

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

EBH TOPCO, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 18-11212 (BLS)

(Jointly Administered)

NOTICE OF ORDER (I) APPROVING THE ADEQUACY OF THE DISCLOSURES IN THE COMBINED PLAN AND DISCLOSURE STATEMENT ON AN INTERIM BASIS, (II) SCHEDULING THE CONFIRMATION HEARING AND DEADLINE FOR FILING OBJECTIONS, (III) ESTABLISHING PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE COMBINED PLAN AND DISCLOSURE STATEMENT, (IV) APPROVING THE FORM OF BALLOT AND SOLICITATION PACKAGE, AND (V) APPROVING THE NOTICE PROVISIONS

YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE COMBINED PLAN AND DISCLOSURE STATEMENT, INCLUDING THE TERMS OF THE RELEASE, EXCULPATION, AND INJUNCTION, AS YOUR RIGHTS MAY BE AFFECTED

BY ORDER OF THE COURT, TO ALL PARTIES IN INTEREST, PLEASE TAKE NOTICE THAT:

1. Filing of the Combined Plan and Disclosure Statement. On November 27, 2018, the above-captioned debtors and debtors in possession (the “**Debtors**”) filed the *Combined Disclosure Statement and Chapter 11 Plan of Liquidation of EBH Topco, et al.* [Docket No. 589] (and as further amended, modified, or supplemented from time to time, the “**Combined Plan and Disclosure Statement**”).²
2. Interim Approval and Procedures Order. On November 28, 2018, the Court entered the *Order (i) Approving the Adequacy of the Disclosures in the Combined Plan and Disclosure Statement on an Interim Basis, (ii) Scheduling the Confirmation Hearing and Deadline for Filing Objections, (iii) Establishing Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Combined Plan and Disclosure Statement, (iv) Approving the Form of*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are EBH Topco, LLC (6103), Elements Behavioral Health, Inc. (7176), EBH Holding Company, Inc. (0370), EBH Big Rock, Inc. (1880), SoCal Rehab and Recovery, Inc. (3741), The Sexual Recovery Institute, Inc. (1279), Westside Sober Living Centers, Inc. (5717), Ehrman Subsidiary Corp. (3958), PROMAL2, Inc. (1377), PROMAL4, Inc. (2453), SBAR2, Inc. (9844), Promises Residential Treatment Center VI, Inc. (1112), Assurance Toxicology Services, LLC (9612), Elements Screening Services, Inc. (0055), TRS Behavioral Care, Inc. (6343), Spirit Lodge, LLC (1375), San Cristobal Treatment Center, LLC (1419), EBH Acquisition Subsidiary, Inc. (6132), EBH Services of Florida, Inc. (6802), Outpatient Services FL, Inc. (9596), EBH Northeast Services, Inc. (3551), Intensive Outpatient Services PA, Inc. (5581), Wrightsville Services, LLC (9535), NE Sober Living, Inc. (1955), Northeast Behavioral Services, Inc. (8881), The Ranch on Piney River, Inc. (0195), Outpatient Services TN, Inc. (5584), EBH Southwest Services, Inc. (5202), Elements Medical Group of Utah, Inc. (9820), Southeast Behavioral Health Services, Inc. (1267), Elements Medical Group of Mississippi, Inc. (4545), and Elements Medical Group of Arizona, Inc. (8468). The Debtors’ mailing address is 5000 Airport Plaza Dr., Suite 100, Long Beach, California 90815.

² Capitalized terms used or not otherwise defined shall have the meanings ascribed to them in the Combined Plan and Disclosure Statement.

Ballot and Solicitation Package, and (v) Approving the Notice Provisions [Docket No. 593] (the “**Interim Approval and Procedures Order**”). The Interim Approval and Procedures Order, among other things, conditionally approved the Combined Plan and Disclosure Statement for solicitation purposes only pursuant to Local Rule 3017-2.

