

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----	X	
	:	
In re	:	Chapter 11
	:	
CANO HEALTH, INC., <i>et al.</i> ,	:	Case No. 24-10164 ()
	:	
Debtors. ¹	:	(Joint Administration Requested)
	:	
-----	X	

**MOTION OF DEBTORS PURSUANT TO 11 U.S.C.
 §§ 105(a), 345, 363, 364, 503, AND 541 AND FED. R. BANKR.
 P. 6003 AND 6004 FOR ENTRY OF INTERIM AND FINAL ORDERS
 (I) AUTHORIZING DEBTORS TO (A) CONTINUE EXISTING CASH
 MANAGEMENT SYSTEMS, BANK ACCOUNTS, AND BUSINESS FORMS,
 (B) IMPLEMENT ORDINARY COURSE CHANGES TO CASH MANAGEMENT
 SYSTEM, AND (C) HONOR CERTAIN RELATED PREPETITION OBLIGATIONS,
 (II) (A) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS
 AND PHYSICIAN AFFILIATE TRANSFERS AND (B) GRANTING ADMINISTRATIVE
 EXPENSE STATUS FOR POSTPETITION INTERCOMPANY CLAIMS,
 (III) EXTENDING TIME TO COMPLY WITH REQUIREMENTS OF
 11 U.S.C. § 345(b), (IV) WAIVING CERTAIN REQUIREMENTS,
 AND (V) GRANTING RELATED RELIEF**

Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, respectfully represent as follows:

Relief Requested

1. By this motion (the “**Motion**”), pursuant to sections 105(a), 345, 363, 364, 503, and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 2015-2 of the

¹ The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.



Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Bankruptcy Rules**”), the Debtors request entry of interim and final orders (i) authorizing, but not directing, them to (a) continue using their existing cash management system (the “**Cash Management System**”), including through the continued maintenance of their bank accounts (the “**Bank Accounts**”) at the applicable financial institutions (collectively, the “**Banks**”) and existing Business Forms (as defined below), consistent with the Debtors’ prepetition practices, (b) make ordinary course changes to the Cash Management System as necessary, such as opening or closing their Bank Accounts, as set forth herein and in accordance with the Debtors’ prepetition practices, and (c) honor and pay all prepetition and postpetition Bank Fees (as defined below) payable by the Debtors, (ii) authorizing, but not directing, the Debtors to (a) continue to perform under and honor Intercompany Transactions and Physician Affiliate Transfers (each as defined below) in the ordinary course of business, and (b) provide administrative expense priority for claims arising from Postpetition Intercompany Transactions (as defined below) among Debtors, (iii) extending the time to comply with certain requirements of section 345(b) of the Bankruptcy Code, (iv) granting the Debtors a waiver of certain bank account and related requirements of the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) and (v) granting related relief.

2. Proposed forms of order granting the relief requested herein on an interim basis and, pending a final hearing on the relief requested herein, on a final basis are annexed hereto as **Exhibit A** (the “**Proposed Interim Order**”) and **Exhibit B** (the “**Proposed Final Order**”) and, together with the Proposed Interim Order, the “**Proposed Orders**”), respectively.

Background

3. Beginning on February 4, 2024 (the “**Petition Date**”), the Debtors each commenced with the Court a voluntary case under chapter 11 of the Bankruptcy Code. The

Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

4. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Local Bankruptcy Rule 1015-1.

5. The Debtors, together with their non-debtor affiliates, are one of the largest independent primary care physician groups in the United States. The Debtors commenced their chapter 11 cases on a prearranged basis with the support, pursuant to the terms of a restructuring support agreement (the “**Restructuring Support Agreement**”), of creditors holding approximately 86% of the Debtors’ secured revolving and term loan debt and approximately 92% of the Debtors’ senior unsecured notes (collectively, the “**Consenting Creditors**”). With the support of the Consenting Creditors, the Debtors are seeking to implement a comprehensive restructuring, which may be implemented through a chapter 11 plan or a sale of substantially all of the Debtors’ assets. The Debtors expect to file a chapter 11 plan and disclosure statement in short order, consistent with the terms of the Restructuring Support Agreement, and to efficiently and expeditiously proceed through these cases towards emergence.

6. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Mark Kent in Support of Debtors’ Chapter 11 Petitions* (the “**Kent Declaration**”) and the *Declaration of Clayton Gring in Support of the Debtors’ First Day Relief* (the “**Gring Declaration**”) and, together with the Kent Declaration, the “**First Day Declarations**”), each filed contemporaneously herewith and incorporated by reference herein.

Jurisdiction

7. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

8. Pursuant to Local Bankruptcy Rule 9013-1(f), the Debtors consent to entry of a final order by the Court in connection with this Motion to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

Debtors' Cash Management System

A. Cash Management System

9. To facilitate the operation of their healthcare and wellness businesses, the Debtors utilize the Cash Management System to collect, transfer, and disburse funds generated by their operations. The Cash Management System facilitates cash monitoring, forecasting, and reporting and enables the Debtors to maintain control over the administration of approximately 63 Bank Accounts, 41 of which are maintained at Wells Fargo Bank, N.A. ("**Wells Fargo**"), 18 of which are maintained at Fifth Third Bank ("**Fifth Third**"), 2 of which are maintained at Banco Popular de Puerto Rico ("**Banco Popular**"), and 2 of which are maintained through Morgan Stanley Smith Barney LLC ("**Morgan Stanley**"). The Debtors also maintain a brokerage account through Raymond James & Associates, Inc. ("**Raymond James**"), which holds certain shares in MSP Recovery, Inc. A list of the Bank Accounts is attached hereto as **Exhibit C** and a diagram of the Cash Management System setting forth the flow of funds among the Bank Accounts is attached hereto as **Exhibit D** (the "**Cash Management Schematic**"). As of the Petition Date, the

Debtors have an aggregate amount of approximately \$8,028,000 in cash in the Bank Accounts, of which approximately \$5,065,000 is held in restricted cash accounts.

10. The Debtors' treasury department, located in Miami, Florida, and the Debtors' Interim Chief Financial Officer maintain daily oversight of the Cash Management System and implement cash management controls for entering, processing, and releasing funds. Although certain aspects of the Cash Management System are automated, personnel in the Debtors' executive team initiate payments, monitor the Cash Management System, and manage the proper collection, processing and disbursement of funds, check processing and issuance, wire transfers, and automated clearing house ("ACH") transactions.

11. The Cash Management System is critical to the operation of the Debtors' business in the ordinary course as it facilitates the (i) streamlined concentration and transfer of payments generated and collected by the Debtors' business and (ii) efficient collection and disbursement of funds such as payroll, pharmacy and provider payments, vendor payments, and general administrative expenses. Any disruption of the Cash Management System would be materially detrimental and disruptive to the Debtors' businesses, which require prompt and reliable access to cash and accurate cash tracking.

B. Description of Prepetition Funds Processing

12. As set forth in the First Day Declarations, the Debtors' primary sources of income are (i) payments from their commercial health plan contracts, through which the Debtors receive recurring per-member-per-month revenue, (ii) payments from health plan contracts with the government, including pursuant to the Medicare, Medicaid, and Accountable Care Organization Realizing Equity, Access, and Community Health ("ACO Reach") programs, (iii) their pharmacy business; (iv) fee-for-service amounts paid by insurers for services covered under patients' health insurance plans; and (v) direct payments from patients in full or as a co-

payment for services. The Debtors may also continue to receive receipts in connection with their recent divestitures of their locations and operations in the Texas, Nevada, Illinois, California, and Puerto Rico markets.

13. When the Debtors' revenues and receipts enter the Cash Management System, they are generally deposited into one of approximately 57 depository or mixed-use accounts. The majority of receipts relating to the Debtors' platform are ultimately deposited into an operating account at Wells Fargo (the "**Wells Fargo Main Operating Account**") through a combination of daily automatic sweeps and weekly manual transfers from the depository and mixed-use accounts. Funds collected in the Wells Fargo Main Operating Account are transferred to various disbursement or mixed-use accounts and used to fund the Debtors' expenses, including payroll and vendor payments. There are certain exceptions to this general process, as outlined below:

- a. **Pharmacy**: Receipts from the Debtors' pharmacy business are deposited into either (i) Wells Fargo mixed-use accounts (the "**Wells Fargo Pharmacy Mixed-Use Accounts**") or (ii) Fifth Third depository accounts (the "**Fifth Third Pharmacy Depository Accounts**"). Receipts in the Wells Fargo Pharmacy Mixed-Use Accounts remain in these accounts to satisfy pharmacy-related vendors and disbursements and, to the extent additional cash is needed to satisfy such disbursements, manual transfers are made from the Wells Fargo Main Operating Account. Any excess cash in the Wells Fargo Pharmacy Mixed-Use Accounts is manually transferred to the Wells Fargo Main Operating Account. Pharmacy receipts deposited into the Fifth Third Pharmacy Depository Accounts are automatically swept into a main operating account at Fifth Third (the "**Fifth Third Main Operating Account**") and then manually transferred to the Wells Fargo Main Operating Account.
- b. **Puerto Rico**: The Debtors recently exited the Puerto Rico market as of January 2024, but may continue to receive residual deposits for services rendered prior to their market exit. Receipts from the Puerto Rico business are deposited into an operating depository account and a mixed-use account at Banco Popular. Prior to January 2024, amounts in the mixed-use account were used to satisfy payments to vendors and providers in connection with the Debtors' Puerto Rico business and additional transfers of cash from the Wells Fargo Main Operating Account were made as needed. As of January 2024, all

amounts in the Banco Popular accounts are regularly transferred to the Wells Fargo Main Operating Account.

