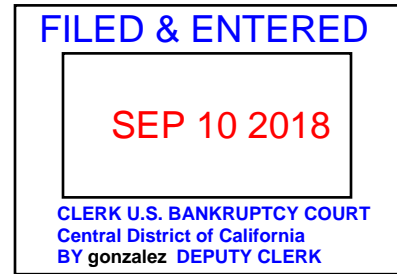


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Proposed Attorneys for the Chapter 11 Debtors and  
Debtors In Possession

**CHANGES MADE BY COURT**  
**UNITED STATES BANKRUPTCY COURT**

**CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

In re

VERITY HEALTH SYSTEM OF  
CALIFORNIA, INC., *et al.*,

Debtors and Debtors In  
Possession.

☒ Affects All Debtors

☐ Affects Verity Health System of  
California, Inc.

☐ Affects O'Connor Hospital

☐ Affects Saint Louise Regional Hospital

☐ Affects St. Francis Medical Center

☐ Affects St. Vincent Medical Center

☐ Affects Seton Medical Center

☐ Affects O'Connor Hospital Foundation

☐ Affects Saint Louise Regional Hospital  
Foundation

☐ Affects St. Francis Medical Center of  
Lynwood Foundation

☐ Affects St. Vincent Foundation

☐ Affects St. Vincent Dialysis Center, Inc.

☐ Affects Seton Medical Center  
Foundation

☐ Affects Verity Business Services

☐ Affects Verity Medical Foundation

☐ Affects Verity Holdings, LLC

☐ Affects De Paul Ventures, LLC

☐ Affects De Paul Ventures - San Jose  
Dialysis, LLC

Debtors and Debtors In Possession.

Lead Case No. 2:18-bk-20151-ER

Jointly Administered With:

Case No. 2:18-bk-20162-ER

Case No. 2:18-bk-20163-ER

Case No. 2:18-bk-20164-ER

Case No. 2:18-bk-20165-ER

Case No. 2:18-bk-20167-ER

Case No. 2:18-bk-20168-ER

Case No. 2:18-bk-20169-ER

Case No. 2:18-bk-20171-ER

Case No. 2:18-bk-20172-ER

Case No. 2:18-bk-20173-ER

Case No. 2:18-bk-20175-ER

Case No. 2:18-bk-20176-ER

Case No. 2:18-bk-20178-ER

Case No. 2:18-bk-20179-ER

Case No. 2:18-bk-20180-ER

Case No. 2:18-bk-20181-ER

Chapter 11 Cases

Judge: Hon. Ernest M. Robles

**ORDER APPROVING (A) APPOINTING  
KURTZMAN CARSON CONSULTANTS LLC  
AS CLAIMS AND NOTICING AGENT, AND  
(B) APPROVING THE FORM AND MANNER  
OF NOTICE OF CASE COMMENCEMENT  
AND 341(a) MEETING OF CREDITORS**

Hearing:

Date: September 5, 2018

Time: 10:00 am Pacific

Location: Courtroom 1568

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300



1  
2 Upon consideration of the application (the “Application”) [Docket No. 27] of Verity  
3 Health Services of California, Inc., and its seventeen direct and indirect Affiliates, debtors and  
4 debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), for an  
5 order authorizing and approving (i) the appointment of Kurtzman Carson Consultants LLC  
6 (“KCC”) as Claims and Noticing Agent for the Court and the Clerk of the Bankruptcy Court (the  
7 “Clerk’s Office”) and (ii) approving the form and manner of Notice of the commencement of  
8 these chapter 11 cases and the initial meeting of the Debtors’ creditors; and upon the Declaration  
9 of Evan Gershbein in support thereof and the Court-mandated Form 5075-1 Declaration To be  
10 Filed With Motion Establishing Administrative Procedures Re 28 U.S.C. § 156(c) with the  
11 completed Mega Case Checklist attached thereto, and upon consideration of the record of the  
12 hearing held before the Court; and it appearing that the relief requested is in the best interests of  
13 the Debtors and their respective estates and creditors; and it appearing that due and proper notice  
14 of the Application having been given; and after due deliberation and sufficient cause appearing  
15 therefor,

