



*Frank W. Volk*  
Frank W. Volk  
United States District Judge

**Dated: January 15th, 2020**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA**

<p><b>In re:</b></p> <p><b>THOMAS HEALTH SYSTEM, INC., et al.</b></p> <p><b>Debtors<sup>1</sup></b></p>	<p>Chapter 11</p> <p>Case No. 20-20007 (FWV)</p> <p>(Jointly Administered)</p> <p>Related to Docket No. 6</p>
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**INTERIM ORDER: (A) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION (I) WAGES, SALARIES AND OTHER COMPENSATION, (II) REIMBURSABLE EMPLOYEE EXPENSES, AND (III) EMPLOYEE MEDICAL AND SIMILAR BENEFITS; (B) CONFIRMING THAT THE DEBTORS MAY CONTINUE PREPETITION EMPLOYEE PROGRAMS AND PAY EMPLOYEES IN THE ORDINARY COURSE OF BUSINESS; AND (C) DIRECTING BANKS AND OTHER FINANCIAL INSTITUTIONS TO HONOR ALL RELATED CHECKS AND ELECTRONIC PAYMENT REQUESTS**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors (collectively, the “Debtors”) for the entry of interim and final orders: (a) authorizing the Debtors to pay certain prepetition (I) wages, salaries, bonuses, and other compensation, (II) reimbursable employee expenses, and (III) employee medical and similar benefits; (B) confirming the Debtors may continue prepetition employee programs and pay employees in the ordinary course of business; and (C) directing banks and other financial institutions to honor all related checks and electronic payment requests, it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; the Court having jurisdiction to consider the

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Thomas Health System, Inc. (0674); Herbert J. Thomas Memorial Hospital Association (4900); Charleston Hospital, Inc. (2692); and THS Physician Partners, Inc. (5947).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion

Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to honor and pay the Employee Obligations in accordance with the Debtors' stated policies and prepetition practices, including, but not limited to, prepetition amounts owed in connection with Unpaid Compensation and Uncashed Checks subject to paragraph 6 herein.
3. The Debtors are authorized, but not directed, to continue to allocate and distribute the Deductions and the Payroll Taxes in accordance with the Debtors' stated policies and prepetition practices.
4. The Debtors are authorized, but not directed, to pay, upon entry of this Interim Order, the Reimbursable Expenses up to an aggregate amount of \$100,000 in accordance with the Debtors' stated policies and prepetition practices; provided, however, that for Reimbursable Expenses in excess of an aggregate of \$100,000, the Debtors will consult with the Bond Trustee and, absent consent from the Bond Trustee, shall not pay Reimbursable Expenses in excess of an aggregate of \$100,000 absent further order from this Court.
5. The Debtors are authorized, but not directed, to honor the Employee Benefit Programs, make any necessary contributions to such programs, and pay any unpaid premium, claim, or amount owed as of the Petition Date, including, but not limited to, honoring; (a) the

Medical Plans and Dental Plan; (b) the Workers' Compensation Program; (c) PTO (including vacation time), Paid Time, Leaves of Absence; (d) Tuition Reimbursement Program; (e) Life Insurance and Supplemental Life Insurance; (f) Long Disability Benefits and Short-Term Disability Benefits; (g) Flexible Benefit Plan; and (h) 401K Plan.

6. For the avoidance of doubt, no individual Employee, other than a physician Employee, shall receive any payment hereunder in excess of the cap imposed by Sections 507(a)(4) and (a)(5), as applicable.

7. In accordance with this Interim Order and any other order of this Court, the Debtors are authorized, but not directed, to pay all processing fees associated with, and all costs incident to, payment of the Employee Obligations, Uncashed Checks, Unpaid Compensation, Employee Benefit Programs and the Reimbursable Expenses.

8. The Debtors may, in their sole discretion, continue their prepetition Employee Benefit Programs in the ordinary course of business and pay any amounts owed with respect thereto in the ordinary course of business.

9. 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 and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and that all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

10. The Debtors are authorized to re-issue any check or electronic payment that originally was given in payment of any prepetition amount authorized to be paid under this Interim Order and is not cleared by the applicable bank or other financial institution.

11. The Debtors are authorized, but not directed, to continue to employ and compensate their Executives post-petition in the ordinary course of business and in accordance with the Debtors' policies and prepetition practices.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion. Authorizations given in this Interim Order empower, but do not direct, the Debtors to effectuate any of the payments specified herein.

