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11 *as GUC Distribution Trustee*

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

14 IN RE:

Chapter 11

15 ASTRIA HEALTH,

Case No. 19-01189-WLH11

16 Remaining Debtor.

**THE GUC DISTRIBUTION  
TRUSTEE'S SEVENTH OMNIBUS  
CLAIMS OBJECTION (SUPERSEDED  
CLAIMS)**

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19  
20 **THE GUC DISTRIBUTION**  
21 **TRUSTEE'S SEVENTH OMNIBUS**  
**CLAIMS OBJECTION**

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1 Steven D Sass LLC, as GUC Distribution Trustee<sup>1</sup> (the “GUC Distribution  
2 Trustee”), by and through its undersigned counsel, hereby objects (the “Objection”),  
3 pursuant to section 502 of title 11 of the United States Code (the “Bankruptcy Code”),  
4 Rules 3007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy  
5 Rules”), Rule 3007-1 of the Local Rules of Bankruptcy Procedure for the Eastern  
6 District of Washington (the “Local Rules”), and the *Order Granting Motion of the*  
7 *GUC Distribution Trustee for an Order Authorizing the Filing of Omnibus*  
8 *Objections with Respect to Categories of Claims Consisting of Two or More Claims*  
9 [Docket No. 2785] (the “Objection Authorization Order”), to the superseded claims  
10 identified on **Exhibit A** hereto (the “Superseded Claims”), and seeks entry of an  
11 order, substantially in the form attached hereto as **Exhibit B** (the “Proposed Order”),  
12 disallowing the Superseded Claims, as set forth herein and on **Exhibit A**. In support  
13 of the Objection, the GUC Distribution Trustee respectfully states as follows:

### 14 **JURISDICTION AND VENUE**

- 15 1. The Court has jurisdiction over the Objection pursuant to 28 U.S.C. §§  
16 157 and 1334. The Objection is a core proceeding under 28 U.S.C. § 157(b)(2).  
17 2. Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.  
18

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

21 **THE GUC DISTRIBUTION TRUSTEE’S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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1 3. The basis for the relief requested herein is section 502 of the  
2 Bankruptcy Code, Bankruptcy Rules 3007 and 9014, Local Rule 3007-1, the  
3 Objection Authorization Order, and such additional authorities as are cited below.

4 **BACKGROUND**

5 4. On May 6, 2019 (the "Petition Date"), the Debtors commenced  
6 voluntary cases under chapter 11 of the Bankruptcy Code in the United States  
7 Bankruptcy Court for the Eastern District of Washington.

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

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

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

19 8. Since the Effective Date of the Plan, the GUC Distribution Trustee,  
20 through its staff and professionals, has undertaken a comprehensive review and

21 **THE GUC DISTRIBUTION TRUSTEE'S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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

9         9. In furtherance of the GUC Distribution Trustee’s review and  
10 reconciliation of General Unsecured Claims, the GUC Distribution Trustee has,  
11 among other things, undertaken a review and comparison of the scheduled and/or  
12 asserted General Unsecured Claims, their supporting materials, and the books and  
13 records maintained by the Debtors in the ordinary course of business (as such books  
14 and records have been provided by the Reorganized Debtors, the “Books and  
15 Records”) to determine the validity of the scheduled and/or asserted General  
16 Unsecured Claims.

17         10. The GUC Distribution Trustee’s General Unsecured Claims  
18 reconciliation process has also included the identification of particular categories of  
19 General Unsecured Claims that may be subject to, *inter alia*, disallowance, reduction,  
20 reassignment, and/or reclassification. To reduce the number of General Unsecured

21 **THE GUC DISTRIBUTION TRUSTEE’S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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1 Claims and avoid improper recoveries by parties asserting General Unsecured Claims  
2 that should be disallowed, reduced, reassigned, and/or reclassified, the GUC  
3 Distribution Trustee anticipates filing multiple claim objections.

4 **RELIEF REQUESTED**

5 11. By this Objection, pursuant to section 502 of the Bankruptcy Code,  
6 Bankruptcy Rules 3007 and 9014, Local Rule 3007-1, and the Objection  
7 Authorization Order, the GUC Distribution Trustee objects to the Superseded Claims  
8 identified on **Exhibit A** hereto, and seeks entry of an order, substantially in the form  
9 of the Proposed Order attached hereto as **Exhibit B**, disallowing such Superseded  
10 Claims, as set forth herein and on **Exhibit A**.