16 **IT IS HEREBY ORDERED:**

- 17 1. The Application is granted.
- 18 2. The Debtors are hereby authorized to retain KCC as the claims and noticing agent  
19 in these chapter 11 cases effective as of the Petition Date pursuant to section 156(c) of the  
20 Judicial Code and Local Bankruptcy Rule 5075-1 as provided in the Application, on the terms  
21 and conditions set forth in the KCC Agreement for Services, attached to the Application as  
22 Exhibit “A,” which terms and conditions are hereby approved.
- 23 3. KCC shall serve as the custodian of court records and shall be designated as the  
24 authorized repository for all proofs of claim filed in these cases, if any, and is authorized and  
25 directed to maintain official claims registers for each of the Debtors, to provide public access to  
26 every proof of claim unless otherwise ordered by the Court and to provide the Clerk with a  
27 certified duplicate thereof upon the request of the Clerk; *provided, however, that as set forth in*  
28 ¶6(h), below, KCC shall also work with the Clerk to insure that all claims are timely entered into

1 the Court's claims register, which shall serve as a permanent record of all claims filed in this case  
2 so that records of such claims remain available after this case has been closed.

3 4. KCC is authorized and directed to obtain a post office box or address for the  
4 receipt of proof of claims.

5 5. KCC is authorized to take such other action comply with all duties set forth in the  
6 Application.

7 6. At the request of the Debtors and/or the Clerk's Office, the Debtors' claims and  
8 noticing agent, KCC shall, subject to the terms of the KCC Agreement, provide the following  
9 services:

10 a. Prepare and serve required Notices—which shall conform substantially to  
11 the mandatory Court-approved forms, where applicable, unless otherwise  
12 ordered by the Court upon a showing of good cause, except that KCC shall  
13 be permitted to serve a Notice of commencement of the cases in  
14 substantially the form attached to the Motion as Exhibit D (as further  
15 provided in ¶22, below), notwithstanding the fact that such Notice does not  
16 conform to the mandatory Court-approved form—in this chapter 11 case,  
17 including

18 (i) a Notice of the commencement of the case and the initial meeting  
19 of creditors under section 341(a) of the Bankruptcy Code;

20 (a) The section 341(a) meeting of creditors for all seventeen  
21 related bankruptcy cases shall take place at the same time  
22 and place. The Notice of the initial meeting of creditors  
23 under section 341(a) shall include the following  
24 information:

25 (1) The location of the meeting shall be:  
26 St. Vincent's Hospital  
27 Seton Auditorium  
28

2131 West Third Street

Los Angeles, CA 90057

(2) The meeting shall take place on **October 12, 2018,**  
**at 9:30 a.m.**

(ii) a Notice of the claims bar date;

(iii) Notices of transfers of claims;

(iv) Notice of objections to claims;

(v) Notices of any hearings on a disclosure statement and confirmation  
of a chapter 11 plan; and

(vi) Notice of the effective date of any chapter 11 plan;

(vii) such other miscellaneous Notices as the Debtors or the Court may  
deem necessary or appropriate for an orderly administration of this  
case.

b. Maintain an official copy of the Debtors' schedules of assets and liabilities and  
statement of financial affairs (collectively, the "Schedules"), listing the Debtors'  
known creditors and the amounts owed thereto;

c. Maintain (1) a list of potential creditors, and other parties-in-interest and (2) a  
"core" mailing list consisting of all parties described in Bankruptcy Rule 2002 and  
those parties that have filed a notice of appearance under Bankruptcy Rule 9010  
(the Master Mailing Matrix); update said lists and make said lists available upon  
request by a party-in-interest or the Clerk;

d. Within five (5) business days, or sooner as the Court may order, after the service  
of a particular Notice, file with the Clerk's Office a declaration of service that

1 includes (i) an alphabetical list of persons on whom KCC served the Notice, along  
2 with their addresses, and (ii) the date and manner of service;

