

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: **Chapter 11**
TEHUM CARE SERVICES, INC., **Case No. 23-90086 (CML)**
Debtor.

**YESCARE’S MOTION TO ENJOIN PLAINTIFF ANDREW LYLES FROM
PROSECUTING HIS CLAIMS AGAINST DR. KEITH PAPENDICK**

**IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN
WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU
MUST FILE YOUR RESPONSE ELECTRONICALLY AT
[HTTPS://ECF.TXSB.USCOURTS.GOV/](https://ecf.txsb.uscourts.gov/) WITHIN TWENTY-ONE DAYS
FROM THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE
ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN
OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN
TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED.
OTHERWISE, THE COURT MAY TREAT THE PLEADING AS
UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

CHS TX, Inc. d/b/a YesCare respectfully requests that the Court enter an Order enjoining Andrew Lyles, the plaintiff in *Lyles v. Papendick*, Case No. 2:19-10673 (E.D. Mich.) (the “Action”) from continuing to prosecute claims against defendant Dr. Keith Papendick, a “Released Party” pursuant to the Bankruptcy Plan, so long as the Bankruptcy Plan’s Injunctions and Releases do not terminate or become void. Mr. Lyles is listed on Exhibit C to the Court’s Decision and Order On YesCare’s Omnibus Motion to Enjoin Plaintiffs From Prosecuting Cases Against Released Parties” (the “Order,” ECF 2374). On August 27, 2025, YesCare filed “CHS TX, Inc.’s Memorandum of Law In Support Of its Omnibus Motion to Enjoin Plaintiffs From Prosecuting



Cases Against Released Parties Relating to ‘Exhibit C Parties.’” (ECF 2425). For purposes of brevity, YesCare incorporates in this Motion the arguments set forth in its “Exhibit C” brief and in the original Omnibus Motion (ECF 2160) regarding the adequacy of the notice Exhibit C Parties received and the fact that Mr. Lyles did not opt out of the Plan despite receiving the Opt-Out Release Form.¹

The Order raised a separate question regarding the sufficiency of the evidence submitted in the Omnibus Motion demonstrating that Dr. Keith Papendick is a “Released Party” under the Plan. The Order permitted YesCare to separately seek a ruling on this matter “before this Court.” Accordingly, based on the arguments in the Exhibit C brief and herein, this Motion seeks an Order that Andrew Lyles is enjoined from pursuing his lawsuit against Dr. Keith Papendick because Dr. Papendick is a “Released Party” under the Plan.

INTRODUCTION

Plaintiff Andrew Lyles brought claims against Dr. Keith Papendick and others based on allegations that his rights were violated during his 2016—2017 incarceration in the Michigan Department of Corrections (“MDOC”). In objecting to the Omnibus Motion, Mr. Lyles contended Dr. Papendick, the sole remaining defendant in his lawsuit, was not a “Released Party” under the Plan because he was not a former “employee” of the Debtor. The definition of Released Parties is not so limited. “Released Parties” also include the Debtor’s former “agents” and “professional advisors.”

As demonstrated herein, Dr. Papendick was plainly an “agent” and/or “professional advisor” to Corizon Health, Inc. because he acted as Corizon’s Utilization Management Manger

¹ Mr. Lyles is represented here and in his Eastern District of Michigan case by Ian Cross, Esq. a regular participant in the bankruptcy proceedings. (*Lyles* ECF 46, Ian Cross Attorney Appearance).

for Corizon’s contract with the MDOC. His role as such has been advanced by Mr. Lyles *in his case* and has been recognized by several Michigan courts, including other cases where Lyles’s attorney is counsel of record. Mr. Lyles has never argued that Dr. Papendick does not qualify as a former “agent” or “professional advisor” to the Debtor. Accordingly, for the reasons stated herein, the Court should Order that Andrew Lyles is enjoined from pursuing his lawsuit against Dr. Keith Papendick because Dr. Papendick is a “Released Party” under the Plan.

