

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF MISSISSIPPI**

**IN RE: EXPRESS GRAIN TERMINALS, LLC
Debtor**

**CHAPTER 11
CASE NO. 21-11832-SDM**

**ANSWER AND RESPONSE TO MOTION
FOR APPOINTMENT OF CHAPTER 11 TRUSTEE**

COMES NOW Express Grain Terminals, LLC (the “Debtor”), and files this its Answer and Response to the *Motion for Appointment of Chapter 11 Trustee* (the “Motion”) [DK #779], filed herein by Ashley Selman Farms Partnership, AN&K Farms, Lagniappe Planting Company, Triple L Farms & Livestock, LLC, Twin Bayou Farms, Parker Adcock d/b/a Island Farm, Dun Farms III, Random Shot Farms, Southside Farm, E-Farm, LLC, Killebrew Cotton Company, Osborn Farms, Porter Planting Company, Cattlemen’s Advantage, Inc., Murrah Hardy Farms, B & H Farms Partnership, Bruton Farms, AR Farms, Ashland Plantation, Buckhorn Farm Partners, PM Farms, Moody Farms, Ronnie Brown Farm, LLC, Ronnie Moss Farms, T & R Farms, Bobo Farms, Ellis & Ellis Farms, Lochleven, Wyatt Farms, William Dunn Farms II, Murdock Crossing, Bright Farms, Jason Hill and Bell Farms, Inc. (collectively, the “Movants”), and would respectfully respond as follows, to-wit:

1. Admitted.
2. Admitted.
3. While the allegations of Paragraph 3 of the Motion are technically correct, with the Court’s approval of the employment of CR3 Partners, LLC (“CR3”) (on a limited basis), and with the provision and determination that CR3 is responsible for approval of all expenses, it is doubtful that the Debtor has “exclusive” dominion over its respective estate.
4. Subsequent to the filing of the Motion, the Debtor has filed its Schedules.

5. Debtor admits that a number of creditors, including the Movants, are asserting multiple claims to the same soybeans and corn. Affirmatively, that has resulted in the entry of an order under 11 U.S.C. § 557 for an orderly, efficient and fast determination of those competing interests. The Debtor-in-possession (nor the putative trustee for that matter) does not have a “significant outcome” interest in the 557 procedure because it will be determined that the commodities either belong to individuals or entities other than the Debtor, and/or that individuals or entities have liens, security interests or reclamation interests in the commodities that are commingled and in dispute, at least with respect to the pre-petition commodities.

Affirmatively, CR3 has expended, and will continue to expend, significant efforts towards preparation, and submission, of initial, and subsequent, data with respect to the 557 procedures that is necessary for the claimants to the pre-petition commodities to have in order to assert their legal interests and rights in the pre-petition commodities. An interruption of that process, and the appointment of a trustee (other than, perhaps, CR3) will result in significant additional expense to this estate that is duplicative of the efforts already undertaken by CR3. The administrative expenses in this case will, of necessity, be significant, and there is no need for duplication of effort or to waste effort that CR3 has already undertaken.

Debtor denies that “the worst thing” that could happen to the Movants is the continuation of this failing business in Chapter 11 - to the contrary, since there are, and will be, far less in pre-petition commodities (or the proceeds thereof) to satisfy all of the claimants who have asserted claims in and to those pre-petition commodities, the worst thing that could happen is for a trustee to be appointed with a pre-disposition to close the grain crushing feature of this business, close down the operations and liquidate an empty facility. Some (perhaps all) of the claimants in and to the pre-petition grain, or its proceeds, are not going to be able to recover the full amount of their

claims. The best possible way those losses can be diminished is for the Debtor to continue as an ongoing business, to liquidate, through crushing, the pre-petition inventory of beans, collect the proceeds of the grain crushing processes related to soybean input, preserve those funds for distribution at a later date and to maintain the going concern value of the business to a prospective buyer or buyers.

In that regard, CR3 has already received a number of expressions of interest from purchasers of the Debtor and is scheduling site visits for those potential purchasers after having received NDAs from them.

6. Debtor admits there is a significant distrust of current management. The remaining allegations contained in Paragraph 6 of the Motion are admitted. However, with the employment of CR3, at least on an interim basis, management is stable, CR3 has final authority over any and all expenditures that the Debtor makes, CR3 is effectively operating and managing the business, with input from current employees and staff, and is implementing efficiencies and cost-saving methods across the board at the Debtor. Unfortunately, many of the “overhead” costs at the Debtor are fixed costs so unless the Debtor’s grain crushing operation is shut down, and employees sent home, there is only so much cost-cutting and reduction of expenses that can be accomplished and allow the facility to run on an efficient basis.

7. In all likelihood, the Debtor does have claims against certain insiders. While those are preliminarily investigated, in the event the exit strategy from this case is a sale of assets (and that appears to be the course at this point), a liquidation trust or liquidation trustee will be appointed to pursue all of the then available causes of action.

8. Debtor admits that its actual balance sheet situation was not provided to parties-in-interest.

9. The allegations, inferences and conclusions contained in Paragraph 9 of the Motion are denied. In any Chapter 11 case, administrative expenses can be significant, depending upon the size, nature and complexity of the case. This is a significant case for this Court, it is a “large” case by U.S. Trustee guidelines and its businesses are complex. It employs, on a full-time and part-time basis, almost 200 employees and managing the business, administering the Chapter 11 case, is, unfortunately, an expensive event. And that is true even if this were a liquidation case under Chapter 7 of the Bankruptcy Code. However, the filing of the Chapter 11 case certainly beat the alternative that was about to happen - a state court receiver - and the resulting “race to the courthouse” of creditors and parties-in-interest. Now, the case is being effectively administered, going concern value is being maintained, the 557 procedure is implemented and the sale process has already commenced.

10. Debtor admits the noted authority speaks for itself.

11. Currently, management of the Debtor is being effectuated in an efficient day-to-day, week-to-week manner that is allowing the Debtor to remain in business, continue its grain crushing processes and reducing overhead and expenses to the extent possible, while the § 557 procedure is ongoing and the search for a buyer or buyers has already commenced.

12. The allegations, inferences and conclusions contained in Paragraph 12 of the Motion are denied. Responding affirmatively to each bullet point of Paragraph 12, Debtor states:

- An independent party already exists and can assist in stabilizing future deliveries of grain, if any;
- Investigation and prosecution of all claims are ongoing and will be further pursued as the case develops;

- Administrative expenses are going to be significant in this case no matter if a trustee is appointed or not. Management of the business, working through the § 557 procedures and seeking a purchaser are all expensive propositions, as is the ongoing reconciliation of books, records and financial information;
- The lien priority assistance is already well underway by CR3 with the advent of the § 557 procedures order;
- The orderly, ongoing liquidation of the Debtor's assets as a going concern is already underway.

13. The allegations, inferences and conclusions contained in Paragraph 13 of the Motion are denied. While Debtor admits that Paragraph 13 was alleged before the § 557 procedures were implemented, not only have they been implemented, but they are far along in the process of the initial report, noticing to creditors and related matters, all of which have been undertaken by CR3 and Debtor's present counsel.

