

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: §
§
NEIGHBORS LEGACY HOLDINGS, INC., § CASE NO. 18-33836-H1-11
§ (Chapter 11)
Debtor. §

INFINITY EMERGENCY MANAGEMENT §
GROUP, LLC, Individually and as Class B §
NON-VOTING MEMBERS ON BEHALF OF §
NHS EMERGENCY CENTERS, LLC SERIES §
114 – Eastside and NHS Emergency Centers, §
LLC Series 115 – Zaragoza §

Plaintiff,

VS. §

ADV. P. NO. 18-3276

TENSIE AXTON, Trustee of the NLH §
Liquidating Trust, representative and §
Successor-in-interest to Neighbors Health §
System, Inc. and NHS Emergency Centers, §
LLC et. al §

Defendants.

MARK SHAPIRO, TRUSTEE §
OF THE UNSECURED CREDITOR TRUST §
OF NEIGHBORS LEGACY HOLDINGS, §
INC. AND ITS DEBTOR AFFILIATES §

Plaintiff,

VS. §

NEIGHBORS LEGACY HOLDINGS, INC., §
Et al. §

Defendant



**TRUSTEE’S MOTION FOR ENTRY OF AN
ORDER APPROVING SETTLEMENT OF
CONTROVERSIES WITH DEFENDANTS**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE AND SERVE A RESPONSE WITHIN 21 DAYS OF THE DATE THIS MOTION WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

A HEARING HAS BEEN SELF-CALENDARED AND WILL BE HEARD ON February 1, 2022 AT 2:00 P.M. IN COURTROOM 404, 515 Rusk, Houston, Texas 77002.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE MARVIN ISGUR, U.S. BANKRUPTCY JUDGE: COMES NOW, PLAINTIFF MARK SHAPIRO, TRUSTEE OF THE UNSECURED CREDITOR TRUST OF NEIGHBORS LEGACY HOLDINGS, INC. AND ITS DEBTOR AFFILIATES (“UCT Trustee”) and files this Motion (“Motion”) requesting entry of an order approving the Settlement Agreement attached hereto as **Exhibit A** (the “Settlement Agreement”) by and among the Trustee and Defendants Setul G. Patel, M.D.; Paul Alleyne, M.D.; Cyril Gillman, M.D.; Michael Chang, M.D.; Andy Chen, M.D.; Quang Henderson, M.D.; Hitesh Patel, M.D.; Dharmesh Patel, M.D.; QSH Family, LP, and Girish Capital, LLC (collectively, the “D&O Defendants”) and Tensie Axton, Trustee of the NLH Liquidating Trust and as representative and successor-in-interest to Neighbors Legacy Holdings, Inc., Neighbors Global Holdings, LLC, Neighbors Health, LLC, NHS Emergency Centers, LLC, and Neighbors GP, LLC (collectively, the “Neighbors Entities”) pursuant to Federal Rule of Bankruptcy Procedure 9019.¹

¹ UCT Trustee, the D&O Defendants, and the Neighbors Entities, not including Infinity, are referred to herein as the “Parties.”

JURISDICTION

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. Venue of the Debtors' chapter 11 case in this district is proper pursuant to 28 U.S.C. § 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicate for the relief sought is Section 105(a) of title 11 of the United States Code and 9019 of the Federal Rules of Bankruptcy Procedure.

BACKGROUND

2. On July 12, 2018, Neighbors Legacy Holdings, Inc. and certain of its affiliates and subsidiaries filed chapter 11 cases, which are jointly administered in the above-mentioned bankruptcy cases. As part of the March 22, 2019 Order confirming the First Amended Joint Plan of Liquidation of Neighbors Legacy Holdings, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code (the "Plan"), Plaintiff Mark Shapiro was made Trustee of the Unsecured Creditor Trust ("UCT Trustee") with respect to certain retained certain causes of action and charged with maximizing value for the benefits of its beneficiaries. *See* the Plan at Cause No. 18-33836, Dkt. 854 at ¶ 123.