- c. **Restricted Accounts**: The Debtors maintain two restricted cash accounts: (i) an account held at Wells Fargo (the “**Wells Fargo Restricted Cash Depository Account**”) that holds restricted cash in connection with certain letters of credit and (ii) an account at Fifth Third (the “**Fifth Third Restricted Cash Depository Account**”) that holds restricted cash in connection with certain letters of credit and the Debtors’ Corporate Credit Card Program (as defined below). All deposits into and out of the Wells Fargo Restricted Cash Depository Account are made manually from the Wells Fargo Main Operating Account. Likewise, deposits into and out of the Fifth Third Restricted Cash Depository Account are made manually from the Fifth Third Main Operating Account.
- d. **Morgan Stanley Accounts**: The Debtors maintain two depository accounts at Morgan Stanley (the “**Morgan Stanley Accounts**”): an account in connection with their employee stock purchase plan (“**ESPP**”)² and a treasury money market fund. Each Morgan Stanley Account has a balance of \$0 and is no longer actively used. The Debtors are in the process of closing these accounts and anticipate that they will be closed shortly after filing. When the accounts were previously in use, the ESPP account received deposits from employee contributions in connection with the ESPP, which were transferred to the Fifth Third Main Operating Account twice per year. The treasury money market fund could previously be drawn from as needed. No disbursements are made from these accounts.

14. A detailed description of the Bank Accounts is set forth in the chart below, which details the general categories of Bank Accounts set forth in the Cash Management Schematic attached hereto.

Accounts	Description of Bank Accounts
Main Operating Accounts	
<u>Wells Fargo Main Operating Account</u> <i>(1 account)</i>	The Wells Fargo Main Operating Account is a mixed-use account that functions as the Debtors’ main operating account. It receives a limited number of deposits directly from external parties, but is largely funded via daily sweeps and manual transfers from the Wells Fargo depository and mixed-use accounts. This account is also funded with manual transfers

² Historically, the ESPP offered a way to purchase Cano Health, Inc. stock on favorable terms. In December 2023, the ESPP was discontinued. All contributions for the period from July 2023 through December 2023 were reversed and refunded to the employee participants. The ESPP has been deactivated, and there are no applicable balances outstanding.

Accounts	Description of Bank Accounts
	<p>from the Fifth Third Main Operating Account and the Banco Popular accounts.</p> <p>Most of the Debtors' disbursements are automatically drawn from the Wells Fargo Main Operating Account to fund the Wells Fargo disbursement accounts, which then make disbursements to external parties for payroll, vendor and provider payments, and other operating expenses.</p>
<p><u>Fifth Third Main Operating Account</u> <i>(1 account)</i></p>	<p>The Fifth Third Main Operating Account is a mixed-use account that functions as the main operating account for the Fifth Third Bank Accounts and the conduit to the Wells Fargo Main Operating Account. This account receives certain deposits directly from third parties, but the majority of the funding comes from the automatic daily cash sweeps from the Fifth Third depository accounts and the Fifth Third Pharmacy Depository Accounts. Funds from the Fifth Third mixed-use accounts associated with the Illinois, Nevada, and Texas markets are manually transferred to the Fifth Third Main Operating Account. Finally, this account funds the Fifth Third Restricted Cash Depository Account when additional funds are needed.</p> <p>Funds from the Fifth Third Main Operating Account are manually transferred to the Wells Fargo Main Operating Account on a weekly basis. To the extent the Fifth Third Main Operating Account needs additional funding, manual transfers are made from the Wells Fargo Main Operating Account. No disbursements are made from this account.</p>
Depository Accounts	
<p><u>Wells Fargo Operating Depository Accounts</u> <i>(12 accounts)</i></p>	<p>Deposits from external parties are received via check, ACH, and wire payments to depository accounts held at Wells Fargo. Each legal entity that contracts with a health plan payor has its own depository account. Funds from these accounts are automatically swept on a daily basis to the Wells Fargo Main Operating Account. Amounts paid directly by patients in full or as a co-payment for check-ups and other services are deposited into the depository account associated with the entity at which the service was provided. No disbursements are made from the Wells Fargo depository accounts.</p>
<p><u>Wells Fargo CA, IL, NV, NM and TX Depository Accounts</u> <i>(9 accounts)</i></p>	<p>The Debtors recently exited the California, Illinois, Nevada, New Mexico, and Texas markets but continue to receive residual deposits for services rendered prior to market exit. Although these accounts were held in the name of certain non-Debtor affiliates of the Debtors, they are controlled by the Debtors and the Debtors' treasury department has sole authority to initiate and make transactions with respect to these accounts. Prior to exiting these markets, receipts from these operations would be deposited into specific depository accounts at Wells Fargo after which the funds would flow to the Wells Fargo Main Operating Account, the Wells Fargo mixed-use accounts, and the Wells Fargo payroll disbursement accounts.</p>

Accounts	Description of Bank Accounts
	Following the market exits, funds deposited from residual receipts now flow only to the Wells Fargo Main Operating Account. No disbursements are made from these accounts.
<u>Wells Fargo ACO Reach Depository Accounts</u> <i>(3 accounts)</i>	Three depository accounts held at Wells Fargo are dedicated to the ACO Reach business. Funds are deposited directly from the Centers for Medicare & Medicaid Services into these accounts and swept daily to the Wells Fargo Main Operating Account. No disbursements are made from these accounts.
<u>Fifth Third Depository Accounts</u> <i>(8 accounts)</i>	The Debtors maintain eight depository accounts with Fifth Third that receive deposits from customers via check, ACH, and wire payments. Each legal entity that contracts with a health plan payor has its own bank account. Funds from these accounts are automatically swept on a daily basis to the Fifth Third Main Operating Account. The majority of the Debtors' receipts from health plan payors go into the Fifth Third depository accounts. No disbursements are made from these accounts.
<u>Fifth Third Pharmacy Depository Accounts</u> <i>(4 accounts)</i>	The Debtors maintain several depository accounts at Fifth Third in connection with their pharmacy business. As described above, the Fifth Third Pharmacy Depository Accounts receive pharmacy-related receipts, which funds are automatically swept to the Fifth Third Main Operating Account on a daily basis. No disbursements are made from these accounts.
<u>Morgan Stanley Depository Accounts</u> <i>(2 accounts)</i>	As described above, the Debtors maintain two depository accounts at Morgan Stanley with a \$0 balance that were previously associated with the Debtors' ESPP program and are no longer actively used. The Debtors are in the process of closing these accounts and anticipate that they will be closed shortly after filing.
<u>Banco Popular Operating Depository Account</u> <i>(1 account)</i>	This account is the depository account for the Debtors' Puerto Rico operations. As noted above, the Debtors have exited the Puerto Rico market as of January 2024, but may still receive residual deposits beyond January 2024 for the pre-market exit periods. Regular manual transfers are made between this account and the Wells Fargo Main Operating Account. No disbursements are made from this account.

Accounts	Description of Bank Accounts
Mixed-Use Accounts	
<p><u>Wells Fargo Pharmacy Mixed-Use Accounts</u> (5 accounts)</p>	<p>The Debtors maintain several mixed-use accounts at Wells Fargo in connection with their pharmacy business. As described above, the Wells Fargo Pharmacy Mixed-Use Accounts make payments to suppliers and receive pharmacy-related receipts.</p>
<p><u>Wells Fargo Other Mixed-Use Accounts</u> (4 accounts)</p>	<p>The Debtors maintain four other mixed-use accounts at Wells Fargo. Two of these accounts were associated with the California and Illinois markets and are no longer used except for receiving residual deposits from health plan payors related to the pre-exit periods. Deposits from these two accounts are transferred to the Wells Fargo Main Operating Account via manual transfer. The third account is associated with Debtor DGM MSO, LLC, which contracts with providers and handles its own deposits and expenses. This account is primarily used to make provider payments, but also receives collections from one of the health plan payors. The DGM MSO, LLC mixed-use account sweeps daily and automatically draws from the Wells Fargo Main Operating Account when funds are needed.</p>
<p><u>Fifth Third IL, NV, TX Mixed-Use Accounts</u> (4 accounts)</p>	<p>The Debtors have a number of mixed-use accounts at Fifth Third associated with the Illinois, Nevada, and Texas markets, which the Debtors recently exited. Similar to the Wells Fargo accounts described above, these accounts are held in the name of certain non-Debtor affiliates of the Debtors but are controlled by the Debtors and only the Debtors' treasury department may initiate transfers from these accounts. The mixed-use accounts receive residual deposits related to services rendered prior to the Debtors' exit from these markets. Funds are swept to the Fifth Third Main Operating Account on a daily basis.</p>
<p><u>Banco Popular Mixed-Use Account</u> (1 account)</p>	<p>This account is a mixed-use account held at Banco Popular that receives deposits directly from patients and, before the Debtors' market exit from Puerto Rico in January 2024, made vendor and provider payments on behalf of their Puerto Rico operations. This account does not receive funds directly from the Banco Popular Operating Depository Account. If funds are needed to meet vendor and provider payment obligations, the funds are manually transferred from the Wells Fargo Main Operating Account to the Banco Popular Mixed-Use Account.</p>
Disbursement Accounts	
<p><u>Wells Fargo Payroll Disbursement Accounts</u> (3 accounts)</p>	<p>The Debtors have three disbursement accounts at Wells Fargo for payroll disbursements, but primarily use the payroll account associated with Debtor Cano Health, LLC, which automatically pulls funds from the Wells Fargo Main Operating Account to fund payroll. The other two</p>