FACTUAL BACKGROUND

1. On March 6, 2019, Andrew Lyles brought a Complaint against Keith Papendick, M.D., “Corizon Medical Services,” and others, captioned *Lyles v. Papendick*, Case No. 2:19-cv-10673 (E.D. Mich.), relating to medical care provided to him during his incarceration in the Michigan Department of Corrections (“MDOC”) in 2016-2017. See **Exhibit A** (3/6/19 Complaint).

2. Dr. Papendick is the only remaining Defendant in the lawsuit. See **Exhibit B** (Docket showing terminated parties). Plaintiff’s § 1983 claim against the incorrectly named “Corizon Medical Services” was dismissed without prejudice for failure to state a claim on July 18, 2019. (*Lyles*, ECF 6).

3. In the Complaint, Lyles alleges that Dr. Papendick was “a regional supervising doctor employed by CORIZON.” Complaint, at ¶ 5. The Complaint further alleges that Dr. Papendick was the “regionally supervising doctor in charge of reviewing and approving requests for medical procedures and specialist consults.” Complaint, at ¶ 18. The Complaint alleges, *inter alia*, that Dr. Papendick “failed to refer Plaintiff to a gastroenterologist,” and did not “order any appropriate diagnostics...”. Complaint, at ¶ 70.

4. At all times relevant to the Action, the MDOC contracted with Corizon Health Inc. (“Corizon”) to provide healthcare to inmates within the MDOC. *See Exhibit C*, Declaration of Scott King, Esq. (“King Dec.”), ¶ 2.

5. At all times relevant to Lyles’ lawsuit, Dr. Keith Papendick was an employee of Quality Correctional Care of Michigan, P.C.(“QCCM”). *See King Dec.*, ¶ 3.

6. At all times relevant to the Action, Corizon subcontracted with QCCM to provide medical care to patients in the MDOC pursuant to its contract with the MDOC because the State of Michigan did not permit the corporate practice of medicine. *See King Dec.*, ¶ 4. (QCCM Contract); **Exhibit D** (Deposition of Keith Papendick, M.D., dated May 10, 2021, at 6:22-8:24).

7. Dr. Papendick’s role with QCCM was to act as Corizon’s Utilization Management Manager (“UMM”), a role that required him, under certain circumstances, to review requests from on-site MDOC medical providers to determine if the request should be approved, if more information was needed from the provider, or if an alternative treatment plan was approved at that time. *See King Dec.*, ¶ 5.

8. Dr. Papendick understood that he was working for Corizon. *See Exhibit D* (Deposition of Keith Papendick, M.D., dated Nov. 19, 2018, at 10:8-11:11) (testifying he was employed by Corizon since 2012 and that he is “paid by Quality Correctional, but I work for corporate.”) (Lyles ECF 67-8); **Exhibit E**, (Deposition of Keith Papendick, M.D., dated March 27, 2019 at 27:16-20 (Q. “Dr. Papendick, what is your current title. A. Utilization management medical director. Q. How long have you been with Corizon. A. Since June 2012.”) (Lyles ECF 67-7).

8. Corizon reviewed Dr. Papendick’s performance during the relevant period. *See Exhibit F* (Dr. Papendick Corizon Peer Performance Review produced in Lyles’s case) (*Lyles* ECF 67-9).

9. In his opposition to Dr. Papendick’s summary judgment motion in the Action, Lyles referred to “Corizon’s Utilization Management Department.” **Exhibit G** (*Lyles* ECF 67, p. 3)

8. By Order dated March 3, 2025, the Court confirmed the *First Modified Joint Chapter 11 Plan of Reorganization of the Tort Claimants’ Committee, Official Committee of Unsecured Creditors and Debtor* (the “Bankruptcy Plan”). (Doc. 2014).² The Bankruptcy Plan is effective.

9. The Released Parties under the Bankruptcy Plan include, amongst others, the Debtor and “each of their respective current and former officers, directors, managers, employees, contractors, **agents**, attorneys, and **other professional advisors**.” Art. I, ¶ 175 (emphasis added).

10. The Consensual Claimant Release releases the Released Parties from “all claims or Causes of Action, including any Estate Causes of Action, against a Released Party that are released under the Plan and the Confirmation Order.” Art. I, ¶ 173.³ Pursuant to the Plan’s Consensual Claimant Release, “[a]s of the Final Payment Date”:

Consenting Claimants shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever

² Capitalized terms used herein but not defined have the meanings ascribed to in the Bankruptcy Plan.

