

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.

**ORDER GRANTING ASSIGNEE'S AMENDED MOTION FOR
(A) ORDER APPROVING SETTLEMENT AND COMPROMISE
OF CLAIMS AGAINST SHERIDAN LEGACY GROUP, AND
(B) ORDER AUTHORIZING PAYMENT OF PROFESSIONAL FEES**

THESE CASES came before the Court for hearing on September 18, 2023, at 2:00 p.m.
(the "**Hearing**") upon the *Assignee's Amended Motion for (A) Order Approving Settlement and
Compromise of Claims Against SLG LSI Investment, LLC, and (B) Order Authorizing Payment of*

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 (collectively, the "**Assignment Estates**").

Professional Fees (the “**Compromise Motion**”) filed by Soneet R. Kapila as Assignee.² Prior to the hearing, the following pleadings were filed: (i) *Bailey Claimants’ Opposition to Assignee’s Motion for Order Approving Settlement and Compromise of \$500 Million in Claims, and Motion for Order to Turn Over Discovery as Agreed Pursuant to Parties’ Joint Defense Agreement* (the “**Opposition**”); (ii) *Assignee’s Response in Support of Assignee’s Amended Motion for (A) Order Approving Settlement and Compromise of Claims Against SLG LSI Investment, LLC, and (B) Order Authorizing Payment of Professional Fees* (the “**Assignee’s Response**”); (iii) *SLG Investment LLC’s Response to Bailey Claimants’ Opposition to Assignee’s Motion for Order Approving Settlement and Compromise of \$500 Million in Claims, and Motion for Order to Turn Over Discovery as Agreed Pursuant to Parties’ Joint Defense Agreement* (the “**SLG Response**”); and (iv) *Bailey Claimants’ Notice of Supplemental Authority* (the “**Bailey Supplement**”).

The Court, having considered the Compromise Motion, the Settlement Agreement, the record in the Assignment Cases, the Opposition, the Assignee’s Response, the SLG Response; and the Bailey Supplement, and argument of interested parties, finds and concludes as follows:³

A. This Court has jurisdiction to hear and consider the Compromise Motion, the proposed settlement, and the compromise and related relief contained therein.

B. Notice has been provided to those creditors and parties in interest as set forth on the master service list maintained by the Assignee in these Assignment Cases.

C. Due, proper, and sufficient notice of the Compromise Motion and of the hearing on the Compromise Motion was given to those creditors and parties in interest set forth on the master

² Capitalized terms not defined in the Order shall have the meaning set forth in the Compromise Motion.

³ The findings of fact and conclusions of law stated in this Order shall constitute the Court’s findings of fact and conclusions of law. To the extent any finding of fact later shall be determined to be a conclusion of law, it shall be so deemed. To the extent any conclusion of law later shall be determined to be a finding of fact, it shall be so deemed.

service list maintained by the Assignee in the Assignment Cases. Such notice was proper, adequate, and satisfied the requirements of Sections 727.109(7) and 727.111(4), Florida Statutes and prior order of this Court.

D. In the context of a Chapter 727 assignment, the Assignee has the sole authority and standing to prosecute the claims being resolved and to enter into a settlement in connection therewith. Moreover, the theories of recovery described in the Opposition (e.g. "piercing the corporate veil" and "alter ego," etc.) are not particular claims belonging to the Bailey Litigants; rather, they are generalized theories of recovery that are under the Assignee's purview. *See Moffatt & Nichol, Inc. v. B.E.A. International Corp, Inc.*, 48 So. 3d 896, 899 (Fla. 3d. DCA 2010) (finding that an assignee is the only party who has standing to pursue and settle fraudulent transfer, preferential transfer, and other derivative claims; *Smith v. Effective Teleservices, Inc.*, 133 So. 3d 1048, 1053 (Fla. 4th DCA 2014); *see also* Ch. 2007-185, Laws of Fla. (eff. July 1, 2007) (expanding the definition of "asset" to include "claims and causes of action, whether arising by contract or tort").

E. The settlement and compromise embodied in the Settlement Agreement falls within the reasonable range of possible litigation outcomes and reflects the Assignee's appropriate exercise of his business judgment.

F. The settlement and compromise embodied in the Settlement Agreement is in the best interests of creditors and the Assignment Estates because the settlement will generate a significant recovery for the Assignment Estates and will avoid the substantial risk, delay, and expense associated with the continued litigation and likely appeals of the claims being settled.

G. The terms of the Settlement Agreement, including without limitation, the Settlement Payment, the Bar Order, and mutual releases provided for in the Settlement Agreement,

are above the lowest level in the range of reasonableness and in all respects satisfy the standards set forth in *Wallis v. Justice Oaks II, Ltd. (In re Justice Oaks II, Ltd.)*, 898 F.2d 1544, 1549 (11th Cir. 1990), for approval of a compromise of a controversy on behalf of the Assignment Estates.

