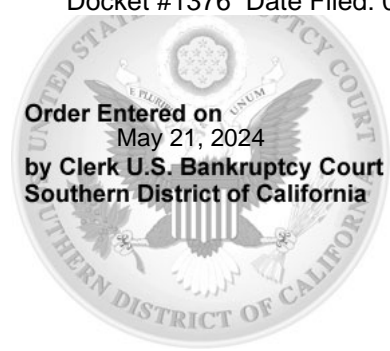


CSD 1001A [07/01/18]

Name, Address, Telephone No. & I.D. No.

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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA
325 West F Street, San Diego, California 92101-6991

In Re

Borrego Community Health Foundation

Debtor.

BANKRUPTCY NO. 22-02384-LT11

Date of Hearing: June 12, 2024

Time of Hearing: 10:00 a.m.

Name of Judge: Laura S. Taylor

ORDER ON

Stipulation By the Post- Effective Date Debtor, The Liquidating Trustee, the Co-Liquidating Trustee, and the California Department of Health Care Services Resolving the Joint Motion for Enhancement of Estate Professional Fees

The court orders as set forth on the continuation pages attached and numbered 2 through 2 with exhibits, if any, for a total of 7 pages. Motion/Application Docket Entry No. 1375.

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DATED: May 21, 2024

Judge, United States Bankruptcy Court



On May 17, 2024, Borrego Community Health Foundation filed a "Second Stipulation By and Among the Post-Effective Date Debtor, the Liquidating Trustee, the Official Committee of Unsecured Creditors, and the California Department of health Care Services Resolving the Joint Motion for Enhancement of Estate Professional Fees" (the "Stipulation").

IT IS HEREBY ORDERED:

1. That the Stipulation, attached hereto as Exhibit A, is approved in its entirety.
2. That the terms and conditions of the Stipulation shall be binding upon the parties and are hereby full incorporated into this Order by reference.

EXHIBIT A

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13 Attorneys to the Co-Liquidating Trustee

14 **UNITED STATES BANKRUPTCY COURT**
15 **SOUTHERN DISTRICT OF CALIFORNIA**

16 In re
17 BORREGO COMMUNITY
18 HEALTH FOUNDATION,
19 Debtor and Debtor in Possession.

Case No. 22-02384-11
Chapter 11 Case
Judge: Honorable Laura S. Taylor

**STIPULATION BY AND AMONG THE
POST-EFFECTIVE DATE DEBTOR,
THE LIQUIDATING TRUSTEE, THE
CO-LIQUIDATING TRUSTEE, AND
THE CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES
RESOLVING THE JOINT MOTION
FOR ENHANCEMENT OF ESTATE
PROFESSIONAL FEES**

24
25 Borrego Community Health Foundation, the debtor and debtor in possession
26 (prior to the effective date of the Plan (defined below), the “Debtor,” and after the
27 effective date, the “Post-Effective Date Debtor”) in the above-captioned chapter 11
28 bankruptcy case, the Liquidating Trustee (the “Liquidating Trustee”) of the Borrego

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1 Community Health Foundation Liquidating Trust (the “Liquidating Trust”)
2 established pursuant to the *First Amended Joint Combined Disclosure Statement and*
3 *Chapter 11 Plan of Liquidation of Borrego Community Health Foundation* [Docket
4 No. 1168] (the “Plan”), confirmed by the order [Docket No. 1273] entered January 25,
5 2024 (the “Confirmation Order”), and that certain Liquidating Trust Agreement, dated
6 as of February 14, 2024 (the “Liquidating Trust Agreement”), the Co-Liquidating
7 Trustee of the Liquidating Trust (the “Co-Liquidating Trustee”), and the California
8 Department of Health Care Services (“DHCS” and collectively with the Post-
9 Effective Date Debtor, the Liquidating Trustee, and the Co-Liquidating Trustee, the
10 “Parties”) hereby enter this *Stipulation By and Among the Post-Effective Date Debtor,*
11 *the Liquidating Trustee, the Co-Liquidating Trustee, and the California Department*
12 *of Health Care Services Resolving the Joint Motion for Enhancement of Estate*
13 *Professional Fees* (the “Stipulation”). In support of the Stipulation, the Parties refer
14 to the following recitals:

