

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

	X	
In re	:	
	:	Chapter 11
HOSPITAL FOR SPECIAL SURGERY, LLC	:	
<i>Db</i> a ONECORE HEALTH,	:	Case No. 24-12862-JDL
	:	
Debtor.	:	
	X	

**DEBTOR'S EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL
ORDERS, PURSUANT TO 11 U.S.C. §§ 105, 345, 363, 364, AND 503, AUTHORIZING
DEBTOR TO CONTINUE (I) TO OPERATE ITS CASH MANAGEMENT SYSTEM,
MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (II)
GRANTING RELATED RELIEF WITH BRIEF IN SUPPORT, NOTICE OF
OPPORTUNITY FOR HEARING AND NOTICE OF HEARING**

NOTICE OF OPPORTUNITY FOR HEARING

Your rights may be affected. You should read this Document carefully and consult your attorney about your rights and the effect of this Document. If you do not want the Court to grant the motion, or you wish to have your views considered, you must file a written response to the motion with the Clerk of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102 **no later than 12:00 p.m. (CDT) on October 9, 2024.** You should also serve a file-stamped copy of the response to the undersigned [and others who are required to be served] and file a certificate or affidavit of service with the Court.

**NOTICE OF HEARING
(TO BE HELD IF A RESPONSE IS FILED)**

Notice is hereby given that if a response to the Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Prepetition Claims of Critical Vendors and (II) Authorizing the Payment of Outstanding Orders is filed, the hearing on the matter will be held on October 10, 2024, at 10:00 a.m. (CDT) in the 2nd floor courtroom of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102. If no



response is timely filed and the court grants the requested relief prior to the above-referenced hearing date, the hearing will be stricken from the docket of the Court.

Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or “Debtor”) hereby submits this emergency motion (the “Motion”) for entry of an interim order, substantially in the form attached hereto as Exhibit 1 (the “Proposed Interim Order”), and a final order (the “Proposed Final Order”¹), pursuant to sections 105, 345, 363, 364, and 503 of title 11 of the United States Code, 11 U.S.C. §§ 101, rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 9013-1 of the Local Rules for the United States Bankruptcy Court for the Western District of Oklahoma (the “Local Bankruptcy Rules”) authorizing Debtor to (i) continue to operate its cash management system, maintain existing bank accounts and existing business forms, and (ii) granting related relief. In addition, Debtor requests a final hearing be scheduled by the Bankruptcy Court within approximately 25 days of the Petition Date to consider approval of this Motion on a final basis. In support of its Motion, Debtor relies upon the *Declaration of Carrie McEntire in Support of Debtor’s First Day Pleadings* (the “McEntire Declaration”) filed contemporaneously herewith and incorporated herein by reference, and respectfully states as follows:

Background

1. OneCore is a duly licensed hospital that has been specializing in orthopedic and specialty surgeries in the community of central Oklahoma for more than a decade. In late 2021, OneCore completed the construction of its present leased facility in northeast Oklahoma City and has been operating at such location since January 2022.

¹ The Proposed Final Order will follow the form of the Proposed Interim Order. Debtor will provide notice of the Proposed Final Order to parties in interest via electronic filing following entry of an Interim Order.

2. OneCore has focused on a culture of excellence in the delivery of surgical and other health care services such as radiology and orthopedic care with the goal of being one of the top performing surgical hospitals in Oklahoma. In the past four (4) years, OneCore has received many accolades for its excellence and patient care, including the following:

- Healthgrades: Knee Replacement 5-star recipient, 2023 and 2024;
- Healthgrades: Spinal Fusion Surgery 5-star recipient 2021 – 2024;
- Healthgrades: Outstanding Patient Experience 2024; and
- Press Ganey: Guardian of Excellence Award for Outstanding Patient Experience.²

3. Despite the new hospital and recognition as an esteemed hospital for patient care and focus, difficulties ensued in June of 2022, initially due to the Covid pandemic, with the implementation of a new billing system as the legacy system was sunset by the software provider. This difficult conversion caused disruptions to operations for almost two years as OneCore struggled with calibrating the software, creating appropriate interfaces and then billing/collecting claims. This created several million dollars in lost revenue and difficulty tracking patient claims and accounts receivable during the transition. Due to implementation issues, the hospital could not effectively create patient statements to collect good patient accounts receivable, rendering many of these accounts uncollectible.