3. Pursuant to the Plan, on January 24, 2020, the UCT Trustee filed his Original Complaint against the D&O Defendants and certain other parties in Adversary Proceeding No. 20-03017 in the administratively consolidated chapter 11 cases of Neighbors Legacy Holdings, Inc. et al. The Bankruptcy Court then authorized the UCT Trustee to file the claims asserted in Adv. P. 20-03017 as part of a prior pending adversary proceeding that had been initiated in the Bankruptcy Cases by Infinity Emergency Management Group, LLC ("Infinity") under Adversary Proceeding 18-03276. On February 17, 2020, Plaintiff Mark Shapiro, Trustee of the Unsecured Creditors Trust ("UCT Trustee") filed his First Amended Complaint (Dkt. 85) in this matter in Adv. P. 18-03276. In the First Amended Complaint, UCT Trustee brought causes of action against the D&O Defendants, centered around the actions and inactions of the Neighbors officers and directors as they operated the

Neighbors Debtor Entities, ultimately leading to their bankruptcy, and includes causes of action for breach of fiduciary duties, negligence, gross negligence, conspiracy to breach fiduciary duties, and aiding and abetting breach of fiduciary duties.

4. On March 6, 2020, UCT Trustee filed a Motion for Summary Judgment to determine its standing to bring its asserted claims. On March 23, 2020, Infinity filed its Response to the Motion for Summary Judgment. A hearing on these motions was held on June 25, 2020, and pursuant to the hearing Trustee and Infinity filed supplemental briefs on standing.

5. On March 18, 2021, the Court issued a Memorandum Opinion and Order determining that UCT Trustee had standing to bring his asserted claims.

6. On June 1, 2021, the D&O Defendants filed Motions to Dismiss UCT Trustee's claims. UCT Trustee filed Responses to these motions on June 24, 2021.

7. The Court held a status conference on October 18, 2021. The Parties and Infinity informed the Court that they were scheduled to mediate on October 28, 2021. The Court scheduled the next status conference for November 29, 2021.

8. On October 28, 2021, the Parties attempted to settle at mediation, but did not then reach a settlement.

9. On November 29, 2021, the Court held a status conference and subsequently set all pending motions to dismiss for hearing on December 21, 2021. Prior to the December 21, 2021 hearing, UCT Trustee, the D&O Defendants, and Trustee Tensie Axton for the Neighbors Entities were able to reach a Settlement Agreement, attached as **Exhibit A**, the material terms of which are the following:²

- a. **Settling Parties.** The parties to the Settlement Agreement are UCT Trustee, the D&O Defendants, and Tensie Axton, Trustee of the NLH Liquidating Trust and

² This Motion is intended to summarize the material terms of the Settlement Agreement. In the event of an inconsistency between this Motion and the Settlement Agreement, the Settlement Agreement shall control. Capitalized terms used in this Motion but not defined within shall have the meaning ascribed to them in the Settlement Agreement.

as representative and successor-in-interest to Neighbors Legacy Holdings, Inc., Neighbors Global Holdings, LLC, Neighbors Health, LLC, NHS Emergency Centers, LLC, and Neighbors GP, LLC (the "Parties"). Infinity Emergency Management Group, LLC is not a party to the Settlement Agreement.

b. **Settlement Payment.** The D&O Defendants shall pay to UCT Trustee \$1.85 million as specified in the Settlement Agreement.

c. **Releases.** The Parties mutually release each other from any claims brought or that could have been brought, as of the date of the Settlement Agreement.

d. **Covenants Not To Sue.** The Parties mutually covenant to not bring suit against each other for any and all claims related to the events leading up to the Chapter 11 Cases, the Chapter 11 Cases, and the Adversary Proceeding.

e. **Cooperation.** The Parties agree to fully cooperate in connection with the preparation, filing, and entry of the Motion to Approve Settlement.

f. **Dismissal.** Within five business days of the receipt of the Settlement Payment, UCT Trustee shall file all necessary documents to dismiss the above adversary proceeding with prejudice with respect to its claims against the D&O Defendants and Tensie Axton, Trustee of the NLH Liquidating Trust and Neighbors Entities. UCT Trustee's claims against Infinity will not be dismissed.

g. **No Liability.** It is understood and agreed by the Parties that the Settlement Agreement is not an admission of fault or liability on behalf of the Defendants.

h. **Dismissal of Adversary Proceeding.** Trustee will file all necessary papers to dismiss its claims against Defendants with prejudice, save and except the Trustee's claims or causes of action against Infinity.

10. In an effort to avoid costly and time-consuming litigation, UCT Trustee seeks this Court's authorization to enter into the Settlement Agreement.