14. Debtor does not know to whom the Movants are referring to in Paragraph 14 of the Motion, although it has heard rumors. Unless a putative trustee is not only experienced with grain elevators but also is experienced with the hedging of soybean and corn futures, the merchandising and hedging of the soybean meal and soybean oil contracts, merchandising the processed products, knowledgeable of the Debtor's relationship with its customers, the processing of thousands of bushels of soybeans per day, management and direction of almost 200 employees, a sale process and procedure, the valuation of soybean meal and soybean oil contracts and sales, contracts and pricing for soybeans, corn, soybean meal and soybean oil, that person is probably not best suited for the trustee position. And, to the extent that person merely seeks to employ other professionals, CR3 is already in place with a full staff of well-qualified and experienced professionals and has done

considerable work in the weeks it has been on board. The appointment of a trustee (other than CR3) will waste that effort.

15. The allegations, inferences and conclusions contained in Paragraph 15 of the Motion are denied.

Last Unnumbered Paragraph

Debtor denies that the Movants are entitled to the relief demanded within the Last Unnumbered Paragraph of the Motion or to other relief in the premises.

AFFIRMATIVE RESPONSES

1. While the Debtor disputes the need for a trustee in this case, it affirmatively states that CR3 has served in sort of a “quasi-trustee” capacity since it was appointed, especially since it has final approval of all expenses. The current situation with CR3 in place has worked well, the case has made many advances in the weeks that CR3 has been in place and there is no reason to disturb the relationship that CR3 has established with the Debtor, its employees, its customers and the Court.

2. The Movants appear to have a pre-disposition toward “directing” the trustee to stop the bean crushing process, allow the Debtor to “go dark” and then to liquidate the assets of a closed, empty grain elevator by “dumping” the grain on the spot market. This is not advisable for a number of reasons. Processing the grain is a much more profitable enterprise than simply loading it on train cars and selling it on the spot market. More importantly, however, processing of the grain allows employment of the almost 200 persons (full- and part-time) who work at the Debtor, and who will seek other employment in the event the Debtor closes and their jobs are no longer available. One of the most valuable assets in this case is the Debtor’s experienced, long-time work force. If the facility is closed, those paycheck-to-paycheck employees are going to find other jobs (in a wide open

job market) and the valuable assets of an experienced, long-time work force will be lost, thereby likely decreasing the price any purchaser might pay for these assets by a significant sum.

3. Preservation of the going concern value is of utmost significance in this case if some of the stakeholders who are necessarily going to lose money are to ever hope of a recovery of any significance.

4. CR3 has spent considerable time and expense learning the Debtor's business, helping to operate the Debtor's business, managing the Debtor's cash, beginning the § 557 procedures of document gathering and implementation and initiating the sale process (CR3 already has a teaser out to potential purchasers). The appointment of a trustee (other than CR3) will result in the wasting of thousands of dollars of CR3 efforts, it will detract from the employees' relationships that have been established with CR3 and may result in lost profits through the cessation of the bean crushing aspect of the business and resultant loss of value to a putative purchaser.

5. As noted, CR3 has already initiated the § 557 procedures document and information bank, has begun creation of the "book" and data room for putative purchasers and it has begun entertaining prospective purchasers for the sale of the Debtor's assets, and all of that momentum will be lost by the appointment of a trustee.

6. The administrative expenses in this case are going to be significant, no matter if a trustee is appointed, and even if the trustee shuts down the business (which is not advisable in any event). There is no need to add an additional layer of expenses by the appointment of a trustee who is not knowledgeable of the business and does not have the experience and background of CR3.

7. And, for whatever this is worth, Debtor's counsel's efforts in this case, which have involved many hours of work, and many, many late nights and weekend hours, will be wasted because, inevitably, "new" trustees engage themselves as their own counsel if they are lawyers, and

engage counsel other than Debtor's current counsel for ongoing work. The Movants (and others joining the Motion) are concerned about administrative expenses in this case. The best way to assure increased administrative expenses, and wasting those administrative expenses that have incurred thus far, is to appoint a "new" trustee.

8. In the event the Court sees fit to appoint a trustee, the Debtor respectfully suggests that it should follow the procedure followed by the Honorable Neil P. Olack in the Pioneer hospital series of cases, wherein Judge Olack declined to appoint a trustee, but "elevated" the existing chief restructuring officer/financial advisor to an elevated, final decision making position, while leaving the current board of directors intact. A copy of his decision is attached, incorporated by reference and marked as **Exhibit "A"**.

WHEREFORE, PREMISES CONSIDERED, Debtor respectfully prays that upon a hearing hereof this Honorable Court will dismiss the Motion, with prejudice. Debtor prays for general relief.

THIS, the 15th day of November, 2021.

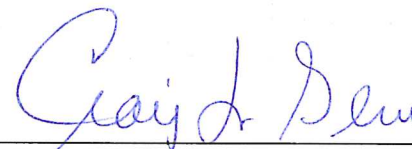
Respectfully submitted,

EXPRESS GRAIN TERMINALS, LLC

By Its Attorneys,

LAW OFFICES OF CRAIG M. GENO, PLLC

By: _____



Craig M. Geno

OF COUNSEL:

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CERTIFICATE OF SERVICE

I, Craig M. Geno, do hereby certify that I have caused to be served this date, via email transmission and/or electronic filing transmission, a true and correct copy of the above and foregoing pleading to the following:

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THIS, the 15th day of November, 2021.



Craig M. Geno



SO ORDERED,

Neil P. Olack

Judge Neil P. Olack
United States Bankruptcy Judge
Date Signed: June 28, 2016

The Order of the Court is set forth below. The docket reflects the date entered.

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI

IN RE:

PIONEER HEALTH SERVICES, INC., ET AL.¹

Debtor

CHAPTER 11

CASE NO. 16-01119-NPO

IN RE:

MEDICOMP, INC.²

Debtor

CHAPTER 11

CASE NO. 16-01126-NPO

**ORDER APPROVING APPLICATION TO EMPLOY HEALTHCARE
MANAGEMENT PARTNERS, LLC AS CHIEF RESTRUCTURING OFFICER**

THIS CAUSE having come on for hearing on the *Application to Employ Healthcare Management Partners, LLC as Chief Restructuring Officer* [PIONEER DK #400]; [MEDICOMP DK#180] (the "Application"), filed herein by Pioneer Health Services, Inc., et al. and Medcomp, Inc. ("Movants"), and upon the objections thereto filed by the Office of the United States Trustee (the

¹ On April 6, 2016, the bankruptcy cases of *Pioneer Health Services of Patrick County, Inc.*, No. 16-01120-NPO; *Pioneer Health Services of Newton County, LLC*, No. 16-01121-NPO; *Pioneer Health Services of Stokes County, Inc.*, No. 16-01122-NPO; *Pioneer Health Services of Choctaw County, LLC*, No. 16-01123-NPO; *Pioneer Health Services of Oneida, LLC*, No. 16-01124-NPO; and *Pioneer Health Services of Monroe County, Inc.*, No. 16-01125-NPO were administratively consolidated into the bankruptcy case of *Pioneer Health Services, Inc.*, No. 16-01119-NPO. Debtor *Pioneer Health Services of Early County, LLC*, No. 16-01243-NPO, filed its Chapter 11 bankruptcy case on April 8, 2016. *Pioneer Health Services of Early County, LLC*, No. 16-01243-NPO was administratively consolidated into the "main" case of *Pioneer Health Services, Inc.*, No. 16-01119-NPO, on April 15, 2016. All of these cases are hereinafter referred to collectively as "the Debtor".

