

Dated: October 10, 2024

The following is ORDERED:



Janice D. Loyd
U.S. Bankruptcy Judge

**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	

INTERIM ORDER GRANTING DEBTOR’S EMERGENCY MOTION FOR ORDER UNDER 11 U.S.C. §§ 105, 363 AND 507, (I) AUTHORIZING PAYMENT OF PREPETITION EMPLOYEE OBLIGATIONS AND RELATED AMOUNTS, (II) CONFIRMING RIGHT OF DEBTOR TO CONTINUE EMPLOYEE PROGRAMS ON POSTPETITION BASIS, AND (III) CONFIRMING RIGHT OF DEBTOR TO PAY WITHHOLDING AND PAYROLL-RELATED TAXES

This matter is before the Court on the Motion dated October 7, 2024 (the “Motion”)¹ 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, 363 and 507 of

¹ All defined terms shall have the meaning ascribed to them in the Motion unless otherwise defined herein.



title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), authorizing Debtor to (i) pay prepetition employee obligations and related amounts, (ii) confirming Debtor’s right to continue employee programs (the “Employee Benefits”) on a postpetition basis, (iii) confirming right of Debtor to pay withholding and payroll-related taxes; and (iv) directing banks to honor prepetition checks for employee obligations; 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to the Motion expired at 12:00 p.m. Central Time on October 9, 2024; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits²; and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been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;

² The only timely objection to the Motion was filed by the U.S. Trustee. *See Limited Objection of United States Trustee* [Dkt. No. 26]. The U.S. Trustee consents to the entry of this Interim Order.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.
2. Debtor is authorized to continue and or modify the Employee Obligations on a postpetition basis, in the ordinary course of business, in accordance with the Debtor's prepetition policies and practices, and, in Debtor's discretion, to pay and honor prepetition amounts related thereto; *provided, however*, that (a) no payment to any Employee on account of prepetition wages shall exceed, in the aggregate, the \$15,150.00 statutory cap provided for under section 507(a)(4) of the Bankruptcy Code unless such amounts are a result of cash payment for PTO that is required under applicable state law and (b) provided that the Debtor's continuation and modification of the Employee Obligations shall be solely in accordance with the Approved Budget and the Interim Cash Collateral Order. For the avoidance of doubt, in the event of a conflict between this Interim Order and the Interim Cash Collateral Order, the Interim Cash Collateral Order shall control.
3. Nothing herein shall be deemed to authorize the payment of any amounts which violate or implicate section 503(c) of the Bankruptcy Code, including any bonus, incentive, retention, or severance payments to any "insider" as defined in section 101(31) of the Bankruptcy Code, *provided*, that nothing herein shall prejudice Debtor's ability to seek approval of relief under section 503(c) of the Bankruptcy Code at a later time.
4. 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 the 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.

5. The U.S. Trustee reserves its arguments and objections with respect to entry of the Final Order, whether or not such arguments or objections were raised in the U.S. Trustee Limited Objection. In reliance upon its reservation of rights, to which Debtor consents, the U.S. Trustee consents to entry of this Interim Order.

6. The final hearing (the "Final Hearing") on the Motion shall be held on November 7, 2024, at 10:00 a.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 12:00 p.m., prevailing Central Time on November 1, 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.

7. 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.

8. Notwithstanding the relief granted in this Interim Order, any payment made or to be made by Debtor pursuant to the authority granted herein shall be subject to and in compliance with the Approved Budget and in accordance with the Interim Cash Collateral Order.

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

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

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

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

13. 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*.

IT IS SO ORDERED.

###

Approved for Entry:

ONECORE

/s/Craig M. Regens

William H. Hoch, OBA #15788
Craig M. Regens, OBA #22894
Mark A. Craige, OBA #1992
Kaleigh Ewing, OBA #35598
-Of the Firm-
CROWE & DUNLEVY
A Professional Corporation
Braniff Building
324 N. Robinson Ave., Suite 100
Oklahoma City, OK 73102-8273
(405) 235-7700
will.hoch@crowedunlevy.com
craig.regens@crowedunlevy.com
mark.craige@crowedunlevy.com
kaleigh.ewing@crowedunlevy.com

Proposed Counsel to Debtor

**ILENE J. LASHINSKY
UNITED STATES TRUSTEE**

s/ Jeffrey E Tate

**Jeffrey E. Tate, OBA # 17150
Department of Justice, US Trustee
215 Dean A. McGee Ave., Fourth Floor
Oklahoma City, OK 73102
(202) 203-5228/(405) 231-5958 [fax]
Jeff.Tate@usdoj.gov**