

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

In Re:	§	
	§	
WESTLAKE SURGICAL, L.P. D/B/A	§	Case No. 23-10747
THE HOSPITAL AT WESTLAKE	§	Chapter 11
MEDICAL CENTER,	§	
	§	
Debtor.	§	

**NOTICE OF (I) COMBINED HEARING TO CONSIDER FINAL APPROVAL OF THE
AMENDED DISCLOSURE STATEMENT UNDER 11 U.S.C. § 1125 AS MODIFIED AND
CONFIRMATION OF THE AMENDED CHAPTER 11 PLAN;
AND (II) RELATED VOTING AND OBJECTION DEADLINES**

PLEASE TAKE NOTICE that by order dated January 9, 2025 (the “**Disclosure Statement Order**”), the United States Bankruptcy Court for the Western District of Texas (the “**Court**”) conditionally approved the *Westlake Surgical, L.P. d/b/a The Hospital at Westlake Medical Center’s Amended Disclosure Statement Under 11 U.S.C. § 1125 As Modified* (as may be amended, the “**Disclosure Statement**”) filed by Westlake Surgical, L.P. d/b/a The Hospital at Westlake Medical Center (the “**Debtor**”) and authorized the Debtor to solicit votes with regard to the acceptance or rejection of the *Westlake Surgical, L.P. d/b/a The Hospital at Westlake Medical Center’s Amended Plan of Reorganization* (as may be amended, the “**Plan**”),¹ which is attached as **Exhibit 1** to the Disclosure Statement. Through the Disclosure Statement Order, the Court conditionally approved the adequacy of the information contained in the Disclosure Statement, along with certain procedures to be used in connection with solicitation of votes on the Plan.

PLEASE TAKE NOTICE that a hearing (the “**Combined Hearing**”) to consider final approval of the Disclosure Statement and confirmation of the Plan shall be held on February 24, 2025 at 10:00 a.m. before the Honorable Judge Shad Robinson at Austin Courtroom 1, Homer J. Thornberry Federal Judicial Bldg., 903 San Jacinto Blvd., Austin, TX 78701. Those wishing to attend remotely must seek prior approval from this Court. The Combined Hearing may be continued from time to time by the Debtor announcing such continuance in open court or filing a notice of reset hearing without further notice to parties in interest.

PLEASE TAKE NOTICE that any party wishing to obtain a copy of the Disclosure Statement, the Plan or any pleading filed in the above-captioned case free-of-charge may do so by accessing the following url: <https://www.donlinrecano.com/Clients/wls/Index> or by contacting Donlin, Recano, & Company, Inc. at (866) 745-0270 or via email at wlsinfo@drc.equiniti.com.

¹ Terms not defined herein have the meanings ascribed to such terms by the Disclosure Statement Order.

PLEASE TAKE NOTICE that all creditors in Classes 3, 4, and 5 and who hold claims on January 8, 2025 (the “**Voting Record Date**”) shall be entitled to vote on the Plan. Holders of unimpaired Claims or Interests that will receive no distribution under the Plan are not entitled to vote on the Plan and will not receive a Ballot.

PLEASE TAKE NOTICE that all votes to accept or reject the Plan must be submitted **so they are actually received by the Notice and Claims Agent, Donlin, Recano & Company, Inc., by February 10, 2025 by 5:00 p.m. (prevailing Central Time)** (the “**Voting Deadline**”) as follows:

If by Regular Mail:

Donlin, Recano & Company, Inc.
Re: WESTLAKE SURGICAL, L.P.
Attn: Voting Department
P.O. Box 2053
New York, NY 10272-2042

If by Messenger or Overnight Delivery:

Donlin, Recano & Company, Inc.
c/o Equiniti
Re: WESTLAKE SURGICAL, L.P.
48 Wall Street 22nd Floor
New York, NY 10005

If via email:

DRCVote@drc.equiniti.com

Submitted Ballots may be disqualified if they fail to follow the voting instructions contained in the Disclosure Statement Order and on the Ballots.