RELIEF REQUESTED

11. UCT Trustee believes that the proposed settlement of the dispute with Tensie Axton, Trustee of the NLH Liquidating Trust and the Neighbors Entities, and the D&O Defendants is in the best interest of the Unsecured Creditors Trust and all parties in interest and, accordingly, files this Motion seeking entry of an order (i) granting this Motion approving the Settlement Agreement **Exhibit A**; (ii) entry of the Final Judgement Dismissing the Adversary Proceeding attached hereto as

Exhibit B (the “Final Judgment”); and (iii) granting all other relief that is appropriate under the circumstances.

ARGUMENT AND AUTHORITIES

12. Federal Rule of Bankruptcy Procedure 9019(a) allows a court to approve a compromise or settlement on motion by the trustee and after notice and a hearing. Moreover, § 105(a) of the Bankruptcy Code authorizes a court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”

13. Bankruptcy Rule 9019(a) authorizes settlements if they are “fair and equitable and in the best interest of the estate.” *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980) (citing *Protective Comm. For Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)). Courts consider the following factors when evaluating whether a compromise is fair and equitable:

- a. The probabilities of success in the litigation, with due consideration for uncertainty in fact and law;
- b. The complexity and likely duration of the litigation and any attendant expense, inconvenience and delay; and
- c. All other factors bearing on the wisdom of the compromise.

Official Comm. Of Unsecured Creditor v. Cajun Elec. Power Coop., Inc., 119 F.3d 349, 356 (5th Cir. 1997). In addition, under the rubric of the third, catch-all provision, the fifth Circuit has identified two additional factors bear on the decision to approve a proposed settlement:

- a. Whether the compromise serves “the best interests of the creditors, with proper deference to their reasonable views; and
- b. The extent to which the settlement is truly the product of arms-length bargaining and not of fraud or collusion.

Id.

14. When considering the probability of success in the litigation, the Fifth Circuit has instructed that “it would not be a settlement if to obtain approval the [proponent] would have to demonstrate that they could not succeed had the . . . claim been pressed.” *Florida Trailer and Equip. Co. v. Deal*, 284 F.2d 567, 573 (5th Cir. 1960). Rather, the proponent need only establish that “it is prudent to eliminate the risks of litigation to achieve specific certainty though admittedly it might be considerably less (or more) than were the case fought to the bitter end.” *Id.*

15. The movant bears the burden of establishing that the balance of the settlement factors warrant approval. However, that burden is not high. The movant need only show that the settlement falls within the “range of reasonable litigation alternatives.” *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983); *Cook v Waldron*, 2006 WL 1007489, at *4 (S.D. Tex. Apr. 8, 2006). Moreover, the movant is not required to present a mini-trial or evidentiary hearing to adjudicate the issues being settled. The Court may give weight to the “informed judgments of the . . . debtor-in-possession and their counsel that a compromise is fair and equitable, and consider the competency and experience of counsel who support the compromise.” *Drexel Burnham Lambert Group*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991).

16. Based on a review and analysis of the Settlement Agreement, and after consultation with counsel, the UCT Trustee has determined in his reasonable business judgment that entering into the Settlement Agreement is in the best interest of the Unsecured Creditors Trust. While the UCT Trustee considers a likelihood of being able to establish its claims against D&O Defendants, such a likelihood was not guaranteed. To compound this problem, the D&O Defendants are insurance by a constantly eroding insurance policy that will continue to evaporate through the pendency of this litigation, and is likely to completely evaporate should this claim be taken through trial. Because of these issues, and the uncertainty surrounding the facts and the insurance policy, UCT Trustee’s

business judgment is that the Settlement Agreement is to the benefit of the Unsecured Creditors' Trust.

17. The pending adversary proceeding is complex, and both sides have already expended resources and two years determining issues of standing, and the necessary discovery involved in the prosecution of UCT Trustee's claims will be extensive and costly. This discovery will further delay any recovery to the Creditors Trust, and at the same time will erode the D&O Defendants' insurance policy to the detriment of the Creditors Trust. There are also a number of allegations, issues, and legal disputes during the pendency of the litigation that would need to be determined by the Court, which would add to the cost of the litigation and delay in any collection.