3. Combined Hearing. Pursuant to the Interim Approval and Procedures Order, a combined hearing on final approval and Confirmation of the Combined Plan and Disclosure Statement (the “**Combined Hearing**”) will be held **January 24, 2019 at 10:00 a.m. (ET)**. The Combined Hearing may be continued from time to time by way of announcement of such continuances in open court, without further notice to the parties in interest.
4. Objections to Confirmation. Objections, if any, to the adequacy of the disclosures in the Combined Plan and Disclosure Statement, or Confirmation of the Combined Plan and Disclosure Statement, must be filed and served by **January 14, 2019 at 4:00 p.m. (ET)** (the “**Objection Deadline**”). Objections must: (a) be in writing; (b) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest asserted by such party against the Debtors, their estates, or property; (d) state with particularity the basis and nature of any objection to the Combined Plan and Disclosure Statement; and (e) be filed with the Court and served before the Objection Deadline on the following parties (collectively, the “**Notice Parties**”): (i) counsel to the Debtors, Polsinelli PC, 222 Delaware Ave., Suite 1101, Wilmington, Delaware 19801 (Attn: Christopher A. Ward and Shanti M. Katona); (ii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Hannah Mufson McCollum); (iii) counsel to PBBH, McDonald Hopkins LLP, 300 N. LaSalle Street, Suite 1400, Chicago, IL 60654 (Attn: David Agay) and Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, 16th Floor, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Derek C. Abbott); and (iv) counsel to the Committee, Arent Fox LLP, 1301 Avenue of the Americas, Floor 42, New York, NY 10019 (Attn: Robert M. Hirsh) and Bayard, P.A., 600 N. King Street, Suite 400, Wilmington, DE 19801 (Attn: Justin R. Alberto).
5. Voting Procedures. Holders of Claims in Holders of Claims in Class 3 (First Lien Claims), Class 4 (Second Lien Claims), and Class 7 (General Unsecured Claims) are impaired, and thus, entitled to vote to accept or reject the Combined Plan and Disclosure Statement (together, the “**Voting Classes**”). If you hold such a Claim, as of November 27, 2018 (the “**Voting Record Date**”), you will receive a Solicitation Package, which will include: (a) the Combined Plan and Disclosure Statement; (b) the Interim Approval and Procedures Order; (c) this Confirmation Hearing Notice; (d) a customized Ballot, which shall include voting instructions and a pre-addressed, postage prepaid return envelope; and (e) such other materials as the Court may direct.
6. Additional Information. For more information regarding the Solicitation Procedures, contact the Claims and Balloting Agent by: a) emailing ebhinfo@donlinrecano.com; (b) writing Donlin, Recano & Company, Inc., Re: EBH Topco, LLC, et al., P.O. Box 192016, Blythebourne Station, Brooklyn, NY 11219; or (c) calling (866) 416-0554. Please note that the Claims and Balloting Agent is not permitted to give legal advice.
7. Key Dates. The Interim Approval and Procedures Order contemplates the following key dates:

Voting Procedures Hearing Objection Deadline	November 20, 2018 at 4:00 p.m.
Voting Procedures and Interim Disclosure Statement Hearing	November 27, 2018 at 10:00 a.m.
Voting Record Date	The earlier of November 27, 2018 or the entry of the Interim Approval and Procedures Order.
Solicitation Commencement Date	Within five (5) business days after entry of the Interim Approval and Procedures Order.
Deadline to File Plan Supplement	January 10, 2019 at 4:00 p.m.
Deadline for Creditors to File Rule 3018 Motions	January 14, 2019 at 4:00 p.m.
Deadline for Debtors to Respond to Rule 3018 Motions	January 11, 2019 at 4:00 p.m.
Voting Deadline for the Combined Plan and Disclosure Statement	January 14, 2019 at 4:00 p.m.
Combined Plan and Disclosure Statement Objection Deadline	January 14, 2019 at 4:00 p.m.
Opt Out Deadline	January 14, 2019 at 4:00 p.m.
Deadline to File Confirmation Brief and Other Evidence Supporting the Combined Plan and Disclosure Statement	January 18, 2019 at 4:00 p.m.
Deadline to File Voting Tabulation Affidavit	January 18, 2019 at 4:00 p.m.
Combined Hearing	January 24, 2019 at 10:00 a.m.

8. Release, Exculpation, and Injunction Provisions in the Combined Plan and Disclosure Statement. Article XI of the Combined Plan and Disclosure Statement contains certain release, exculpation, and injunction provisions. These provisions may materially affect your rights. Please review carefully.

Article XI.A. Injunction.

All injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code sections 105 or 362, or otherwise, and in existence on the Confirmation Date shall remain in full force and effect until the later of (a) the Effective Date, or (b) the date indicated in the order providing for such injunction or stay. Notwithstanding the foregoing, nothing herein shall be otherwise deemed to modify, limit, amend or supersede any injunctions or stays granted by the Sale Order.

