

In re:
Beverly Community Hospital Association
Debtor

Case No. 23-12359-SK
Docket #0352 Date Filed: 05/28/2023
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0973-2
Date Rcvd: May 26, 2023

User: admin
Form ID: pdf042

Page 1 of 3
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
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+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
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Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on May 28, 2023:

NONE

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
db	+ Email/PDF: acheng@beverly.org	May 27 2023 01:24:00	Beverly Community Hospital Association, 309 West Beverly Blvd, Montebello, CA 90640-4308

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: May 28, 2023

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on May 26, 2023 at the address(es) listed below:

Name	Email Address
Adrian Butler	on behalf of Interested Party Courtesy NEF abutler@bushgottlieb.com
Alexandria Lattner	on behalf of Debtor Montebello Community Health Services Inc. alattner@sheppardmullin.com, ehwalters@sheppardmullin.com
Alexandria Lattner	on behalf of Debtor Beverly Community Hospital Association alattner@sheppardmullin.com ehwalters@sheppardmullin.com
Alexandria Lattner	on behalf of Debtor Beverly Hospital Foundation alattner@sheppardmullin.com ehwalters@sheppardmullin.com
Augustus Curtis	on behalf of Creditor United States of America on behalf of HHS and CMS augustus.t.curtis@usdoj.gov



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Brian T Harvey	on behalf of Creditor T.R.L. Systems Incorporated bharvey@buchalter.com IFS_filing@buchalter.com;dbodkin@buchalter.com
Darryl Jay Horowitz, ESQ	on behalf of Other Professional The Huntington National Bank dhorowitz@ch-law.com bkasst@ch-law.com
David E Ahdoot	on behalf of Interested Party Courtesy NEF dahdoot@bushgottlieb.com kprestegard@bushgottlieb.com
David E Ahdoot	on behalf of Creditor United Nurses Associations of California/Union of Health Care Professionals dahdoot@bushgottlieb.com kprestegard@bushgottlieb.com
David I Horowitz	on behalf of Interested Party Kirkland & Ellis LLP david.horowitz@kirkland.com keith.catuara@kirkland.com;terry.ellis@kirkland.com;elsa.banuelos@kirkland.com;ivon.granados@kirkland.com
David K Eldan	on behalf of Interested Party Attorney General of California David.Eldan@doj.ca.gov cynthia.gomez@doj.ca.gov
Emilio Eugene Varanini, IV	on behalf of Interested Party Attorney General For The State Of Ca emilio.varanini@doj.ca.gov
Evan Gershbein	on behalf of Other Professional Kurtzman Carson Consultants LLC ECFpleadings@kccllc.com
Evelina Gentry	on behalf of Creditor Advantis Medical Staffing evelina.gentry@akerman.com rob.diwa@akerman.com
Howard Steinberg	on behalf of Creditor U.S. Bank Trust Company National Association as Master Trustee steinbergh@gtlaw.com, pearsallt@gtlaw.com;howard-steinberg-6096@ecf.pacerpro.com
Jennifer L Nassiri	on behalf of Debtor Montebello Community Health Services Inc. JNassiri@sheppardmullin.com
Jennifer L Nassiri	on behalf of Debtor Beverly Community Hospital Association JNassiri@sheppardmullin.com
Jennifer L Nassiri	on behalf of Debtor Beverly Hospital Foundation JNassiri@sheppardmullin.com
Joseph M Ammar	on behalf of Creditor Stryker Corporation ammar@millercanfield.com
Joseph P Buchman	on behalf of Creditor Montebello Land and Water Company jbuchman@bwsllaw.com gmitche@bwsllaw.com
Kelly L Morrison	on behalf of U.S. Trustee United States Trustee (LA) kelly.l.morrison@usdoj.gov
Kenneth K Wang	on behalf of Creditor Department of Health Care Services for the State of California kenneth.wang@doj.ca.gov Jennifer.Kim@doj.ca.gov;Stacy.McKellar@doj.ca.gov;yesenia.caro@doj.ca.gov;Christine.Murphy@doj.ca.gov
Kevin Walsh	on behalf of Creditor U.S. Bank Trust Company National Association as Master Trustee kevin.walsh@gtlaw.com
Marc A Levinson	on behalf of Debtor Beverly Community Hospital Association MAMLevinson@orrick.com borozco@orrick.com;casestream@ecf.courtdrive.com
Mark J Valencia	on behalf of Creditor Ihsan Shamaan mvalencia@vclitigation.com
Mary H Rose	on behalf of Interested Party Courtesy NEF mrose@buchalter.com
Megan M Adeyemo	on behalf of Creditor Aya Healthcare Inc. madeyemo@grsm.com, asoto@grsm.com
Melissa Hamill	on behalf of Interested Party Attorney General For The State Of Ca melissa.hamill@doj.ca.gov
Michael Jones	on behalf of U.S. Trustee United States Trustee (LA) michael.jones4@usdoj.gov
Nathan A Schultz	on behalf of Creditor Hanmi Bank nschultzesq@gmail.com
Neli Nima Palma	on behalf of Interested Party Attorney General For The State Of Ca neli.palma@doj.ca.gov