² Debtor herein is a subsidiary of Pioneer Health Services, Inc., which also filed bankruptcy on March 30, 2016 as Case No. 16-01119-NPO.

EXHIBIT "A"

“UST”) [PIONEER DK #500]; MEDICOMP DK#209], by Joseph McNulty, individually (“Mr. McNulty”), [PIONEER DK #498], by Morgan Dunn [PIONEER DK #504] and the late objection filed by Hospital Authority of Early County at 10:05 a.m. on Friday June 24, 2016 [PIONEER DK #517], and the Court having heard and considered the Application and the objections thereto, evidence and arguments of counsel in support of, and in opposition to, the Application, having rendered its bench opinion granting the Application, which is incorporated herein by reference, and being otherwise advised in the premises, does hereby find, order and adjudicate as follows, to-wit:

1. On March 30, 2016, *Pioneer Health Services, Inc.*, No. 16-01119-NPO, *Pioneer Health Services of Patrick County, Inc.*, No. 16-01120-NPO; *Pioneer Health Services of Newton County, LLC*, No. 16-01121-NPO; *Pioneer Health Services of Stokes County, Inc.*, No. 16-01122-NPO; *Pioneer Health Services of Choctaw County, LLC*, No. 16-01123-NPO; *Pioneer Health Services of Oneida, LLC*, No. 16-01124-NPO; and *Pioneer Health Services of Monroe County, Inc.* filed their Voluntary Petitions for relief under Chapter 11 of Title 11, United States Code (the “Bankruptcy Code”). On April 8, 2016, *Pioneer Health Services of Early, LLC*, No. 16-01243-NPO, filed its Voluntary Petition for relief under Chapter 11 of the Bankruptcy Code, and that case was administratively consolidated into the “main” case of *Pioneer Health Services, Inc.*, No. 01119-NPO, on April 15, 2016 (these consolidated cases are hereinafter referred to collectively as “Pioneer”). On March 30, 2016, Medicomp, Inc. (“Medicomp”) filed its Voluntary Petition for relief under the Bankruptcy Code. The Debtors remain in possession of their assets and properties as debtor-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

2. To date, no trustee or examiner has been appointed in these cases. An Official Committee of Unsecured Creditors has been appointed in the Pioneer cases and has engaged counsel and now a financial advisor.

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (M). Venue is proper in this Court under 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief requested herein is 11 U.S.C. § 327 of the Bankruptcy Code.

4. Notice and a hearing were adequate and appropriate under the circumstances.

5. The Debtors/Movants allege that Pioneer Health Services has been in the hospital business since 1997 and Medcomp has been providing physical therapy services since 1980. Pioneer has branched out into several affiliated companies with several hospitals under its umbrella. Medcomp now has 25 locations across the Southeast portion of the country. The companies have had prosperous times as well as meager times. But over the past four to five years, unfortunately it has had more major setbacks and troubles than times of prosperity.

6. The Debtors/Movants allege that Medcomp started providing physical therapy services in a few clinics in Mississippi, and now Medcomp locations in 6 states. Medcomp provides physical therapy services to some hospitals that Pioneer owns and/or manages. Pioneer Health Services, Inc., along with each of its affiliates, is all about rural health care. Pioneer is the parent company and provides hospital management services to critical access hospitals around the Southeast as well as billing and collection services to other rural hospitals throughout the United States. Pioneer obtained the first critical access designation in Mississippi with its first hospital, Lackey Memorial Hospital.

7. The Debtors/Movants allege that Pioneer Health Services wholly owns all of the other companies who have filed in this bankruptcy; Pioneer Health Services of Monroe County, Inc., Pioneer Health Services of Newton County, LLC, Pioneer Health Services of Patrick County, Inc.,

Pioneer Health Services of Oneida, LLC, Pioneer Health Services of Choctaw County, LLC, Pioneer Health Services of Stokes County, Inc., and Medicomp, Inc. Each of the affiliates/subsidiaries, excluding Medicomp, has a hospital, and some have a nursing home as well. As mentioned, Pioneer Health Services, Inc., is a management company for not only its affiliated facilities, but also to third-party rural hospitals. The management services provided by Pioneer to those unaffiliated facilities include billing and collections for patient accounts, geriatric psychiatric services for both inpatient and outpatient, to encompass total rural hospital management.

8. The Debtors/Movants allege that the Movants have been and continue to be a large, if not the largest, force in the economy in the rural communities where they are located. Currently, the Movants' employ approximately 2,000 employees. This number does not include Movants' contract workers. Additionally, the revenue brought to the area through the service vendors the Movants use has been significant. The Pioneer corporate office is located in Magee, Mississippi.

9. The Debtors/Movants allege that Pioneer, through each of its subsidiaries, is responsible for the care of approximately 10,000 hospital patients per month and the same amount of physical therapy patients per month. Those patients come through the hospital's emergency room, inpatient, outpatient, nursing homes, and physical therapy clinics and are able to receive a wide array of services in rural areas.

10. The Debtors/Movants allege that subsequent to the filing of the Petitions in these cases, the Debtors have obtained use of cash collateral to fund their operations by consent, and/or, in certain instances, by orders of the Court over the objection of various parties. Currently, Debtor's authorization to use cash collateral continues through June 26, 2016. However the Court has approved the additional use of cash collateral for a 13-week budget, and the order approving that use of cash collateral will be entered.

11. The Debtors/Movants allege that the Debtors have struggled with the delivery of timely and accurate financial data and information, financial reporting, budgeting and projecting cash flow information. These challenges have occurred, in part, because of the shortage of employees in the Debtors's accounting department, the intense demands upon the existing employees in the accounting department for multiple tasks and the Debtor's employees in the accounting department "learning" bankruptcy data, accounting and financial information and reporting in the administrative phase of Chapter 11. The Debtors have made significant progress in these areas. Improvement continues to be needed and is being shown.

12. The Debtors/Movants allege that the Court declined, at least for the time being, to appoint a patient care ombudsman in these cases, in light of the testimony of the representatives of the Debtors regarding patient care. However, patient care is an ongoing process, being monitored by the Office of the United States Trustee and the Court has made it clear that if there is any issue with respect to patient care, the ombudsman hearings will be reconvened. Debtors recently concluded a survey at the hospital in Patrick County, Virginia, and received a favorable report and survey from the surveyors.