Accounts	Description of Bank Accounts
	disbursement accounts are no longer actively used for payroll due to the Debtors' recent market exits.
<p><u>Wells Fargo AP Disbursement Accounts</u> (3 accounts)</p>	<p>The Debtors have three disbursement accounts at Wells Fargo for accounts payable vendor disbursements. The disbursement account associated with Debtor Cano Health, LLC is the main accounts payable account for the Debtors and automatically pulls funds from the Wells Fargo Main Operating Account as needed. The disbursement account associated with Debtor American Choice Healthcare, LLC is dedicated to the ACO Reach business and automatically pulls funds from the Wells Fargo Main Operating Account when needed. The disbursement account associated with Debtor Physicians Partners Group Merger, LLC is used to fund the accounts payable for the operations acquired in the Physicians Partners Group acquisition transaction.</p>
Restricted Cash Accounts	
<p><u>Wells Fargo Restricted Cash Depository Account</u> (1 account)</p>	<p>The Wells Fargo Restricted Cash Depository Account is a restricted cash collateral account that receives required funds from the Wells Fargo Main Operating Account via manual transfer and holds restricted cash for certain of the Debtors' letters of credit.</p>
<p><u>Fifth Third Restricted Cash Depository Account</u> (1 account)</p>	<p>The Fifth Third Restricted Cash Depository Account is a restricted cash collateral account that receives required funds from the Fifth Third Main Operating Account via manual transfer and holds restricted cash for certain of the Debtors' letters of credit and a deposit for the Debtors' credit card program.</p>
Brokerage Accounts	
<p><u>Raymond James Brokerage Account</u> (1 account)</p>	<p>Debtor Cano Health, LLC owns approximately 8,000,000 shares of the class A common stock of MSP Recovery, INC (LIFW), which are held in a brokerage account through Raymond James.</p>

15. The Cash Management System is an essential component of the Debtors' business. Any interruption of the Cash Management System would severely disrupt the Debtors' operations and the care of their patients, and result in harm to the Debtors' estates and their stakeholders. Accordingly, the Debtors seek authority to continue utilizing the Cash Management

System in the ordinary course of business on a postpetition basis, in a manner substantially consistent with past practice.

C. Debtors' Business Forms

16. In the ordinary course of business, the Debtors use various preprinted business forms, including checks, letterhead, invoices, and other forms (the "**Business Forms**"). To minimize the expense to the Debtors' estates associated with printing or purchasing entirely new Business Forms and the delay in conducting business prior to obtaining such forms, the Debtors seek authority to continue using their Business Forms without reference therein to the Debtors' status as "Debtors-in-Possession." The Debtors prepared communication materials to distribute to the various parties with which they conduct business that will, among other things, inform such parties of the commencement of these chapter 11 cases. The Debtors believe that these direct communications will provide adequate notice of the Debtors' status as debtors in possession. Nevertheless, with respect to checks that the Debtors or their agents print themselves, the Debtors or their agents will begin printing the "Debtor in Possession" legend and include the jointly administered bankruptcy case number on such checks within ten (10) business days of entry of the Proposed Interim Order. Further, if the Debtors re-order paper checks during the pendency of these chapter 11 cases, the Debtors will use reasonable efforts to include the designation "Debtors-in-Possession" and the jointly administered bankruptcy case number on such checks.

D. Bank Fees

17. In the ordinary course of business, the Debtors incur and pay, honor, or allow to be deducted from the appropriate Bank Accounts certain service charges and other related fees, costs, and expenses charged by the Banks (collectively, the "**Bank Fees**"). To the extent the balance in a Bank Account decreases below a threshold established by the applicable Bank, the

Debtors may incur additional fees for sending and receiving wire transfers, clearing checks, ACH transfers, and other transactions.

18. The Debtors incur approximately \$4,000 to \$6,000 per month in Bank Fees total for all Bank Accounts. The Bank Fees are paid monthly and are automatically deducted from the Debtors' Bank Accounts as they are assessed by their respective Banks. As of the Petition Date, the Debtors estimate they owe approximately \$15,000 in outstanding Bank Fees. Pursuant to this Motion, the Debtors seek authority to pay any Bank Fees, including any prepetition Bank Fees, and to continue to pay any such amounts in the ordinary course of business.

E. Corporate Credit Card Program

19. Additionally, in the ordinary course of business, the Debtors maintain a corporate credit card program (the "**Corporate Credit Card Program**"), pursuant to which certain of the Debtors' employees use credit cards issued by Fifth Third to pay expenses related to office supplies and services, utilities, human resources, information technology, business travel, and other work-related costs in connection with the Debtors' business operations (collectively, the "**Corporate Expenses**"). The Debtors, and not the employees, are liable for the Corporate Expenses incurred pursuant to the Corporate Credit Card Program. The Debtors incur, on average, approximately \$260,000 each month on account of Corporate Expenses through the Corporate Credit Card Program. Payments for the Corporate Credit Card Program are paid from one of the Wells Fargo disbursement accounts on a monthly basis. As of the Petition Date, the Debtors believe that they have an outstanding balance of approximately \$300,000 on account of the Corporate Credit Card Program. Pursuant to this Motion, the Debtors seek authority to pay any prepetition balance and continue the Corporate Credit Card Program in the ordinary course of business, so that the Debtors' employees may conduct the Debtors' business, and so that the Debtors may continue to incur vital operation related expenses.

F. Intercompany Transactions

20. In the ordinary course of business, the Debtors engage in intercompany transactions with each other (“**Intercompany Transactions**”), which in turn give rise to intercompany receivables and payables (each, an “**Intercompany Claim**”). Intercompany Transactions arise in the ordinary course, primarily on account of the intercompany provision of goods and services or expenditures made on affiliates’ behalf. The Debtors record journal entries documenting all Intercompany Transactions.

21. At any given time, as a result of the Intercompany Transactions, there may be claims owing by one Debtor to another Debtor. The Debtors generally account for and record all Intercompany Transactions and Intercompany Claims in their centralized accounting system, the results of which are recorded concurrently on the Debtors’ balance sheets and regularly reconciled. The accounting system requires that all general ledger entries be balanced at the legal entity level, and, therefore, when the accounting system enters an intercompany receivable on one entity’s balance sheet, it also automatically creates a corresponding intercompany payable on the applicable affiliate’s balance sheet. This results in a net balance of zero when consolidating all intercompany accounts.

22. Pursuant to this Motion, the Debtors seek to continue to engage in Intercompany Transactions on a postpetition basis in the ordinary course of business (each, a “**Postpetition Intercompany Transaction**”) consistent with their historical accounting practices, without prejudice to any Debtor to assert reallocation or reimbursement of postpetition transfers. The Debtors also seek the approval of administrative expense priority status for claims arising from Postpetition Intercompany Transactions in accordance with sections 364(a) and 503(b) of the Bankruptcy Code. The Debtors maintain, and will continue to maintain, records of these transfers of cash and bookkeeping entries on a postpetition basis and will implement such

other internal mechanisms as needed to permit them, with the assistance of their advisors, to accurately track the balance of and account for all prepetition and Postpetition Intercompany Transactions on demand.

23. Additionally, in the ordinary course, the Debtors receive payments from various health plans for services provided to patients by approximately 630 independent physician practices (the “**Physician Affiliates**”) with whom the Debtors contract to coordinate the delivery of medical services through licensed physicians. The Debtors deposit these payments into their various depository accounts, and either retain the payments in full, or refund certain amounts pursuant to any deficits owing to the health plans.³ The Debtors then pass on the contractually negotiated share of such payments to Physician Affiliates pursuant to primary care physician provider agreements entered into with the Physician Affiliates (the “**Physician Affiliate Transfers**”). The Debtors seek court authority to continue to make Physician Affiliate Transfers in the ordinary course.

Relief Requested Should Be Granted

A. Continuation of the Cash Management System Is Warranted under Sections 363 and 105(a) of the Bankruptcy Code

24. Continuation of the Cash Management System in the ordinary course is permitted under section 363(c)(1) of the Bankruptcy Code. Section 363(c)(1) authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) is to provide a debtor in

³ As detailed in the *Motion of Debtors Pursuant to 11 U.S.C. §§ 105(a), 363(b) and 541 and Fed. R. Bankr. P. 6003 and 6004 for Entry Of Interim and Final Orders (A) Authorizing Debtors To (I) Maintain and Administer Prepetition Refund Programs, and (II) Pay and Honor Related Prepetition Obligations, and (B) Granting Related Relief* (the “**Refunds Motion**”), filed contemporaneously herewith, the Debtors occasionally remit surplus monthly capitated payments to the health plans to offset deficit positions that arise when third party medical costs exceed any gross revenue received for serving patients under the Debtors’ agreements with the health plans.

possession with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors or the court. *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.”) (citations omitted); *Vision Metals, Inc. v. SMS Demag, Inc. (In re Vision Metals, Inc.)*, 325 B.R. 138, 145 (Bankr. D. Del. 2005) (same). Included within the purview of section 363(c) is a debtor’s ability to continue routine transactions necessitated by a debtor’s cash management system. *See, e.g., In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007) (noting that courts have shown a reluctance to interfere in a debtor’s making of routine, day-to-day business decisions) (citations omitted); *In re Vision Metals*, 325 B.R. at 142 (“[W]hen a chapter 11 debtor in possession continues to operate its business, as permitted by section 1108, no court authorization is necessary for the debtor to enter transactions that fall within the ordinary course of its business.”).

25. Even if the continuation of the Cash Management System and other relief requested herein were outside the ordinary course of business, the Court may authorize a debtor to pay certain prepetition obligations pursuant to section 363(b) of the Bankruptcy Code. 11 U.S.C. § 363(b)(1). Section 363(b) of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). To approve the use of assets outside the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code, courts require only that the debtor “show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd., Chicago Branch v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (internal citations omitted); *see also In re*

Phoenix Steel Corp., 82 B.R. 334, 335–36 (Bankr. D. Del. 1987). Moreover, if “the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”).

26. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their fiduciary duties under section 1107(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105; *see In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (applying section 105(a) to justify an order authorizing the payment of certain prepetition wages, salaries, medical benefits, and business expense claims to debtor’s employees). Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to act as a fiduciary to “protect and preserve the estate, including an operating business’ going-concern value,” on behalf of a debtor’s creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of Equity Holders v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232–33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee.”). Courts consistently have permitted payment of

prepetition obligations where necessary to preserve or enhance the value of a debtor's estate for the benefit of all creditors. *See, e.g., In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that "if payment of a claim which arose prior to reorganization is essential to the continued operation of the . . . [business] during reorganization, payment may be authorized even if it is made out of [the] corpus").

27. The Court may also authorize the payment of prepetition claims in appropriate circumstances under section 105(a) of the Bankruptcy Code and the doctrine of necessity when such payment is essential to the continued operation of a debtor's business. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of Bankruptcy Code provides a statutory basis for payment of prepetition claims under the doctrine of necessity and noting that "[t]he Supreme Court, the Third Circuit and the District of Delaware all recognize the court's power to authorize payment of pre-petition claims when such payment is necessary for the debtor's survival during chapter 11"); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (confirming that the doctrine of necessity is standard for enabling a court to authorize payment of prepetition claims prior to confirmation of a reorganization plan).

28. Maintaining the existing Cash Management System, including by implementing ordinary course changes thereto, is part of the Debtors' ordinary course business practice and is in the best interests of the Debtors' estates and all parties in interest and, therefore, should be approved. If the Debtors were required to alter the way in which they collect and disburse cash throughout the Cash Management System, their operations would experience severe disruptions, which would ultimately frustrate the Debtors' ability to effectuate their restructuring strategy and maximize the value of their estates.

29. Further, the Cash Management System provides significant benefits to the Debtors, including the ability to control corporate costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account information in order to provide seamless and efficient care for patients at the Debtors' medical centers. Accordingly, the Debtors request that they be permitted to maintain and implement ordinary course changes to their existing Cash Management System.

B. Maintenance of Debtors' Existing Bank Accounts and Business Forms is Warranted

30. The Operating Guidelines of the U.S. Trustee for chapter 11 cases (the "**UST Operating Guidelines**") generally require that a chapter 11 debtor, among other things, (a) establish one debtor-in-possession account for all estate monies required for the payment of taxes, (b) close all existing bank accounts and open new debtor-in-possession accounts, (c) maintain a separate debtor-in-possession account for collateral, and (d) obtain checks that bear the designation "Debtor in Possession." Local Bankruptcy Rule 2015-2(a) generally permits the waiver of the UST Operating Guidelines with respect to existing bank accounts and preprinted, existing checks; *provided* that, upon exhausting its existing check stock, a chapter 11 debtor order new checks labeled "Debtor in Possession" with the corresponding bankruptcy number.

31. The Debtors request, in accordance with Local Bankruptcy Rule 2015-2, that the Court waive the requirements of the UST Operating Guidelines with respect to the Debtors' Bank Accounts. Strict enforcement of the UST Operating Guidelines with respect to the Bank Accounts would severely disrupt the Debtors' ordinary course financial operations by reducing efficiencies, increasing administrative burdens, and creating unnecessary expenses for a number of reasons. *First*, if the Debtors are not permitted to maintain their Bank Accounts, they will need to make other arrangements which will create additional administrative and operational burdens and disruptions to the Debtors' and their businesses. The Debtors' treasury department,

including accounting and bookkeeping employees, would need to focus their efforts on immediately opening new bank accounts and working to establish new controls for cash to flow properly, thereby diverting those employees from their daily responsibilities during this critical juncture of the Debtors' chapter 11 cases. *Second*, even if the Bank Accounts could be timely replaced, the opening of new bank accounts would likely result in additional expenses, increased operating costs, and delays, including on account of compliance with "know your client" requirements, revising cash management procedures, and instructing parties to redirect payments, any of which would negatively impact the Debtors' ability to operate their businesses while establishing these new arrangements. *Finally*, all but two of the Debtors' Bank Accounts are already located at Banks with Uniform Depository Agreements and are thus designated as authorized depositories ("**Authorized Depositories**") by the Office of the United States Trustee for Region 3 pursuant to the UST Operating Guidelines.⁴ Requiring the Debtors to relocate the Bank Accounts would add unnecessary expense to the administration of these cases.

32. The Debtors further request authority to maintain their existing Business Forms, including checks, in accordance with Local Bankruptcy Rule 2015-2. The Debtors issue manual checks from time to time and use a variety of Business Forms in the ordinary course of their business. Strict compliance with the UST Operating Guidelines and Local Bankruptcy Rule 2015-2(a) would increase the Debtors' expenses and risk unnecessarily confusing the Debtors' customers, suppliers, and employees. Accordingly, the Debtors believe it is appropriate to continue to use all Business Forms as such forms were in existence prior to the Petition Date. Further, in light of the expense and delay attendant to ordering entirely new Business Forms, the

⁴ Morgan Stanley is not currently an Authorized Depository. As noted below, the two Morgan Stanley Accounts are expected to be closed shortly after filing.

Debtors believe it is appropriate to use their Business Forms without any reference to the Debtors' current status as debtors in possession; *provided, that*, with respect to checks that the Debtors or their agents print themselves, the Debtors or their agents will begin printing the "Debtor in Possession" legend and include the jointly administered bankruptcy case number on such checks within ten (10) business days after the date of entry of the Proposed Interim Order and, to the extent that the Debtors order check stock, the Debtors will use reasonable efforts to include the "Debtor in Possession" legend and the jointly administered bankruptcy case number on such checks.

33. In short, any benefits of the Debtors' strict compliance with the U. S. T. Operating Guidelines or Local Bankruptcy Rule 2015-2(a) would be far outweighed by the resulting expense, inefficiency, and disruption to the Debtors' businesses. These chapter 11 cases will be more orderly and efficient if the Debtors are permitted to maintain all Bank Accounts with the same account numbers during these cases and to continue to use their Business Forms in the ordinary course. By preserving business continuity and avoiding likely disruption and delay to the Debtors' disbursements, the relief requested herein will benefit all parties in interest.

C. Continuation of Corporate Credit Card Program and Payment of Prepetition Amounts Due Thereunder Should Be Authorized

34. The Corporate Credit Card Program is essential to the Debtors' operations. The Corporate Credit Card Program enables the Debtors' employees to conduct business more efficiently by facilitating the payment of work related expenses and services incurred by the Debtors that are essential to their ongoing operations. The Corporate Credit Card Program is integral to maintaining the Debtors' ordinary course operations, and a discontinuation of the program would disrupt the Debtors' business. Without the program, the Debtors' employees

would have to pay the work related expenses and services upfront and then wait for reimbursement from the Debtors. In such case, the Debtors' operational effectiveness would suffer.

35. Continuation of the Corporate Credit Card Program, and satisfaction of any prepetition amounts outstanding thereunder, will help minimize any adverse effect of the commencement of these chapter 11 cases on the Debtors' business. Accordingly, the Debtors request authority to continue the Corporate Credit Card Program in the ordinary course of business, and to pay any outstanding prepetition obligations regarding the same.

D. Payment of Bank Fees Should Be Authorized

36. Payment of the Bank Fees, to the extent applicable, is similarly in the best interests of the Debtors and all parties in interest in these chapter 11 cases, as it will prevent unnecessary disruptions to the Cash Management System, and ensure that the Debtors' receipt of and access to funds are not delayed. Payment of prepetition Bank Fees will not prejudice any parties in interest. Indeed, because the Banks likely have setoff rights for the Bank Fees, payment of Bank Fees should not alter the rights of unsecured creditors in these chapter 11 cases. Accordingly, the Debtors request authority to pay the Bank Fees and other similar service charges, including any prepetition Bank Fees, to maintain the Cash Management System.

37. For the foregoing reasons, the relief requested herein is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in these chapter 11 cases. Accordingly, the Court should authorize the relief requested.

E. Continued Performance of Intercompany Transactions and Physician Affiliate Transfers Is Warranted and Intercompany Claims Should Be Granted Administrative Expense Priority

38. As stated above, under section 363(c)(1) of the Bankruptcy Code, a debtor in possession "may use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). The Debtors enter into and perform Intercompany Transactions

and Physician Affiliate Transfers “in the ordinary course of business” within the meaning of section 363(c)(1) of the Bankruptcy Code. Intercompany Transactions are not just a matter of routine in the Debtors’ business: they are the sort of transactions that are common among many business enterprises that operate through multiple affiliates. It is precisely because of their routine nature that the Intercompany Transactions and Physician Affiliate Transfers are integral to the Debtors’ ability to operate their business and successfully emerge from these chapter 11 cases. Accordingly, out of an abundance of caution, the Debtors request express authority to engage in such transactions postpetition.

39. The Debtors also request that the Court grant administrative expense status to all Intercompany Claims arising postpetition as a result of Postpetition Intercompany Transactions under section 503(b)(1)(A) of the Bankruptcy Code, which provides, “[a]fter notice and a hearing, there shall be allowed administrative expenses . . . including . . . the actual, necessary costs and expenses of preserving the estate” If the postpetition Intercompany Claims are accorded administrative expense status, each entity that participates in the Cash Management System and provides a benefit to the Debtors’ estates, will be assured that it will be compensated for its efforts. Courts in this district and in other districts have granted administrative expense status to postpetition intercompany claims in similar cases. *See, e.g., In re Brooks Brothers Group, Inc., et al.*, No. 20-11785 (CSS) (Bankr. D. Del. Aug. 11, 2020) (Docket No. 370); *In re Vivus, Inc., et al.*, No. 20-11779 (LSS) (Bankr. D. Del. Aug. 16, 2020) (Docket No. 168); *In re Talen Energy Supply, LLC*, No. 22-90054 (MI) (Bankr. S.D. Tex. May 10, 2022) (Docket No. 122). Similar relief is also appropriate here.