3 e. Maintain a post office box or address for the purpose of receiving claims and  
4 returned mail, and process all mail received;

5  
6 f. Process all proofs of claim received, including those received by the Clerk's  
7 office, check said processing for accuracy, and maintain the original proofs of  
8 claim in a secure area;

9  
10 g. Maintain copies of all proofs of claim and proofs of interest filed in this case at a  
11 location other than where the originals are maintained;

12 h. KCC shall work with the Clerk of the Court (the "Clerk") to ensure that claims are  
13 imaged and timely entered into the Court's claims register for each debtor (the  
14 "Court's Claims Register"). To facilitate the collection of fees by the Court, all  
15 transfers of claims shall be recorded by the Clerk. KCC shall, at its own expense,  
16 deliver to the Clerk, on a weekly basis, any transfers of claims it receives. Such  
17 deliveries shall occur on Fridays, unless the Clerk provides KCC reasonable notice  
18 that the deliveries shall occur on a different weekday. The Clerk shall process  
19 claims transfers in the Court's docket. The Court will provide, via the Bankruptcy  
20 Noticing System, notices of transfers of claims as required by Bankruptcy Rule  
21 3001(e).

22 i. The Court's Claims Register, as well as the claims registers maintained by KCC,  
23 shall include ~~Maintain an official claims register for each debtor (the "Claims~~  
24 ~~Register") in this case by docketing all proofs of claim and proofs of interest in a~~  
25 ~~claims database that includes~~ the following information for each such claim or  
26 interest asserted:  
27  
28

- (i) The name and address of the claimant or interest holder and any agent thereof, if the proof of claim or proof of interest was filed by an agent, and the entity against which such claim was filed;
  - (ii) The date that the proof of claim or proof of interest was received by KCC and/or the Court;
  - (iii) The claim number assigned to the proof of claim or proof of interest; and
  - (iv) The asserted amount and classification of the claim.
- j. Implement necessary security measures to ensure the completeness and integrity of the claims register as approved by the Clerk of the Court;
- k. Periodically audit the claims information to assure the Clerk's Office that the claims information is being appropriately and accurately recorded in the official claims register;
- l. Allow the Clerk's Office to independently audit the claims information during regular business hours;
- m. Furnish a notice to all potential creditors of the last date for the filing of proofs of claim and a form for the filing of a proof of claim, after such notice and form are approved by the Court, and notify said potential creditors of the existence, amount, and classification of their respective claims as set forth in the Schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;
- n. Transmit to the Clerk's Office a copy of the claims register on a weekly basis or at such other times as the Clerk's Office may direct;

- o. Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to the offices of KCC, not less than weekly, **with the costs of such relocation to be paid by KCC;**
- p. Maintain an up-to-date mailing list for all entities that have filed proofs of claim or proofs of interest and make such list available upon request to the Clerk's Office or any party in interest;
- q. Provide the public and the Clerk's Office access to copies of the proofs of claim or proofs of interest filed in this chapter 11 case without charge during regular business hours (9:00 a.m. - 4:00 p.m. Pacific Time) in a viewing area at the following address: 2335 Alaska Avenue, El Segundo, California 90245 and on a case-specific website maintained by KCC;
- r. Allow the Clerk's Office to inspect KCC's premises at any time during regular business hours;
- s. Record all transfers of claims pursuant to Federal Bankruptcy Rule 3001(e) and provide notice of such transfers as required by Federal Bankruptcy Rule 3001(e);
- t. Assist in the dissemination of information to the public and respond to requests for administrative information regarding these chapter 11 cases, as directed by the Debtors or the Court, including through the use of a case website and call center;
- u. If the case is converted to chapter 7, contact the Clerk's Office within three (3) days of the notice to KCC of entry of the order converting the case;
- v. Thirty (30) days prior to the close of these chapter 11 cases, to the extent practicable, request that the Debtors submit to the Court a proposed order dismissing KCC and terminating KCC's services of such agent upon completion of its duties and responsibilities and upon the closing of these cases;