4. OneCore continued to fight to resolve billing system issues, and with the help of its management company, began to regain control over the revenue cycle in early 2024. From January through August 2024, the hospital produced break-even results and was beginning to turn the corner toward a pathway to profitability with new physician recruitment.

² The Press Ganey Guardian of Excellence Award® honors organizations that perform in the top 5% of healthcare providers and health plans for patient experience, employee engagement, physician experience, clinical quality performance or consumer experience in one year. Only 501 hospitals and health systems achieved this recognition out of over 10,000.

5. In early September 2024, a former patient obtained a significant jury verdict against the hospital relating to care provided by a physician in 2021. OneCore maintains that the evidence shows that the patient's ongoing injuries were unrelated to the accident. Notwithstanding this evidence, the former patient obtained a judgment in the amount of 15 million dollars, which exceeds the estimated enterprise value of the hospital. OneCore timely has appealed the judgment but was required to initiate this Chapter 11 Case to continue to operate its business, continue to employ its approximately 100 employees, and to maintain the enterprise value of Debtor's assets until a sale pursuant to section 363 of the Bankruptcy Code can be conducted.

6. As of the Petition Date, OneCore employs approximately 60 full-time and 40 contract, or part-time employees.

7. Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. Additional factual background relating to Debtor's business and the commencement of this Chapter 11 Case is set forth in detail in the McEntire Declaration.

Facts Specific to the Relief Requested

I. Overview

9. To facilitate the efficient operation of its business, Debtor operates an accounting and cash disbursement system to collect, transfer and disburse funds generated by its operations (the "Cash Management System"). The Cash Management System has been in place for six (6) years and is essential to the stability of Debtor's assets and business objectives, and to maximizing the value of its estate.

10. The Cash Management System is vital to Debtor's ability to conduct its daily operations, including receiving revenue and paying its vendors, employees, and stakeholders.

The Cash Management System provides significant benefits to Debtor including, among other things, the ability to control corporate funds, to ensure the availability of funds when necessary, and to reduce costs and administrative expenses by facilitating the movement of funds and developing timely and accurate account balance information.

11. Any disruption to the Cash Management System would have an immediate adverse impact on and cause irreparable harm to Debtor's business and would impair Debtor's ability to successfully administer this Chapter 11 Case. Being forced to change the Cash Management System would be a cumbersome process prone to error and the potential for misdirection of receipts. It would be time consuming, difficult, and costly for Debtor to establish an entirely new system of accounts and a new cash management system. The attendant delays from revising cash management procedures and redirecting receipts would create unnecessary pressure on Debtor and its employees while they work to meet the other administrative obligations imposed by chapter 11. Debtor will maintain records of all transfers within the Cash Management System to the same extent they were recorded by Debtor before the Petition Date. As a result, Debtor will be able to document and record the transactions occurring within the Cash Management System for the benefit of all parties in interest, including, without limitation, for purposes of preparing monthly operating reports pursuant to United States Trustee Guidelines.

12. Accordingly, to minimize the disruption caused by this Chapter 11 Case, maximize the value of Debtor's estate, and ensure the seamless operation of Debtor's business, and to realize the benefits of the Cash Management System, Debtor should be allowed to continue using the Cash Management System and should not be required to open new bank accounts. Thus, Debtor requests authority to continue to utilize its existing Cash Management System during the pendency of this Chapter 11 Case, subject to the terms described herein.

II. Debtor Bank Accounts

13. Debtor maintains bank accounts (individually, the “Bank Account,” collectively, the “Bank Accounts”) with BOKF, N.A. (“BOKF”)³. BOKF is an authorized depository pursuant to the *Western District of Oklahoma Authorized Depository Listing, Updated April 1, 2015* (the “Depository Listing”) created in furtherance of the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees* (the “U.S. Trustee Guidelines”). As an authorized depository, BOKF is party to a uniform depository agreement with the U.S. Trustee, and therefore Debtor believes that the Bank Accounts at BOKF will be collateralized in a manner consistent with the requirements of section 345 of the Bankruptcy Code.