18. The Settlement Agreement will benefit the Unsecured Creditors Trust by, among other things, liquidating the claims of the Unsecured Creditors Trust and avoiding the expense of continued litigation, thereby maximizing the value of the Unsecured Creditors Trust's assets. As such, UCT Trustee believes the Settlement Agreement constitutes a resolution of the dispute with the D&O Defendants and Tensie Axton, Trustee of the NLH Liquidating Trust and the Neighbors Entities, and certainly falls within the range of reasonable litigation alternatives. The Settlement Agreement represent a good faith, extensively negotiated arm's-length resolution to these issues. It was negotiated through numerous communications between the Plaintiff's counsel, counsel for the D&O Defendants, and counsel for Tensie Axton, Trustee of the NLH Liquidating Trust and the Neighbors Entities, and it fairly represents the bargained-for terms of both parties. Accordingly, the UCT Trustee believes that the Settlement Agreement is in the best interests of the Unsecured Creditors Trust and files this Motion seeking Court approval of the Settlement Agreement.

NOTICE

19. This matter will be noticed upon the Court's CM/ECF noticing system, allowing all creditors and parties-in-interest the opportunity to oppose the Proposed Settlement Agreement should any choose to do so. Notice will also be given through email and/or first class mail.

PRAYER

Plaintiff Trustee respectfully requests the Court to enter an Order (i) granting this Motion approving the Settlement Agreement; (ii) entry of the Final Judgement Dismissing the Adversary Proceeding attached hereto as **Exhibit B** (the "Final Judgment") and filed in the adversary proceeding; and (iii) granting all other relief that is appropriate under the circumstances.

DATE: January 10, 2022

Respectfully Submitted,

WALSTON BOWLIN, LLP

/s/ Clifford H. Walston

CLIFFORD WALSTON

cliff@walstonbowlin.com

State Bar No. 24037666

4299 San Felipe Street, Suite 300

Houston, Texas 77027

(713) 300-8700

(713) 583-5020 Fax

ATTORNEY FOR PLAINTIFF

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was served via electronic mail and/or USPS and/or CM/ECF on all parties requesting notice on January 10, 2022.

/s/ Cliff Walston

Cliff Walston

Exhibit A

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Plaintiff §

VS. §

NEIGHBORS LEGACY HOLDINGS, INC., §
et al., §

Defendants. §

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this “Settlement”) is made and entered into as of December __, 2021 (the “Effective Date”), by and among Plaintiff Mark Shapiro, Trustee of the Unsecured Creditor Trust of Neighbors Legacy Holdings, Inc. and its Debtor Affiliates (“Trustee”) and Defendants Setul G. Patel, M.D., Paul Alleyne, M.D., Cyril Gillman, M.D., Michael Chang, M.D., Andy Chen, M.D., Quang Henderson, M.D., Hitesh Patel, M.D., Dharmesh Patel, M.D., QSH Family, LP, and Girish Capital, LLC¹ (collectively, the “D&O Defendants”) and Tensie Axton, as Trustee of the NLH Liquidating Trust and as representative and successor-in-interest to Neighbors Legacy Holdings, Inc., Neighbors Global Holdings, LLC, Neighbors Health, LLC, NHS Emergency Centers, LLC, and Neighbors GP, LLC (collectively, the “Neighbors Entities”) (Trustee, the D&O Defendants and the Neighbors Entities, not including Infinity, are the “Parties”). In connection with this Settlement, the Parties stipulate and agree as follows (the “Stipulations”):

STIPULATIONS

1) On January 24, 2020, the Trustee filed his Original Complaint against the D&O Defendants and certain other parties (identified below) in Adversary Proceeding No. 20-03017 (the “Shapiro Adversary Proceeding”) in the referenced bankruptcy case (“Bankruptcy Case”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

2) The Bankruptcy Court ordered the Trustee to refile his claims as part of a prior pending adversary proceeding that had been initiated in the Bankruptcy Case by Infinity Emergency Management Group LLC (“Infinity”) under Adversary Proceeding No. 18-03276 [Adv. P. No. 18-03276, ECF No. 1].

3) On February 17, 2020, the Trustee filed his First Amended Complaint in the Adversary Proceeding against the D&O Defendants and the Neighbors Entities (collectively, the “Defendants”), and also asserted, in his Supplemental Amended Complaint, claims against Infinity [Adv. P. 18-03276, ECF No. 85 and 123].

4) On February 24, 2020, by agreed order, the Shapiro Adversary Proceeding was consolidated with the Adversary Proceeding No. 18-03276 (hereinafter, the “Adversary Proceeding”).

