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## UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: COMMISSION PMTS LIQUIDATING CORP., et al.,<sup>1</sup> ) Chapter 11

) Case No. 08-11551 (BLS)

(Jointly Administered)

## Debtors.

## NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) HEARING TO CONSIDER CONFIRMATION OF THE PLAN, (III) SUMMARY OF PLAN TREATMENT OF CLAIMS AND INTERESTS, AND (IV) DEADLINE AND PROCEDURES FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN APPROVAL OF DISCLOSURE STATEMENT

By Order dated June 15, 2009 (the "<u>Disclosure Order</u>"), the United States Bankruptcy Court for the District of Delaware approved the Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code with Respect to the Debtors' Chapter 11 Plan of Liquidation (the "<u>Disclosure Statement</u>") as containing adequate information within the meaning of section 1125 of chapter 11 of title 11 of the United States (the "<u>Bankruptcy Code</u>").

## **CONFIRMATION HEARING**

On July 15, 2009 at 1:00 p.m. (Eastern Time), or as soon thereafter as counsel may be heard, a hearing will be held before the Honorable Brendan L. Shannon, at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Courtroom #1, Wilmington, Delaware 19801 to consider confirmation of the Debtors' Chapter 11 Plan of Liquidation dated May 15, 2009 (as the same may be amended or modified, the "<u>Plan</u>") filed by the above-captioned debtors and debtors in possession (each a "<u>Debtor</u>" and collectively, the "<u>Debtors</u>"), and for such other and further relief as may be just and proper (the "<u>Confirmation Hearing</u>"). The Confirmation Hearing may be adjourned from time to time without further notice to creditors or other parties in interest, other than by an announcement of such adjournment in open court at the Confirmation Hearing or any adjournment thereof. Additionally, the Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and other applicable law, without further notice, prior to or as a result of the Confirmation Hearing.

## SUMMARY OF PLAN TREATMENT OF CLAIMS AND INTERESTS<sup>2</sup>

The Plan is a single, joint liquidating plan for each of the Debtors. On and after the effective date of the Plan (the "<u>Effective Date</u>"), the Debtors will continue in existence, but their respective assets (the "<u>Estate</u> <u>Assets</u>") will be managed through a liquidating trustee (the "<u>Liquidating Trustee</u>") who, subject to the terms of the Plan, will be responsible for, among other things, (i) winding up the Debtors' affairs as expeditiously as reasonably possible, (ii) liquidating, by converting to cash or other methods, any remaining Estate Assets, as expeditiously as reasonably possible, (iii) enforcing and prosecuting claims, interests, rights and privileges of the Debtors in conjunction with the marshaling of the Debtors' assets, (iv) resolving disputed claims, and (v) administering the Plan.

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The Debtors in these proceedings are: PMTS Liquidating Corp. f/k/a ProxyMed Transaction Services, Inc. (Tax ID No. XX-XXX5613); PM Liquidating Corp. f/k/a ProxyMed, Inc. (Tax ID No. XX-XXX2059); and PMLS Liquidating LLC f/k/a ProxyMed Lab Services LLC (Tax ID No. XX-XXX2059), each with a mailing address of c/o Phoenix Management Services, Inc., 110 Chadds Ford Commons, Chadds Ford, PA 19317 (Attn: Brian Gleason).

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<sup>2</sup> The summary contained herein is qualified in its entirety by reference to the more detailed information in the Disclosure Statement, the Plan and the exhibits to the Disclosure Statement and the Plan. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Plan. A copy of the Plan and Disclosure Statement are available as described below in this Notice.

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Consistent with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims, the DIP Claim and Fee Claims are not included in any Classes of Claims or Interests. As defined in the Plan, "Administrative Claims" are any Claims under sections 503(b) or 1114(e)(2) of the Bankruptcy Code that are entitled to priority under section 507(a)(2) of the Bankruptcy Code, including, but not limited to, claims arising under section 503(b)(9) of the Bankruptcy Code, and any actual and necessary expenses of operating the business of the Debtors or preserving the Estates incurred after the Petition Date, but not including Fee Claims. Also as defined in the Plan, "Priority Tax Claims" are Claims for taxes against the Debtors, including without limitation interest and penalties thereon, entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code. Other Priority Claims are Claims against the Debtors, other than an Administrative Claim or Priority Tax Claim, entitled to priority in payment under section 507(a) of the Bankruptcy Code. The "DIP Claim" is the Claim of Laurus Master Fund, Ltd., as the DIP Lender, arising under the post-Petition Date credit facility between the Debtors and Laurus. "Fee Claims" are Claims under sections 328, 330(a), 503 or 1103 of the Bankruptcy Code for the compensation of a Professional for services rendered or expenses incurred in the Chapter 11 Case on or prior to the Effective Date (including expenses of the members of the Committee). Administrative Claims, Priority Tax Claims, Other Priority Claims, the DIP Claim and Fee Claims are unimpaired by the Plan.

