

JOSEPH A. KOHANSKI (SBN 143505)  
jkohanski@bushgottlieb.com  
DAVID E. AHDOOT (SBN 245133)  
dahdoot@bushgottlieb.com  
KIRK M. PRESTEGARD (SBN 291942)  
kprestegard@bushgottlieb.com  
BUSH GOTTLIEB  
A Law Corporation  
801 North Brand Boulevard, Suite 950  
Glendale, California 91203-1260  
Telephone: (818) 973-3200  
Facsimile: (818) 973-3201

Attorneys for United Nurses Associations of  
California/Union of Health Care Professionals  
("UNAC")

**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 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

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

Hon. Ernest M. Robles

**LIMITED OBJECTION OF UNAC TO  
DEBTORS' MOTION FOR ENTRY OF  
FINAL ORDERS (A) AUTHORIZING  
THE DEBTORS TO OBTAIN POST-  
PETITION FINANCING, ETC.**

BUSH GOTTLIEB  
801 North Brand Boulevard, Suite 950  
Glendale, California 91203-1260

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

☐ Affects De Paul Ventures, LLC  
☐ Affects De Paul Ventures - San Jose  
Dialysis, LLC  
  
Debtors and Debtors in Possession

Date: October 3, 2018  
Time: 10:00 a.m.  
Crtm: Courtroom 1568  
255 East Temple Street  
Los Angeles, CA 90012

BUSH GOTTLIEB  
801 North Brand Boulevard, Suite 950  
Glendale, California 91203-1260

1 The United Nurses Associations of California/Union of Health Care Professionals  
2 (“UNAC”), a creditor and party in interest in the Chapter 11 bankruptcy cases of the above-  
3 captioned debtors-in-possession (collectively, the “Debtors”), respectfully objects to certain  
4 aspects of the Emergency Motion of Debtors *For Interim and Final Orders (A) Authorizing the*  
5 *Debtors to Obtain Post Petition Financing, (B) Authorizing the Debtors to Use Cash Collateral*  
6 *and (C) Granting Adequate Protection to Prepetition Secured Creditors Pursuant to 11 U.S.C.*  
7 *Sections 105, 363, 364, 1107 and 110* [Docket No. 31] (the “Financing Motion”) filed by Verity  
8 Health System of California, Inc. and all applicable affiliated debtors (collectively, the “Debtors”),  
9 as follows:

### 10 **BACKGROUND**

11 1. UNAC incorporates herein, in full, the background, objection and argument  
12 simultaneously filed by UNAC in this matter, entitled **LIMITED OBJECTION OF UNAC TO**  
13 **DEBTORS’ MOTION FOR ENTRY OF FINAL ORDER TO PAY PREPETITION**  
14 **EMPLOYEE WAGES, ETC.** (the “Wage Order Objection”).

### 15 **OBJECTION**

16 2. For the same reasons as stated in the Wage Order Objection, UNAC objects to any  
17 financing arrangements that do not adequately budget for obligations owed to UNAC-represented  
18 employees, including, but not limited to, priority and administrative claims arising in connection  
19 with any and all funding obligations pertaining to pension plans in which UNAC-represented  
20 employees participate through the Debtors.

21 3. The current iteration of the collective bargaining agreement (“CBA”) in effect  
22 between UNAC and St. Francis Medical Center mandate, *inter alia*, payment of pension benefits  
23 for UNAC-represented employees, as partial compensation for their services to the Debtors.  
24 Articles 1901 through 1913 of the CBA establish the rights of UNAC-represented employees in a  
25 defined benefit plan generally known as the Verity Health System Retirement Plan A  
26 (“Retirement Plan A”), which is characterized as having been “frozen” since January 1, 2012.  
27 UNAC understands that Retirement Plan A encompasses employees represented by unions in  
28 addition to UNAC; specifically, the Service Employees International Union, United Health Care

BUSH GOTTLIEB  
801 North Brand Boulevard, Suite 950  
Glendale, California 91203-1260

1 Workers-West (“SEIU-UHW”) and the California Nurses Association (“CNA”).

2 4. Articles 1914 through 1923 of the CBA establish the rights of UNAC-represented  
3 employees in a specific defined contribution plan, “fully funded by the employer,” known as the  
4 “Retirement Plan Account” (the “RPA”). The CBA further describes the rights of UNAC-  
5 represented employees in other defined contribution plans, some with employer-matching  
6 components, but funded primarily by employee contributions (collectively, the “Miscellaneous  
7 Defined Contribution Plans”).