5) Although the Trustee had also sued and asserted claims against the Neighbors Entities, by Stipulation filed on July 1, 2021, the Trustee dismissed the Neighbors Entities from the Adversary Proceeding without prejudice [Adv. P. No. 20-03276, ECF No. 141].

6) The Defendants have filed motions challenging each claim and cause of action asserted by the Trustee, some of which motions are pending, and generally deny all of the allegations raised by the Trustee in the Adversary Proceeding, and assert that they have valid defenses to all claims and causes of action asserted by the Trustee.

¹ Each of the individual Defendants was sued individually and in his capacity as an officer and director, and all Defendants, not including Infinity, are joining in, beneficiaries of, bound by, and released pursuant to, this Settlement in all capacities each Defendant other than Infinity may have. The defined term “Defendants” does not include Infinity.

7) The Trustee and the Defendants have been forced to expend considerable resources to prosecute and defend the Adversary Proceeding.

8) The Parties seek to avoid the uncertainties and expenses associated with further litigation, and have engaged, with the assistance of legal counsel and a mediator, in extensive settlement negotiations.

9) After careful consideration of the facts and applicable law, the Parties have reached an agreement to resolve all issues between them, the terms of which are fully contained in this Settlement.

10) The Bankruptcy Court has scheduled a hearing on the Trustee's anticipated Motion pursuant to Federal Rule of Bankruptcy Procedure 9019 seeking approval of this Settlement for February 1, 2022 at 2:00 p.m.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, the Parties agree as follows.

1. **Subject to Bankruptcy Court Approval.** This Settlement and all of the rights, obligations, covenants, conditions, releases, and waivers contained herein are conditioned upon and subject to entry of a final, non-appealable order by the Bankruptcy Court (the "Bankruptcy Court Approval Order") approving this Settlement to be submitted by the Trustee and at Trustee's cost (the "Motion to Approve Settlement").

2. **The Settlement Payment.** Within ten (10) business days after the Bankruptcy Court Approval Order becomes final and non-appealable, Beazley Insurance Company, on behalf of the Defendants, shall pay the Trustee funds under the D&O Policy in the amount of One Million, Eight-Hundred Fifty Thousand and No One Hundredths Dollars (\$1,850,000.00) (the "Settlement Payment"). The Settlement Payment shall be made via check or wire transfer made payable to the Walston Bowlin, LLP IOLTA Account in trust to Trustee's counsel on behalf of the Trustee.

3. **Release by Trustee.** Immediately upon the Bankruptcy Court Approval Order becoming final and non-appealable, and without further action by Defendants, as consideration for the mutual covenants set forth herein, which the Trustee acknowledges as good and valuable consideration, the Trustee agrees, to the maximum extent allowed by applicable law, to release, waive, and discharge the Defendants, including each of the D&O Defendants and each of the Neighbors Entities, and their present and former affiliates, heirs, successors-in-interest, directors, officers, shareholders, partners, limited partners, spouses, parents, subsidiaries, assigns, agents, employees, insurers, trustees, representatives, and attorneys (the "Defendant Releasees") from any and all claims, interests, obligations, debts, rights, suits, damages, demands, causes of action, remedies, and liabilities, including any derivative claims, any and all causes of action that have been brought, could have been brought, or may be brought in the future of any kind by or on behalf of the Trustee in any court or tribunal whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or non-contingent, existing or hereafter arising, in law, at

equity or otherwise, any damages or administrative expenses, whether for tort, contract, alleged violations of fiduciary duties, negligence and/or gross negligence, conspiracy to breach fiduciary duties, aiding and abetting breach of fiduciary duties, recovery of alleged transfers as fraudulent transfers pursuant to 11 U.S.C. §§ 544, 548, and applicable state law, including Texas Business and Commerce Code § 24.006(a), and any other claims or causes of action arising under the Bankruptcy Code, or causes of action arising in cases thereunder, or any other federal or state laws, included all core, non-core or related to claims or causes of action, or otherwise, against the Defendant Releasees, as of the date the Bankruptcy Court Approval Order is entered, including but not limited any claim or cause of action arising out of, based on, or related to the Adversary Proceeding and/or the events leading up to the Adversary Proceeding and the Proofs of Claim filed by any of the Parties in the Bankruptcy Case (“Trustee Released Claims”). **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF THE DEFENDANT RELEASEES.**

