

IN THE CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT
IN AND FOR HILLSBOROUGH COUNTY, FLORIDA
CIVIL DIVISION

In re:

Laser Spine Institute, LLC. ¹	Case No. 2019-CA-2762
CLM Aviation, LLC	Case No. 2019-CA-2764
LSI HoldCo, LLC	Case No. 2019-CA-2765
LSI Management Company, LLC	Case No. 2019-CA-2766
Laser Spine Surgery Center of Arizona, LLC	Case No. 2019-CA-2767
Laser Spine Surgery Center of Cincinnati, LLC	Case No. 2019-CA-2768
Laser Spine Surgery Center of Cleveland, LLC	Case No. 2019-CA-2769
Laser Spine Surgical Center, LLC	Case No. 2019-CA-2770
Laser Spine Surgery Center of Pennsylvania, LLC	Case No. 2019-CA-2771
Laser Spine Surgery Center of St. Louis, LLC	Case No. 2019-CA-2772
Laser Spine Surgery Center of Warwick, LLC	Case No. 2019-CA-2773
Medical Care Management Services, LLC	Case No. 2019-CA-2774
Spine DME Solutions, LLC	Case No. 2019-CA-2775
Total Spine Care, LLC	Case No. 2019-CA-2776
Laser Spine Institute Consulting, LLC	Case No. 2019-CA-2777
Laser Spine Surgery Center of Oklahoma, LLC	Case No. 2019-CA-2780

Assignors,

Consolidated Case No.
2019-CA-2762

to

Soneet Kapila,

Division L

Assignee.

**ASSIGNEE'S MOTION TO APPROVE SETTLEMENT
AGREEMENT WITH GULF COAST ORTHOPEDIC CENTER –
ALFRED O. BONATI, M.D., P.A., MEDICAL DEVELOPMENT
CORPORATION OF PASCO COUNTY, AND ALFRED O. BONATI, M.D.**

¹ On April 8, 2019, the Court entered an order administratively consolidating this case with the assignment cases of the following entities: LSI Management Company, LLC; Laser Spine Institute Consulting, LLC; CLM Aviation, LLC; Medical Care Management Services, LLC; LSI HoldCo, LLC; Laser Spine Surgical Center, LLC; Laser Spine Surgery Center of Arizona, LLC; Laser Spine Surgery Center of Cincinnati, LLC; Laser Spine Surgery Center of St. Louis, LLC; Laser Spine Surgery Center of Pennsylvania, LLC; Laser Spine Surgery Center of Oklahoma, LLC; Laser Spine Surgery Center of Warwick, LLC; Laser Spine Surgery Center of Cleveland, LLC; Total Spine Care, LLC; and Spine DME Solutions, LLC (the "Assignors").

The Assignee seeks to take the action described herein. Objections must be filed and served within twenty-one (21) days from the service of this Motion. In the event an objection is timely filed and served, the Court will hold a hearing on February 27, 2020 at 3:30 p.m. to consider any timely filed objections, and to consider the Assignee's Motion to Approve Settlement Agreement with Gulf Coast Orthopedic Center – Alfred O. Bonati, M.D, P.A., Medical Development Corporation of Pasco County, and Alfred O. Bonati, M.D. before the Honorable Judge Steven Scott Stephens, Hearing Room 512, 800 East Twiggs Street, Tampa, Florida 33602.

If no objection is timely filed and served, then all creditors and parties in interest have consented to the relief sought in this Motion and the Assignee shall submit a proposed order to the Court. The deadline to object is twenty-one (21) days from service of this Motion.

Soneet Kapila, as assignee (“**Assignee**”) of the Assignors, moves this Court to approve the Settlement Agreement (defined below) reached between the Assignee, Gulf Coast Orthopedic Center – Alfred O. Bonati, M.D, P.A., Medical Development Corporation of Pasco County, and Alfred O. Bonati, M.D., individually (collectively, the “**Bonati Parties**”).

Background

1. On March 14, 2019, Laser Spine Institute, LLC (“**LSI**”) executed and delivered an assignment for the benefit of creditors to the Assignee. The Assignee filed a Petition with the Court on March 14, 2019, commencing an assignment for the benefit of creditors proceeding pursuant to Section 727 of the Florida Statutes (the “**LSI Assignment Case**”).

2. Simultaneous with the filing of the LSI Assignment Case, the Assignee filed fifteen other Petitions commencing assignment for the benefit of creditors proceedings for 15 affiliates of LSI (the “**Affiliated Assignment Cases**,” and together with the LSI Assignment Case, the “**Assignment Cases**”): LSI Management Company, LLC; Laser Spine Institute Consulting, LLC; CLM Aviation, LLC; Medical Care Management Services, LLC; LSI HoldCo, LLC; Laser Spine Surgical Center, LLC; Laser Spine Surgery Center of Arizona, LLC; Laser Spine Surgery Center of Cincinnati, LLC; Laser Spine Surgery Center of St. Louis, LLC; Laser Spine Surgery Center of

Pennsylvania, LLC; Laser Spine Surgery Center of Oklahoma, LLC; Laser Spine Surgery Center of Warwick, LLC; Laser Spine Surgery Center of Cleveland, LLC; Total Spine Care, LLC; and Spine DME Solutions, LLC.