8 5. UNAC’s contact to date with Debtors’ counsel has not progressed to the point  
9 where UNAC has sufficient clarity concerning the funding status of its various pension plans, but  
10 the issues raised by UNAC in the Wage Order Objection indicate that the proposed budget likely  
11 fails to provide adequate funding of UNAC-related pension obligations.

12 WHEREFORE, UNAC respectfully requests that the Court condition approval of the  
13 Financing Motion on inclusion of adequate funds – either as a scheduled payable or by way of an  
14 earmarked reserve – to cover any and all funds owed or accruing in order to cover Debtors’  
15 pension obligations to UNAC-represented employees, including but not limited to all such  
16 amounts characterizable as priority claims under 11 U.S.C. section 507(a)(5), or as administrative  
17 expenses under 11 U.S.C. section 503.

18  
19  
20 DATED: September 25, 2018

BUSH GOTTLIEB, A Law Corporation

21  
22 By: /s/ Joseph A. Kohanski

23 JOSEPH A. KOHANSKI

24 Attorneys for United Nurses Associations of  
25 California/Union of Health Care Professionals  
26  
27  
28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**801 N. Brand Blvd. suite 950, Glendale, CA 91203**

A true and correct copy of the foregoing document entitled (*specify*): **LIMITED OBJECTION OF UNAC TO DEBTORS' MOTION FOR ENTRY OF FINAL ORDERS (A) AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION FINANCING, ETC.**

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **September 25, 2018**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On **September 25, 2018**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **September 25, 2018**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**SERVED BY PERSONAL DELIVERY**

**Honorable Ernest M. Robles  
United States Bankruptcy Court  
Edward R. Roybal Federal Building and Courthouse  
255 E. Temple Street, Suite 1560/Courtroom 1568  
Los Angeles, CA 90012**

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 25, 2018      Nelly Guzman  
Date                      Printed Name

