

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

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In re	:	Case No. 24–10164 (KBO)
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<b>CANO HEALTH, INC., et al.,</b>	:	(Jointly Administered)
	:	
Debtors. <sup>1</sup>	:	Obj. Deadline: June 21, 2024 at 5:00 p.m.
	:	Hr’g Date: June 28, 2024 at 9:30 a.m.
-----	x	<b>Related Docket Item: 864</b>

**MEDCLOUD’S LIMITED OBJECTION TO  
CONFIRMATION OF FOURTH AMENDED JOINT  
CHAPTER 11 PLAN OF REORGANIZATION OF CANO  
HEALTH, INC. AND ITS AFFILIATED DEBTORS**

Creditor, MedCloud Depot, LLC (“MedCloud”), by and through undersigned counsel, hereby files its *Limited Objection to Confirmation of Fourth Amended Joint Chapter 11 Plan of Reorganization of Cano Health, Inc. and its Affiliated Debtors* (the “Confirmation Objection”), and in support thereof respectfully states the following:

**BACKGROUND**

1. On or about February 4, 2024, Cano Health, Inc. (“Cano Health”), along with approximately 48 related and affiliated entities, filed for relief before this Court under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”).

2. On or about February 5, 2024, this Court entered an Order Pursuant to Fed. R. Bankr. P. 1015(b) for Entry of Order Directing Joint Administration of Related Chapter 11 Cases (D.I. 34) with Cano Health as the lead case.

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<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

3. Pre-petition, on February 5, 2018, MedCloud entered into a contractual relationship with Cano Health which granted a non-transferable license to Cano Health to use the Syncrasy software operating system (the “Syncrasy Software System”). The Syncrasy Software System is a comprehensive proprietary cloud-based financial and clinical business portal for physician practice organizations that provides users with essential and critical data to maximize value-based medical care and enable efficient care and spending. The Syncrasy Software System facilitates medical practice management, patient care management, pharmacy management, provides health cloud data, hospital admission alerts, healthcare availability, strategic services, and permits remote device access to financial and clinical information.

4. Between February 2018 and October 2022, the License Agreement was amended nine times through various Addendums. It was the ninth Addendum that added Debtor Physician Partners Group of Puerto Rico, LLC (“PPGPR”) and Healthy Partners Inc. (“Healthy Partners”) with Cano Health as “Clients” under the License Agreement (PPGPR, Healthy Partners and Cano Health hereafter collectively the “Client”). PPGPR is a joint Debtor with Cano Health before this Court. According to the first day Declaration of Cano Health’s CEO (D.I. 14), Cano Health “acquired” Healthy Partners pre-petition.

5. Cano Health continued to use the Syncrasy Software System post-petition, which facilitated the ability of Cano Health and its affiliates to operate efficiently even though MedCloud was not identified as one of Debtors’ critical vendors. However, Cano Health continued to use the Syncrasy Software System post-petition without paying MedCloud the contractual monthly fees (or any fees) owed for the use of that system.

6. On April 11, 2024, the Debtors and MedCloud entered into a *Stipulation Resolving MedCloud Depot, LLC’s [Original] Administrative Expense Motion and Related Discovery Disputes* (the “Settlement Stipulation”), which was approved by the Court on April 12, 2024 (D.I. 641). The Settlement Stipulation provided, *inter alia*, that Cano Health and Healthy Partners could continue to use the Syncrasy Software System for

themselves, and would collectively pay MedCloud, as a post-petition administrative expense, an aggregate fee of \$175,000.00 per month on an agreed timetable for each of March, April and May 2024, for the use of the system. The fees to MedCloud for March, April and May 2024 were paid as agreed.

7. The Settlement Stipulation prohibits Cano Health, Healthy Partners, and all of their subsidiaries and affiliates, from taking any actions to reverse engineer the Syncrasy Software System, either with or without the assistance of a third party. Such actions already were prohibited by the License Agreement but were emphasized and reiterated in the Settlement Stipulation.