Except as otherwise provided in the Combined Plan and Disclosure Statement or to the extent necessary to enforce the terms and conditions of the Combined Plan and Disclosure Statement, the Confirmation Order, or a separate order of the Bankruptcy Court, all entities who have held, hold, or may hold Claims against or Equity Interests in the Debtors shall be permanently enjoined from taking any of the following actions against any property that is to be distributed under the terms of the Combined Plan and Disclosure Statement on account of any such Claims or Equity Interests: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (c) creating, perfecting, or enforcing any lien or encumbrance; (d) asserting a setoff, right, subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors; and (e) commencing or

continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Combined Plan and Disclosure Statement; *provided, however*, that such entities shall not be precluded from exercising their rights pursuant to and consistent with the terms of the Combined Plan and Disclosure Statement or the Confirmation Order; *provided, further*, that the foregoing shall not apply to any acts, omissions, claims, causes of action or other obligations expressly set forth in and preserved by the Combined Plan and Disclosure Statement or any defenses thereto. Notwithstanding the foregoing, nothing herein shall be otherwise deemed to modify, limit, amend or supersede any injunctions or stays granted by the Sale Order.

Article XI.B. Exculpation.

Except as otherwise specifically provided in the Combined Plan and Disclosure Statement, none of the Exculpated Parties shall have or incur any liability to any holder of a Claim or Interest (including Estate Claims) for any act or omission in connection with, related to, or arising out of the Chapter 11 Cases, the Combined Plan and Disclosure Statement, the pursuit of Confirmation, the consummation of the Combined Plan and Disclosure Statement, the administration of the Combined Plan and Disclosure Statement, the property to be liquidated and/or distributed under the Combined Plan and Disclosure Statement or any prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the liquidation of the Debtors, except for their willful or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Combined Plan and Disclosure Statement.

The foregoing paragraph shall apply to attorneys only to the extent permissible under applicable bar rules and case law.

Article XI.C. Release by Debtors.

Pursuant to Bankruptcy Code section 1123(b), and notwithstanding anything to the contrary in the Combined Plan and Disclosure Statement or the Confirmation Order, on and after the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties shall be deemed released by the Debtors and the Estates, from any and all claims, obligations, debts, rights, suits, damages, causes of action, remedies, and liabilities whatsoever (other than for illegal conduct, gross negligence, bad faith, or fraud), including derivative claims asserted or assertable on behalf of the Debtors or the Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that any of the Debtors or the Estates, as applicable, would have been legally entitled to assert in its own right, or on behalf of the Holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, transfer, or rescission of the purchase, sale, or transfer of any debt, security, asset, right, or interest of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Combined Plan and Disclosure Statement, the business or contractual arrangements between the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the

negotiation, formulation, or preparation of the Combined Plan and Disclosure Statement and any other agreements or documents effectuating the Combined Plan and Disclosure Statement, or related agreements, instruments, or other documents, and any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date relating to the Debtors or the Estates. For purposes of the releases contained in the Combined Plan and Disclosure Statement, the Creditor Trustee is deemed to be a successor to the Estates and, therefore, is bound by the releases contained in the Combined Plan and Disclosure Statement.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Release of the Released Parties by the Debtors and the Estates, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that the Release of the Released Parties by the Debtors and the Estates is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the Claims released by the Debtors or the Estates; (c) in the best interests of the Debtors, the Estates and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to the Debtors or the Estates asserting any Claim or Cause of Action released pursuant to the Release by the Debtors or the Estates.

Article XI.D. Third Party Release.

Effective as of the Effective Date, each of the Releasing Parties conclusively, absolutely, unconditionally, irrevocably, and forever releases (and each Entity so released shall be deemed released by the Releasing Parties) each and all of the Released Parties and their respective property from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever (other than for illegal conduct, gross negligence, bad faith, or fraud), including with respect to any rights or Claims that could have been asserted against any or all of the Released Parties with respect to any derivative claims, asserted or assertable on behalf of the Debtors or the Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, transfer, or rescission of the purchase, sale, or transfer of any debt, security, asset, right, or interest of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Combined Plan and Disclosure Statement, the business or contractual arrangements between the Debtors and any Released Party, the restructuring or any alleged restructuring or reorganization of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Combined Plan and Disclosure Statement and any other agreements or documents effectuating the Combined Plan and Disclosure Statement, or related agreements, instruments, or other documents (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Combined Plan and Disclosure Statement or the reliance by any Released Party on the Combined Plan and Disclosure Statement or the

Confirmation Order in lieu of such legal opinion), and any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date relating to the Debtors or the Estates.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third Party Release, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that the Third Party Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by the Releasing Parties; (c) in the best interests of the Debtors, the Estates, and all Holders of Claims and Interests; (d) fair, equitable and reasonable; (e) given and made after due notice and opportunity for hearing; (f) consensual; and (g) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to the Third Party Release.

Dated: December 5, 2018
Wilmington, Delaware

POLSINELLI PC

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