15 **RECITALS**

16 WHEREAS, on September 12, 2022, the Debtor filed a voluntary petition for
17 relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”)
18 commencing the above referenced bankruptcy case in the United States Bankruptcy
19 Court for the Southern District of California (the “Court”);

20 WHEREAS, on January 25, 2024, the Court entered the Confirmation Order,
21 which provides:

22 All final applications for payment of Professional Fee Claims must be Filed
23 with this Court and served on the Debtor, the Liquidating Trustee, the Co-
24 Liquidating Trustee, and the U.S. Trustee on or before 45 days after the
effective Date or such later date as may be agreed to by the Liquidating Trustee.

25 Confirmation Order at ¶ 31.

26 WHEREAS, on March 29, 2024, the Debtor and the Official Committee of
27 Unsecured Creditors filed the *Joint Motion for Enhancement of Estate Professional*

28

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1 Fees [Docket No. 1353] (the “Fee Enhancement Motion”),¹ which requests the
2 approval and allowance of a fee augmentation in an amount calculated to compensate
3 each estate professional at their regular, non-reduced hourly rate;

4 WHEREAS, the deadline to file an objection to the Fee Enhancement Motion
5 was originally set for April 12, 2024 (the “Objection Deadline”) and was subsequently
6 extended to May 3, 2024 [Docket Nos. 1361, 1362], and further extended to May 17,
7 2024 [Docket No. 1370, 1371];

8 WHEREAS, DHCS raised concerns regarding enhancing fees incurred by
9 certain services related to the DHCS Settlement and services provided by certain
10 professionals (the “Potential Objection”); and

11 WHEREAS, the Parties have agreed to resolve the Potential Objection as set
12 forth herein.

13 **STIPULATION**

14 **NOW THEREFORE**, subject to approval of the Court, the Parties hereby
15 agree and stipulate as follows:

16 1. The Estate Professionals have agreed to reduce the Fee Enhancement
17 sought by the Fee Enhancement Motion from \$1,406,252.35 to \$1,250,000.

18 2. Subject to Court approval of the Fee Enhancement Motion, the Estate
19 Professionals shall allocate the Fee Enhancement, as reduced by this Stipulation, *pro*
20 *rata*, as follows: (i) Dentons to receive \$502,072.11; (ii) Ankura to receive
21 \$469,031.91; (iii) Pachulski to receive \$190,904.13; and (iv) FTI to receive
22 \$87,991.85.

23 3. Subject to Court approval of this Stipulation, DHCS will not file an
24 objection to the Fee Enhancement Motion.

25 4. The Court shall retain jurisdiction over all matters relating to the
26 interpretation and enforcement of this Stipulation.

27 _____
28 ¹ Capitalized terms not defined herein have the definitions ascribed in the Fee Enhancement Motion.

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1 **IT IS SO STIPULATED.**

2 SEEN AND AGREED:

3

4 Dated: May 17, 2024

DENTONS US LLP
SAMUEL R. MAIZEL
TANIA M. MOYRON

5

6

By: /s/ Tania M. Moyron
Tania M. Moyron

7

Attorneys for the Post-Effective Date
Debtor and the Liquidating Trustee

8

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10 Dated: May 17, 2024

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Steven W. Golden

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By: /s/ Steven W. Golden
Steven W. Golden

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Attorneys for the Co-Liquidating Trustee

14

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16 Dated: May 17, 2024

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Attorney General of California
BENJAMIN G. DIEHL
Supervising Deputy Attorney General

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By: /s/ Darin L. Wessel
Darin L. Wessel

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DARIN L. WESSEL
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Deputy Attorneys General
Attorneys for Creditor California
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Notice Recipients

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Case: 22-02384-LT11 Form ID: pdfO1 Total: 71

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aty Hooper, Lundy & Bookman, P.C.
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