14. Debtor estimates that its monthly cash receipt collections averaged approximately \$3,000,000 in the twelve (12) months prior to the Petition Date; however, this amount varies on a month-to-month basis. Because of the disruption to the business that would result if Debtor were forced to close its Bank Accounts and open new debtor-in-possession accounts, and the harm this could cause to Debtor’s efforts to quickly market and sell substantially all of its assets as a going concern for the benefit of its estate and creditors, it is critical that the existing Cash Management System remain in place.

15. In the ordinary course of business, Debtor incurs periodic service charges in the form of bank fees, credit card fees, and other fees in connection with the maintenance of the Cash Management System (collectively, the “Bank Fees”), which average approximately \$19,000

³ As referred to herein, BOKF is a “Cash Management Bank”). The relief sought herein is intended to be applicable to BOKF, in its capacity as a Cash Management Bank and to any other banks at which Debtor now or in the future maintains a Bank Account, each such bank, collectively constituting the “Cash Management Banks.” Thus, for the avoidance of doubt, relief sought in favor of BOKF as a Cash Management Bank is sought for all Cash Management Banks to the extent set forth in the Proposed Interim Order.

per month. The Bank Fees for each month are paid in arrears and are automatically deducted from Debtor's Bank Accounts as they are assessed. Debtor does not believe it owes BOKF any amount related to Bank Fees as of the Petition Date. However, out of an abundance of caution and to maintain the integrity of its Cash Management System, it is necessary and appropriate for the Court to grant Debtor authority to pay prepetition Bank Fees, in addition to any other Bank Fees for prepetition transactions that are charged postpetition, and to continue to pay the Bank Fees in the ordinary course of business.

III. Compliance with the Bankruptcy Code and Certain U.S. Trustee Guidelines

16. Section 345 of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." For deposits or investments 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 the estate to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or "the deposit of securities of the kind specified in section 9303 of title 31," unless the Court "for cause" orders otherwise. 11 U.S.C. § 345(a)-(b).

17. To comply with section 345 of the Bankruptcy Code, the U.S. Trustee generally requires chapter 11 debtors to, among other things, deposit all estate funds into an account with an authorized depository that agrees to comply with certain requirements set by the U.S. Trustee in accordance with the Region 20 Guidelines for Debtors-in-Possession (the "U.S. Trustee Guidelines").

18. For the reasons set forth in paragraph 14 above, Debtor believes the Bank Accounts comply with section 345(b) of the Bankruptcy Code. Consequently, Debtor requests that, to the extent any further U.S. Trustee Guidelines might require a change in Bank Accounts, such Guidelines be waived by the Court.

19. Debtor believes it can maintain the Bank Accounts without jeopardizing any parties in interest. Requiring Debtor to transfer the Bank Accounts to new accounts or for the Bank Accounts to post a bond would place a needless administrative burden on Debtor and likely impose unnecessary costs on Debtor's estate. Accordingly, Debtor respectfully submits that cause exists to continue to allow Debtor to utilize its existing Bank Accounts, subject to any reasonable changes Debtor may implement to its Cash Management System.

IV. Compliance with U.S. Trustee Guidelines as to Business Forms

20. Debtor uses a variety of preprinted business forms, including checks, letterhead, correspondence forms, invoices, and other business forms, in the ordinary course of business (collectively, the "Business Forms"). Debtor also maintains books and records to document its financial results and a wide array of operating information, including its profits and expenses. To avoid potential distraction and unnecessary expense to its estate, Debtor requests authorization to continue using all Business Forms in existence before the Petition Date, without reference to Debtor's status as chapter 11 debtor in possession, rather than requiring Debtor to incur the expense and delay of ordering new Business Forms as required by U.S. Trustee Guidelines. Debtor submits that once it has exhausted its existing stock of Business Forms, it will ensure that any new Business Forms are clearly labelled "Debtor in Possession," and, with respect to any Business Forms that exist or are generated electronically, Debtor shall ensure that such electronic Business Forms are clearly labelled "Debtor in Possession."

Jurisdiction

21. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 of the Bankruptcy Code and rule 81.4(a) of the Local Civil Rules of the United States District Court for the Western District of Oklahoma. This matter concerns administration of this bankruptcy estate; accordingly, this is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A). Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409. Debtor consents to the entry of a final order or judgment 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.