13. The Debtors/Movants allege that on April 28, 2016, Agreed Orders [PIONEER DK # 182 & MEDICOMP DK #99] were entered in the Pioneer and Medcomp cases approving the employment of Healthcare Management Partners, LLC ("HMP") as Financial Advisor to the Debtors. The terms of those Agreed Orders specifically state that "[I]n the event that the Debtors seek to engage HMP for the CRO Role, the Debtors shall file a separate application, and that application shall be subject to notice, the opportunity for parties-in-interest to object to any aspect of the retention of HMP for the CRO Role, and a hearing.

14. The Debtors/Movants allege that after having considered its past and current situations, and after having received input from various creditor constituents, the Debtors made the decision to employ a Chief Restructuring Officer and that is the purpose of the Application. In addition, previous cash collateral orders have provided that the Debtors shall retain a chief restructuring officer. The Application is consistent with those agreements reached by the Debtors and certain creditor constituencies and as ordered by the Court.

15. The Debtors/Movants allege that the Debtors wish to employ Healthcare Management Partners, LLC (“HMP”) as Chief Restructuring Officer (“CRO”) in these bankruptcy cases.

16. The terms and conditions of HMP in its role as CRO are set forth in the engagement agreement which is attached hereto as Exhibit “A” and incorporated herein by reference. Exhibit “A” has been modified as a result of certain clarifications in it and it is different from the Exhibit “A” to the Application, which was an earlier version of the HMP engagement agreement. In addition, the engagement agreement (and the affidavit of Mike Morgan in support of the Application) modified by this Order to provide that HMP’s engagement at Lackey Hospital was entered into at the request of Capital One, and agreed to by the Debtors and Lackey, but further, specific efforts of HMP at Lackey were not directed by Capital One. Once this Order is entered, HMP will provide an amended affidavit explaining the requests of Capital One of HMP at Lackey.

17. The Debtors/Movants allege that the Debtors have selected HMP based on the fact that it has had considerable experience in the health care/restructuring field in which it is being employed, as well as on the previous employment of HMP in these bankruptcy cases as Financial Advisors to the Debtors herein.

18. The Court approves the engagement of HMP to serve as the CRO of the Debtors. In addition, the Court approves the following terms and provisions that shall apply to the engagement of HMP:

- (a) Officers. Scott Phillips will serve as the CRO of the Debtors and an HMP CFO will serve as CFO of the Debtors.

The CRO and the CFO shall be officers of the Debtors and the governance functions previously exercised by the Debtors' Board of Directors (the "Board"), are altered under 11 U.S.C. §1107(a) as reflected in paragraph 23 of this Order.

- (b) Other HMP Personnel. Other HMP or partner firm personnel may be used as necessary and agreed for the effective provision of the services contemplated herein. If such other personnel's agreed-upon responsibilities include serving in the capacity of officers of the Debtors, the assignment of such personnel shall be as provided for in the budget. Any such persons will be designated by the Debtors, as executive officers (together with the CFO, the "Additional Officers") and will report to the CRO.

- (c) Duties. As CRO, HMP shall perform the following duties for the Debtors (as such duties may be modified by written agreement of the parties):

- (i) The CRO, together with the CFO and any Additional Officers, shall perform and be responsible for all ongoing duties normally associated with such offices.
- (ii) In addition to the executive responsibilities noted above, the CRO, together with any Additional Officers, will perform a review of the Debtors and their subsidiaries and affiliates, including but not limited to a review and assessment of their short and long-term projected cash flows and ability to meet debt service and loan covenant requirements.
- (iii) The CRO, together with any Additional Officers, will review the existing strategic plans for the Debtors and will actively pursue any additional strategies and opportunities that the CRO identifies or deems necessary or advisable under the circumstances.
- (iv) The CRO, together with any Additional Officers, will advise and assist the Debtors with their preparation of budgets for cash collateral, and other purposes; their preparation and review of monthly operating reports; and the preparation of various financial reports, including schedules of assets and liabilities and statements of

financial affairs that may be required for discussions with the Board, lenders and other stakeholders.

- (v) The CRO, together with any Additional Officers, will assist in the identification and implementation of financial, clinical, strategic, and operations improvement opportunities.
 - (vi) The CRO will assist in developing possible restructuring plans and lead a strategic planning process for maximizing the enterprise value of the Debtors' various business liens.
 - (vii) The CRO, together with any Additional Officers, will assist with the Debtors' communications and negotiations with other parties.
 - (viii) The CRO will have the right to discuss with the Debtors' employees, contractors, suppliers and creditors, and shall regularly discuss with lenders and other key stakeholders, aspects of the Debtors' financial and operational matters.
 - (ix) The CRO and any Additional Officers will collaborate closely with the Debtors' legal counsel to organize, administer, direct and control the restructuring of the Debtors as may be necessary.
 - (x) The CRO, together with any Additional Officers, will assist the Debtors and their capital providers with reports and cash collateral approval.
 - (xi) The CRO will assist the Debtors' management team with any other reporting requirements connected with this project and will assist the Debtors in their dealings with creditors and other stakeholders.
 - (xii) The CRO, together with other HMP personnel as necessary, will manage any sale process approved by the Bankruptcy Court, including, but not limited to, engaging, approving and directing investment bankers and similar professionals as may be required.
- (d) Additional Responsibilities. HMP may provide such additional personnel as needed to assist in performing the services described herein and such other services as may be needed.

19. HMP's fees for CRO services are \$80,000.00 per month and for CFO services are \$60,000.00 per month. As HMP needs additional personnel for the engagement, the following representatives of HMP shall be paid on an hourly basis according to the following schedule:

Managing Director	\$550 p/h
Director	\$420 p/h
Senior Associate	\$340 p/h
Associate	\$240 p/h
Data Analyst	\$185 p/h

20. As noted, HMP currently serves as Financial Advisor to the Debtors. As of the entry of this Order, HMP is no longer the Financial Advisor to the Debtors. It represents no interest adverse to the Debtors or their estates in matters upon which it is to be engaged, and HMP's employment as CRO would be in the best interest of these estates. HMP has no connections with the creditors herein or any other party in interest or their respective attorneys or accountants, or with the Office of the U.S. Trustee, or any employees thereof, which are prohibited, which would interfere with or hinder the performances of its duties herein, or which need to be described herein, other than HMP's prior employment as Financial Advisors to the Debtors herein. HMP has disclosed its prior relationship with the Lackey Memorial Hospital. As a result, HMP is a disinterested person as that term is contemplated within the Bankruptcy Code.

21. The employment of HMP is in the best interest of this estate.

22. The timing of, and procedures related to, compensation to HMP is provided for in that certain *Motion of Debtors for Administrative Order Pursuant to 11 U.S.C. Sections 331, 503 to Establish Procedure for Interim Compensation and Reimbursement of Expenses of Employed Professionals of Debtors and Official Committee of Unsecured Creditors* [PIONEER DK#403; MEDICOMP DK #183]. The Court has approved, from the bench, that Motion and an order either has been, or will be, entered granting it.