- 1 w. Within seven (7) days of notice to KCC of the entry of an order closing these  
2 chapter 11 cases, provide to the Court the final version of the Claims Registers as  
3 of the date immediately before the close of the cases; and  
4  
5 x. At the close of these chapter 11 cases, box and transport all original documents, in  
6 proper format, as provided by the Clerk's office, to (i) Riverside Federal Records  
7 Center, 23123 Cajalco Road, Perris, CA 92570, or (ii) any other location requested  
8 by the Clerk's office.  
9  
10 y. Comply with applicable federal, state, municipal and local statutes, ordinances,  
11 rules, regulations, orders and other requirements;  
12  
13 z. Promptly comply with such further conditions and requirements as the Clerk's  
14 Office or the Court may at any time prescribe; and  
15  
16 aa. Provide such other claims processing, noticing, and related administrative services  
17 as may be requested from time to time by the Debtors.  
18  
19 bb. KCC shall promptly comply with such further conditions and requirements as the  
20 Court may at any time prescribe.  
21  
22 cc. By no later than **September 12, 2018**, KCC shall designate a contact person who  
23 will act as a liaison with the Clerk's Office, and shall provide the Clerk's Office  
24 with the contact information for such contact person.  
25  
26 7. In addition to the foregoing, in accordance with the KCC Agreement and to the  
27 extent requested by the Debtors, KCC shall assist the Debtors with, among other things,  
28 (a) Schedules of Assets and Liabilities and Statements of Financial Affairs, (b) maintenance of  
the Debtors' Master Mailing List, and (c) the preparation, mailing and tabulation of ballots for the  
purpose of voting to accept or reject a chapter 11 plan.  
8. The Debtors are authorized to compensate KCC in accordance with the terms of  
the KCC Agreement upon the receipt of reasonably detailed invoices setting forth the services



1 provided by KCC and the rates charged for each, and to reimburse KCC for all reasonable and  
2 necessary expenses it may incur, upon the presentation of appropriate documentation, without the  
3 need for KCC to file fee applications or otherwise seek Court approval for the compensation of its  
4 services and reimbursement of its expenses.

5 9. KCC shall maintain records of all services showing dates, categories of services,  
6 fees charged, and expenses incurred, and shall serve monthly invoices on the Debtors, the U.S.  
7 Trustee, counsel for the Debtors, counsel for any official committee appointed in these chapter 11  
8 cases, and any party in interest who specifically requests service of the monthly invoices.

9 10. If any dispute arises relating to the KCC Agreement or KCC's monthly invoices,  
10 the parties shall meet and confer in an attempt to resolve such dispute, and the parties may seek  
11 resolution of the matter from this Court if resolution is not achieved.

12 11. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, KCC's fees and  
13 expenses under this Order shall be an administrative expense of the Debtors' estates.

14 12. KCC may apply its retainer to all prepetition invoices, which retainer may be  
15 replenished to the original retainer amount, and thereafter, KCC may hold its retainer under the  
16 KCC Agreement during the chapter 11 cases as security for the payment of fees and expenses  
17 incurred under the KCC Agreement.

18 13. The Debtors shall be responsible for payment for the designated post office boxes  
19 retained for receiving filings in the Debtors' cases.

20 14. To the extent that the Debtors and KCC modify the KCC Agreement for Services,  
21 the Debtors shall file with the Court a Notice of Modification of Agreement with KCC (the  
22 "Notice") and serve such Notice upon the Office of the United States Trustee, counsel for any  
23 statutory committee appointed in the Debtors' chapter 11 cases pursuant to section 1102 of the  
24 Bankruptcy Code, and any other party requesting notice of matters herein; and, if no objections  
25 are filed to the Notice within twenty (20) days after service of the Notice, then the proposed  
26 modifications set forth in the Notice shall be deemed approved without the necessity of a hearing  
27 or further order of this Court.  
28

1           15.     The Debtors shall indemnify KCC under the terms of the KCC Agreement;  
2     *provided that* KCC shall not be entitled to indemnification, contribution, or reimbursement  
3     pursuant to the KCC Agreement for services other than the services provided under the KCC  
4     Agreement, unless such services and the indemnification, contribution, or reimbursement  
5     therefore are approved by this Court.