Relief Requested

22. By this Motion, Debtor seeks entry of the Proposed Interim and Final Order, pursuant to sections 105(a), 345, 363(c)(1), and 503(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(h) (i) authorizing but not directing Debtor to continue to operate its Cash Management System, including maintaining its Bank Accounts and Business Forms, and to honor certain prepetition obligations relating thereto, and (ii) granting related relief. Without the requested relief, Debtor submits that it would be unable to conduct its business operations effectively and efficiently, which would cause significant harm, not only to Debtor and its estate, but also to the patients it serves.

Basis for Relief

I. Maintaining the Existing Cash Management System is Essential to Debtor's Operations and Marketing Efforts.

23. The U.S. Trustee Guidelines require debtors in possession to, among other things: (a) close all existing bank accounts and open new debtor in possession bank accounts; (b) establish one debtor in possession bank account for all estate monies required for payment of taxes,

including payroll taxes; and (c) use new business forms indicating Debtor-in-possession status of the chapter 11 debtor, including checks that bear the designation “debtor in possession” and reference the bankruptcy case number. *See* U.S. Trustee Guidelines.

24. These requirements are intended to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent the inadvertent payment of prepetition claims. Considering, however, that Debtor previously experienced substantial losses and inefficiencies when migrating to their present Cash Management System and such difficulties have now been overcome, and further, that Debtor plans an expedient sale of substantially all of its assets, which will require, for its success, meticulous record-keeping and concomitant provision of access to potential purchasers, enforcement of these provisions of the U.S. Trustee Guidelines during this Chapter 11 Case would severely disrupt Debtor’s operations. Accordingly, Debtor respectfully requests that the Court allow it to operate its prepetition Bank Accounts as they were maintained in the ordinary course of business before the Petition Date.

25. Continuation of the Cash Management System is permitted pursuant to section 363 of the Bankruptcy Code, which authorizes the debtor in possession to “use property of the estate in the ordinary course without notice or a hearing.” 11 U.S.C. § 363(c)(1). Bankruptcy courts routinely treat requests for authority to continue utilizing existing cash management systems as a relatively “simple matter.” *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). Additionally, courts have noted that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 997 F.2d 1039 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit emphasizes that requiring a debtor

to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (noting that maintaining an existing cash management system allows debtors “to administer more efficiently and effectively its financial operations and assets”). Maintaining the current Cash Management System will facilitate Debtors’ transition into chapter 11 by, among other things, minimizing delays in paying postpetition debts and eliminating administrative inefficiencies.

26. Debtor respectfully submits that parties in interest will not be harmed by its continued use of the present Cash Management System, including maintenance of the Bank Accounts, because Debtor has appropriate mechanisms to ensure that unauthorized payments will not be made on account of prepetition obligations. Specifically, with the assistance of its advisors, and particularly through the appointment of a Chief Restructuring Officer who shall maintain oversight of payments made by Debtor postpetition, Debtor has implemented internal control procedures that prohibit payments on account of prepetition debts without the prior approval of this Court and the CRO. In light of such protective measures, Debtor submits that maintaining the Cash Management System is in the best interest of Debtor’s estate and creditors.

27. Accordingly, Debtor respectfully requests that the Court authorize the continued use of the existing Cash Management System to facilitate Debtor’s transition into chapter 11. Specifically, Debtor respectfully requests that the Court authorize BOKF to continue to maintain, service, and administer the Bank Accounts as accounts of Debtor as debtor in possession, without interruption in the ordinary course of business. In this regard, BOKF should be authorized to receive, process, honor, and pay any and all checks, credit card payments, ACH transfers and other instructions, and drafts payable through, drawn, or directed on such Bank

Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto. Notwithstanding the foregoing, any check, draft, or other notification that Debtor advises BOKF to have drawn, issued, or otherwise presented before the Petition Date may be honored by BOKF only to the extent authorized by order of the Court. If Debtor's ability to conduct transactions by these methods is impaired, Debtor may be unable to perform under certain contracts, and payments to vendors could be delayed, resulting in unnecessary disruption to their business operations and the incurrence of additional costs.

