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FILED & ENTERED

SEP 12 2018

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

Proposed Attorneys for the Chapter 11 Debtors and
Debtors In Possession

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

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

Debtor and Debtor 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

Hon. Judge Ernest M. Robles

**ORDER APPROVING STIPULATION
BETWEEN THE DEBTORS AND OLD
REPUBLIC INSURANCE COMPANY
REGARDING INJUNCTION RELATED TO
LETTER OF CREDIT**

Adv. Proc. No. 2:18-ap-01277-ER

Hearing:

Date: September 12, 2018

Time: 10:00 am Pacific

Location: Courtroom 1568

- ☒ 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 Medical 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.

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

Debtors and Debtors In Possession,
Plaintiffs,

v.

OLD REPUBLIC INSURANCE COMPANY and CITY
NATIONAL BANK,

Defendants.

DENTONS US LLP
300 SOUTH GRAND AVENUE, 14TH FLOOR
LOS ANGELES, CALIFORNIA 90071-3124
(213) 688-1000



1 The Court, having reviewed the Stipulation filed as Adv. Proc. Docket No. 16 (the
2 “Stipulation”) entered into between Verity Health System of California (“VHS”) and the above-
3 referenced affiliated debtors, the debtors and debtors-in-possession (collectively, the “Debtors”) in
4 the above captioned Chapter 11 bankruptcy cases (the “Chapter 11 Cases”) and Old Republic
5 Insurance Company (“Old Republic” and collectively with the Debtors, the “Parties” and each a
6 “Party”), by and through their respective attorneys, and good cause appearing,

7 IT IS HEREBY ORDERED AS FOLLOWS:

- 8 1. The Stipulation is approved.
- 9 2. The TRO Order is dissolved without prejudice. The Stipulation shall govern the
10 dispute between the Parties.
- 11 3. Old Republic shall not draw on the Letter of Credit based upon the Debtors’
12 insolvency or bankruptcy.
- 13 4. Other than as set forth in the next paragraph, Old Republic may draw on the Letter
14 of Credit to the extent needed to reimburse Old Republic for any amounts due to Old Republic, if
15 not first paid by or on behalf of the Debtors in the ordinary course. Old Republic shall provide
16 five (5) business days written notice to the Debtors prior to drawing on the Letter of Credit
17 pursuant to this Paragraph.
- 18 5. Old Republic may draw on the Letter of Credit only in full if the Letter of Credit is
19 not renewed and replacement security is not furnished prior to its expiration. No written notice to
20 the Debtors is required for Old Republic to draw on the Letter of Credit under this Paragraph.
- 21 6. The restrictions contained in this Order shall be effective through September 30,
22 2018, unless before September 30, 2018, the Court extends this deadline for good cause or the
23 Parties agree to an extension in writing. The Parties may extend the September 30, 2018 deadline
24 by written agreement and without further Order of this Court.
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1 7. The deadline for the Defendants in the instant adversary proceeding to answer or
2 otherwise plead shall be on or before October 21, 2018.

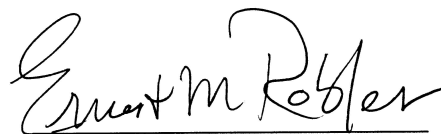
3 8. The Parties' rights with respect to any factual or legal issue raised in the Adversary
4 Complaint or Motion for TRO are unaffected by this Order.

5 9. Notwithstanding Rule 6004(h) of the Federal Rules of Bankruptcy Procedure, the
6 terms and conditions of this Order are immediately effective and enforceable upon its entry.
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24 Date: September 12, 2018


Ernest M. Robles
United States Bankruptcy Judge