³ The Bankruptcy Plan defines “Causes of Action” to “mean[] any claims, causes of action, interests, damages, remedies, demands, rights, actions (including Avoidance Actions), suits, debts, sums of money, obligations, judgments, liabilities, accounts, defenses, offsets, counterclaims, crossclaims, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Art. I, ¶ 18.

release and discharge each Released Party of and from *any and all Causes of Action based on or relating to, or in any manner arising from, in whole or in part, any act, omission, transaction, event, or other circumstance taking place or existing on or before the Effective Date in connection with or related to the Debtor*, the Estate, their respective current or former assets and properties, the Chapter 11 Case, the Plan of Divisional Merger, any Claim or Interest that is treated by the Plan, *the business or contractual arrangements between the Debtor and any Released Party*, the restructuring of any Claim or Interest that is treated by the Plan before or during the Chapter 11 Case, any of the Plan Documents or any related agreements, instruments, and other documents created or entered into before or during the Chapter 11 Case or the negotiation, formulation, preparation or implementation thereof, the pursuit of Plan confirmation, the administration and implementation of the Plan, the solicitation of votes with respect to the Plan, the distribution of property under the Plan, *or any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing...*

ARGUMENT

ANDREW LYLES IS ENJOINED FROM PROSECUTING HIS LAWSUIT AGAINST DR. PAPENDICK BECAUSE DR. PAPENDICK IS A “RELEASED PARTY”⁴

The Plan’s definition of “Released Parties” includes Corizon’s “agents” and “other professional advisors.” Plan, Art. I, ¶ 175. Dr. Papendick is a “Released Party” because he was an “agent” and “professional advisor” of the Debtor at all times relevant to Andrew Lyles’ lawsuit. King Aff., ¶ 6. Dr. Papendick understood, and Plaintiff has alleged and argued in his case, that he was working for Corizon as a UMM. *See* Exhs. A, D, E, G. His work was also reviewed by Corizon. *See* Ex. F. Dr. Papendick’s role working for Corizon has not only never been contested, but it has also been advanced by plaintiffs in several lawsuits, *including this one* and other cases (like *Jackson*) where Plaintiff’s counsel is appearing. Complaint, at ¶¶ 5, 18; *Jackson v. Corizon Health Inc.*, 596 F .Supp. 3d 834, 844 (E.D. Mich. 2022) (“Dr. Papendick was the UMMD for

⁴ The Court already held with respect to the Omnibus Motion that it had jurisdiction to entertain a motion to enjoin, including seeking the relief herein.

Corizon in Michigan...”); *Wright v. Corizon Health, Inc.*, Case No. 16-12113, 2019 WL 2387189 (E.D. Mich. June 6, 2019) (“Defendant Keith Papendick, M.D., who served at the time as medical director of utilization management for Defendant Corizon’s Michigan division.”); *Flores v. Prison Health Servs.*, No. 1:18-CV-540, 2018 WL 3326858, at *1 (W.D. Mich. July 6, 2018) (“Corizon’s Medical Director for Outpatient Utilization Management Dr. Keith Papendick...”).

Dr. Papendick was employed by Corizon’s subcontractor QCCM to provide medical services pursuant to Corizon’s contract with the MDOC at all times relevant to Lyles’ claims. King Aff., ¶ 3-5. As such, he plainly qualifies as Corizon’s “agent” or “professional advisor” under Michigan law, which holds that an agency relationship exists where the principal (here, the Debtor) has a right to control the actions of an agent. *See Klein by Klein v. Caterpillar, Inc.*, 684 F.Supp.3d 610, 620 (E.D. Mich. 2023), *aff’d*, No. 23-1762, 2024 WL 1574672 (6th Cir. Apr. 11, 2024); *St Clair Intermediate School Dist. v. Intermediate Ed. Ass’n*, 458 Mich. 540, 557–558, 581 N.W.2d 707 (1998) (“[F]undamental to the existence of an agency relationship is the right to control the conduct of the agent with respect to matters entrusted to him.”). This is true even where there is no direct employer/employee relationship between the principal and the agent. *See Laster v. Henry Ford Health Sys.*, 316 Mich. App. 726, 735, 892 N.W.2d 442, 448 (2016) (explaining that a doctor could be an agent of a hospital where the hospital “assumed control over the physician”); *see also Blaszkiewicz v. St. Mary's of Michigan*, No. 363311, 2024 WL 3075939, at *3 (Mich. Ct. App. June 20, 2024) (finding principal and agent relationship could exist where hospital “exercised more than a *de minimis* degree of control over” its physicians). *See also Indian Harbor Ins. Co. v. Valley Forge Ins. Grp.*, 535 F.3d 359, 364 (5th Cir. 2008) (“It is the principal’s extent of control over the details of accomplishing the assigned task that primarily distinguishes