28. Debtor further requests that the Court authorize BOKF to accept and honor all representations from Debtor as to which checks, drafts, wires, or ACH transfers should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated before or subsequent to the Petition Date. Debtor also requests that, to the extent BOKF honors a prepetition check or other item drawn on any account either (a) at the direction of Debtor, (b) in a good-faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake made despite implementation of reasonable customary item handling procedures, BOKF will not be deemed liable to Debtor, its estate, or any other party on account of such prepetition check or other item honored postpetition. Debtor respectfully submits that such relief is reasonable and appropriate because BOKF is not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise.

II. The Court Should Authorize Debtor to Pay Prepetition Amounts Owed on Account of the Cash Management System, Including Bank Fees.

29. Debtor's funds move through the Cash Management System as described above and, at any given time, there may be prepetition amounts outstanding on account of the Cash Management System such as Bank Fees. Any non-payment of prepetition amounts owed could

cause serious disruptions to Debtor's estate. As such, Debtor respectfully requests that the Court authorize Debtor to pay any prepetition amounts owed in connection with the Cash Management System.

30. Debtor's continued use of the Cash Management System, including payment of Bank Fees will facilitate its transition into chapter 11 by, among other things, avoiding administrative inefficiencies and expenses and minimizing delays in the payment of postpetition amounts due. As described above, Debtor pays Bank Fees to BOKF to facilitate the use of the Bank Accounts. Non-payment of these fees could cause disruption to its Cash Management System. Any non-payment of prepetition amounts due in connection with the Cash Management System would severely disrupt Debtor's operations to the detriment of Debtor and its estate.

31. Accordingly, Debtor respectfully submits that a sound business purpose exists to authorize payment of prepetition amounts due in connection with the Cash Management System, including Bank Fees.

III. The Court Should Authorize Debtor to Continue Using the Business Forms.

32. To avoid disruption of the Cash Management System and unnecessary expense, Debtor requests that it be authorized to continue to use its Business Forms, substantially in the form existing immediately before the Petition Date, without reference to its status as debtor in possession. Debtor submit that parties in interest will not be prejudiced by this relief. Parties doing business with Debtor undoubtedly will be aware of its status as debtor in possession and, thus, changing forms is unnecessary and unduly burdensome. Moreover, Debtor submit that once it has exhausted its existing stock of Business Forms, it will ensure that any new Business Forms are clearly labelled "Debtor in Possession," and with respect to any Business Forms that exist or

are generated electronically, Debtor shall ensure that such electronic Business Forms are clearly labelled “Debtor in Possession,” all pursuant to the U.S. Trustee Guidelines.

IV. Cause Exists to Suspend Application of the Requirements of Section 345 of the Bankruptcy Code and the U.S. Trustee Guidelines to the Cash Management System.

33. As discussed above, section 345(a) of the Bankruptcy Code authorizes deposits of money as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” For deposits or investments 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 of the Bankruptcy Code requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or “the deposit of securities of the kind specified in section 9303 of title 31,” unless the court “for cause” orders otherwise. 11 U.S.C. § 345(a)–(b).

34. A court may relieve a debtor-in-possession of the restrictions imposed by section 345(b) for “cause.” See 11 U.S.C. § 345(b). In determining whether “cause” exists for waiver of the investment, deposit and reporting requirements of section 345(b), the Court should consider the “totality of the circumstances,” utilizing the following factors:

- (a) the sophistication of the debtor’s business;
- (b) the size of the debtor’s business operations;
- (c) the amount of the investments involved;
- (d) the bank ratings (Moody’s and Standard and Poor’s) of the financial institutions where debtor-in-possession funds are held;
- (e) the complexity of the case;
- (f) the safeguards in place within the debtor’s own business of insuring the safety of the funds;
- (g) the debtor’s ability to reorganize in the face of a failure of one or more of the financial institutions;
- (h) the benefit to the debtor;
- (i) the harm, if any, to the estate; and

- (j) the reasonableness of the debtor's request for relief from section 345(b) requirements in light of the overall circumstances of the case.

In re Serv. Merchandise Co., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

35. Debtor believes that the Bank Accounts comply with section 345 of the Bankruptcy Code. Out of an abundance of caution, to the extent the Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code, Debtor submits that cause exists to suspend the U.S. Trustee Guidelines for an interim period of 45 days (the next business day after 45 days expires), without prejudice to Debtor's ability to seek further extensions, to the extent applicable to the Cash Management System.