23. As previously stated, the Court incorporates its bench opinion rendered in this matter at the conclusion of the proof in connection with the Application on June 24, 2016. As noted in its bench opinion, the Court declines to replace the existing Board of the Debtors, but the Court grants the Application and approves the engagement of HMP as Chief Restructuring Officer of the Debtors. HMP is granted the authority set forth herein with respect to the operation of the Debtors' businesses. In addition, the Board's role and authority is strictly limited under 11 U.S.C. §1107(a) to being authorized to receive and review operational and financial, and related, information with regard to the operations and financial performance of the Debtors. *In re Blue Stone Real Estate, Constr. & Dev. Corp.*, 392 B.R. 897 (Bankr. M.D. Fla. 2008). In the event the Board believes, in good faith, that HMP is not properly operating the business of the Debtors, it may bring those matters to the Court's attention. HMP shall provide such financial and operational information to the Board as requested, from time to time, so long as the requests are reasonable and appropriate.

24. The Court also finds and adjudicates that it has the authority to appoint a chief restructuring officer and, accordingly, the objection of the UST in that regard is overruled.

25. The objection of Mr. McNulty is overruled and denied.

26. The objection of the Hospital Authority of Early County is overruled and denied as untimely.

27. With respect to the objection of Morgan Dunn, the Court will reserve ruling on whether Morgan Dunn has standing and the impact of this Order on Rural Solutions, LLC when any such issues are properly before the Court.

28. Accordingly, the Application is granted, subject to the conditions and limitations set forth herein, and subject to the revised engagement letter attached as Exhibit "A".

END OF ORDER

AGREED TO AND APPROVED:

/s/ Craig M. Geno

Craig M. Geno
Attorney for the Debtor

/s/ Brian I. Swett [WITH PERMISSION]

Brian I. Swett
Attorney for Capital One, N.A.

/s/ Darryl Scott Laddin [WITH PERMISSION]

Darryl Scott Laddin
Attorney for the Official Unsecured
Creditor Committee

AGREED AS TO FORM:

/s/ Margaret O. Middleton [WITH PERMISSION]

Margaret O. Middleton
Office of the United States Trustee

/s/ D. Ronald Musgrove [WITH PERMISSION]

D. Ronald Musgrove
Attorney for Joseph S. McNulty III

/s/ Stephen W. Rosenblatt [WITH PERMISSION]

Stephen W. Rosenblatt
Attorney for Morgan Dunn

Submitted by:

Craig M. Geno, Esq.; MSB No. 4793
LAW OFFICES OF CRAIG M. GENO, PLLC
587 Highland Colony Parkway
Ridgeland, MS 39157
601-427-0048 - Telephone
601-427-0050 - Facsimile
cmgeno@cmgenolaw.com

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**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI**

IN RE:
PIONEER HEALTH SERVICES, INC., ET AL.
Debtor

**CHAPTER 11
CASE NO. 16-01119-NPO**

IN RE:
MEDICOMP, INC.
Debtor

**CHAPTER 11
CASE NO. 16-01126-NPO**

EXHIBIT “A”

June __, 2016

Mr. Joseph McNulty
Chief Executive Officer
Pioneer Health Services, Inc.
110 Pioneer Way
Magee, Mississippi 39111

Professional Services to be Provided to Pioneer Health Services, Inc. - Chief Restructuring Officer Engagement

Dear Mr. McNulty:

This letter confirms and specifies the terms and conditions of the engagement between Healthcare Management Partners, LLC ("**HMP**") and Pioneer Health Services, Inc. (the "**Client**"), including the scope of the services to be performed and the basis of compensation for those services.

Upon execution of this letter by each of the parties below, this letter will constitute an agreement between HMP and the Client. This letter constitutes the entire agreement between HMP and the Client with regards to this engagement and supersedes all prior agreements, whether written or oral, between the parties on the subject, including, but not limited to, those portions of the engagement letter related to financial advisor services between HMP and the Client dated April 17, 2016 that relate to CRO (as defined below) services. A signed corporate resolution for the Client approving this engagement letter and HMP's appointment as CRO (as defined below) will be provided to HMP prior to commencement of services.

Background

The Client operates six hospitals, manages two other hospitals, and operates certain affiliated businesses. The Client has filed for reorganization under Chapter 11 of the United States Bankruptcy Code and originally selected HMP to act as its financial advisor, and has now selected HMP to act as its CRO.

Engagement of HMP for CRO Services

The Client has determined it is necessary and proper to retain the services of HMP as its Chief Restructuring Officer ("**CRO**") on the terms set forth below:

1. Engagement as CRO; Role and Services

The Client hereby engages HMP to serve as the CRO of the Client and, in addition, to provide Chief Financial Officer services to the Client (the "**CFO**"). This engagement must be approved by the U.S. Bankruptcy Court for the Southern District of Mississippi (the "**Bankruptcy Court**"), upon separate application, and after notice and a hearing, and the terms of this engagement shall be binding only between HMP and the Client. The following terms and provisions shall apply to such engagement:

Professional Services Agreement, June __, 2016

- (i) Officers. Scott Phillips will serve as the CRO of the Client and an HMP CFO will serve as CFO of the Client.

The CRO and the CFO shall be officers of the Client and, the Board of Directors (the "**Board**") will have the responsibility assigned to it by the Order employing HMP as CRO.

- (ii) Other HMP Personnel. Other HMP or partner firm personnel may be used as necessary and agreed for the effective provision of the services contemplated by this Agreement. If such other personnel's agreed-upon responsibilities include serving in the capacity of officers of the Client, the assignment of such personnel shall be as provided for in the budget. Any such persons will be designated by the Client, as executive officers (together with the CFO, the "**Additional Officers**") and will report to the CRO.

- (iii) Duties. As CRO, HMP shall perform the following duties for the Client (as such duties may be modified by written agreement of the parties, subject to Court approval):

(iii.a) The CRO, together with the CFO and any Additional Officers, shall perform and be responsible for all ongoing duties normally associated with such offices.

(iii.b) In addition to the executive responsibilities noted above, the CRO, together with any Additional Officers, will perform a review of the Client and its subsidiaries and affiliates, including but not limited to a review and assessment of its short and long-term projected cash flows and ability to meet debt service and loan covenant requirements.

(iii.c) The CRO, together with any Additional Officers, will review the existing strategic plans for the Client and will actively pursue any additional strategies and opportunities that the CRO identifies or deems necessary or advisable under the circumstances.

(iii.d) The CRO, together with any Additional Officers, will advise and assist the Client with its preparation of budgets for cash collateral, and other purposes; its preparation and review of monthly operating reports; and the preparation of various financial reports, including schedules of assets and liabilities and statements of financial affairs that may be required for discussions with the Board, lenders and other stakeholders.

