 1409; and that the notice of the Objection was appropriate under the  
23 circumstances and no other notice need be provided. Having reviewed the Objection and all  
24 documents filed in support of or opposition thereto; having heard the statements of counsel at  
25 any hearing before this court; and upon the record in this matter; and after due deliberation  
26

**ORDER GRANTING THE GUC DISTRIBUTION TRUSTEE'S  
FOURTH OMNIBUS CLAIMS OBJECTION – 1**

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1 thereon; and this court having determined that just cause has been established for the relief  
2 granted herein, it is hereby **ORDERED** as follows:

3 1. The Objection is granted as set forth herein.

4 2. Any Response to the Objection that has not otherwise been withdrawn or resolved,  
5 or with respect to which the hearing on the Objection has not been adjourned, is hereby overruled.

6 3. The Superseded Claims identified on **Exhibit A** attached to the Objection are  
7 hereby disallowed and expunged in their entirety.

8 4. The official claims register shall be modified in accordance with this Order.

9 5. Each Claim that is the subject of the Objection (together with the objection to such  
10 Claim set forth in the Objection and any applicable Response thereto) constitutes a separate  
11 contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a  
12 separate order with respect to each such Claim. Any stay of this Order pending appeal by any of  
13 the claimants subject to this Order shall only apply to the contested matter that involves such  
14 claimant and shall not act to stay the applicability and/or finality of this Order with respect to the  
15 other contested matters addressed hereby.  
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18 6. All rights of the GUC Distribution Trustee and the Reorganized Debtors to object  
19 to any claim (including the Claims that are the subject of the Objection) at a later date on any  
20 basis are reserved and preserved.

21 7. All rights of the GUC Distribution Trustee and Reorganized Debtors to use any  
22 available defenses, under section 502 of the Bankruptcy Code or otherwise, and to set off or  
23 recoup against, or otherwise reduce all or any part of, any claim (including the Claims that are  
24 the subject of the Objection) are reserved and preserved.  
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8. The terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

9. The GUC Distribution Trustee and all other parties are authorized to take all actions necessary to effectuate the relief granted in this Order.

10. This court shall retain jurisdiction over all affected parties with respect to any matters, claims, or rights arising from or related to the implementation and interpretation of this Order.

//End of Order//

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