V. Processing of Checks and Electronic Funds Transfers Should be Authorized.

36. Debtor has sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. Under Debtor's existing Cash Management System, Debtor can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. Debtor does not believe that checks or wire transfer requests, other than those relating to authorized payments, will be honored inadvertently. Debtor respectfully requests that the Court authorize and direct BOKF, when requested by Debtor, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

37. Similar relief to that requested by this Motion has been granted in this district. *See, e.g., In re White Star Petroleum Holdings, LLC*, No. 19-12521 (Bankr. W.D. Okla., May 29, 2019) (ECF No. 35); *In re Central Oklahoma United Methodist Retirement Facility, Inc.*, Case No. 23-12607 (Bankr. W.D. Okla., Nov. 6, 2023) (Doc. 189); *In re Paul Transportation, Inc.*,

Case No. 10-13022 (Bankr. W.D. Okla., May 21, 2010) (ECF No. 42); *In re Harold's Stores, Inc.*, Case No. 08-15027 (Bankr. W.D. Okla., November 10, 2008) (ECF No. 41).

The Requirements of Bankruptcy Rule 6003(b) Are Satisfied

38. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. For the reasons discussed above, authorizing Debtor to continue to operate its Cash Management System, honor certain prepetition obligations related thereto, and maintain existing Business Forms in the ordinary course of business, consistent with historical practice is integral to Debtor’s ability to transition its operations into this Chapter 11 Case smoothly. Failure to receive such authorization and other relief during the first 21 days of this Chapter 11 Case would severely disrupt Debtor’s operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for Debtor to operate its business in the ordinary course, preserve the going concern value of Debtor’s operations, and maximize the value of its estate for the benefit of all stakeholders. Accordingly, Debtor submits that it has satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

39. To implement the foregoing successfully, Debtor requests that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) or otherwise waiving such notice requirements. Debtor further seeks a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” As set forth above, allowing

Debtor to maintain its current Cash Management System is necessary to prevent irreparable harm to Debtor's business operations. Accordingly, Debtor submits that ample cause exists to justify a waiver of the fourteen (14) day stay imposed by Bankruptcy Rule 6004(h).

Reservation of Rights

40. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of Debtor's or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of Debtor's estate; (g) a waiver or limitation of Debtor's, or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by Debtor that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of Debtor's or any other party in interest's rights to subsequently dispute such claim.

Notice

41. No creditors' committee, trustee, or examiner has been appointed in this Chapter 11 Case. Notice of this Motion shall be provided to: (a) the United States Trustee for the Western District of Oklahoma (the "U.S. Trustee"); (b) the United States Attorney's Office for the Western District of Oklahoma; (c) the Internal Revenue Service; (d) counsel to BOKF; (e) the parties identified on Debtor's list of 20 largest unsecured creditors; and (f) any other party that has requested notice pursuant to Bankruptcy Rule 2002. Debtor submits that, in light of the nature of the relief requested, no other or further notice need be provided.

Conclusion

WHEREFORE, Debtor respectfully requests that this Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: October 7, 2024

Respectfully submitted,

ONECORE

/s/Craig M. Regens

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Proposed Counsel to Debtor

Exhibit 1

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

<p>In re</p> <p>HOSPITAL FOR SPECIAL SURGERY, LLC</p> <p><i>Db</i>a ONECORE HEALTH,</p> <p style="text-align: right;">Debtor.</p>	X : : : : : : : : : : X	<p>Chapter 11</p> <p>Case No. 24-12862-JDL</p>
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**INTERIM ORDER, PURSUANT TO 11 U.S.C. §§ 105, 345, 363, 364, AND 503,
AUTHORIZING DEBTOR TO CONTINUE (I) TO OPERATE ITS CASH
MANAGEMENT SYSTEM, MAINTAIN EXISTING BANK ACCOUNTS AND
BUSINESS FORMS, AND (II) GRANTING RELATED RELIEF**