4. **Release by Defendant Releasees.** Immediately upon the Bankruptcy Court Approval Order becoming final and non-appealable, and without further action by any Party, as consideration for the mutual covenants set forth herein, which the Defendant Releasees acknowledge as good and valuable consideration, Defendant Releasees agree, to the maximum extent allowed by applicable law, to release, waive, and discharge the Trustee and his their present and former affiliates, heirs, successors, directors, officers, shareholders, partners, limited partners, spouses, parents, affiliates, subsidiaries, assigns, agents, employees, insurers, and attorneys (the “Trustee Releasees”) from any and all claims, interests, obligations, debts, rights, suits, damages, demands, causes of action, remedies, and liabilities, including any derivative claims, any and all causes of action that have been brought, could have been brought or may be brought in the future of any kind by or on behalf of the Defendant Releasees in any court whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or non-contingent, existing or hereafter arising, in law, at equity or otherwise, any damages or administrative expenses, whether for tort, contract, or any federal or state laws, or otherwise, against the Trustee Releasees, as of the date the Bankruptcy Court Approval Order is entered, including but not limited to any claim or cause of action arising out of, based on, or related to the Adversary Proceeding and/or the events leading up to the Adversary Proceeding, or any Proof of Claim, or the Bankruptcy Case (“Defendant Released Claims”). **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF THE TRUSTEE RELEASEES.**

5. **Trustee’s Covenant Not to Sue or Seek Recovery.** Immediately upon receipt of the Settlement Payment by the Trustee, as additional consideration for the foregoing, the receipt and sufficiency of which is hereby acknowledged, the Trustee hereby covenants not to bring suit or assert any claim in any tribunal against, or seek any recovery of any kind from, the Defendant Releasees for any Trustee Released Claims released herein.

6. **Defendant Releasees’ Covenant Not to Sue or Seek Recovery.** Immediately upon the full execution of this Settlement by the Trustee, as additional consideration for the foregoing, the receipt and sufficiency of which is hereby acknowledged, the Defendant Releasees hereby covenant not to bring suit against, or seek any recovery from the Trustee Releasees for Defendant Released Claims.

7. **Cooperation.** The Defendants and Trustee agree to fully cooperate with each other in connection with his preparation, filing, and entry of the Motion to Approve Settlement.

8. **Dismissal of Adversary Proceeding by the Trustee.** Within five (5) business days of the receipt of the Settlement Payment by the Trustee, and without further action by Defendants, as consideration for the mutual covenants set forth herein, which the Trustee acknowledges as good and valuable consideration, the Trustee will file the necessary notices, motion(s), and order(s) with the Bankruptcy Court to dismiss the Adversary Proceeding with prejudice with respect to all Defendants, save and except the Trustee's claims or causes of action against Infinity.

9. **Successors and Assigns.** The provisions of this Settlement shall be binding on the Parties and their successors, heirs, and assigns and shall inure to the benefit of the Parties and their successors and assigns.

10. **Entire Agreement.** This Settlement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, and there are no representations, understandings, or agreements relative hereto which are not fully expressed herein. This Settlement may not be modified, altered, or amended in whole or in part except by a written instrument executed by each Party.

11. **Governing Law.** This Settlement shall be governed by and construed under the laws of the State of Texas without regard to conflicts of laws principles that would require the application of the law of another jurisdiction.

12. **No Assignment.** The Parties warrant and represent that they have not assigned, conveyed, transferred, sold, or granted, in any fashion, any right, privilege, claim, or cause of action, or any part thereof, that they have or may have against each other arising out of, based on, or related to the Adversary Proceeding and/or the subject matter of this Settlement.

13. **No Reliance.** The Parties, separately and collectively, represent and warrant that in entering into this Settlement they are relying on their own judgment, belief, and knowledge and, as applicable, on that of any attorney they have retained to represent them in this matter. In entering into this Settlement, no Party is relying on any representation or statement made by any other Party or any person representing such other Party.

14. **Construction.** This Settlement has been drafted through a cooperative effort of all Parties, and no Party or Parties shall be considered the drafter of this Settlement so as to give rise to any presumption of convention regarding construction of this document. All terms of this Settlement were negotiated in good faith and at arm's-length, and this Settlement was prepared and executed without fraud, duress, undue influence, or coercion of any kind exerted by any of the Parties upon the other. The execution and delivery of this Settlement is the free and voluntary act of the Parties.