8. Specifically, the Settlement Stipulation states, at paragraph 9, that:

The Licensees as well as all subsidiaries and affiliates under the control directly, or indirectly of the Licensees, whether in Chapter 11 or not in Chapter 11, shall not take any actions, including but not limited to the use of, or assistance of, or in conjunction with, DataLink LLC, or any other company or entity, designed and/or intended to facilitate infringement of MedCloud's intellectual property rights in connection with the Syncrasy Software System, in order to duplicate or recreate a similar system. No DataLink LLC personnel or employee, or personnel or employee of any other company or entity, shall be permitted access to the Syncrasy Software System, nor shall any DataLink LLC personnel or personnel or employee of any other company or entity be granted credentials to access the Syncrasy Software System as a Debtor employee or as an employee of any Debtor related entity. For the avoidance of doubt, nothing herein shall limit or otherwise affect in any way the restrictions set for in paragraph 1 and all subparts thereof, of the Syncrasy Software License Agreement.

9. On May 14, 2024, the Debtors filed a motion seeking authority to reject the License Agreement with MedCloud (D.I. 816), which was granted on June 4, 2024. (D.I. 969).

10. On June 20, 2024, MedCloud filed its rejection damages proofs of claims as well as its *Verified Renewed Motion for Allowance of Administrative Expense and Notice of Debtors' Breach of Settlement Stipulation*. (D.I. 1660).

11. The Fourth Amended Plan reserves litigation trust causes of action against MedCloud. (D.I. 864 at 1.140(b)). It states as follows:

1.140. Litigation Trust Causes of Action means

(a) any and all Claims and/or Causes of Action (including Avoidance Actions) of the Debtors or the Debtors' Estates, of any kind or nature whatsoever, whether in law or in equity, whether known or unknown, including without limitation Causes of Action for breach of fiduciary duty, fraud, fraud in the inducement, conversion, unjust enrichment, breach of contract, or constructive trust, against any former employee, officers or directors of the Debtors, or any former employee, member, manager, officer or director of any predecessor in interest of the Debtors, employed at any time during the period prior to (but not on or after) the Petition Date;

(b) any and all Claims and/or Causes of Action (including Avoidance Actions) of the Debtors or the Debtors' Estates, of any kind or nature whatsoever, whether in law or in equity, whether known or unknown, arising under any facts, circumstances, events, actions, omissions, transactions or occurrences at any time, in each case, against any of the following: (i) MedCloud Depot, LLC, (ii) Second Wave Delivery Systems, LLC, (iii) MSP Recovery, Inc., MSP Recovery LLC, Series 17-03-569, a Designated Series of MSP Recovery Claims, Series LLC, Claims RR, LLC, and/or John Ruiz (in each case, other than the MSP Claims), (iv) Jose Hernandez, Imago Video and Photo Studios, and/or Immersion TV-Show Inc., (v) Stephanie Hernandez, and (vi) Dental Excellence Partners, LLP; provided that, in connection with its pursuit of any such Claims and Causes of Action with respect to these third parties, the Litigation Trust shall be limited in its remedies to money damages or other monetary relief against such third parties ....

12. Other than a mention in the Disclosure Statement that Debtors' counsel and Quinn Emanuel as legal counsel reporting to the 2023 Directors, investigated potential claims against MedCloud, there has been no disclosure of the nature and character of any such potential claims or causes of action to MedCloud.

13. The Fourth Amended Plan contains broad Releases (D.I. 864 at 10.6), Exculpation (D.I. 864 at 10.7), and Injunctions (D.I. 864 at 10.5).

**RELIEF REQUESTED**

14. MedCloud objects to the Releases, Exculpation, and/or Injunctions to the extent that they would operate to restrict in any way MedCloud's rights to raise, assert, and/or prosecute against any of the Debtors, their respective Estates, their respective employees, including officers and directors, agents, and assigns, including, specifically, COO Robert Camerlink, and any of their successors, including any trustee appointed by this Court, any defense, including without limitation setoff and/recoupment, counter-claim, cross-claim and/or third-party claim that MedCloud in its sole and absolute discretion deems necessary and appropriate, including seeking affirmative recovery against any of those entities and/or individuals.

**CONCLUSION**

Wherefore, MedCloud Depot, LLC respectfully requests that this Court enter an order: (i) sustaining its Limited Objection, (ii) denying confirmation of the Fourth Amended Plan unless and until the Plan is modified to bring it into conformity herewith, (iii) and granting to MedCloud such other and further relief as this Court deems just and proper.

Dated: June 21, 2024  
Wilmington, DE

**SULLIVAN·HAZELTINE·ALLINSON LLC**

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*Attorney for MedCloud Depot, LLC,  
Admitted pro hac vice*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing will be served on all electronic notice parties via Courts CM/ECF service on June 21, 2024.

/s/ Geoffrey S. Aaronson  
Geoffrey S. Aaronson, Esq.

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