This matter is before the Court on the Motion dated October 7, 2024 (the “Motion”)⁴ of Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or the “Debtor”) in the above-referenced chapter 11 case (the “Chapter 11 Case”), for entry of an interim order (this “Interim Order”) and a final order (“Final Order”), under sections 105, 345, 363, 364, and 503 of title 11 of

⁴ All defined terms shall have the meaning ascribed to them in the Motion unless otherwise defined herein.

the United States Code, 11 U.S.C. §§ 101 – 1532 (as amended, the “Bankruptcy Code”), and rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 9013-1 of the Local Rules for the United States Bankruptcy Court for the Western District of Oklahoma (the “Local Bankruptcy Rules”) authorizing Debtor to (i) continue to operate its cash management system, maintain existing bank accounts and existing business forms, and (ii) granting related relief; and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and rule 81.4 of the Local Civil Rules of the United States District Court for the Western District of Oklahoma; and venue of this chapter 11 case and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that the Motion was filed on October 7, 2024, and served on or before October 7, 2024 and that the response deadline to the Motion expired on October 9, 2024; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Bankruptcy Rules of the United States Bankruptcy Court for the Western District of Oklahoma, and that, except as otherwise ordered herein, no other or further notice is necessary; and a hearing having been held to consider the relief requested in the Motion and upon the record of the hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of Debtor, its estate, its creditors and all other parties-in-interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.
2. Except to the extent set forth herein, Debtor is authorized, but not directed, to (a) continue operating its Bank Accounts and associated Cash Management System in the ordinary course of business and consistent with Debtor's historical practice, substantially as described in the Motion, provided that the Debtor's use of Cash Collateral shall be solely in accordance with the Approved Budget and the Interim Cash Collateral Order; (b) honor its prepetition obligations related to the Cash Management System in the ordinary course of business and consistent with Debtor's historical practice; and (c) maintain, existing Business Forms as set forth herein.
3. In connection with the ongoing utilization of the Cash Management System, Debtor shall continue to maintain records with respect to all transfers, so that all of Debtor's transactions may be readily ascertainable, traced, recorded properly, and distinguished between prepetition and postpetition transfers.
4. Debtor is authorized, but not directed, to: (a) designate, maintain, close, and continue to use on an interim basis its existing Bank Accounts, in the names and with the account numbers existing immediately before the Petition Date; (b) deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits; (c) treat its prepetition Bank Accounts for all purposes as debtor in possession accounts; and (d) only open new debtor in possession bank accounts at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or banks that are willing to execute one.
5. Debtor is authorized, but not directed, to continue using, its their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date; *provided* that once Debtor has exhausted its existing stock

of Business Forms, it shall ensure that any new Business Forms are clearly labeled “Debtor in Possession.” To the extent Debtor prints any new checks or uses any electronic Business Forms, they will include the designation “Debtor in Possession” and the corresponding bankruptcy number on all such checks.

6. BOKF is authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtor as debtor in possession, without interruption and in the ordinary course of business, and to receive, process, honor and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

7. To the extent any of the Debtor Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or with any U.S. Trustee Guidelines, the Court finds that cause exists to suspend the requirement of Debtor’s compliance therewith for an interim period of 45 days (the next business day after 45 days expires), without prejudice to Debtor’s ability to seek further extensions, to the extent applicable to the Cash Management System.

8. Debtor is authorized to open any new bank accounts and close any of the Bank Accounts as Debtor may deem necessary and appropriate; provided, however, that prior to opening any new bank accounts or closing any of the Bank Accounts, Debtor gives notice within fifteen (15) days to the U.S. Trustee; *provided, further*, however, that Debtor shall open any such new Bank Account at banks that that have executed a Uniform Depository Agreement with the U.S. Trustee, or at such banks that are willing to immediately execute such an agreement.

9. The relief granted in this Interim Order is extended to any new bank account opened by Debtor in the ordinary course of business after the date hereof, which account shall be deemed

a “Bank Account,” and to the bank at which such account is opened, which bank shall be deemed a “Cash Management Bank.”

10. Subject to the terms set forth herein, any bank, including, without limitation, BOKF, may rely upon the representations of Debtor with respect to whether any check, draft, wire, payment, or other transfer drawn or issued by Debtor prior to the Petition Date should be honored pursuant to any order of this Court, and no bank that honors any such prepetition payment drawn on any account that is the subject of this Interim Order (a) at the direction of Debtor, (b) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of a mistake made despite implementation of reasonable customary handling procedures, shall be deemed to be nor shall be liable to Debtor, its estate, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Interim Order.