the status of independent contractor from that of agent.”) (quoting *Happy Indus. Corp. v. Am. Specialties, Inc.*, 983 S.W.2d 844, 852 (Tex.App.—Corpus Christi 1998))).

In this case, Dr. Papendick was tasked with carrying out Corizon’s UMM obligations to the MDOC through QCCM. Accordingly, Dr. Papendick was an “agent” of the Debtor at all times relevant to Lyles’s claims, and is therefore a “Released Party” under the Plan.

CONCLUSION

For the reasons stated herein, and as set forth in CHS TX, Inc.’s Memorandum of Law In Support Of its Omnibus Motion to Enjoin Plaintiffs From Prosecuting Cases Against Released Parties Relating to “Exhibit C Parties,” the Court should enter an Order enjoining plaintiff Andrew Lyles from continuing to prosecute his claims against Dr. Keith Papendick *in Lyles v. Papendick*, Case No. 2:19-10673 (E.D. Mich.), as long as the Bankruptcy Plan’s Injunctions and Releases are in effect.

Respectfully submitted,

By: /s/ Trevor W. Carolan

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CERTIFICATE OF SERVICE

I do hereby certify that on the 15th day of September, 2025, a true and correct copy of the foregoing was electronically filed with the Clerk of Court and served using the CM/ECF system.

In addition, a true and correct copy has been electronically mailed to the following:

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/s/ Trevor W. Carolan

Trevor W. Carolan

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

Chapter 11

TEHUM CARE SERVICES, INC.,

Case No. 23-90086 (CML)

Debtor.

**AFFIDAVIT OF SCOTT KING, ESQ. IN SUPPORT OF
YESCARE’S MOTION TO ENJOIN PLAINTIFF ANDREW LYLES FROM
PROSECUTING HIS CLAIMS AGAINST DR. KEITH PAPENDICK**

I, Scott King, hereby swear and affirm that the following is true under penalty of perjury:

1. My name is Scott King. I am Chief Legal Officer of YesCare Corp. and CHS TX, Inc. I previously served as Chief Legal Officer of Corizon Health Inc. (“Corizon”). I make this Affidavit upon personal knowledge and under penalty of perjury.

2. At all times relevant to the *Lyles* Action, Corizon had a contract with the Michigan Department of Corrections (“MDOC”) to provide healthcare to inmates within the MDOC.

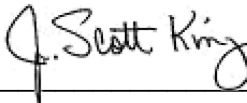
3. Dr. Keith Papendick was an employee of Quality Correctional Care of Michigan, P.C. (“QCCM”), a subcontractor of Corizon.

4. Corizon subcontracted with QCCM to provide medical care to patients in the MDOC pursuant to Corizon's contract with the MDOC because the State of Michigan did not permit the corporate practice of medicine.

5. Dr. Papendick's role with QCCM was to act as Corizon's Utilization Management Manager ("UMM") pursuant to Corizon's MDOC contract. In his role as UMM, Dr. Papendick reviewed requests from on-site MDOC medical providers to determine if requests for certain care or treatment should be approved, if more information was needed from the on-site provider, or if an alternative treatment plan was approved at that time.

6. In his role as UMM, Dr. Papendick acted as Corizon's agent and professional advisor during the period alleged in Andrew Lyles' lawsuit.

Dated: 9-15-2025



Scott King, Esq.