

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

26503

Joseph J. Cicione, III, in his capacity as Chief
Executive Officer and President of Homefront
Health Care
Petitioner.

vs.

PC-2017-3687

Homefront Health Care
Respondent.

ORDER

2017 AUG 17 AM 10:22
CLERK OF SUPERIOR COURT
STATE OF RHODE ISLAND
JUDICIAL SERVICES DIV.

WHEREAS, on August 8, 2017, Theodore Orson ("Orson" or "Special Master") was appointed Temporary Special Master of Respondent Homefront Health Care ("Homefront");

WHEREAS, there is insufficient cash on hand to pay Homefront's biweekly payroll due on August 11, 2017 (which payroll covered the period of July 23, 2017 to August 5, 2017);

WHEREAS, the Court has determined that Homefront is no longer a going concern and has instructed the Special Master to work with the Rhode Island Department of Health to immediately wind down operations of Homefront and to make best efforts for the orderly transfer of Homefront's patients to other providers;

WHEREAS, the Special Master is requesting employees to continue to provide services to Homefront's patients;

WHEREAS, said employees shall be paid an amount equal to their pre-petition and post-petition wages without benefits (collectively the "Employee Wages");

WHEREAS, the Court has determined that the public health will be served by incentivizing those employees of Homefront who agree to continue work during the wind down of Homefront by granting those employees a priority in the payment of the Employee Wages;

WHEREAS, because of the emergency nature of the within proceeding and the necessity of protecting the public health, the Court is hearing this request for this Order with notice to

Petitioner and the Rhode Island Department of Health;

NOW THEREFORE it is hereby:

ORDERED, ADJUDGED and DECREED that:

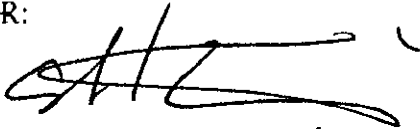
1. All Homefront employees who agree to continue to work, and in-fact perform services at Homefront during the wind down of Homefront, shall be paid their respective Employee Wages and said payments shall have a priority senior to all other creditors (except on an equal priority as the administrative claim of the Special Master). The payment of Employee Wages shall be made by the Special Master as soon as reasonably practicable if and when sufficient funds become available to satisfy payment of the Employee Wages and the aggregate of the Special Master's fees and expenses as of the date payment of the Employee Wages is to be made. Upon payment of the Employee Wages, the Special Master shall reserve an amount equal to the Special Master's aggregate fees and expenses in an escrow account to satisfy his payment of his outstanding fees and expenses, only to be distributed to the Special Master after application and approval by the Court. In the event that the Special Master is not in possession of sufficient funds to satisfy the Employee Wages and the Special Master's fees and expenses, the Special Master may issue a payment for the Employee Wages and reserve an amount for the Special Master's fees and expenses *pari passu*.

2. By no later than August 15, 2017, the Special Master shall provide notice of this order to all creditors of Homefront known to the Special Master. Any creditor or regulatory agency who objects to the Order may file an objection by no later than August 22, 2017. In the event that any objection is filed with the Court, a hearing thereon shall be held on August 25, 2017.

Case Number: PC-2017-3687
Filed in Providence/Bristol County Superior Court
Submitted: 8/10/2017 4:07:31 PM
Envelope: 1155242
Reviewer: Lynn G.

ENTERED as an Order of this Court this ____ day of August, 2017.

Enter
BY ORDER:

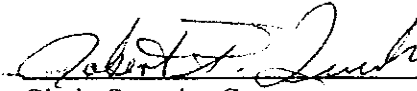


Associate Justice

Silver

8/10/2017

ORDER
ENTER:



Clerk, Superior Court

Submitted by:

Theodore Orson, Special Master
Orson and Brusini Ltd.
144 Wayland Avenue
Providence, RI 02906

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

Joseph J. Cicione, III, in his capacity as Chief
Executive Officer and President of Homefront
Health Care
Petitioner.

vs.

PC-2017-3687

Homefront Health Care
Respondent.