40. Further, the Debtors should be permitted to issue Physician Affiliate Transfers as such payments may not be property of the Debtors’ estates. Courts have interpreted

section 541(d) of the Bankruptcy Code to provide “expressly” that “property in which a debtor holds only bare legal title is not property of the estate.” *Golden v. Guardian (In re Lenox Healthcare, Inc.)*, 343 B.R. 96, 100 (Bankr. D. Del. 2006). When a debtor holds legal title to, but does not have equitable interest in, certain property, the debtor must turn such property over to the holders with such equitable interest in the property. *See MCZ, Inc. v. Andrus Res., Inc. (In re MCZ, Inc.)*, 82 B.R. 40, 42 (Bankr. S.D. Tex. 1987) (“Where Debtor merely holds bare legal title to property as agent or bailee for another, Debtor’s bare legal title is of no value to the estate, and Debtor should convey the property to its rightful owner.”). A debtor who holds proceeds attributable to property owned by another holds only bare legal title to such property, and thus must turnover such proceeds to the interest holder of such property. *See, e.g., In re Columbia Pac. Mortg., Inc.*, 20 B.R. 259, 262–64 (Bankr. W.D. Wash. 1981) (awarding holder of participation ownership interest proceeds of a property sale because holder was beneficial owner, and debtor only held legal title to the proceeds).

41. The Debtors permit the Physician Affiliates to participate in the Debtors’ agreements with various health plan insurers; some of the funds remitted to the Debtors, with respect to these agreements, are payments to be passed through to the Physician Affiliates. The Supreme Court has held that property held by debtors for a third party (such as funds held on account of a resulting trust) is not property of the estate. *Begier v. Internal Revenue Serv.*, 496 U.S. 53, 59 (1990) (“Because the debtor does not own an equitable interest in property he holds in trust for another, that interest is not ‘property of the estate.’”); *United States v. Whiting Pools, Inc.*, 462 U.S. 198, 205 n.10 (1983) (noting that “Congress plainly excluded property of others held by the debtor in trust at the time of the filing of the petition” from the bankruptcy estate). Other courts have held that property over which the debtor is merely exercising some “power . . . solely for the

benefit of an entity other than the debtor” is not property of the estate. *In re S.W. Bach & Co.*, 435 B.R. 866, 878 (Bankr. S.D.N.Y. 2010). Thus, any property held by the Debtors on account of the Physician Affiliates may be not property of the Debtors’ estates.

F. An Extension of Time to Comply with the Requirements of Section 345(b) of the Bankruptcy Code is Warranted

42. By this Motion, the Debtors seek a thirty (30) day extension from the entry of the Proposed Interim Order (or such additional time to which the U.S. Trustee may agree or the Court may order) of the time to comply with section 345(b) of the Bankruptcy Code, without prejudice to the Debtors’ ability to seek a further extension or final waiver of those requirements. During the extension period, the Debtors propose to engage the U.S. Trustee in discussions to determine what modifications to the Cash Management System, if any, would be appropriate under the circumstances.

43. Section 345 of the Bankruptcy Code governs a debtor’s deposits and investments of cash during a chapter 11 case, and authorizes such deposits as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a). For deposits that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345(b) of the Bankruptcy Code requires that the debtor obtain from the “entity with which such money is deposited or invested a bond in favor of the United States [that is] secured by the undertaking of a[n adequate] corporate surety, . . . unless the court for cause orders otherwise.” 11 U.S.C. § 345(b). Additionally, the UST Operating Guidelines generally require chapter 11 debtors, among other things, to deposit all estate funds into an account with an authorized depository that agrees to comply with the requirements of the U.S. Trustee.

44. In chapter 11 cases such as these, strict adherence to the requirements of section 345(b) of the Bankruptcy Code would be inconsistent with the value-maximizing purpose of chapter 11 by creating additional administrative expense and burden, and unduly hampering a debtor's ability under section 345(a) to invest money such "as will yield the maximum reasonable net return on such money." As a result, in 1994, to avoid "needlessly handcuff[ing] larger, more sophisticated debtors," Congress amended section 345(b) to provide that its strict investment requirements may be waived or modified if the court so orders "for cause." 140 Cong. Rec. H. 10,767 (Oct. 4, 1994). The Debtors submit cause exists here to waive the requirements under section 345(b). Moreover, pursuant to Local Bankruptcy Rule 2015-2(b):

[I]f a motion for [] a waiver [of the investment requirements of section 345] is filed on the first day of a chapter 11 case in which there are more than 200 creditors, or otherwise for cause shown, the Court may grant an interim waiver until a hearing on the Debtors' motion can be held.

The Debtors have filed this Motion on the first day of their chapter 11 cases and have more than 200 creditors. Therefore, the Court may grant the requested waiver on an interim basis.

45. As set forth herein, all but two of the Bank Accounts are maintained with U.S. Trustee Authorized Depositories and highly-rated, nationally chartered banks subject to supervision by national banking regulators. The two Bank Accounts not held at Authorized Depositories are the Morgan Stanley accounts, which the Debtors are in the process of closing and expect to close shortly after filing. Therefore, all of the Bank Accounts are held at stable financial institutions and have either executed a Uniform Depository Agreement with the U.S. Trustee or will be closed in the near term. Accordingly, the Debtors believe that their Bank Accounts are in compliance with section 345(b) of the Bankruptcy Code, to the extent applicable, or will come into compliance in short order.

46. Nevertheless, the Debtors propose to engage with the U.S. Trustee to determine what modifications, if any, to the Bank Accounts and Cash Management System would be appropriate under the circumstances and request, out of an abundance of caution, an interim waiver of the requirements of section 345(b) of the Bankruptcy Code to proceed on this basis. To enable such discussions, the Debtors request a 30-day extension (or such additional time to which the U.S. Trustee may agree) of the time period in which to either come into compliance with section 345(b) of the Bankruptcy Code to the extent they are out of compliance or to make other arrangements that would be acceptable to the U.S. Trustee, without prejudice to the Debtors' rights to request further extensions by motion to the Court.

47. For the foregoing reasons, the relief requested herein is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in these chapter 11 cases. Accordingly, the Court should authorize the relief requested.

**Applicable Financial Institutions
Should Be Authorized to Receive, Process, Honor, and
Pay Checks Issued and Transfers Requested to Pay Obligations**

48. The Debtors further request that the Court authorize applicable financial institutions (the "**Banks**") to receive, process, honor, and pay any and all checks issued, or to be issued, and electronic funds transfers requested, or to be requested by or on behalf of the Debtors in accordance with this Motion, to the extent that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payment. The Debtors represent that these checks are drawn on identifiable disbursement accounts and can be readily identified as relating directly to the payments authorized by this Motion. Accordingly, the Debtors believe that checks other than those relating to authorized payments will not be honored inadvertently. Any such financial institution may rely on the representations of such Debtors as to which checks are issued or wire transfers are made (or, as applicable, requested to be issued or made) and authorized

to be paid in accordance with this Motion without any duty of further inquiry. The Debtors also seek authority, but not direction, to issue new postpetition checks or effect new postpetition electronic funds transfers in replacement of any checks or funds transfer requests on account of prepetition obligations relating to the Cash Management System that are dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases.

Bankruptcy Rule 6003(b) Has Been Satisfied

49. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting “a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” prior to 21 days after the Petition Date. Fed. R. Bankr. P. 6003(b). As explained above and in the Gring Declaration, the Debtors request immediate relief to continue operating their Cash Management System to ensure a seamless transition into and throughout these chapter 11 cases. The Debtors would suffer immediate and irreparable harm if the relief sought herein is not promptly granted. Accordingly, the Debtors submit that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

Request for Bankruptcy Rule 6004(a) and (h) Waivers

50. To implement the foregoing successfully, the Debtors seek waivers of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above and in the Gring Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Reservation of Rights

51. Nothing contained herein is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors or any liens satisfied pursuant to this Motion, (b) an agreement or obligation to pay any claims, (c) a waiver of any claims or causes of action that may exist against any creditor or interest holder, (d) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim, (e) a waiver of the obligation of any party in interest to file a proof of claim, or (f) an approval, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Notice

52. Notice of this Motion will be provided to the following parties (each as defined in the First Day Declarations): (a) the Office of the United States Trustee for the District of Delaware (Attn: Benjamin A. Hackman, Esq. (Benjamin.A.Hackman@usdoj.gov) and Jon Lipshie, Esq. (Jon.Lipshie@usdoj.gov)); (b) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (c) the Internal Revenue Service; (d) the U.S. Securities and Exchange Commission, (e) United States Attorney's Office for the District of Delaware; (f) Gibson, Dunn & Crutcher LLP, 200 Park Ave, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown@gibsondunn.com) and Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, Delaware 19801 (Attn: Laura Davis Jones, Esq. (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com)), as counsel to the Ad Hoc First Lien Group; (g) ArentFox Schiff LLP,

1301 Avenue of the Americas, 42nd Floor New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. (jeffrey.gleit@afslaw.com)), as counsel to the DIP Agent; (h) Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com) and Scott D Talmadge, Esq. (scott.talmadge@freshfields.com), as counsel to the Agent under the CS Credit Agreement; (i) Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Evan Palenschat, Esq. (EPalenschat@proskauer.com)), as counsel to the Agent under the Side-Car Credit Agreement; (j) U.S. Bank National Association, West Side Flats 60 Livingston Ave. EP-MN-WS3C Saint Paul, MN 55107 (Attn: Global Corporate Trust Services), the Indenture Trustee under the Senior Note Indenture; (j) the Banks; and (k) any other party entitled to notice pursuant to Local Bankruptcy Rule 9013-1(m) (collectively, the “**Notice Parties**”). Notice of this Motion and any order entered hereon will be served in accordance with Local Bankruptcy Rule 9013-1(m).