11 12. Although a properly filed proof of claim constitutes *prima facie*  
12 evidence of the validity and amount of the claim, once evidence to rebut a claim's  
13 *prima facie* validity has been presented, "the creditor must present evidence to prove  
14 the claim. The ultimate burden of proof therefore is on the creditor." *Franchise Tax*  
15 *Bd. v. MacFarlane (In re MacFarlane)*, 83 F.3d 1041, 1044 (9th Cir. 1996). For the  
16 reasons set forth below and on **Exhibit A**, any purported *prima facie* validity of the  
17 Superseded Claims is rebuttable, and the applicable claimants cannot meet their  
18 burdens of proof with respect to their respective Superseded Claims. The Superseded  
19 Claims should therefore be disallowed, as set forth herein and on **Exhibit A**.

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21 **THE GUC DISTRIBUTION TRUSTEE'S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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1 13. In particular, based upon the review by the GUC Distribution Trustee of  
2 the proofs of claim filed in these cases (including their supporting materials), the  
3 claims register, the docket, and the Books and Records (as provided by the  
4 Reorganized Debtors), the Superseded Claims identified on **Exhibit A** are claims  
5 identified in the Debtors' bankruptcy schedules for which a proof of claim was  
6 subsequently filed. Under Bankruptcy Rule 3003(c)(4), a filed proof of claim "shall  
7 supersede any scheduling of that claim or interest pursuant to § 521(a)(1) of the  
8 [Bankruptcy] Code." The Superseded Claims should therefore be disallowed and  
9 expunged in their entirety.

10 **SEPARATE CONTESTED MATTERS**

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

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21 **THE GUC DISTRIBUTION TRUSTEE'S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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**RESERVATION OF RIGHTS**

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

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

**CONCLUSION**

**WHEREFORE**, the GUC Distribution Trustee respectfully requests that the Court (i) enter the Proposed Order disallowing the Superseded Claims as set forth herein and on **Exhibit A** and (ii) grant such other and further relief that the Court deems just and appropriate.

Dated: June 1, 2023

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**THE GUC DISTRIBUTION TRUSTEE'S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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/s/ Jane Pearson

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**THE GUC DISTRIBUTION TRUSTEE'S  
SEVENTH OMNIBUS CLAIMS OBJECTION**

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# Exhibit A

#	Claimant Name <sup>1</sup>	Scheduled Amount	Superseded Schedule ID / Claim No. <sup>1</sup>	Scheduled Debtor Name	Reason for Disallowance	Surviving Claim No. <sup>2</sup>	Surviving Claim Amount	Surviving Debtor Name	
1	GE Healthcare Equip Finance	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$470,193.80 General Unsecured	Sched ID 3227795	Sunnyside Community Hospital Association	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				
2	GE Healthcare Equip Finance	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$918,133.33 General Unsecured	Sched ID 3227794	SHC Medical Center-Yakima	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				
3	GE HEALTHCARE FINANCIAL SERVICE	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$188,324.84 General Unsecured	Sched ID 3227504	Sunnyside Community Hospital Association	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				
4	GE HEALTHCARE TECHNOLOGIES	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$5,112.72 General Unsecured	Sched ID 3228078	SHC Medical Center-Toppenish	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)	2 8 9 10 10 11 12 13 17	\$169,534.58 \$21,325.38 \$75,942.99 \$17,071.47 \$58,018.10 \$374,577.04 \$97,129.75 \$5,276.92 \$7,433.23	General Unsecured General Unsecured General Unsecured General Unsecured General Unsecured General Unsecured General Unsecured General Unsecured General Unsecured	Yakima HMA Home Health, LLC SHC Medical Center-Toppenish SHC Medical Center-Yakima SHC Medical Center-Yakima SHC Medical Center-Toppenish SHC Medical Center-Yakima SHC Medical Center-Yakima SHC Medical Center-Yakima
5	GE HEALTHCARE TECHNOLOGIES	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$248,027.67 General Unsecured	Sched ID 3228079	SHC Medical Center-Yakima	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				
6	GE Healthcare WI	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$413,003.20 General Unsecured	Sched ID 3227024	SHC Medical Center-Yakima	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)			Sunnyside Community Hospital Association	
7	GE MEDICAL SYSTEMS ULTRASOUND	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$31,216.45 General Unsecured	Sched ID 3227502	SHC Medical Center-Yakima	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				
8	GE Healthcare IITS USA Corp	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$47.11 General Unsecured	Sched ID 3228253	SHC Medical Center-Toppenish	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				
9	GE Healthcare IITS USA Corp	\$0.00 Administrative \$0.00 Secured \$0.00 Priority \$353,631.59 General Unsecured	Sched ID 3228254	SHC Medical Center-Yakima	Superseded by subsequently filed claim(s) (see Objection pp. 5-6)				

<sup>1</sup> Claimant and Claim Numbers refer to the official claims register maintained in Case No. 19-01189 (Astria Health) and the related cases as indicated.