ORDER

WHEREAS, on August 8, 2017, Theodore Orson ("Orson" or "Special Master") was appointed Temporary Special Master of Respondent Homefront Health Care ("Homefront");

WHEREAS, there is insufficient cash on hand to pay Homefront's biweekly payroll due on August 11, 2017 (which payroll covered the period of July 23, 2017 to August 5, 2017);

WHEREAS, pursuant to a Court Order dated August 10, 2017 (the "Employee Wages Order"), the Court had determined that Homefront was no longer a going concern and instructed the Special Master to work with the Rhode Island Department of Health to immediately wind down operations of Homefront and to make best efforts for the orderly transfer of Homefront's patients to other providers;

WHEREAS, pursuant to the Employee Wages Order, the Court had granted the employees who are owed pre-petition and post-petition wages a priority in the payment of such employee wages without benefits (the "Employee Wages") thereby creating an incentive for employees of Homefront to continue to work for Homefront during the wind down;

WHEREAS, Nursing Placement, Inc. and Nursing Placement Home Health Care Services, Inc. (collectively "Nursing Placement") and the Special Master have agreed that Homefront patients and employees will transition to Nursing Placement during the period of the date hereof through no later than August 20, 2017 (the "Wind Down Period");

WHEREAS, Homefront patients will remain under the care of Homefront during the Wind Down Period;

WHEREAS, Homefront employees will remain employed by Homefront during the Wind Down Period;

WHEREAS, Nursing Placement has agreed to fund the total Employee Wages obligation of Homefront through August 20, 2017 ("Wage Obligation");

WHEREAS, the Employee Wages claim of each employee shall be reduced dollar for dollar by each payment of the Wage Obligation that is paid by Nursing Placement;

WHEREAS, Nursing Placement has agreed to fund the post-petition ProCare Therapy Service, Inc. obligations of Homefront during the Wind Down Period in order to ensure continued services ("ProCare Obligation");

The total "Wage Obligation" and "ProCare Obligation" of Nursing Placement not to exceed \$375,000.00
WHEREAS, Nursing Placement and the Special Master request that the Court grant to Nursing Placement a priority position senior to all other creditors (except on an equal priority (i.e. pari passu) as (1) the administrative claim of the Special Master, and (2) the priority position granted to Homefront employees in the Employee Wages Order) for the Wage Obligation and ProCare Obligation;

NOW THEREFORE it is hereby:

ORDERED, ADJUDGED and DECREED that:

1. Nursing Placement is hereby granted a priority position senior to all other creditors (except on an equal priority (i.e. pari passu) as the administrative claim of the Special Master and the priority position granted to the Homefront employees in the Employee Wages Order) for the Wage Obligation and ProCare Obligation. In the event that the Special Master does not have sufficient funds to reimburse Nursing Placement for the Wage Obligation and ProCare Obligation, the Special Master may issue a payment to Nursing Placement and reserve a pro rata amount for (1) the Special Master's fees and expenses and (2) the employees' claims granted under the

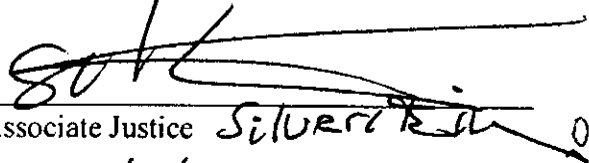
Employee Wages Order.


2. By no later than August 15, 2017, the Special Master shall provide notice of this order to all creditors of Homefront known to the Special Master. Any creditor or regulatory agency who objects to the Order may file a written objection with the Court by no later than August 22, 2017. In the event that any such objection is filed with the Court, a hearing thereon shall be held on August 25, 2017 at 9:30 a.m.

ENTERED as an Order of this Court this 11th day of August, 2017.

BY ORDER:

ENTER:


Associate Justice *Silvertown*
8/11/2017


Clerk, Superior Court

Submitted by:

Theodore Orson, Special Master
Orson and Brusini Ltd.
144 Wayland Avenue
Providence, RI 02906