PLEASE TAKE NOTICE that Objections, if any, to final approval of the Disclosure Statement and/or confirmation of the Plan must be filed on or before **by February 10, 2025 by 5:00 p.m. (prevailing Central Time)** (the “**Confirmation Objection Deadline**”) with the Court and served so as to be actually received by the Confirmation Objection Deadline upon the following parties (the “**Confirmation Service List**”): (i) counsel for the Debtor, Charlie Shelton (cshelton@haywardfirm.com); (ii) counsel for the Official Committee of Unsecured Creditors, Matthew Linder (mlinder@whitecase.com), Laura Baccash (laura.baccash@whitecase.com); (iii) counsel for the plan sponsor (Westlake Principal Partners), Kell Mercer (kell.mercer@mercerc-law-pc.com), Phil Lamberson (plamberson@winstead.com), Annmarie Chiarello (achiarello@winstead.com); (iv) counsel for the Office of the United States Trustee for the Western District of Texas, Gary W. Wright (Gary.wright3@usdoj.gov); and (v) counsel for eCapital Healthcare Corp, Jake Gordon (jake.gordon@foley.com), Ed Green (EGreen@foley.com).

PLEASE TAKE NOTICE that Section 8.03 of the Plan contains release, exculpation, and injunction provisions, which are set forth in full below solely for informational purposes. Relevant definitions from the Plan are also copied in full below.

Section 8.03 of the Plan (Releases, Exculpations and Injunction).

Notwithstanding anything in this Article or elsewhere in the Plan to the contrary, the following provisions shall apply to release and/or limit Causes of Action.

(a) Debtor Releases.

Except as otherwise expressly provided in the Plan, including the rights that remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order, as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties to facilitate and implement the reorganization of the Debtor and the settlements embodied in the Plan, including the Committee Settlement and the Professional Fee Settlement, as an integral component of the Plan, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released by the Debtor (on behalf of itself and the Reorganized Debtor) and its Estate, and any and all other entities who may purport to assert any Claims or Causes of Action, directly or derivatively, by, through, for, or because of the Debtor or its Estate, of and from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor or its Estate, as applicable, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, contingent or noncontingent, in law, equity, contract, tort or otherwise, that the Debtor or its Estate or the Reorganized Debtor would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Equity Interest in, the Debtor, the Estate, or other entity, based on or relating to, or in any manner arising from, in whole or in part, from any act or omission in connection with, or transaction with the Debtor (including management, ownership, or operation thereof), the Debtor's in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Case, the formulation, preparation, dissemination, negotiation, filing, pursuit, performance, or consummation of the Chapter 11 Case (including any payments, distributions or transfers in connection therewith), the Plan and related documents, including the Plan Supplement, the Committee Settlement, the Professional Fee Settlement, the Disclosure Statement, or any contract, instrument, release, or other Plan document, agreement, or document created or entered into in connection with the Plan or the Disclosure Statement, the Chapter 11 Case, confirmation, or consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, any payments, distributions or transfers made by the Debtor during the Chapter 11 Case, any settlement or agreement in the Chapter 11 Case or upon the negotiations regarding or concerning any of the foregoing or any other act or omission, transaction, agreement, event, or other occurrence relating to the foregoing taking place on or before the Effective Date (including before the Petition Date). Notwithstanding anything to the contrary in the foregoing, this provision does not release any post-

Effective Date obligations of any party or Entity under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Moreover, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, each holder of an Allowed General Unsecured Claim is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released by the Debtor (on behalf of itself and the Reorganized Debtor) and its Estate, and any and all other entities who may purport to assert any Claims or Causes of Action, directly or derivatively, by, through, for, or because of the Debtor or its Estate, from any Avoidance Action; *provided, however*, the foregoing Debtor Releases shall not release any Causes of Action, including Avoidance Actions, related to any payments or other transfers made to WestRise or any lender, creditor or investor of WestRise, to the extent such recipient is not a Released Party.

(b) Consideration for Debtor Releases.

In partial consideration of the Debtor Releases provided for under the Plan, as of the Effective Date, (i) all Proofs of Claim and Causes of Action asserted against the Debtor by the Released Parties (other than the WestRise Claims, which are entitled to the treatment set forth in Section 5.04, and the eCapital Claims, which are entitled to the treatment set forth in Section 5.03) shall be irrevocably deemed withdrawn, expunged and released, shall not receive any Distributions under the Plan and shall be discharged pursuant to the Plan; and (ii) the Debtor and Arise (which did not file a Proof of Claim) have entered into a mutual, general release of all Claims and Causes of Action between them to the extent such Claims or Causes of Action arose or are alleged to have arisen on or before the Effective Date, as appended as Exhibit E to this Plan and effective as of the Effective Date.

(c) Third-Party Releases.