In accordance with the terms of the Plan and the Bankruptcy Code, holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, Allowed DIP Claim, and Allowed Fee Claims are unimpaired, are conclusively presumed to have accepted the Plan and thus are not entitled to vote. Only the holders of impaired claims in Class 2 Miscellaneous Secured Claims and Class 3 General Unsecured Claims are entitled to vote to accept or to reject the Plan. The holders of impaired Interests in Class 4 are impaired, will receive no distribution under the Plan, are deemed to have rejected the Plan and are not entitled to vote. You have been sent this notice because you have been identified as either a holder of an Allowed Administrative Expense Claim, an Allowed Priority Tax Claim, an Allowed Other Priority Claim, an Allowed DIP Claim, an Allowed Fee Claim, or Class 4 Interest.

Set forth below is a summary description of the classification and treatment of all classified Claims and Interests provided for in the Plan.

Class	Treatment	Voting Rights
Class 1 - Other Priority Claims	Unimpaired	Deemed to accept the Plan; not entitled to vote
Class 2 - Miscellaneous Secured Claims	Impaired	Entitled to vote
Class 3 - General Unsecured Claims	Impaired	Entitled to vote
Class 4 – Interests	Impaired	Deemed to reject the Plan; not entitled to vote

## Summary Chart of Classes of Claims and Interests

More specifically, the Plan provides the following treatment for Claims and Interests:

<u>Allowed Administrative Claims</u>: Except to the extent the holder of an Allowed Administrative Claim agrees otherwise, each holder of an Allowed Administrative Claim shall be paid in respect of such Allowed Claim the full amount thereof in Cash on the date that is the later of (i) the Effective Date, and (ii) the date on which such Administrative Claim becomes an Allowed Claim.

<u>Allowed Priority Tax Claims</u>: Except to the extent the holder of an Allowed Priority Tax Claim agrees otherwise, each holder of an Allowed Priority Tax Claim shall be paid in respect of such Allowed Claim the full amount thereof, without post-petition interest or penalty, in Cash, as soon as practicable after the later of (i) the Effective Date, and (ii) the date on which such Claim becomes an Allowed Claim.

<u>Allowed DIP Claim</u>: The DIP Claim is an Allowed Claim that has been satisfied in full. Following the closing of the Asset Sale, the Debtors paid the full amount of the DIP Claim in Cash, with interest, from the proceeds of the Asset Sale.

<u>Allowed Fee Claims</u>: Except to the extent the holder of an Allowed Fee Claim agrees otherwise, each holder of an Allowed Fee Claim shall be paid in respect of such Allowed Claim the full amount thereof, as approved by the Bankruptcy Court, in Cash, on the later of (i) the Effective Date, and (ii) the date that is five (5) Business Days after the date on which such Fee Claim is approved by the Bankruptcy Court.

<u>Class 1 – Allowed Other Priority Claims</u>. Except to the extent that the holder of an Allowed Other Priority Claim agrees otherwise, each holder of an Allowed Other Priority Claim shall be paid in respect of such Allowed Claim the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes an Allowed Claim.

<u>Class 2 - Allowed Miscellaneous Secured Claims</u>. Except to the extent that the holder of an Allowed Miscellaneous Secured Claim agrees otherwise, at the option of the Debtors in their sole discretion, holders of Allowed Miscellaneous Secured Claims shall receive either (i) the return of the collateral securing such Claim, or (ii) the net proceeds from the disposition of the collateral securing such Claim without representation or warranty by, or recourse against, the Debtors. To the extent that a holder of an Allowed Miscellaneous Secured Claim is unsecured, the unsecured portion of the Miscellaneous Secured Claim will be treated as a Class 3 General Unsecured Claim.

<u>Class 3 - Allowed General Unsecured Claims</u>. The holders of Allowed General Unsecured Claims shall receive their Pro Rata share of the Trust Assets after payment of the Allowed Administrative Claims, Priority Tax Claims, Fee Claims, the DIP Claim, Class 1 Other Priority Claims and Class 2 Miscellaneous Secured Claims.

<u>Class 4 – Interests</u>. The holders of Class 4 Interests shall receive no distribution. On the Effective Date, all Interests shall be deemed canceled, null and void and of no force and effect.

#### SUBSTANTIVE CONSOLIDATION

The Plan provides that the entry of the order by the Bankruptcy Court confirming the Plan will constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Debtors solely for purposes of voting on, confirmation of, and distributions under the Plan. The Plan does not contemplate the substantive consolidation of the Debtors for any other purpose.

### **EXCULPATION PROVISIONS**

Section 12.9 of the Plan provides that, except as otherwise provided by the Plan or the Confirmation Order, on the Effective Date, the Released Parties shall be deemed released by each of them against the other, and by all holders of Claims or Interests, of and from any claims, obligations, rights, causes of action and liabilities for any act or omission in connection with, or arising out of, the Chapter 11 Case, including, without limiting the generality of the foregoing, all sales of Property, assets, the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of Confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which constitute willful misconduct, gross negligence or intentional fraud, and all such Persons, in all respects, shall be entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities in connection with the Debtors' Chapter 11 Case and under the Plan.