6           16.     Notwithstanding anything to the contrary in the KCC Agreement, the Debtors shall  
7     have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any  
8     claim or expense that is: (a) judicially determined (the determination having become final) to  
9     have arisen from KCC's gross negligence, willful misconduct, or fraud; (b) for a contractual  
10    dispute in which the Debtors allege the breach of KCC's contractual obligations if this Court  
11    determines that indemnification, contribution, or reimbursement would not be permissible under  
12    applicable law; or (c) settled prior to a judicial determination under (a) or (b), but determined by  
13    this Court, after notice and a hearing, to be a claim or expense for which KCC should not receive  
14    indemnity, contribution, or reimbursement under the terms of the KCC Agreement as modified by  
15    this Order.

16          17.     If, before the earlier of (a) the entry of an order confirming a chapter 11 plan in  
17    these cases (that order having become a final order no longer subject to appeal), or (b) the entry of  
18    an order closing these cases, KCC believes that it is entitled to the payment of any amounts by the  
19    Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement  
20    obligations under the KCC Agreement (as modified by this Order), including without limitation  
21    the advancement of defense costs, KCC must file an application therefor in this Court, and the  
22    Debtors may not pay any such amounts to KCC before, after notice and a hearing, the entry of an  
23    order by this Court approving the payment. This paragraph is intended only to specify the period  
24    of time under which this Court shall have jurisdiction over any request for fees and expenses by  
25    KCC for indemnification, contribution, or reimbursement, and not a provision limiting the  
26    duration of the Debtors' obligation to indemnify KCC. All parties in interest shall retain the right  
27    to object to any demand by KCC for indemnification, contribution, or reimbursement.  
28

1 18. In the event that KCC is unable to provide the services set out in this Order, KCC  
2 will immediately notify the Clerk and Debtors' counsel and, upon approval of the Court, cause to  
3 have all original proofs of claim and computer information turned over to another claims and  
4 noticing agent with the advice and consent of the Clerk and Debtors' counsel.

5 19. The Debtors and KCC are authorized to take all actions necessary to effectuate the  
6 relief granted pursuant to this Order in accordance with the Application.

7 20. Notwithstanding any term in the KCC Agreement to the contrary, the Court retains  
8 jurisdiction with respect to all matters arising from or related to the implementation of this Order.

9 21. KCC shall not cease providing claims processing services during any of these  
10 chapter 11 cases for any reason, including nonpayment, without an order of this Court.

11 22. KCC is authorized to serve a notice of the commencement of these chapter 11  
12 cases and the initial meeting of creditors (the "Case Commencement Notice") under section  
13 341(a) of the Bankruptcy Code (the "Section 341 Meeting") in substantially the same form as is  
14 annexed to the Application as Exhibit "D," by regular mail, postage prepaid, on those entities  
15 entitled to receive the Case Commencement Notice pursuant to Bankruptcy Rule 2002. The Case  
16 Commencement Notice shall be served not more than five business days after the Debtors receive  
17 notice from the United States Trustee of the time and place of the Section 341 Meeting.

18 23. The Debtors are authorized to publish the Case Commencement Notice in the  
19 national edition of The Los Angeles Times, the San Francisco Chronicle and the Mercury News  
20 within five business days after the Case Commencement Notice is served. Such notice by  
21 publication constitutes adequate notice of the commencement of these chapter 11 cases to  
22 unknown entities that may hold or be entitled to assert a claim against the Debtors.

23 24. This Order shall be immediately effective and enforceable upon its entry.

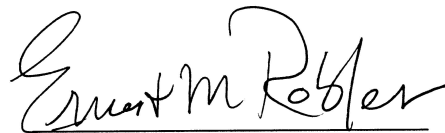
24 25. In the event of any inconsistency between the KCC Agreement, the Application,  
25 and this Order, this Order shall govern.  
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Date: September 10, 2018



Ernest M. Robles  
United States Bankruptcy Judge