Professional Services Agreement, June __, 2016

- (iii.e) The CRO, together with any Additional Officers, will assist in the identification and implementation of financial, clinical, strategic, and operations improvement opportunities.
- (iii.f) The CRO will assist in developing possible restructuring plans and lead a strategic planning process for maximizing the enterprise value of the Client's various business lines.
- (iii.g) The CRO, together with any Additional Officers, will assist with the Client's communications and negotiations with other parties.
- (iii.h) The CRO will have the right to discuss with the Client's employees, contractors, suppliers and creditors, and shall regularly discuss with lenders and other key stakeholders, aspects of the Client's financial and operational matters.
- (iii.i) The CRO and any Additional Officers will collaborate closely with the Client's legal counsel to organize, administer, direct and control the restructuring of the Client as may be necessary.
- (iii.j) The CRO, together with any Additional Officers, will assist the Client and its capital providers with reports and cash collateral approval.
- (iii.k) The CRO will assist the Client's management team with any other reporting requirements connected with this project and will assist the Client in its dealings with creditors and other stakeholders.
- (iii.l) The CRO, together with other HMP personnel as necessary, will manage any sale process approved by the Bankruptcy Court, including, but not limited to, engaging, approving and directing investment bankers and similar professionals as may be required.
- (iv) **Additional Responsibilities.** Upon the written mutual agreement of the Client and HMP, HMP may provide such additional personnel as the Client may request to assist in performing the services described above and such other services as may be agreed to, on such terms and conditions and for such compensation as the Client and HMP will agree.

2. Compensation and Retainer

For its services as CRO, HMP will be compensated at rate of \$80,000 per month for CRO services and \$60,000 for CFO services, and for the services of any Additional Officers HMP will be compensated at the appropriate hourly rates set forth below. HMP shall be reimbursed for

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any reasonable expenses incurred by HMP personnel in the performance of services under this engagement. HMP's fees are calculated by multiplying the hours worked by HMP personnel by their appropriate billing rates, which are set out below:

Managing Director	\$550
Director	\$420
Senior Associate	\$340
Associate	\$240
Data Analyst	\$185

If any changes to the duties or services outlined above are required, the proposed changes will be discussed with the Client. Fee estimates, if requested, will be provided by HMP for the required adjustments before proceeding.

The Client will reimburse HMP for actual out-of-pocket expenses incurred by HMP personnel in the performance of services specified in this Agreement, including but not limited to airfare, rental car expense, report preparation, delivery services, printing and any other such costs as deemed necessary to provide these services. The Client will reimburse HMP employees for food and lodging expense incurred while on site at any of the Client's locations or otherwise traveling in connection with the services provided to the Client hereunder (e.g., meeting with lenders, other creditors or vendors). HMP will provide the Client with reasonable customary documentation of such out-of-pocket expenses. The Client is authorized to reimburse HMP for such expenses upon presentation of reasonable documentation, but final allowance of the out-of-pocket expenses will be subject to an application for compensation and notice and a hearing.

In addition, HMP will be compensated for any time and expenses that HMP may incur in considering or responding to discovery requests or other requests for information or while participating in any legal or other proceedings as a result of or in connection with the services provided to the Client under this Agreement. To the extent the provisions of this paragraph 2 conflict with that certain Agreed Order [PIONEER DK #550/MEDICOMP DK #229] granting the *Motion of the Debtors for an Administrative Order Pursuant to §§ 331 and 503 to Establish a Procedure for Interim Compensation and Reimbursement of Expenses of Employed Professionals of the Debtors and the Official Committee of Unsecured Creditors*, the provisions of the Agreed Order shall control.

Prior to the commencement of services, the Client has paid HMP a retainer of \$100,000 by wire transfer for financial advisory services, which retainer shall be applied to the CRO engagement. At the close of business on the last day of each month, HMP will present Client with its invoice for services rendered for that month, and will provide a copy thereof to counsel for Capital One, the Office of the United States Trustee, counsel for the Internal Revenue Service, counsel for the Official Committee of Unsecured Creditors (the "Committee") and the Debtor. Creditors and interested parties shall have five business

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daysto object to any specific line items within the submitted invoices and file those with the Court, copying HMP and Debtor's counsel with any objections. The objections must be filed on or before 5:00 p.m. of the fifth business day. Any objection to any specific line item must identify the line item and the amount of time dedicated to the objectionable entry. IF there is no objection to any fees and/or any line item expenses in the weekly invoice, that does not waive the right of the United States Trustee or the Committee to object to any fees and/or any line item expenses in the corresponding fee application. The Client is authorized to pay, thereafter, 80% of the invoice submitted with the exception of those line items that have been objected to on a timely basis. HMP may file its first application for compensation two weeks after its engagement and every 90 days thereafter. HMP's fees and compensation shall be paid from the existing retainer. As the retainer is drawn down, HMP may, from time to time, request the Debtor's counsel to file a request with the Court to replenish the retainer, which shall be subject to objection by creditors and interested parties. Once the engagement is complete, any remaining amount of the retainer (after payment of accrued but unpaid compensation and expenses) will be returned upon the satisfaction of all obligations hereunder.

Payments should be wired to:

Bank Name: Wells Fargo
ABA Number: # 121000248
Account Name: Healthcare Management Partners, LLC
Account Number: # 2000018887394

Without limiting its rights or remedies, HMP shall have the right to terminate this Agreement entirely if payment is not timely received as specified in this letter.

3. Projections; Reliance; Limitation of Duties

The Client understands the services to be rendered by HMP may include the preparation of projections and other forward-looking statements, and that numerous factors can affect the actual results of the Client's operations, which may materially and adversely differ from those projections and other forward-looking statements. In addition, HMP will be relying on information provided by other members of the Client's management in the preparation of those projections and other forward-looking statements.

The Client agrees that it is responsible for supplying complete and accurate information, books, and records upon which HMP and its personnel may rely, and neither HMP nor any personnel provided by HMP shall have any responsibility for mistakes or omissions on their part arising as a result of having relied upon information, representations, books, and records provided by the Client or on the Client's behalf that were inaccurate or incomplete.

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Neither HMP nor any personnel provided by HMP make any representation or guarantee that an appropriate restructuring proposal or strategic alternative can be formulated for the Client, that any restructuring proposal or strategic alternative presented to the Client will be more successful than all other possible restructuring proposals or strategic alternatives, that restructuring is the best course of action for the Client or, if formulated, that any proposed restructuring plan or strategic alternative will be accepted by any of the Client's creditors, shareholders or other constituents. Further, neither HMP nor any personnel provided by HMP assumes responsibility for the selection of any restructuring proposal or strategic alternative that any such officer assists in formulating and presenting to the Client, and the CRO and any Additional Officers will be responsible for implementation only of the proposal or alternative approved by the Board and only to the extent and in the manner authorized and directed by the Board. The Client cannot rely on any services rendered by HMP to divulge any errors, fraud or wrongdoings should they exist.