15. **Headings.** The Headings contained in this Settlement are inserted for convenience only and do not affect in any way the meaning or interpretation of this Settlement.

16. **No Liability.** It is understood and agreed by the Parties that this Settlement represents a settlement and compromise and neither this Settlement itself, any of the payments or covenants described herein, nor anything else connected with this Settlement is to be construed as an admission of fault or liability on behalf of the Defendants. The Trustee and all Defendants deny liability to one another, have not waived any rights relating to third parties, and reserve all such rights as to third parties, including, without limitation, Infinity.

17. **Execution in Counterparts.** This Settlement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Settlement may be transmitted by facsimile or by electronic mail, and such transmission will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. Defendants agree to execute the settlement agreement within ten (10) business days of receipt of the Settlement Agreement executed by the Trustee.

18. **Severability.** If any provision of this Settlement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

19. **Compliance with Applicable Law.** The Parties represent, warrant, and covenant that each document, notice, instruction, or request provided by each respective Party shall comply with applicable laws and regulations. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the Parties hereto to the fullest extent permitted by law, to the end that this Settlement shall be enforced as written.

20. **Further Assurances.** The Parties agree to take all reasonable actions necessary to effectuate the approval, performance, validity, and enforceability of this Settlement including, without limitation, the prompt execution of any and all documents of any kind, which the other Parties may reasonably require in order to implement the provisions and objectives of this Settlement.

21. **Costs.** Except as otherwise indicated herein, the Parties shall bear their own costs, expenses, and attorneys' fees incurred in connection with the Adversary Proceeding and this Settlement.

22. **Authorization.** Each person signing this Settlement represents and warrants that he/she is duly authorized and has legal capacity to execute and deliver this Settlement. The Trustee represents and warrants to the other Parties that the execution and delivery of the Settlement Agreement and the performance of the Trustee's obligations hereunder have been duly authorized and that the Settlement Agreement is a valid and legal agreement binding on the Trustee and enforceable in accordance with its terms.

23. **Infinity.** Notwithstanding any provision in this Settlement Agreement to the contrary, nothing in this Settlement Agreement releases or impairs any claim or right that any person or entity has or may have against Sohail Alam, Beaumont Emergency Physicians Association,

PLLC, Infinity Emergency Management Group, LLC, or any of their members, officers, directors, affiliates, or attorneys, including but not limited to Jermaine Bowen, Samara Bowen, Unyglob Inc., Davida Manor, Davida Manor Ward, Maurice Holmes, Earl Miller, Darnell Petway, Terrence Wadley, Aida Meza, Manuel Aranda, Benjamin Crabb and Matthew Probus.

[Signature pages follows]

Mark Shapiro,
Trustee of the Unsecured Creditor Trust of
Neighbors Legacy Holdings, Inc.
and its Debtor Affiliates

Neighbors Legacy Holdings, Inc., Neighbors Global
Holdings, LLC; Neighbors Health, LLC; NHS
Emergency Centers, LLC; and Neighbors GP, LLC

By:

Setul G. Patel, M.D.

Tensie Axton, as Authorized Representative

Girish Capital, LLC
By:

Tensie Axton

Setul G. Patel, M.D.

Paul Alleyne, M.D.

Cyril Gillman, M.D.

Michael Chang, M.D.

Andy Chen, M.D.

QSH Family, LP

Quang Henderson, M.D.

Quang Henderson, M.D., Sole General Partner

Hitesh Patel, M.D.

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**COUNSEL FOR PAUL ALLEYNE, M.D.
AND CYRIL GILLMAN, M.D.**

Exhibit B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
	§	
NEIGHBORS LEGACY HOLDINGS, INC.,	§	CASE NO. 18-33836-H1-11
	§	(Chapter 11)
Debtor.	§	

INFINITY EMERGENCY MANAGEMENT
GROUP, LLC, Individually and as Class B
NON-VOTING MEMBERS ON BEHALF OF
NHS EMERGENCY CENTERS, LLC SERIES
114 – Eastside and NHS Emergency Centers,
LLC Series 115 – Zaragoza

Plaintiff,

VS.

