

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

In re:

Laser Spine Institute, LLC. <sup>1</sup>	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.

**UPDATED STATUS REPORT AS OF JULY 15, 2020**

SONEET KAPILA, as assignee (the “Assignee”), undertook his duties as Assignee on March 14, 2019. The Assignee hereby provides the following status report summarizing some of

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<sup>1</sup> On April 8, 2019, the Court entered an order administratively consolidating this case with the assignment cases (collectively, the “Assignment Cases” or the “Assignment Estates”) 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 (collectively, the “Assignors”).

the recent activity and efforts on behalf of the Assignment Estates since the last hearing on April 16, 2020, as follows:

1. The Assignee, his professional team, and the LSI Staff continued to communicate with patients regarding the release of records to the patients. The Assignee reached an agreement with the Florida Department of Health (“**FL DOH**”) in December 2019, to assume custody and control of the patient medical records and all record requests since have been directed to the FL DOH.

2. The Assignee, through his litigation counsel, has been prosecuting lawsuits filed against certain recipients of fraudulent transfers and against former directors and officers for acts and omissions. In total, thus far, the Assignee has filed 18 lawsuits for recovery of fraudulent conveyances and 9 lawsuits against former directors and officers for acts and omissions. The filed lawsuits are progressing. Other litigation targets have executed tolling agreements. The Assignee has reached settlements with certain of the targets of fraudulent conveyance lawsuits. To date, such settlements have yielded approximately \$1.6 million in the aggregate. The Assignee continues to prosecute the actions against former officers and directors.

3. The Assignee regularly communicates with unsecured creditors of the Assignors regarding the Assignment Cases. In particular, in addition to communicating with Texas Capital Bank (“**TCB**”), which will likely have a large deficiency claim, the Assignee has been in frequent communication with the Bailey Group, the holder of a large unsecured claim. Further, at the commencement of the case, the Assignee set up a website ([www.lsi-assignee.com](http://www.lsi-assignee.com)) that contains information about the Assignment Cases and also contains answers to frequently asked questions.

4. The Assignee continues to review and provide support to the Buell & Elligett, P.A. firm in an effort to resolve the business interruption claim filed as a result of Hurricane Irma.

5. The Assignee has expended considerable efforts with Accordias, the third-party accounts receivable collection company whose retention was approved by this Court on June 11, 2019, to maximize the recovery of the outstanding accounts receivable. Effective April 1, 2020, Accordias transferred all the billing and collection data from the Laser Spine servers that are warehoused at a co-location facility in Tampa, FL (the “LSI Servers”) to their in-house platform, thereby reducing the estate’s burden to maintain the costs and expenses associated with IT connectivity and co-location lease expense to warehouse the LSI Servers.

6. In April 2020, the Assignee (i) terminated the IT connectivity to the LSI Servers that are warehoused at a co-location facility in Tampa, FL, and (ii) decommissioned and preserved the LSI Servers with the assistance of the eHounds, the computer forensic company engaged by the Assignee.

7. On July 10, 2020, the Assignee filed the *Motion to Abandon Certain Collateral of Texas Capital Bank, N.A. as Administrative Agent for Lender Group* in which the Assignee requests authority to abandon to TCB all of its remaining collateral.

8. The Assignee continues to review and prepare for the filing of the Assignment Estates’ tax returns and respond to notices and other correspondence from various tax agencies.

/s/ Edward J. Peterson  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that the foregoing *Updated Status Report as of July 15, 2020* has been furnished on this 14th day of July, 2020 by the Court's electronic system to all parties receiving electronic service.

*/s/ Edward J. Peterson* \_\_\_\_\_

Edward J. Peterson