53. The Debtors respectfully submit that no further notice is required. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

WHEREFORE the Debtors respectfully request entry of the Proposed Orders granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: February 5, 2024
Wilmington, Delaware

/s/ Mark D. Collins

RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
920 North King Street
Wilmington, Delaware 19801
Telephone: 302-651-7700
Emails: collins@rlf.com
merchant@rlf.com
steele@rlf.com

-and-

WEIL, GOTSHAL & MANGES LLP
Gary T. Holtzer (*pro hac vice* pending)
Jessica Liou (*pro hac vice* pending)
Matthew P. Goren (*pro hac vice* pending)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Emails: gary.holtzer@weil.com
jessica.liou@weil.com
matthew.goren@weil.com

*Proposed Attorneys for the Debtors
and the Debtors in Possession*

Exhibit A

Proposed Interim Order

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

	X	
	:	
In re	:	Chapter 11
	:	
CANO HEALTH, INC., et al.,	:	Case No. 24-10164 ()
	:	
Debtors.¹	:	(Jointly Administered)
	:	
	X	

INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 345, 363, 364, 503, AND 541 AND FED. R. BANKR. P. 6003 AND 6004 (I) AUTHORIZING DEBTORS TO (A) CONTINUE EXISTING CASH MANAGEMENT SYSTEMS, BANK ACCOUNTS, AND BUSINESS FORMS, (B) IMPLEMENT ORDINARY COURSE CHANGES TO CASH MANAGEMENT SYSTEM, AND (C) HONOR CERTAIN RELATED PREPETITION OBLIGATIONS, (II)(A) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS AND PHYSICIAN AFFILIATE TRANSFERS AND (B) GRANTING ADMINISTRATIVE EXPENSE STATUS FOR POSTPETITION INTERCOMPANY CLAIMS, (III) EXTENDING TIME TO COMPLY WITH REQUIREMENTS OF 11 U.S.C. § 345(b), (IV) WAIVING CERTAIN REQUIREMENTS, AND (V) GRANTING RELATED RELIEF

Upon the motion, dated February 5, 2024 (the “**Motion**”)² of Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, pursuant to sections 105(a), 345, 363, 364, 503, and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of interim and final orders (i) authorizing, but not directing, the Debtors to (a) continue using their existing Cash Management System, including through the continued maintenance of their Bank Accounts at the Banks and

¹ The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

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

existing Business Forms, consistent with the Debtors' prepetition practices, (b) make ordinary course changes to the Cash Management System as necessary, such as opening or closing their Bank Accounts, as set forth herein and in accordance with the Debtors' prepetition practices, and (c) honor and pay all prepetition and postpetition Bank Fees payable by the Debtors, (ii) authorizing, but not directing, the Debtors to (a) perform and honor Intercompany Transactions in the ordinary course of business, and (b) provide administrative expense priority for claims arising from Postpetition Intercompany Transactions among Debtors, (iii) extending time to comply with certain requirements of section 345(b) of the Bankruptcy Code, (iv) granting the Debtors a waiver of certain bank account and related requirements of the U.S. Trustee and (v) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) and § 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the First Day Declarations and the record of the Hearing; and all objections to the relief requested in the Motion on an interim basis, if any, having been withdrawn, resolved, or overruled; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing the relief requested in the Motion is necessary to avoid

immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003 is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis to the extent set forth herein.
2. Subject to the terms set forth herein, the Debtors are authorized, but not directed, pursuant to sections 363(c) and 105(a) of the Bankruptcy Code, to (i) continue to manage their cash pursuant to the Cash Management System maintained prior to the Petition Date, (ii) collect, concentrate, and disburse cash in accordance with the Cash Management System, including with respect to ordinary course Intercompany Transactions, and (iii) in consultation with the Ad Hoc First Lien Group, make ordinary course changes to their Cash Management System.
3. The Debtors are further authorized, on the terms set forth in this Interim Order, but not directed, to (i) designate, maintain, and continue to use their existing Bank Accounts, in the names and with the account numbers existing immediately before the Petition Date, (ii) deposit funds in, and withdraw funds from, such Bank Accounts by all usual means, including checks, wire transfers, automated clearing house transfers, and other debits, (iii) pay any Bank Fees or other charges associated with the Bank Accounts, whether arising before or after the Petition Date, (iv) otherwise perform their obligations under the documents governing the Bank Accounts, and (v) treat their prepetition Bank Accounts for all purposes as debtor-in-possession accounts.
4. Notwithstanding any other provision in this Interim Order, should a Bank honor a prepetition check or other item drawn on any account that is the subject of this Interim Order (i) at the direction of the Debtors to honor such prepetition check or item or (ii) in good faith

belief that the Court has authorized such prepetition check or item to be honored, the Bank shall not be deemed to be nor shall be liable to the Debtors or their estates or otherwise be in violation of this Interim Order. Without limiting the foregoing, the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by a Debtor prior to the Petition Date should be honored pursuant to this or any other order of the Court, and shall not have any liability to any party for relying on such representations by a Debtor as provided for herein.

5. Each of the Debtors' Banks is authorized to debit the Debtors' Bank Accounts in the ordinary course of business without the need for further order of the Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

6. Any of the Debtors' Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

7. Those certain existing deposit agreements between the Debtors and its existing depository and disbursement Banks shall continue to govern the postpetition cash

management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect.

8. The Debtors are authorized to open any new Bank Accounts as they may deem necessary and appropriate in the ordinary course of business, consistent with past practice, subject to the terms of this Interim Order and in consultation with the Ad Hoc First Lien Group; *provided* that any new Bank Account opened by the Debtors shall be at a bank that has executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware. Nothing contained herein shall prevent the Debtors, in consultation with the Ad Hoc First Lien Group, from closing any of their Bank Accounts in the ordinary course of business and in accordance with prepetition practices as they may deem necessary and appropriate, including, without limitation, with respect to the Morgan Stanley Accounts and the accounts associated with markets the Debtors no longer serve. If the Debtors open or close any Bank Account, such opening or closing shall be timely reflected on the Debtors' next monthly operating report and, the Debtors shall provide notice within fifteen (15) days to the U.S. Trustee, the Ad Hoc First Lien Group, and any official committee appointed in these chapter 11 cases. The Banks are authorized to honor the Debtors' requests to open and close such Bank Accounts.

9. For Banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days of the date of entry of this Interim Order, the Debtors shall (i) contact each Bank, (ii) provide the Bank with each of the Debtors' employer identification numbers, and (iii) identify each of their Bank Accounts held at such Bank as being held by a "Debtor in Possession."

10. The Debtors are authorized, but not directed, to continue the Corporate Credit Card Program in the ordinary course, to perform their obligations under the Corporate Credit Card Program, and to pay outstanding, ordinary course prepetition expenses arising thereunder.

11. The Debtors are authorized pursuant to sections 363(c) and 364(a) of the Bankruptcy Code to continue to perform under and honor Intercompany Transactions and Physician Affiliate Transfers in the ordinary course of business, so long as such Intercompany Transactions and Physician Affiliate Transfers are materially consistent with the Debtors' operation of their business in the ordinary course during the prepetition period, *provided* that any Intercompany Transactions, Physician Affiliate Transfers, or other transfers from any Debtor to a non-Debtor affiliate shall be in accordance with the terms of the DIP Facility, including the Approved Budget, the approved use of cash collateral, and the requirements of the DIP Order (defined below).

12. All valid Intercompany Claims against one Debtor held by another Debtor arising after the Petition Date as a result of Intercompany Transactions shall be accorded administrative expense priority status in accordance with section 503(b) of the Bankruptcy Code; *provided* that such administrative expense status claim shall be subject and junior to any claims, including adequate protection and/or DIP claims, granted in connection with any interim and final orders, as applicable, authorizing the Debtors' post-petition debtor-in-possession financing and/or use of cash collateral (such orders, the "**DIP Order**").

13. Notwithstanding anything to the contrary contained in the Motion or herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to and in accordance with the DIP Order and any budget in connection with any post-petition debtor-in-

possession financing or use of cash collateral authorized therein. To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

14. The Debtors shall maintain accurate records of all transfers within the Cash Management System so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records.

15. The Debtors are authorized to use their Business Forms without alteration and without the designation “Debtor in Possession” imprinted upon them; *provided, that*, once the Debtors’ existing check stock has been used, the Debtors shall use reasonable efforts, when reordering checks, to include the designation “Debtor in Possession” and the jointly administered bankruptcy case number on such checks; *provided, further*, that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall, when printing checks, include the “Debtor in Possession” legend and the jointly administered bankruptcy case number on such checks within ten (10) business days of the date of entry of this Interim Order.

16. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds or automated clearing house transfers, on account of Bank Fees, Corporate Expenses, Postpetition Intercompany Transactions, and postpetition Physician Affiliate Transfers as set forth herein, and to replace any prepetition checks or electronic fund or automated clearing house transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors’ chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

17. To the extent the Bank Accounts or Cash Management System are not in compliance with section 345(b) of the Bankruptcy Code or any of the UST Operating Guidelines,

the Debtors shall have thirty (30) calendar days (or such additional time as the U.S. Trustee may agree to) from the Petition Date within which to either come into compliance with section 345(b) of the Bankruptcy Code with respect to the Cash Management System or to make such other arrangements as agreed to by the U.S. Trustee. Such extension is without prejudice to the Debtors' right to request a further extension or waiver of the requirements of section 345(b) of the Bankruptcy Code at a later date.

18. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate their quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor.

19. The UST Operating Guidelines requiring the Debtors to establish separate bank accounts for cash collateral and/or tax payments are hereby waived except as otherwise required by any applicable agreements between the Debtors and the Banks.

20. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order, is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) an agreement or obligation to pay any claims, (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (e) a waiver of the obligation of any party in interest to file a proof of claim, (f) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code, or (g) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease.

21. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

22. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

23. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a) and Local Bankruptcy Rule 9013-1(m).

24. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

25. A hearing to consider entry of an order granting the relief requested in the Motion on a final basis shall be held on _____, 2024, at _____ (Eastern Time) and any objections or responses to the Motion shall be in writing, filed with the Court, and served by no later than **4:00 p.m. (Eastern Time) on _____, 2024** on the following:

- a. proposed attorneys for the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq. (gary.holtzer@weil.com), Jessica Liou, Esq. (jessica.liou@weil.com), Matthew P. Goren, Esq. (matthew.goren@weil.com), and Rachael Foust, Esq. (rachael.foust@weil.com)); and (ii) proposed co-counsel for the Debtors: Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Michael J. Merchant, Esq. (merchant@RLF.com), and Amanda R. Steele, Esq. (steele@rlf.com));
- b. counsel to the DIP Agent: ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. (jeffrey.gleit@afslaw.com));
- c. counsel to the Ad Hoc First Lien Group: Gibson, Dunn & Crutcher LLP, 200 Park Ave, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown@gibsondunn.com)) and Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, Delaware 19801 (Attn: Laura Davis Jones (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com));
- d. counsel to the Agent under the CS Credit Agreement: Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, NY

10022 (Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com) and Scott D Talmadge, Esq. (scott.talmadge@freshfields.com));

- e. counsel to the Agent under the Side-Car Credit Agreement: Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Evan Palenschat, Esq. (EPalenschat@proskauer.com));
- f. the Indenture Trustee under the Senior Note Indenture: U.S. Bank National Association, West Side Flats 60 Livingston Ave. EP-MN-WS3C Saint Paul, MN 55107 (Attn: Global Corporate Trust Services); and
- g. the Office of the United States Trustee for the District of Delaware: [844 King Street, Suite 2207, Lockbox 35, Wilmington Delaware 19801] (Attn: Benjamin A. Hackman, Esq. (Benjamin.A.Hackman@usdoj.gov) and Jon Lipshie, Esq. (Jon.Lipshie@usdoj.gov)).

26. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted in this Interim Order.

27. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Exhibit B

Proposed Final Order

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

	X	
In re	:	Chapter 11
CANO HEALTH, INC., et al.,	:	Case No. 24-10164 ()
Debtors.¹	:	(Jointly Administered)
	X	

FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 345, 363, 364, 503, AND 541 AND FED. R. BANKR. P. 6003 AND 6004 (I) AUTHORIZING DEBTORS TO (A) CONTINUE EXISTING CASH MANAGEMENT SYSTEMS, BANK ACCOUNTS, AND BUSINESS FORMS, (B) IMPLEMENT ORDINARY COURSE CHANGES TO CASH MANAGEMENT SYSTEM, AND (C) HONOR CERTAIN RELATED PREPETITION OBLIGATIONS, (II)(A) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS AND PHYSICIAN AFFILIATE TRANSFERS AND (B) GRANTING ADMINISTRATIVE EXPENSE STATUS FOR POSTPETITION INTERCOMPANY CLAIMS, (III) EXTENDING TIME TO COMPLY WITH REQUIREMENTS OF 11 U.S.C. § 345(b), (IV) WAIVING CERTAIN REQUIREMENTS, AND (V) GRANTING RELATED RELIEF

Upon the motion, dated February 5, 2024 (the “**Motion**”)² of Cano Health, Inc. and its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, pursuant to sections 105(a), 345, 363, 364, 503, and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of interim and final orders (i) authorizing, but not directing, the Debtors to (a) continue using their existing Cash Management System, including through the continued maintenance of their Bank Accounts at the Banks and

¹ The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

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

existing Business Forms, consistent with the Debtors' prepetition practices, (b) make ordinary course changes to the Cash Management System as necessary, such as opening or closing their Bank Accounts as set forth herein and in accordance with the Debtors' prepetition practices, and (c) honor and pay all prepetition and postpetition Bank Fees payable by the Debtors, (ii) authorizing, but not directing, the Debtors to (a) perform and honor Intercompany Transactions in the ordinary course of business, and (b) provide administrative expense priority for claims arising from Postpetition Intercompany Transactions among Debtors, (iii) extending time to comply with certain requirements of section 345(b) of the Bankruptcy Code, (iv) granting the Debtors a waiver of certain bank account and related requirements of the U.S. Trustee and (v) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)-(b) and § 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim (the "**Interim Hearing**") and, if necessary, final basis (the "**Final Hearing**"); and the Court having entered an order granting the relief requested in the Motion on an interim basis; and upon the First Day Declarations, the record of the Interim Hearing, the Final Hearing, if any, and all of the proceedings had before the Court; and all objections to the relief requested in the Motion on a final basis, if any, having been

withdrawn, resolved, or overruled; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on a final basis to the extent set forth herein.
2. Subject to the terms set forth herein, the Debtors are authorized, but not directed, pursuant to sections 363(c) and 105(a) of the Bankruptcy Code, to (i) continue to manage their cash pursuant to the Cash Management System maintained prior to the Petition Date, (ii) collect, concentrate, and disburse cash in accordance with the Cash Management System, including with respect to ordinary course Intercompany Transactions, and (iii) in consultation with the Ad Hoc First Lien Group, make ordinary course changes to their Cash Management System without further order of the Court.
3. The Debtors are further authorized, on the terms set forth in this Interim Order, but not directed, to (i) designate, maintain, and continue to use their existing Bank Accounts, in the names and with the account numbers existing immediately before the Petition Date, (ii) deposit funds in, and withdraw funds from, such Bank Accounts by all usual means, including checks, wire transfers, automated clearing house transfers, and other debits, (iii) pay any Bank Fees or other charges associated with the Bank Accounts, whether arising before or after the Petition Date, (iv) otherwise perform their obligations under the documents governing the Bank Accounts, and (v) treat their prepetition Bank Accounts for all purposes as debtor-in-possession accounts.

4. Notwithstanding any other provision in this Final Order, should a Bank honor a prepetition check or other item drawn on any account that is the subject of this Final Order (i) at the direction of the Debtors to honor such prepetition check or item or (ii) in good faith belief that the Court has authorized such prepetition check or item to be honored, the Bank shall not be deemed to be nor shall be liable to the Debtors or their estates or otherwise be in violation of this Final Order. Without limiting the foregoing, the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by a Debtor prior to the Petition Date should be honored pursuant to this or any other order of the Court, and shall not have any liability to any party for relying on such representations by a Debtor as provided for herein.

5. Each of the Debtors' Banks is authorized to debit the Debtors' Bank Accounts in the ordinary course of business without the need for further order of the Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtors' accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

6. Any of the Debtors' Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to this or any other order of the Court, and such Bank

shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

7. Those certain existing deposit agreements between the Debtors and its existing depository and disbursement Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect.

8. The Debtors are authorized to open any new Bank Accounts as they may deem necessary and appropriate in the ordinary course of business, consistent with past practice, subject to the terms of this Final Order and in consultation with the Ad Hoc First Lien Group; *provided* that any new Bank Account opened by the Debtors shall be at a bank that has executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware. Nothing contained herein shall prevent the Debtors, in consultation with the Ad Hoc First Lien Group, from closing any of their Bank Accounts in the ordinary course of business and in accordance with prepetition practices as they may deem necessary and appropriate, including, without limitation, with respect to the Morgan Stanley Accounts and the accounts associated with markets the Debtors no longer serve. If the Debtors open or close any Bank Account, such opening or closing shall be timely reflected on the Debtors' next monthly operating report and, the Debtors shall provide notice within fifteen (15) days to the U.S. Trustee, the Ad Hoc First Lien Group, and any official committee appointed in these chapter 11 cases. The Banks are authorized to honor the Debtors' requests to open and close such Bank Accounts.

9. The Debtors are authorized, but not directed, to continue the Corporate Credit Card Program in the ordinary course, to perform their obligations under the Corporate

Credit Card Program, and to pay outstanding, ordinary course prepetition expenses arising thereunder.

10. The Debtors are authorized pursuant to sections 363(c) and 364(a) of the Bankruptcy Code to continue to perform under and honor Intercompany Transactions and Physician Affiliate Transfers in the ordinary course of business, so long as such Intercompany Transactions and Physician Affiliate Transfers are materially consistent with the Debtors' operation of their business in the ordinary course during the prepetition period; provided that any Intercompany Transactions, Physician Affiliate Transfers, or other transfers from any Debtor to a non-Debtor affiliate shall be in accordance with the terms of the DIP Facility, including the Approved Budget, the approved use of cash collateral, and the requirements of the DIP Order (defined below).