<sup>2</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.

# Exhibit B

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

IN RE:  
  
ASTRIA HEALTH,  
  
                    Remaining Debtor

Chapter 11  
  
Case No. 19-01189-WLH11  
  
**ORDER GRANTING THE GUC  
DISTRIBUTION TRUSTEE’S  
SEVENTH OMNIBUS CLAIMS  
OBJECTION (SUPERSEDED CLAIMS)**

          This matter came before the court on *The GUC Distribution Trustee’s  
Seventh Omnibus Claims Objection (Superseded Claims)* [Docket No. \_\_\_\_] (the

**ORDER GRANTING THE GUC  
DISTRIBUTION TRUSTEE’S  
SEVENTH OMNIBUS CLAIMS  
OBJECTION**

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1 “Objection”). Capitalized terms not defined in this Order shall have their meanings  
2 as set forth in the Objection.

3 This court has found that it has jurisdiction over this matter pursuant to 28  
4 U.S.C. §§ 157 and 1334 and has authority to enter a final order consistent with  
5 Article III of the United States Constitution; that venue of this proceeding and the  
6 Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and  
7 that the notice of the Objection was appropriate under the circumstances and no  
8 other notice need be provided. Having reviewed the Objection and all documents  
9 filed in support of or opposition thereto; having heard the statements of counsel at  
10 any hearing before this court; and upon the record in this matter; and after due  
11 deliberation thereon; and this court having determined that just cause has been  
12 established for the relief granted herein, it is hereby **ORDERED** as follows:

- 13 1. The Objection [Docket No. \_\_\_\_] is granted as set forth herein.
- 14 2. Any Response to the Objection that has not otherwise been withdrawn  
15 or resolved, or with respect to which the hearing on the Objection has not been  
16 adjourned, is hereby overruled.
- 17 3. The Superseded Claims identified on **Exhibit A** attached hereto are  
18 hereby disallowed and expunged in their entirety.
- 19 4. The official claims register shall be modified in accordance with this  
20 Order.

21 **ORDER GRANTING THE GUC  
DISTRIBUTION TRUSTEE’S SEVENTH  
OMNIBUS CLAIMS OBJECTION**

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1           5. Each claim that is the subject of the Objection (together with the  
2 objection to such claim set forth in the Objection and any applicable Response  
3 thereto) constitutes a separate contested matter as contemplated by Bankruptcy Rule  
4 9014. This Order shall be deemed a separate order with respect to each such claim.  
5 Any stay of this Order pending appeal by any of the claimants subject to this Order  
6 shall only apply to the contested matter that involves such claimant and shall not act  
7 to stay the applicability and/or finality of this Order with respect to the other  
8 contested matters addressed hereby.

9           6. All rights of the GUC Distribution Trustee and the Reorganized  
10 Debtors to object to any claim (including the claims that are the subject of the  
11 Objection) at a later date on any basis are reserved and preserved.

12           7. All rights of the GUC Distribution Trustee and Reorganized Debtors  
13 to use any available defenses, under section 502 of the Bankruptcy Code or  
14 otherwise, and to set off or recoup against, or otherwise reduce all or any part of,  
15 any claim (including the claims that are the subject of the Objection) are reserved  
16 and preserved.

17           8. The terms and conditions of this Order shall be effective and  
18 enforceable immediately upon its entry.

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

21 **ORDER GRANTING THE GUC  
DISTRIBUTION TRUSTEE'S SEVENTH  
OMNIBUS CLAIMS OBJECTION**

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

4   //End of Order//

5  
6 Presented by:

7 POLSINELLI PC

8 /s/ Jane Pearson  
9 Jane Pearson, WSBA # 12785

10 SILLS CUMMIS & GROSS P.C.

11 /s/ Andrew H. Sherman  
12 Andrew H. Sherman, admitted pro hac vice

13 *Co-Counsel for Steven D Sass LLC,*  
14 *as GUC Distribution Trustee*

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21 **ORDER GRANTING THE GUC  
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OMNIBUS CLAIMS OBJECTION** - 4 -

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