Relief Requested

3. Prior to the filing of the Assignment Cases, the Bonati Parties filed a Complaint in the Circuit Court of the Thirteenth Judicial Circuit in and for Hillsborough County, Florida Civil Division (the “**Court**”), styled *Gulf Coast Orthopedic Center – Alfred O. Bonati, M.D, P.A., a Florida professional association, Medical Development Corporation of Pasco County, a Florida corporation, and Alfred O. Bonati, M.D., individually, v. Laser Spine Institute, LLC, a Florida limited liability company, d/b/a Laser Spine Institute*, Case No. 12-CA-009002, Division H (the “**Litigation**”).

4. LSI asserted certain claims against the Bonati Parties in the Litigation (the “**Claims**”).

5. In an effort to avoid continued litigation in connection with the Litigation, the parties have agreed to provide to one another a mutual release of liability of all claims, including, without limitation, those claims related to the Litigation and the Claims, subject to entry of a Court order approving the terms and conditions of the Settlement Agreement (the “**Settlement Agreement**” or the “**Agreement**”) attached hereto as **Exhibit A** and incorporated herein.

6. The terms of the Settlement Agreement are summarized as follows:²

- a. Within three (3) business days of the Effective Date, the Assignee will file in the Assignment Case a motion (the “**Settlement Motion**”), in form mutually satisfactory to the Parties, seeking Court approval of the Settlement and this

² This summary is provided only for convenience. The express terms of the Settlement Agreement will control over this summary in all respects. Unless otherwise defined herein, capitalized terms shall have the same meanings ascribed to them in the Settlement Agreement.

Agreement (the “**Settlement Order**”). Within three (3) business days of the entry by the Court of the Settlement Order in the Assignment Case, the Parties shall file a Notice of Voluntary Dismissal with Prejudice, in form mutually satisfactory to the Parties, in the Litigation.

- b. As a material inducement for the Bonati Parties to enter into this Agreement and as consideration for the releases to be provided, effective upon the filing by the Bonati Parties of the Notice of Voluntary Dismissal with Prejudice in the Litigation, the Assignee hereby remises, releases, acquits, satisfies, and forever discharges the Bonati Parties (including the Bonati Parties’ attorneys, agents, successors and assigns), of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, costs (including attorneys’ fees, expert fees, and out-of-pocket expenses), pre and post-judgment interest, obligations, losses, loss of services, expenses, compensation, judgments, executions, claims and demands whatsoever, in law or in equity, which the Assignee ever had, now has, or which any personal representative, successor, heir or assign of the Assignee, hereafter can, shall or may have, against the Bonati Parties, including, without limitation, for matters related to, arising out of, or in connection with the Litigation and the Claims.
- c. As a material inducement for the Assignee to enter into this Agreement and as consideration for the releases to be provided, effective upon the entry by the Court of the Settlement Order in the Assignment Case, the Bonati Parties hereby remise, release, acquit, satisfy, and forever discharge the Assignee and the LSI Assignment Estate (including the Assignee’s attorneys, agents, successors and assigns), of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, costs (including attorneys’ fees, expert fees, and out-of-pocket expenses), pre and post-judgment interest, obligations, losses, loss of services, expenses, compensation, judgments, executions, claims and demands whatsoever, in law or in equity, which the Bonati Parties ever had, now have, or which any personal representative, affiliate, successor, heir or assign of the Bonati Parties, hereafter can,

shall or may have, against the Assignee or the LSI Assignment Estate, including, without limitation, for any matters related to, arising out of, or in connection with the Litigation and the Claims.

7. Section 727.109(7) of the Florida Statutes authorizes the Court to “hear and determine” a motion for the “settlement of a controversy.”

8. The Assignee believes it is in the best interest of the assignment estates and creditors to enter into the Settlement Agreement. The compromise allows the Assignee to avoid the attendant cost and uncertainty of litigation.

9. This Motion seeking approval of the compromise or settlement of a controversy is properly served on negative notice pursuant to Section 717.111(4) of the Florida Statutes. Accordingly, absent any objection filed within the 21-day negative notice period, the Assignee seeks entry of an order approving this Motion without the need for a hearing.

WHEREFORE, the Assignee requests the Court enter an order granting this Motion, approving the Settlement Agreement, authorizing the Assignee to enter into the Settlement Agreement, and for such other and further relief as is just.

/s/ Edward J. Peterson

Matthew B. Hale (FBN 0110600)

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Counsel for Assignee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing *Motion to Approve Settlement Agreement with Gulf Coast Orthopedic Center – Alfred O. Bonati, M.D, P.A., Medical Development Corporation of Pasco County, and Alfred O. Bonati, M.D.* has been furnished on this 31st day of January, 2020, by the Court’s electronic system to all parties receiving electronic service, by either U.S. mail or electronic mail to the parties listed on the Limited Notice Parties list and to:

Samuel J. Heller, Esquire
695 Central Avenue
St. Petersburg, FL 33701
Primary Email: sheller@heller-law.com
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/s/ Edward J. Peterson _____
Edward J. Peterson

MASTER LIMITED NOTICE SERVICE LIST

January 14, 2020

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CLM Aviation, LLC
LSI HoldCo, LLC
LSI Management Company, LLC
Laser Spine Surgery Center of Arizona, LLC
Laser Spine Surgery Center of Cincinnati, LLC
Laser Spine Surgery Center of Cleveland, LLC
Laser Spine Surgical Center, LLC
Laser Spine Surgery Center of Pennsylvania, LLC
Laser Spine Surgery Center of St. Louis, LLC
Laser Spine Surgery Center of Warwick, LLC
Laser Spine Institute, LLC
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Those Parties and Attorneys Formally Requesting Notice (via the Court's electronic servicing system unless otherwise noted)

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