11. All valid Intercompany Claims against one Debtor held by another Debtor arising after the Petition Date as a result of Intercompany Transactions shall be accorded administrative expense priority status in accordance with section 503(b) of the Bankruptcy Code; *provided* that such administrative expense status claim shall be subject and junior to any claims, including adequate protection and/or DIP claims, granted in connection with any interim and final orders, as applicable, authorizing the Debtors' post-petition debtor-in-possession financing and/or use of cash collateral (such orders, the "**DIP Order**").

12. Notwithstanding anything to the contrary contained in the Motion or herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to and in accordance with the DIP Order and any budget in connection with any post-petition debtor-in-possession financing or use of cash collateral authorized therein. To the extent there is any

inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

13. The Debtors shall maintain accurate records of all transfers within the Cash Management System so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records.

14. The Debtors are authorized to use their Business Forms without alteration and without the designation “Debtor in Possession” imprinted upon them; *provided, however*, that once the Debtors’ existing check stock has been used, the Debtors shall use reasonable efforts, when reordering checks, to include the designation “Debtor in Possession” and the jointly administered bankruptcy case number on such checks; *provided, further*, that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall, when printing checks, include the “Debtor in Possession” legend and the jointly administered bankruptcy case number on such checks.

15. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds or automated clearing house transfers, on account of the Bank Fees, Corporate Expenses, Postpetition Intercompany Transactions, and Physician Affiliate Transfers as set forth herein, and to replace any prepetition checks or electronic fund or automated clearing house transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors’ chapter 11 cases with respect to any prepetition amounts that are authorized to be paid pursuant to this Final Order.

16. To the extent the Bank Accounts or Cash Management System are not in compliance with section 345(b) of the Bankruptcy Code or any of the UST Operating Guidelines, the Debtors shall have thirty (30) calendar days (or such additional time as the U.S. Trustee may

agree to) from the entry of the Interim Order within which to either come into compliance with section 345(b) of the Bankruptcy Code with respect to the Cash Management System or to make such other arrangements as agreed to by the U.S. Trustee. Such extension is without prejudice to the Debtors' right to request a further extension or waiver of the requirements of section 345(b) of the Bankruptcy Code at a later date.

17. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate their quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor.

18. The UST Operating Guidelines requiring the Debtors to establish separate bank accounts for cash collateral and/or tax payments are hereby waived except as otherwise required by any applicable agreements between the Debtors and the Banks.

19. Nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order, is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) an agreement or obligation to pay any claims, (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (e) a waiver of the obligation of any party in interest to file a proof of claim, (f) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code, or (g) otherwise affecting the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract or unexpired lease.

20. Notwithstanding entry of this Final Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

21. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

22. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be immediately effective and enforceable upon its entry.

23. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted in this Final Order.

24. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

Exhibit C**Bank Accounts**

	Bank Name	Entity	Last 4 Digits of Account #	Account Type	Funds as of February 2, 2024
1.	Banco Popular	Cano Health Of Puerto Rico, LLC	3888	Depository Accounts	\$103,523.52
2.	Banco Popular	Physicians Partners Group PR, LLC	6941	Mixed-Use Accounts	\$72,587.45
3.	Fifth Third	Belen Pharmacy Group, LLC	4483	Depository Accounts	\$0
4.	Fifth Third	Cano Belen, LLC	4426	Depository Accounts	\$0
5.	Fifth Third	Cano Health Illinois, PLLC	9351	Mixed-Use Accounts	\$0
6.	Fifth Third	Cano Health, LLC	3356	Mixed-Use Accounts	\$49,183.95
7.	Fifth Third	Cano Health, LLC	3430	Depository Accounts	\$0
8.	Fifth Third	Cano Health, LLC	5001	Depository Accounts	\$550,000
9.	Fifth Third	Cano Health, LLC	3331	Depository Accounts	\$0
10.	Fifth Third	Cano Health, LLC	3349	Depository Accounts	\$0
11.	Fifth Third	Cano Health, LLC	4200	Depository Accounts	\$403,734.22
12.	Fifth Third	Cano Health Nevada, PLLC	6219	Depository Accounts	\$70.32
13.	Fifth Third	Cano Health Texas, PLLC	9072	Depository Accounts	\$0
14.	Fifth Third	Cano Health Texas, PLLC	4624	Depository Accounts	\$0
15.	Fifth Third	Cano Occupational Health, LLC	4434	Depository Accounts	\$9,312.13
16.	Fifth Third	Cano Pharmacy, LLC	3414	Depository Accounts	\$0
17.	Fifth Third	Comfort Pharmacy 2, LLC	3406	Depository Accounts	\$0
18.	Fifth Third	IFB Pharmacy, LLC	4608	Depository Accounts	\$0

	Bank Name	Entity	Last 4 Digits of Account #	Account Type	Funds as of February 2, 2024
19.	Fifth Third	Physicians Partners Group	2762	Depository Accounts	\$0
20.	Fifth Third	Cano Medical Center Of West Florida, LLC	3372	Depository Accounts	\$0
21.	Wells Fargo	Belen Pharmacy Group, LLC	0888	Mixed-Use Accounts	\$0
22.	Wells Fargo	Cano Belen, LLC	7189	Depository Accounts	\$0
23.	Wells Fargo	Cano Health Illinois, PLLC	3746	Mixed-Use Accounts	\$15,462.72
24.	Wells Fargo	Cano Health Illinois, PLLC	3753	Depository Accounts	\$0
25.	Wells Fargo	Cano Health Illinois, PLLC	3498	Disbursement Accounts	\$0
26.	Wells Fargo	Cano Health, LLC	4198	Disbursement Accounts	\$0
27.	Wells Fargo	Cano Health, LLC	0591	Depository Accounts	\$0
28.	Wells Fargo	Cano Health, LLC	2281	Depository Accounts	\$4,515,183.75
29.	Wells Fargo	Cano Health, LLC	3552	Depository Accounts	\$0
30.	Wells Fargo	Cano Health, LLC	7721	Mixed-Use Accounts	\$2,157,295.40
31.	Wells Fargo	Cano Health, LLC	8993	Depository Accounts	\$0
32.	Wells Fargo	Cano Health, LLC	4712	Disbursement Accounts	\$0
33.	Wells Fargo	Cano Health, LLC	2745	Mixed-Use Accounts	\$385.00
34.	Wells Fargo	Cano Health Nevada, PLLC	0822	Depository Accounts	\$17,364.79
35.	Wells Fargo	Cano Health Nevada, PLLC	3604	Depository Accounts	\$0
36.	Wells Fargo	Cano Health Texas, PLLC	4951	Depository Accounts	\$25,131.78
37.	Wells Fargo	Cano Health Texas, PLLC	7739	Depository Accounts	\$0
38.	Wells Fargo	Cano Pharmacy, LLC	0920	Mixed-Use Accounts	\$0

	Bank Name	Entity	Last 4 Digits of Account #	Account Type	Funds as of February 2, 2024
39.	Wells Fargo	Comfort Pharmacy 2, LLC	0706	Mixed-Use Accounts	\$0
40.	Wells Fargo	IFB Pharmacy, LLC	0904	Mixed-Use Accounts	\$0
41.	Wells Fargo	Cano Medical Center Of West Florida, LLC	8297	Depository Accounts	\$0
42.	Wells Fargo	Cano Medical Center Of West Florida, LLC	3600	Depository Accounts	\$0
43.	Wells Fargo	American Choice Healthcare, LLC	3241	Disbursement Accounts	\$0
44.	Wells Fargo	American Choice Healthcare, LLC	5040	Depository Accounts	\$87,736.48
45.	Wells Fargo	Cano Health California, PC	8289	Depository Accounts	\$3,330.00
46.	Wells Fargo	Cano Health California, PC	2516	Disbursement Accounts	\$0
47.	Wells Fargo	Cano Health California, PC	4180	Depository Accounts	\$0
48.	Wells Fargo	Cano Health New Mexico, LLC	9427	Depository Accounts	\$0
49.	Wells Fargo	Cano Health New Mexico, LLC	9450	Depository Accounts	\$0
50.	Wells Fargo	DGM MSO, LLC	2579	Mixed-Use Accounts	\$0
51.	Wells Fargo	American Choice Commercial ACO, LLC	9626	Depository Accounts	\$0
52.	Wells Fargo	University Health Care Pharmacy, LLC	2629	Mixed-Use Accounts	\$0
53.	Wells Fargo	ACH Management Services, LLC	2928	Depository Accounts	\$0
54.	Wells Fargo	Orange Accountable Care Organization Of South Florida, LLC	6436	Depository Accounts	\$0
55.	Wells Fargo	Cano Research, LLC	3626	Depository Accounts	\$0
56.	Wells Fargo	Physicians Partners Group Merger, LLC	5761	Depository Accounts	\$0
57.	Wells Fargo	Physicians Partners Group Merger, LLC	5779	Disbursement Accounts	\$0
58.	Wells Fargo	CHC Provider Network	4005	Mixed-Use Accounts	\$0

	Bank Name	Entity	Last 4 Digits of Account #	Account Type	Funds as of February 2, 2024
59.	Wells Fargo	Solis Network Solutions, LLC	3841	Depository Accounts	\$0
60.	Wells Fargo	Cano HP MSO, LLC	7171	Depository Accounts	\$0
61.	Wells Fargo	Cano PCP, LLC	7106	Depository Accounts	\$0
62.	Morgan Stanley	Cano Health, LLC	6653	Depository Accounts	\$0
63.	Morgan Stanley	Cano Health, Inc.	2453	Depository Accounts	\$0
64.	Raymond James	Cano Health, LLC	L500	Brokerage Account	Approximately 8,000,000 shares of class A common stock of MSP Recovery, Inc. (LIFW)

Exhibit D

Cash Management System Diagram

Wells Fargo

Fifth Third

Banco Popular

Morgan Stanley

Raymond James