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Olivia Scott	on behalf of Interested Party Hilco Real Estate LLC olivia.scott3@bclplaw.com
Olivia Scott	on behalf of Interested Party HRE Montebello LLC olivia.scott3@bclplaw.com
Quinn Scott Kaye	on behalf of Creditor Stryker Corporation kaye@millercanfield.com
Robert M Hirsh	on behalf of Interested Party Medline Industries LP rhirsh@lowenstein.com
Ron Maroko	on behalf of U.S. Trustee United States Trustee (LA) ron.maroko@usdoj.gov
Roye Zur	on behalf of Interested Party Courtesy NEF rzur@elkinskalt.com cavila@elkinskalt.com;lwageman@elkinskalt.com;1648609420@filings.docketbird.com
Russell W Reynolds	on behalf of Other Professional The Huntington National Bank rreynolds@ch-law.com bkasst@ch-law.com
Scott E Blakeley	on behalf of Creditor Baxter Healthcare Corporation seb@blakeleyllp.com ecf@blakeleyllp.com
Sharon Z. Weiss	on behalf of Interested Party Hilco Real Estate LLC sharon.weiss@bclplaw.com, raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com
Sharon Z. Weiss	on behalf of Interested Party HRE Montebello LLC sharon.weiss@bclplaw.com, raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com
Sonja Hourany	on behalf of Creditor Quinn Company sonja.hourany@quinngroup.net kadele@wgllp.com;lbracken@wgllp.com;shourany@ecf.courtdrive.com
Steven T Gubner	on behalf of Interested Party Courtesy NEF sgubner@bg.law ecf@bg.law
Tamar Terzian	on behalf of Health Care Ombudsman Tamar Terzian tamar@terzlaw.com sandra@terzlaw.com
Tania M Moyron	on behalf of Creditor Committee Attorneys for The Official Committee of Unsecured Creditors tania.moyron@dentons.com malka.zeefe@dentons.com;kathryn.howard@dentons.com;derry.kalve@dentons.com;glenda.spratt@dentons.com;DOCKET.GEN ERAL.LIT.LOS@dentons.com
United States Trustee (LA)	ustpreion16.la.ecf@usdoj.gov

TOTAL: 46

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
JUSTIN R. BERNBROCK (admitted *pro hac vice*)
2 CATHERINE JUN (admitted *pro hac vice*)
ROBERT B. McCELLARN (admitted *pro hac vice*)
3 321 North Clark Street, 32nd Floor
Chicago, Illinois 60654
4 Telephone: 312.499.6300
Email: jbernbrock@sheppardmullin.com
5 cjun@sheppardmullin.com
6 rmcellarn@sheppardmullin.com

JENNIFER L. NASSIRI, SBN 209796
7 ALEXANDRIA G. LATTNER, SBN 314855
1901 Avenue of the Stars, Suite 1600
8 Los Angeles, CA 90067-6055
Telephone: 310.228.3700
9 Email: jnassiri@sheppardmullin.com
10 alattner@sheppardmullin.com

11 Proposed Counsel to Debtors and
Debtors in Possession

12 UNITED STATES BANKRUPTCY COURT
13 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

14 In re:

15 BEVERLY COMMUNITY HOSPITAL
16 ASSOCIATION, dba BEVERLY HOSPITAL
(A NONPROFIT PUBLIC BENEFIT
17 CORPORATION), *et al*,¹

18 Debtors,

- 19 ☒ Affects all Debtors
20 ☐ Affects Beverly Community
21 Hospital Association
22 ☐ Affects Montebello Community Health
23 Services, Inc.
24 ☐ Affects Beverly Hospital Foundation

Case No.: 2:23-bk-12359-SK

Jointly administered with:

Case No: 2:23-bk-12360-SK

Case No: 2:23-bk-12361-SK

Hon. Sandra R. Klein

Chapter 11 Case

**FINAL ORDER APPROVING DEBTORS'
EMERGENCY MOTION FOR ENTRY OF
INTERIM AND FINAL ORDERS (I)
AUTHORIZING THE DEBTORS TO (A)
PAY PREPETITION WAGES, SALARIES,
AND OTHER COMPENSATION, AND (B)
CONTINUE EMPLOYEE BENEFITS
PROGRAMS, AND (II) GRANTING
RELATED RELIEF**

Date: May 24, 2023

Time: 9:00 a.m.

Judge: Hon. Sandra R. Klein

27 ¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification
28 number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community
Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309
W. Beverly Blvd., Montebello, California 90640.