#### RELEASE PROVISIONS

Section 12.8 of the Plan provides that, notwithstanding any other provision of this Plan, no holder of a Claim or an Interest, or other party-in-interest, and no successors or assigns of the foregoing, shall have any Claim, cause of action, or other legal or equitable right against the Debtors, members of the Committee in their representative capacities, the Professionals retained in the Debtors' Chapter 11 Case, and/or any of such parties' respective current or former members, officers, directors, employees, advisors, attorneys, business consultants, representatives, financial advisors, investment bankers, fund managers or agents and any of such parties' successors and assigns (collectively, the "<u>Released Parties</u>"), for any act or omission from the Petition Date through the Effective Date in connection with, relating to, or arising out of the Debtors' Chapter 11 Case, the pursuit of Confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct, gross negligence or intentional fraud. Provided that they act in good faith, in all such instances, the Released Parties shall be entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities in connection with the Debtors' Chapter 11 Case and under the Plan.

# INJUNCTION

Section 12.10 of the Plan provides that except as otherwise provided in the Plan or an order of the Bankruptcy Court, on and after the Confirmation Date, all Entities who have held, hold or may hold Claims against or Interests in the Debtors are, with respect to any such Claims or Interests, permanently enjoined from and after the Confirmation Date, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Liquidating Trust, or the Released Parties, or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor-in-interest to, any of the foregoing Entities; (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, of any judgment, award, decree or order against the Debtors, the Liquidating Trust, or the Released Parties, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor-in-interest to, any of the foregoing Entities; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Liquidating Trust or the Released Parties, or any direct or indirect transferee of any property of, or direct or indirect successor-in-interest to, any of the foregoing Entities; (d) asserting any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against any obligation due the Debtors, the Liquidating Trust or the Released Parties, or any of their property, or any direct or indirect transferee of any property of, or successor-in-interest to, any of the foregoing Entities; and (e) taking any actions in any place and in any manner whatsoever that do not conform to or comply with the provisions of the Plan.

## **DEADLINE FOR OBJECTIONS TO CONFIRMATION OF THE PLAN**

Objections, if any, to confirmation of the Plan, including any supporting memoranda, must be in writing, be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801 together with proof of service, and shall (a) state the name and address of the objecting party and the amount of its Claim or the nature of its interest in the Debtors' chapter 11 cases, (b) state with particularity the provision or provisions of the Plan objected to and, for any objection asserted, the legal and factual basis for such objection and (c) be served upon: (i) co-counsel to the Debtors, Patton Boggs LLP, 2550 M Street, N.W., Washington, D.C., 20037, Attention: Mark A. Salzberg, Esq. and Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE, 19801, Attention: Michael R. Nestor, Esq.; (ii) co-counsel for the Committee, Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169, Attn: David M. Posner, Esq., and Elliott Greenleaf, 1000 West Street, Suite 1440, Wilmington, DE 19801, Attn: Rafael X. Zahralddin-Aravena, Esq., and Elliott Greenleaf & Siedzikowski, P.C., 925 Harvest Drive, Blue Bell, PA 19422, Attn: James C. Crumlish, Esq.; and (iii) the Office of the United States Trustee, 844 King Street, Suite 2313, Lock Box 35, Wilmington, DE, Attn: Mark S. Kenney, Esq., by hand or in a manner as will cause such objection to be received by all such parties on or before 4:00 p.m. Eastern Time, on July 8, 2009. Any objection not filed and served as set forth above will be deemed waived and will not be considered by the Court.

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# COPIES OF THE PLAN AND DISCLOSURE STATEMENT

Copies of the Plan and Disclosure Statement have been filed with the Bankruptcy Court and may be obtained by parties in interest at the Debtors' expense upon written request to Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE 19801 (Attn: Anastasia Joseck), telephone: (302) 571-6727, facsimile: (302) 576-3413. In addition, copies of the Disclosure Statement and the Plan may be found on the Bankruptcy Court's website, www.deb.uscourts.gov,<sup>3</sup> and are on file with the Clerk of the Bankruptcy Court, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801.

Dated: Wilmington, Delaware June 15, 2009 Michael P. Richman (admitted *pro hac vice*) Mark A. Salzberg (admitted *pro hac vice*) PATTON BOGGS LLP 2550 M Street, N.W. Washington, D.C. 20037 (202) 457-5242 (Telephone) (202) 457-6315 (Facsimile)

-and-

## YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Kara Hammond Coyle Michael R. Nestor (No. 3256) Joseph M. Barry (No. 4221) Kara Hammond Coyle (No. 4410) The Brandywine Building 1000 West Street, 17th Floor Wilmington, DE 19801 Telephone: (302) 571-6600 Facsimile: (302) 571-1253

Attorneys for Debtors and Debtors-in-Possession

<sup>&</sup>lt;sup>3</sup> You must have an established account or apply for an account in order to obtain copies of the Disclosure Statement from the Bankruptcy Court's website. If you do not have an account and wish to receive a copy of the Disclosure Statement, please send a written request to Debtors' counsel as indicated above.