It is not within the scope of the duties of HMP to render an opinion or assurance with regard to accounting policies, internal controls, financial statements, the application of generally accepted accounting principles or compliance with any rules, regulations and policies. From time to time HMP may require access to the work that other professionals have carried out for the Client, and the Client agrees that such access does not constitute HMP's approval of the procedures or standards used by these professionals. The Client is aware that there is a possibility that other professionals, for varying reasons, may reach different conclusions and make different judgements on the basis of the same information or data.

HMP is not engaged to evaluate the Client's internal controls and procedures, and any communications to the Client regarding internal controls and procedures will be an incidental result of the services rendered under this Agreement and will require the Client's management's independent assessment.

Further, the Client acknowledges that neither the deliverables nor any work product, in whole or in part, shall constitute a fairness or solvency opinion, and that HMP will not provide any legal advice or address any questions of law.

4. Employment by HMP

All HMP personnel providing services hereunder will continue to be employed by HMP and, while rendering services to the Client, will continue to work with other personnel at HMP in connection with other unrelated matters, which will not unduly interfere with services pursuant to this engagement. The CRO will operate under the authority of the Bankruptcy Court and work collaboratively with the Client's management personnel. HMP will have no liability to the Client or any third party for any acts or omissions of such officers or other personnel.

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5. [Reserved]

6. Engagement Management; Staff and Qualifications

Scott Phillips, Managing Director, HMP, will be responsible for the overall engagement. He will be assisted by other staff as may be required from time to time.

HMP shall be responsible for all professional services rendered in conjunction with this assignment. A copy of HMP's current "Statement of Qualifications", dated January 2016, can be found on its website at <http://www.hcmpllc.com/approach>.

7. Effective Date

HMP's appointment as CRO shall be effective as of the date approved by the Bankruptcy Court.

8. [Reserved]

9. Relationship of the Parties; Independent Contractor

The parties intend that an independent contractor relationship will be created by this Agreement. Neither party is the other party's agent, distributor, partner, fiduciary, joint venturer, co-owner or representative. Neither party shall act or represent itself in any such capacity or create any obligation on behalf of the other, except that the CRO may do so within the scope of the duties detailed in this Agreement.

Neither HMP nor any of its personnel shall be considered an employee or agent of the Client, and the personnel of HMP are not entitled to any of the benefits that the Client provides for its employees. All professional HMP staff shall remain HMP employees throughout this engagement.

10. Approval by a Bankruptcy Court

The Client, having filed for Chapter 11 reorganization, shall promptly petition the Bankruptcy Court to approve HMP's retention under this Agreement. In conjunction therewith, the Client agrees that HMP is a "Disinterested Person" as defined in section 101(14) of the U.S. Bankruptcy Code. The petition submitted to the court must be satisfactory to HMP.

In addition to HMP's other rights or remedies, HMP may, without any liability arising, terminate this engagement if a final order authorizing HMP's employment is not issued by the Bankruptcy Court on or before 60 days from the commencement of any bankruptcy on terms satisfactory to HMP or if the application is denied by the Bankruptcy Court. In such a case, the Client agrees to withdraw or change, upon HMP's request, the application filed with the

Professional Services Agreement, June __, 2016

Bankruptcy Court. To the extent this paragraph 10 conflicts with that certain Agreed Order, the terms of the Agreed Order shall control.

11. No Audit; No Duty to Update

It is understood that HMP is not being requested and does not undertake to perform an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the AICPA, SEC or other state or national professional or regulatory body.

HMP and all HMP personnel are entitled to rely on the accuracy and validity of the data disclosed to them or supplied to them by employees and representatives of the Client. HMP is under no obligation to update data submitted to HMP or any analyses derived therefrom except as specifically agreed by HMP and the Client.

12. [Reserved]

13. Conflicts

HMP is not currently aware of any relationship that would create a conflict of interest with the Client or those parties-in-interest of which the Client has made HMP aware. Because HMP is a professional services firm that serves clients on a national basis in numerous cases, both in and out of court, it is possible that HMP may have rendered services to or have business associations with other entities or people which had have or may have relationships with the Client, including creditors of the Client. Should HMP become or be made aware of a potential conflict, HMP will decide on the most appropriate action to be taken and will work to resolve the potential conflict.

The Client acknowledges and agrees that it has been informed that HMP previously had a separate engagement with Independent Healthcare Management, Inc. d/b/a S.E. Lackey Memorial Hospital ("Lackey") and resigned that engagement effective May 17, 2016. Such engagement was entered into at the request of Capital One, which provided financing to both the Client and Lackey, and with the knowledge, consent and approval of the Client, and Lackey expressly waived any conflict or potential conflict that might have been alleged to arise from HMP's contemporaneous engagement as financial advisor to the Client. Although Lackey is an independent 501(c)(3) hospital not owned by or directly affiliated with the Client, Joseph McNulty, CEO of the Client, served as Chair of the Board of both Lackey and the Client, and Mr. McNulty's son served on the Board of Lackey as well.

The Client has provided a variety of management services, billing and collection services, nursing home management services and behavioral health services to Lackey over a period of years. Capital One requested that HMP review and analyze the fees charged by the Client for such services as part of HMP's engagement as CRO of Lackey. In the course of that review, HMP discovered that, a number of years previously, Lackey had executed a promissory note in

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favor of the Client in the approximate amount of \$4,000,000, reflecting certain unpaid fees owed by Lackey to the Client in respect of the services described above. HMP further discovered that payment of amounts under such note had been accelerated, so that Lackey had paid amounts to the Client earlier than required under the terms of the note. Promptly after discovery of the relevant facts, HMP disclosed the existence of the note and the accelerated payments to Capital One and the Committee.

Once it had discovered these facts, HMP concluded that they presented a potential conflict in light of its role as financial advisor to the Client, and that such conflict could not be effectively waived. Accordingly, HMP, with the knowledge and consent of the Client, resigned the Lackey engagement effective May 17, 2016.

Consistent with its prior agreement with HMP, the Client hereby knowingly and voluntarily reiterates its waiver of any conflict or potential conflict that such terminated engagement might otherwise present. Lackey likewise has waived and continues to waive any such conflict or potential conflict.

14. Confidentiality; Non-Solicitation

HMP will maintain the confidentiality of all non-public information received from the Client in conjunction with this engagement, except: (i) as requested by the Client or its legal counsel; (ii) as required by legal proceedings; or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure will cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision. Except as specifically provided for in this Agreement, the Client, on behalf of itself and its affiliates and any of its successors or assigns, agrees that, until two years subsequent to the termination of this engagement, it will not solicit, recruit, hire or otherwise engage any employee of HMP who worked on this engagement while employed by HMP ("**Solicited Person**"); provided, however, that this restriction will not apply with respect to any general solicitation for new employees which is not targeted at any Solicited Person.

Should the Client or any of its affiliates or any of its successors or assigns extend an offer of employment to or otherwise engage any Solicited Person, and should such offer be accepted, HMP will be entitled to a fee from the party extending such offer equal to the Solicited Person's undiscounted hourly client billing rate at the time of the offer multiplied by 500 hours. The fee will be payable at the time of the Solicited Person's acceptance of employment or engagement.