13. The Final Hearing shall be held on February 19, 2020 at 1:30p.m. (prevailing Eastern Time). Any objections or responses to entry of the proposed Final Order shall be filed with the Clerk of this Court on or before 4:00 p.m. (prevailing Eastern Time) on February 12, 2020, and served on the following parties: (a) the Office of the United States Trustee, 300 Virginia Street East, Room 2025, Charleston, West Virginia 25301; (b) proposed counsel to the Debtors, Whiteford Taylor & Preston, LLP, 200 First Avenue, Third Floor, Pittsburgh, PA 15222, Attn: Michael J. Roeschenthaler, Esq. ([mroeschenthaler@wtplaw.com](mailto:mroeschenthaler@wtplaw.com)); (c) proposed co-counsel for the Debtors, Frost Brown Todd, LLC, 500 Virginia Street East, Suite 1100, Charleston, WV 25301, Attn: Jared M. Tully, Esq. ([jtully@fbtlaw.com](mailto:jtully@fbtlaw.com)); and (d) counsel to any official committee appointed in these cases.

14. In the event no objections to entry of the proposed Final Order are timely received, the Court may enter the proposed Final Order without need for the final hearing.

15. 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 regarding the validity or amount of any claim against the Debtors; (b) a waiver of the Debtors' rights to subsequently dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d)

a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (e) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law.

16. Notwithstanding the relief granted in this Interim Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and limited by any orders in the Chapter 11 Cases authorizing the use of cash collateral and the budget described therein.

17. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

18. The notice of the relief requested in the Motion satisfies Bankruptcy Rule 6004(a) and, pursuant to Bankruptcy Rule 6004(h), the terms and provisions of this Interim Order shall be immediately effective and enforceable upon its entry.

19. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

Presented By:

/s/ Jared M. Tully

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*Proposed Counsel to the Debtors and Debtors-in-Possession*

10398412

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA

<b>In re:</b>  <b>THOMAS HEALTH SYSTEM, INC., <u>et al.</u></b>  <b><del>Debtor.</del> <u>Debtors</u><sup>1</sup></b>	Chapter 11  Case No. 20-20007 (FWV)  <del>(Joint Administration Requested)</del> <u>Jointly Administered</u>  <u>Related to Docket No. 6</u>
<b><del>In re:</del></b>  <b><del>HERBERT J. THOMAS MEMORIAL HOSPITAL ASSOCIATION,</del></b>  <b><del>Debtor.</del></b>	<del>Chapter 11</del>  <del>Case No. 20-20008 (FWV)</del> <del>(Joint Administration Requested)</del>
<b><del>In re:</del></b>  <b><del>CHARLESTON HOSPITAL, INC.,</del></b>  <b><del>Debtor.</del></b>	<del>Chapter 11</del>  <del>Case No. 20-20009 (FWV)</del> <del>(Joint Administration Requested)</del>
<b><del>In re:</del></b>  <b><del>THS PHYSICIAN PARTNERS, INC.,</del></b>  <b><del>Debtor.</del></b>	<del>Chapter 11</del>  <del>Case No. 20-20010 (FWV)</del> <del>(Joint Administration Requested)</del>

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**AND OTHER FINANCIAL INSTITUTIONS TO HONOR ALL RELATED  
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6. For the avoidance of doubt, no individual Employee, other than a physician Employee, shall receive any payment hereunder in excess of the cap imposed by Sections 507(a)(4) and (a)(5), as applicable.

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13. The Final Hearing shall be held on \_\_\_\_\_, 2020 at \_\_\_\_m. (prevailing Eastern Time). Any objections or responses to entry of the proposed Final Order shall be filed with the Clerk of this Court on or before 4:00 p.m. (prevailing Eastern Time) on \_\_\_\_\_.  
\_\_\_\_ 2020, and served on the following parties: (a) the Office of the United States Trustee, 300

Virginia Street East, Room 2025, Charleston, West Virginia 25301; (b) proposed counsel to the Debtors, Whiteford Taylor & Preston, LLP, 200 First Avenue, Third Floor, Pittsburgh, PA 15222, Attn: Michael J. Roeschenthaler, Esq. ([mroeschenthaler@wtplaw.com](mailto:mroeschenthaler@wtplaw.com)); (c) proposed co-counsel for the Debtors, Frost Brown Todd, LLC, 500 Virginia Street East, Suite 1100, Charleston, WV 25301, Attn: Jared M. Tully, Esq. ([jtully@fbtlaw.com](mailto:jtully@fbtlaw.com)); and (d) counsel to any official committee appointed in these cases.

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~~/s/ Brandy M. Rapp—Jared M. Tully~~  
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Description	Revised Interim Wage Order #10398412 v2
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Padding cell	

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Deletions	29
Moved from	12
Moved to	12
Style change	0
Format changed	0
Total changes	70





**Notice Recipients**

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Case: 2:20-bk-20007

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