FILED & ENTERED

MAY 26 2023

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY milano DEPUTY CLERK

Place: ZoomGov or - Courtroom 1575
255 E. Temple St.
Los Angeles, CA 90012

Upon the *Debtors' Emergency Motion For Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* (the "Motion") of the above-captioned debtors and debtor-in-possession (collectively, the "Debtors") filed on April 19, 2023; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that: (w) it may enter a final order consistent with Article III of the United States Constitution, (x) venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409, (y) the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest, and (z) the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court on May 24, 2023 at 9:00 a.m. (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

The Motion is GRANTED on a final basis as set forth in this Final Order. Capitalized terms not defined in this Final Order have the meanings given to them in the Motion.

1. The Debtors are authorized, but not directed, to: (a) continue and discontinue the Employee Compensation and Benefits Programs in the ordinary course of business during these chapter 11 cases and without the need for further Court approval, subject to applicable law, including specifically section 1113 of the United States Bankruptcy Code; and (b) pay and honor prepetition amounts outstanding under or related to the Employee Compensation and Benefits Programs in the ordinary course of business.

2. For the avoidance of doubt, nothing herein shall modify the terms of any collective bargaining agreement with UNAC/UHCP (collectively, the “CBA”) nor Debtor’s ongoing and present obligations thereunder to honor, pay, remit, or reimburse, the same, as applicable, pursuant to section 1113 of the Bankruptcy Code.

3. Notwithstanding anything to the contrary herein, the Debtors are authorized, but not directed, in their sole discretion, to honor, pay, remit, or reimburse, as applicable, not more than the following prepetition amounts:

Employee-Related Obligations	Final Relief
Employee Compensation	\$1,400,000
Physician Fees	\$900,000
Incentive Program Obligations	\$20,000
Wage and Benefits Processing Fees	\$17,000
Withholding Obligations	\$750,000
Unemployment Obligations	\$25,000
Reimbursable Expenses	\$10,000
Medical Plans	\$500,000
Employee-Related Obligations	Final Relief
Prescription Drug Plans	\$83,000
Dental Plans	\$22,000
Vision Plans	\$4,000
Life Insurance	\$12,000
MERP	\$5,000
Other Health Benefits	\$10,000
Health Plan Administration Fees	\$71,000
Supplemental Retirement Program and Automobile Stipend	\$4,500
DHCS Retention Program	\$815,427
Other Benefits	\$12,000
Retirement Plans	\$21,000
Workers’ Compensation Programs	\$60,000
Total	\$4,739,927

4. The Debtors are authorized, but not directed, to honor their existing policies for PTO Plans to the extent it permits continuing employees to use their prepetition accrued leave in the ordinary course of business and going forward.

5. The Debtors are also authorized, but not directed, to pay the Employees for unused PTO as permitted per Debtors’ policy that accrued within the 180 days prior to the Petition Date so long as the total of payments already then made for prepetition Employee Obligations and any other wage-related payments do not exceed the per Employee \$15,150 priority cap imposed by section 507(a)(4) of the Bankruptcy Code.

1 6. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to
2 proceed with their claims under the Workers' Compensation Program in the appropriate judicial or
3 administrative forum and the Debtors are authorized to continue the Workers' Compensation
4 Program and pay all prepetition amounts relating thereto in the ordinary course of business. This
5 modification of the automatic stay pertains solely to claims under the Workers' Compensation
6 Program.

7 7. Nothing herein shall be deemed to authorize the payment of any amounts which
8 violates or implicates section 503(c) of the Bankruptcy Code; provided, that nothing herein shall
9 prejudice the Debtors' ability to seek approval of relief pursuant to section 503(c) of the Bankruptcy
10 Code at a later time.

11 8. Nothing contained herein is intended or should be construed to create, modify, alter
12 or prejudice an administrative priority claim on account of any obligations owed under any
13 Employee Compensation and Benefits Program.

14 9. The banks and financial institutions on which checks were drawn or electronic
15 payment requests made in payment of the prepetition obligations approved herein are authorized to
16 receive, process, honor, and pay all such checks and electronic payment requests when presented
17 for payment, and all such banks and financial institutions are authorized to rely on the Debtors'
18 designation of any particular check or electronic payment request as approved by this Final Order.

19 10. The Debtors are authorized to issue postpetition checks, or to effect postpetition
20 fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored
21 as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection
22 with the relief granted herein.

23 11. The requirement under Local Bankruptcy Rule 9013-1(c)(3)(B) to file a
24 memorandum of law in connection with the Motion is waived.

25 12. Notice of the Motion as provided therein shall be deemed good and sufficient notice
26 of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules
27 are satisfied by such notice.

28 13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final


1 Order are immediately effective and enforceable upon its entry.

2 14. The Debtors are authorized to take all actions necessary to effectuate the relief
3 granted in this Final Order.

4 15. This Court retains exclusive jurisdiction with respect to all matters arising from or
5 related to the implementation, interpretation, and enforcement of this Final Order.

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23 Date: May 26, 2023

24 
Sandra R. Klein
United States Bankruptcy Judge