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties to facilitate and implement the reorganization of the Debtor and the settlements embodied in the Plan, including the Committee Settlement and the Professional Fee Settlement, as an integral component of the Plan, to the maximum extent permitted under applicable law, as such law may be extended subsequent to the Effective Date, each Releasing Party is deemed to have released and discharged each Released Party of and from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtor, 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, from any act or omission in connection with, or transaction with, the Debtor (including the management, ownership, or operation thereof), the Debtor's in- or out-of-court restructuring efforts, intercompany transactions, commencement and prosecution of the Chapter 11 Case, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement and related documents), the Committee Settlement, the Professional Fee Settlement, and any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan,

the filing of the Chapter 11 Case, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any Lien or security interest granted to eCapital pursuant to, or in connection with, the Superpriority Exit Facility Documents or any Final Order; (ii) any obligations of any party under the Plan, or any document, instrument, or agreement that is executed to implement the Plan or that shall remain in effect after the Effective Date pursuant to the Plan; or (iii) any claims related to or arising from any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this section, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute its finding that each release described in this section is: (1) in exchange for the good and valuable consideration provided by the Released Parties, a good faith settlement and compromise of such Claims; (2) in the best interests of the Debtor and Creditors; (3) fair, equitable, and reasonable; (4) given and made after due notice and opportunity for hearing; and (5) a bar to any of the Releasing Parties asserting any Claim, Cause of Action, or liability released pursuant to this section against any of the Released Parties or their property.

(d) Exculpations.

To the fullest extent permissible under applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is exculpated from any Claim or Cause of Action related to any act or omission in connection with, relating to, or arising out of, in whole or in part, the Chapter 11 Case, the Debtor, the Debtor's in- or out-of-court restructuring efforts, intercompany transactions, the formulation, preparation, dissemination, negotiation, filing, pursuit, performance, or consummation of the Chapter 11 Case (including any payments, distributions or transfers in connection therewith), the Plan, including the Committee Settlement and the Professional Fee Settlement, and Disclosure Statement, or any contract, instrument, release or other Plan document, agreement, or document created or entered into in connection with the Plan and Disclosure Statement, the Chapter 11 Case, confirmation, or consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, any payments, distributions or transfers made by the Debtor during the Chapter 11 Case, any settlement or agreement in the Chapter 11 Case or upon the negotiations regarding or concerning any of the foregoing or any other act or omission, transaction, agreement, event, or other occurrence relating to the foregoing taking place from the Petition Date through the Effective Date, except for Claims related to any act or omission that is determined in a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and Distribution of consideration pursuant to the Plan

and, therefore, are not, and on account of such Distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions made pursuant to the Plan.

Notwithstanding anything to the contrary in the Plan, to the fullest extent permitted by section 1125(e) of the Bankruptcy Code, neither the Debtor nor WPP shall have any liability on account of any solicitation of any acceptance or rejection of the Plan for any violation of any applicable law, rule, or regulation governing solicitation of acceptance or rejection of a plan.

(e) Injunction.

No party may assert a Cause of Action against the Debtor, the Committee, any member of the Committee, eCapital, or their respective financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, for any claim related to any act or omission in connection with, relating to, or arising out of, in whole or in part, the Chapter 11 Case, the Debtor, the Debtor's in- or out-of-court restructuring efforts, intercompany transactions, the formulation, preparation, dissemination, negotiation, filing, pursuit, performance, or consummation of the Chapter 11 Case (including any payments, distributions or transfers in connection therewith), the Plan (including, for the avoidance of doubt, the Plan Supplement and related documents), the Committee Settlement, the Professional Fee Settlement, and Disclosure Statement, or any contract, instrument, release or other Plan document, agreement, or document created or entered into in connection with the Plan and Disclosure Statement, the Chapter 11 Case, confirmation, or consummation, the administration and implementation of the Plan, including the distribution of property under the Plan or any other related agreement, any payments, distributions or transfers made by the Debtor during the Chapter 11 Case, any settlement or agreement in the Chapter 11 Case or upon the negotiations regarding or concerning any of the foregoing or any other act or omission, transaction, agreement, event, or other occurrence relating to the foregoing taking place from the Petition Date through the Effective Date (except for claims related to any act or omission that is determined in a Final Order to have constituted actual fraud, willful misconduct, or gross negligence) without first seeking authority from the Bankruptcy Court. Any such request shall be made in writing with notice to all affected parties and shall include a proposed complaint setting forth any alleged claims and the detailed factual basis in support of such claims. Further, any such request shall include a proposed attorney fee reserve, subject to modification by the Bankruptcy Court, that will be deposited to the Bankruptcy Court's registry to indemnify the financial advisors, attorneys, accountants, investment bankers, consultants, representatives, or other professionals of both the Debtor and the Committee against costs associated with the successful defense of any Claim that is allowed to proceed. The Bankruptcy Court reserves jurisdiction to adjudicate any such Claims to the maximum extent provided by applicable law.