11. All banks maintaining any of the Bank Accounts, including, without limitation, BOKF, that are provided with notice of this Interim Order shall not honor or pay any bank payments drawn on the Bank Accounts or otherwise issued before the Petition Date for which Debtor specifically issues stop payment orders in accordance with the documents governing such Bank Accounts.

12. Debtor’s Cash Management Banks are authorized to debit Debtor’s accounts in the ordinary course of business without the need for further order of this Court for all checks drawn on Debtor’s account; *provided* that no checks issued against Debtor prior to the commencement of this Chapter 11 Case shall be honored except as authorized by order of this Court and directed by Debtor.

13. The Cash Management Banks are authorized, without further order of this Court, to charge back to the appropriate accounts of Debtor any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

14. Any banks, including the Cash Management Banks, are further authorized to honor Debtor's direction with respect to the opening and closing of any Bank Account and accept and hold Debtor's funds in accordance with Debtor's instructions; *provided* that the Cash Management Banks shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

15. Nothing contained in the Motion or this Interim Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of Debtor that did not exist as of the Petition Date or (b) alter or impair the validity, priority, enforceability, or perfection of any security interest or lien, in favor of any person or entity, that existed as of the Petition Date.

16. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on Debtor's designation of any particular check or electronic payment request as approved by this Interim Order.

17. Debtor is authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are

dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts that are authorized to be paid under an order of this Court.

18. Notwithstanding the relief granted in this Interim order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of Debtor's or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of Debtor's estate; (g) a waiver or limitation of Debtor's, or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (h) a concession by Debtor that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

19. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the Credit Facility Documents as defined in the Interim Cash Collateral Order, or any subsequent or final Cash Collateral Order entered by the Court. For the avoidance of doubt, the Cash Collateral Orders control.

20. For Cash Management Banks at which Debtor holds Bank Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, as soon as possible after the date of

entry of this Order, Debtor shall (a) contact each Cash Management Bank, (b) provide the Cash Management Bank with Debtor's employer identification number and (c) identify each of its Bank Account held at such Cash Management Banks as being held by a debtor in possession in a bankruptcy case, and provide the case number.

21. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2024, at __:__.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before __:__.m., prevailing Central Time on _____, 2024. Objections must be filed and served on: (i) proposed counsel to Debtor, Crowe & Dunlevy, Braniff Building, 324 N. Robinson Ave., Suite 100, Oklahoma City, OK 73102, Attn: William H. Hoch (will.hoch@crowedunlevy.com) and Craig M. Regens (craig.regens@crowedunlevy.com); (ii) the Office of the United States Trustee for the Western District of Oklahoma, 215 Dean A. McGee Ave., Room 408, Oklahoma City, OK 73102, Attn: Marjorie Creasey (Marjorie.Creasey@usdoj.gov) and Jeff Tate (Jeff.Tate@usdoj.gov); (iii) counsel to BOKF, Frederic Dorwart, Lawyers PLLC, 124 E. 4th St., Tulsa, OK 74103, Attn: Samuel S. Ory (Sory@fdlaw.com); and (iv) counsel to any statutory committee appointed in this Chapter 11 Case. If no objections are filed to the Motion, the Court may enter a Final Order without further notice or a hearing.

22. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief request set forth in this Interim Order is necessary to avoid immediate and irreparable harm to the estate.

23. As soon as practicable after entry of this Interim Order, Debtor shall serve a copy of this Interim Order on the Cash Management Banks.

24. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim order are immediately effective upon its entry.

25. Debtor is authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

26. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

27. Findings of fact are based on representations of counsel.

28. Debtor shall serve this Order on parties in interest appearing on the Distribution Service List in accordance with, and as such term is defined in, the *Order Authorizing Limited Notice and Establishing Notice Procedures* [Dkt. No. 9].

IT IS SO ORDERED.

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Approved for Entry:

ONECORE

/s/ Craig M. Regens

William H. Hoch, OBA #15788

Craig M. Regens, OBA #22894

Mark A. Craige, OBA #1992

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