H. The Bar Order is integral to the Settlement Agreement.

Based on the findings above and for the reasons stated in the Compromise Motion and on the terms of the Settlement Agreement, which shall constitute the decision of the Court, it is

ORDERED as follows:

1. The Compromise Motion is granted.
2. The Opposition is overruled – and, for the sake of clarity, the "Motion" aspect of the Opposition is denied.
3. The Settlement Agreement is approved in all respects. The failure to specifically describe or include any particular provision of the Settlement Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Settlement Agreement be approved and it is so ordered in its entirety.
4. The Parties are authorized and directed to implement and comply with the terms and conditions of the Settlement Agreement.
5. Settlement Payment. The SLG Parties, jointly and severally, agree to pay the Settlement Payment pursuant to the terms of the Settlement Agreement.
6. Consent Judgment. In the event either the Initial Payment or any of the Quarterly Payments are not paid when due, subject in the case of the Quarterly Payments to the expiration of a fifteen (15) calendar day grace period after each respective due date, the Plaintiff shall be entitled to immediate entry of a consent judgment against the SLG Parties, jointly and severally, as detailed in the Settlement Agreement. (the “**Consent Judgment**”). Pursuant to the SLG

Parties' consent and the terms of the Settlement Agreement, this Court shall have continuing jurisdiction over each of the SLG Parties, including jurisdiction to enter and enforce the Consent Judgment to the extent necessary. The Lawsuit shall not be closed unless and until the Settlement Payment is paid in full as set forth hereunder.

7. Consent to Jurisdiction. Based on IPB's consent, IPB shall be subject to the jurisdiction of this Court for all purposes hereunder, including the entry and enforceability of the Consent Judgment and shall have irrevocably consented to personal jurisdiction in Florida and this Court with respect to the operation and enforcement of the Settlement Agreement and the entry and enforceability of the Consent Judgment.

8. Releases. The General Releases set forth in paragraph 9 of the Settlement Agreement are approved and the General Releases shall be effective upon the Assignee's receipt of the entire Settlement Payment in cleared funds.

9. Bar Order. This Court finds that the entry of a Bar Order is an integral part of this settlement and Compromise without which this settlement could not be consummated. This Court also finds that the Bar Order is fair and equitable under the prevailing law in the Eleventh Circuit, *In re Munford*, 97 F.3d 449 (11th Cir. 1996) and its progeny. The below Bar Order shall become effective upon the receipt of the entire Settlement Payment in cleared funds. Accordingly, this Court orders as follows:

All persons and entities are permanently enjoined, restrained, and barred from filing, commencing, conducting, asserting, or continuing in any manner, directly, indirectly, or derivatively: (i) any of the Plaintiff's Claims; (ii) any suit, action, claim, demand, or other proceeding (including, without limitation, any proceeding in any judicial, arbitral, administrative, or other forum) against, implicating, or involving the SLG Parties or any of their representatives or agents based on any and all acts or omissions that resulted in alleged harm to the Assignor or is related to liabilities of the Assignor; or (iii) any claims against the SLG Parties related to the LSI Entities or Assignment Cases; except that the Bar Order shall not apply to any governmental agencies in enforcing their police or regulatory powers. Notwithstanding anything herein to the contrary, the Bar Order shall

not relieve the SLG Parties of their obligations under the Settlement Agreement.

10. Dismissal of Lawsuit. Upon the receipt of the Settlement Payment, the Assignee shall dismiss with prejudice the Lawsuit.

11. Retention of Jurisdiction. The Court retains jurisdiction to enforce this Order, to give effect to the compromise, and to resolve any issues or claims that arise out of or impact this Order or compromise.

12. Approval of Contingency Fees. The Court approves the total contingency fee to Venable, LLP and Rocke McLean & Sbar requested in the Compromise Motion, which shall be calculated based on the percentage of the Settlement Payment the firms were entitled to receive under the Employment Motion and Contract. Pursuant to the agreement between such firms, the Assignee is authorized to pay the contingency fee from each payment received, one-half paid to Venable, LLP, and one-half paid to Rocke McLean & Sbar. Provided, however, that a pro-rated portion of such fee shall be paid within ten (10) days after payment of each of the Initial Payment and each Quarterly Payment under the Settlement Agreement.

13. Counsel for the Assignee shall serve this Order upon all interested parties and their counsel, including the creditors of the Assignment Estates.

DONE AND ORDERED in Hillsborough County, Florida, on September ____, 2023.

Electronically Conformed 9/20/2023
Darren D. Farfante

DARREN FARFANTE
Circuit Court Judge

Copies to: Counsel of record