Relevant Plan Definitions.

"Avoidance Action" means any and all actual or potential avoidance, recovery, subordination, or other similar Claims, causes of action, or remedies that may be brought by or on behalf of the Debtor or its Estate or other authorized parties in interest under the Bankruptcy Code

or applicable non-bankruptcy law, including Claims, causes of action, or remedies arising under chapter 5 of the Bankruptcy Code, including claims brought pursuant to sections 506, 510, 541, 542, 544, 545, 547, 548, 549, 550, 553(b) and 724(a) of the Bankruptcy Code, or any analogous state, federal, or foreign statutes, common law, or other applicable law.

“Cause of Action” any action, claim, right, litigation, proceeding, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, recoupment, counterclaim, cross-claim, power, privilege, license, or franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, Secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, whether scheduled in the Schedules or not scheduled in the Schedules, whether arising under the Bankruptcy Code or other applicable law, in contract or in tort, in law or in equity or under any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim, or recoupment; or any Claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Equity Interests; (c) any Claim under section 362 of the Bankruptcy Code; (d) any Avoidance Action; (e) any claim or defense, including fraud, mistake, duress, or usury, or any other defenses set forth in section 558 of the Bankruptcy Code; (f) any claim or right to the turnover of assets or relating to the unauthorized use of assets; or (g) any claim based on non-bankruptcy law, including any state-law fraudulent transfer or creditors' rights claim, breach of contract, all rights to enforce any contract, any form of estoppel, fraud, constructive fraud, abuse of process, malicious prosecution, defamation, libel, slander, conversion, trespass, intentional infliction of emotional distress or other harm, negligence, gross negligence, negligent misrepresentation, fraudulent misrepresentation, vicarious liability, respondent superior, breach of any duty owed under either applicable law or any contract, breach of any fiduciary duty or duty of loyalty or due care, aiding and/or abetting breach of fiduciary duty, aiding and/or abetting breach of duty of loyalty or due care, alter ego, veil piercing, self-dealing, usurpation of corporate opportunity, ultra vires, quantum meruit, tortious interference, duress, unconscionability, undue influence, and unjust enrichment, as well as any cause of action for conspiracy to commit any unlawful act, aiding and/or abetting any such unlawful act, or assisting, encouraging, and/or participating in any such unlawful act.

“Claim” has the meaning ascribed to such term in section 101(5) of the Bankruptcy Code, meaning a (A) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

“Exculpated Party” means each of, and in each case, in its capacity as such, (a) the Debtor, (b) the Committee and each of its members, (c) eCapital, and (d) with respect to each of the foregoing, each such Entity's financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals

“Released Parties” means individually or collectively, (a) Attila LLC; (b) Attila GP Investor LLC; (c) Westlake Surgical GP, LLC; (d) Attila LP Investor LLC; (e) Arise; (f) WestRise; (g) Collin Scully; (h) Michael Welch; (i) Welch Living Trust; (j) WPP; (k) eCapital; (l) all affiliates

of the foregoing, and each of its and their respective directors, officers, representatives, agents, employees, attorneys and professionals; and (m) each Claimant that elects to opt-in to the Third-Party Releases in Section 8.03(c) of this Plan by checking the applicable box to opt-in on their ballot. Notwithstanding anything to the contrary herein, the term "Released Parties" shall not include (i) any of WestRise's affiliates, lenders, investors, directors, officers, representatives, agents, employees, attorneys, or professionals, each in their respective capacity as such that (y) contest the Plan or otherwise fail to accept the Plan, including their or WestRise's treatment under the Plan, or (z) are not otherwise a Releasing Party; or (ii) Claimants who (w) are not entitled to vote on the Plan, (x) do not vote on the Plan, (y) vote to reject the Plan, or (z) vote to accept the Plan but do not affirmatively opt-in to Third-Party Releases in Section 8.03(c) of this Plan by checking the applicable box to opt-in on their ballot.

"Releasing Party" means each party identified in clauses (a) through (m) of the definition of Released Parties. Notwithstanding anything to the contrary herein, the term "Releasing Party" shall not include Claimants who (w) are not entitled to vote on the Plan, (x) do not vote on the Plan, (y) vote to reject the Plan, or (z) vote to accept the Plan but do not affirmatively opt-in to Third-Party Releases in Section 8.03(c) of this Plan by checking the applicable box to opt-in on their ballot.

If you have any questions related to this notice, please call the Notice and Claims Agent at (866) 745-0270.
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Dated: January 9, 2025.

Respectfully submitted,

HAYWARD PLLC

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