ADV. P. NO. 18-3276

TENSIE AXTON, Trustee of the NLH
Liquidating Trust, representative and
Successor-in-interest to Neighbors Health
System, Inc. and NHS Emergency Centers,
LLC, *et al.*,

Defendants.

MARK SHAPIRO, TRUSTEE
OF THE UNSECURED CREDITOR TRUST
OF NEIGHBORS LEGACY HOLDINGS,
INC. AND ITS DEBTOR AFFILIATES

Plaintiff,

VS.

NEIGHBORS LEGACY HOLDINGS, INC.,
et al.,

Defendant

PROPOSED ORDER

BEFORE THE COURT is Plaintiff Mark Shapiro, Trustee of the Unsecured Creditor Trust of Neighbors Legacy Holdings, Inc.'s Motion to Dismiss Claims Against Defendants Setul G. Patel, M.D.; Paul Alleyne, M.D.; Cyril Gillman, M.D.; Michael Chang, M.D.; Andy Chen, M.D.; Quang Henderson, M.D.; Hitesh Patel, M.D.; Dharmesh Patel, M.D.; QSH Family, LP; Girish Capital, LLC, and Tensie Axton, as Trustee of the NLH Liquidating Trust and as representative and successor-in-interest to Neighbors Legacy Holdings, Inc., Neighbors Global Holdings, LLC, Neighbors Health, LLC, NHS Emergency Centers, LLC, and Neighbors GP, LLC (collectively, the "Neighbors Entities"). After considering the Motion, the Court finds that the Motion should be GRANTED.

IT IS THEREFORE ORDERED that Plaintiff's claims against Defendants Setul G. Patel, M.D.; Paul Alleyne, M.D.; Cyril Gillman, M.D.; Michael Chang, M.D.; Andy Chen, M.D.; Quang Henderson, M.D.; Hitesh Patel, M.D.; Dharmesh Patel, M.D.; QSH Family, LP; Girish Capital, LLC, and Tensie Axton, as Trustee of the NLH Liquidating Trust and as representative and successor-in-interest to the Neighbors Entities are dismissed WITH PREJUDICE.

Date:

Judge Marvin Isgur

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
	§	
NEIGHBORS LEGACY HOLDINGS, INC.,	§	CASE NO. 18-33836-H1-11
	§	(Chapter 11)
Debtor.	§	

INFINITY EMERGENCY MANAGEMENT
GROUP, LLC, Individually and as Class B
NON-VOTING MEMBERS ON BEHALF OF
NHS EMERGENCY CENTERS, LLC SERIES
114 – Eastside and NHS Emergency Centers,
LLC Series 115 – Zaragoza

Plaintiff,

VS.

ADV. P. NO. 18-3276

TENSIE AXTON, Trustee of the NLH
Liquidating Trust, representative and
Successor-in-interest to Neighbors Health
System, Inc. and NHS Emergency Centers,
LLC et. al

Defendants.

MARK SHAPIRO, TRUSTEE
OF THE UNSECURED CREDITOR TRUST
OF NEIGHBORS LEGACY HOLDINGS,
INC. AND ITS DEBTOR AFFILIATES

Plaintiff,

VS.

NEIGHBORS LEGACY HOLDINGS, INC.,
Et al.

Defendant

PROPOSED ORDER

BEFORE THE COURT is Plaintiff Mark Shapiro's Motion for Entry of an Order Approving Settlement of Controversies with Defendants Pursuant to Rule 9019 (the "Motion"). Having considered the Motion, any response thereto, and the record in this case, the Court finds as follows:

Notice of the Motion was adequate and appropriate. The Court has jurisdiction to hear and determine the Motion and to grant the relief requested therein. Plaintiff Mark Shapiro, Trustee for the Unsecured Creditors Trust, established that the Settlement Agreement (Exhibit A to the Motion) meets the applicable standard for approval of settlements under the Bankruptcy Code and applicable authority. The proposed compromise is fair, equitable, reasonable, and in the best interests of the Unsecured Creditors' Trust and should be approved. The proposed compromise is a valid and sound exercise of the Trustee's business judgment.

IT IS THEREFORE ORDERED that Plaintiff Mark Shapiro is authorized to enter into the Settlement Agreement attached as Exhibit A to the Motion.

IT IS FURTHER ORDERED that the parties are authorized and directed to take all actions necessary to effectuate the relief granted in this order.

Date:

Judge Marvin Isgur