15. Limitation on Liability

In no event shall HMP be liable to the Client, whether a claim be in tort, contract or otherwise, for any amount in excess of the total professional fees paid pursuant to this Agreement, or for any consequential, indirect, special or punitive damages, including loss of profit, data, business or goodwill or similar damages relating to HMP's services provided under this

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Agreement, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of HMP relating to such services or from a breach of the warranty of good faith and professionalism set forth below. The Client will not indemnify HMP in connection with claims for willful misconduct or fraudulent behavior of HMP relating to such services.

The Client accepts and acknowledges that HMP has not made any warranties or guarantees of any nature with respect to the results, outcome or final developments in this matter or with respect to the economic, financial or other results which the Client may experience as a result of the services provided by HMP.

No action in connection with this engagement may be brought by either party more than one year after the cause of action has accrued, except that an action for non-payment may be brought by a party no later than one year after the date of the last payment due to the party bringing the action.

HMP warrants that it shall perform the services in good faith and in a professional manner. HMP disclaims all other warranties, either express or implied.

In no event shall HMP be indemnified or receive contribution to the extent that any claim or expense has resulted from HMP's bad faith, self-dealing, breach of fiduciary duty, gross negligence, willful misconduct, or fraudulent conduct. The parties acknowledge that HMP does not assume other than as required by applicable law, and expressly disclaims to the extent permitted by applicable law, any fiduciary duties as financial advisor, and does not by this reference assume any fiduciary duties not imposed by applicable law. If and when HMP is engaged as CRO, HMP shall expressly assume such fiduciary duties as may be inherent in that role under applicable law or imposed by order of the Bankruptcy Court.

16. Force Majeure

Neither party to this Agreement will be liable for any delays or nonperformance directly or indirectly caused by circumstances beyond its reasonable control, including but not limited to, the disability or death of the CRO, the failure to cooperate by the other party or any third party, fire, epidemic, strike or labor dispute, war, violence, or any law, regulations or requirements by a governmental agency or authority.

17. Indemnification

The Client will indemnify HMP and its personnel (including the CRO and any Additional Officers) to the same extent as the most favorable indemnification the Client extends to its officers or directors, whether under the Client's bylaws, its articles or certificate of incorporation, by contract or otherwise, and no reduction or termination in any of the benefits provided under any such indemnities will affect the benefits provided to HMP and its personnel. The CRO and each additional Officer will be covered as an officer under the Client's

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existing director and officer liability insurance policy. The Client will also maintain any such insurance coverage for the CRO and each Additional Officer for a period of not less than two years following the date of the termination of such officer's services hereunder. The provisions of this Section 18 are in the nature of contractual obligations, and no change in applicable law or either Client's charter, bylaws or other organizational documents or policies will affect HMP's rights hereunder. The Client further agrees that neither HMP nor any other indemnified party will have any liability, regardless of the legal theory advanced, to such Client or any other person or entity (including the Client's equity holders and creditors) related to or arising out of HMP's engagement; provided, however, that the Client will not indemnify HMP in connection with charges of willful misconduct or fraudulent activity. In no event shall HMP be indemnified or receive contribution to the extent that any claim or expense has resulted from HMP's bad faith, self-dealing, breach of fiduciary duty, gross negligence, willful misconduct, or fraudulent conduct.

18. Intellectual Property

HMP has the rights in and may, in connection with the performance of the duties under this Agreement, employ, provide, modify, create, acquire and obtain rights in works of authorship, materials, reports, information and other intellectual property created or provided by HMP.

Except as noted below, the work product or deliverables specified in this letter will become the property of the Client upon full and final payment to HMP. HMP grants the Client, upon full and final payment, the license to use any HMP technology, templates and tools, in connection with the deliverables, if any such technology, templates and tools are contained within the deliverables.

To the extent that HMP uses any of its intellectual property in connection with the deliverables within this Agreement, such property will remain HMP's property and except for the license granted in the paragraph above, the Client will not acquire any right or interest in such property.

19. Client Responsibilities, Third Party Information, and Assumptions

The Client acknowledges that HMP's and its personnel's performance is dependent upon the timely and effective satisfaction of the Client's responsibilities and timely decisions of the Client and the Board in connection with the duties provided under this Agreement. HMP and the CRO and any Additional Officers are entitled to rely on the decisions and approvals of the Client and the Board.

As appropriate, the Client and the Board will be responsible for: the performance of their personnel; the accuracy and completeness of all data provided to HMP that enable HMP to fulfil its duties under this Agreement; assuming all management responsibilities; designating a member of the Client's management to oversee the fulfilment of the duties under this Agreement; evaluating the results of the services rendered under this Agreement; accepting

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responsibility for the results of the services and establishing and maintaining ongoing internal controls.

20. Assignment and Subcontracting

Except as specified below, neither party may assign, transfer or delegate any of its rights relating to this Agreement without the prior written consent of the other party and any such attempt shall be void. Each Client consents to HMP's assigning or subcontracting any of HMP's rights or obligations to any affiliate or related entity or any entity that acquires all or a substantial part of the assets or business of HMP.

Services performed by HMP's subcontractors shall be billed as professional fees on the same basis as services performed by HMP's personnel, unless agreed otherwise.

21. Miscellaneous

This Agreement (a) shall be governed and construed in accordance with the laws of the State of Mississippi, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof; (b) incorporates the entire understanding of the parties with respect to the subject matter hereof; and (c) may not be amended or modified except in writing executed by all parties hereto. Each of the parties hereto (including HMP) agrees (w) to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of HMP hereunder; (x) that, to the extent permitted by applicable law, any federal court sitting within the Southern District of Mississippi shall have exclusive jurisdiction over any litigation arising out of this Agreement, subject to any jurisdiction retained by the Bankruptcy Court as reflected in any order of the Bankruptcy Court; (y) to submit to the personal jurisdiction of such courts; and (z) waives any and all personal rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the Southern District of Mississippi for any litigation arising in connection with this Agreement.

If any provision of such terms of the Agreement is unenforceable, such provision shall not affect the other provisions, but such unenforceable provision will be modified to the extent needed to render it enforceable, preserving the intent of the parties to this Agreement.

If required by law or otherwise requested by the Client, HMP shall enter into a Business Associate Agreement with each Client satisfactory in form and substance to HMP.

By signing this letter, you represent and warrant that the Client has the authority to enter into this engagement letter on behalf of itself and its subsidiaries, and you have the authority to execute this engagement on behalf of the Client.

Professional Services Agreement, June __, 2016

If the foregoing is acceptable to you, please sign the enclosed copy to acknowledge your agreement with its terms.

Best Regards,

Healthcare Management Partners, LLC

Scott Phillips
Managing Director,
Healthcare Management Partners, LLC

Agreed and Accepted by:

Pioneer Health Services, Inc.

Name: _____

Title: _____

Date: _____