

Agreement Reached with Creditors in Tehum Care Services (formerly Corizon) Bankruptcy Proceedings

Press Release

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Houston TX– July 17, 2024 – Tehum Care Services, Inc. a correctional healthcare company formerly known as Corizon, is pleased to announce that a settlement has been reached with creditors, marking a significant milestone in resolving Tehum’s ongoing bankruptcy proceedings. This agreement represents a crucial step in obtaining the company’s long-term goals.

The settlement, reached after extensive negotiations with both creditors’ committees, demonstrates the parties’ commitment to work collaboratively towards a resolution for the benefit of all creditors. Tehum recognizes the hard work of Judge Christopher Sontchi (ret.), former Chief Judge of the United States Bankruptcy Court for the District of Delaware, who brought the parties and their counsel together, including the law firms of Brown Rudnick LLP and Berry Riddell LLC, which represent the Tort Claimants’ Committee, Stinson LLP, which represents the Unsecured Creditors’ Committee, and Gray Reed, which represents Tehum.

Under the terms of the agreement, approximately \$75 million dollars will be distributed to Tehum’s creditors through a consensual chapter 11 plan settlement.

Eric Goodman of Brown Rudnick, co-lead attorney representing the Tort Claimants’ Committee, stated “we applaud the efforts of the parties to reach a settlement, which includes increased monies for tort claimants, including incarcerated and formerly incarcerated creditors, a major goal for our committee.”

Nicholas Zluticky of Stinson, counsel for the Unsecured Creditors Committee, stated, “this settlement is a win for all creditors and we are pleased with the results.”

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Jason Brookner, counsel for Tehum, joined in the sentiments expressed by counsel for the committees.

Russell Perry, Chief Restructuring Officer of Tehum, stated, “We are very appreciative of the support and cooperation of the creditor committees to reach resolution and pave the way for substantial creditor recoveries.”

This agreement is expected to be voted on by the claimants and approved by the bankruptcy court through a plan of reorganization in the coming months. Once approved, it will enable Tehum and its affiliate companies to implement new business strategies, invest in growth initiatives, and serve our partner clients’ best interests.

In addition to Zluticky, Stinson attorneys involved in this matter include [Zachary Hemenway](#) and [Miranda Swift](#).

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