/s/Nelly Guzman  
Signature

**TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

- **Simon Aron** saron@wrslawyers.com
- **James Cornell Behrens** jbehrens@milbank.com, gbray@milbank.com; mshinderman@milbank.com; hmaghakian@milbank.com; dodonnell@milbank.com; jbrewster@milbank.com; JWeber@milbank.com
- **Peter J Benvenutti** pbenvenutti@kellerbenvenutti.com, pjbenven74@yahoo.com
- **Alicia K Berry** Alicia.Berry@doj.ca.gov
- **Scott E Blakeley** seb@blakeleyllp.com, ecf@blakeleyllp.com
- **Dustin P Branch** branchd@ballardspahr.com, carolod@ballardspahr.com; hubenb@ballardspahr.com; Pollack@ballardspahr.com
- **Michael D Breslauer** mbreslauer@swsslaw.com, wyones@swsslaw.com; mbreslauer@ecf.courtdrive.com; wyones@ecf.courtdrive.com
- **Damarr M Butler** butler.damarr@pbgc.gov, efile@pbgc.gov
- **Lori A Butler** butler.lori@pbgc.gov, efile@pbgc.gov
- **Aaron Davis** aaron.davis@bryancave.com, kat.flaherty@bryancave.com
- **M Douglas Flahaut** flahaut.douglas@arentfox.com
- **Jeffrey K Garfinkle** jgarfinkle@buchalter.com, docket@buchalter.com; dcyrankowski@buchalter.com
- **Lawrence B Gill** lgill@nelsonhardiman.com, rrange@nelsonhardiman.com
- **Steven T Gubner** sgubner@bg.law, ecf@bg.law
- **Mary H Haas** maryhaas@dwt.com, melissastrobel@dwt.com; laxdocket@dwt.com; rosabeltran@dwt.com
- **Darryl S Laddin** bkrfilings@agg.com
- **Richard A Lapping** richard@lappinglegal.com
- **Elan S Levey** elan.levey@usdoj.gov, louisa.lin@usdoj.gov
- **Samuel R Maizel** samuel.maizel@dentons.com, alicia.aguilar@dentons.com; docket.general.lit.LOS@dentons.com; tania.moyron@dentons.com; kathryn.howard@dentons.com
- **Alvin Mar** alvin.mar@usdoj.gov
- **Craig G Margulies** Craig@MarguliesFaithlaw.com, Victoria@MarguliesFaithlaw.com; Helen@MarguliesFaithlaw.com
- **Hutchison B Meltzer** hutchison.meltzer@doj.ca.gov, Alicia.Berry@doj.ca.gov
- **John A Moe** john.moe@dentons.com, glenda.spratt@dentons.com, derry.kalve@dentons.com, jennifer.wall@dentons.com, andy.jinnah@dentons.com, bryan.bates@dentons.com
- **Kevin H Morse** kevin.morse@saul.com, rmarcus@AttorneyMM.com; sean.williams@saul.com
- **Marianne S Mortimer** mmortimer@sycr.com
- **Tania M Moyron** tania.moyron@dentons.com, chris.omeara@dentons.com
- **Jennifer L Nassiri** jennifernassiri@quinnemanuel.com
- **Mark A Neubauer** mneubauer@carltonfields.com, mlrodriguez@carltonfields.com; smcloughlin@carltonfields.com; schau@carltonfields.com
- **Melissa T Ngo** ngo.melissa@pbgc.gov, efile@pbgc.gov
- **Abigail V O'Brient** avobrient@mintz.com, docketing@mintz.com; DEHashimoto@mintz.com; nleali@mintz.com
- **Aram Ordubegian** ordubegian.aram@arentfox.com
- **Lori L Purkey** bareham@purkeyandassociates.com
- **Michael B Reynolds** mreynolds@swlaw.com, kcollins@swlaw.com
- **Emily P Rich** erich@unioncounsel.net, bankruptcycourtnotices@unioncounsel.net
- **Julie H Rome-Banks** julie@binderalter.com
- **Mary H Rose** mrose@buchalter.com, salarcon@buchalter.com
- **Nathan A Schultz** nschultz@foxrothschild.com
- **Mark A Serlin** ms@swllplaw.com, mor@swllplaw.com
- **Rosa A Shirley** rshirley@nelsonhardiman.com, rrange@nelsonhardiman.com; lgill@nelsonhardiman.com
- **Kyrsten Skogstad** kskogstad@calnurses.org, rcraven@calnurses.org
- **Jason D Strabo** jstrabo@mwe.com, ahoneycutt@mwe.com
- **Ralph J Swanson** ralph.swanson@berliner.com, sabina.hall@berliner.com

---

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

- Gary F Torrell gft@vrmlaw.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Matthew S Walker matthew.walker@pillsburylaw.com, candy.kleiner@pillsburylaw.com
- Jason Wallach jwallach@ghplaw.com, g33404@notify.cincompass.com
- Kenneth K Wang kenneth.wang@doj.ca.gov,  
Jennifer.Kim@doj.ca.gov;susan.lincoln@doj.ca.gov;yesenia.caro@doj.ca.gov
- Latonia Williams lwilliams@goodwin.com, bankruptcy@goodwin.com
- Hatty K Yip hatty.yip@usdoj.gov

**SERVED BY UNITED STATES MAIL:**

**Sam J Alberts**  
DENTONS US LLP  
1900 K Street NW  
Washington, DC 20006

**Alicia Berry**  
California Attorney General  
300 South Spring St Ste 1702  
Los Angeles, CA 90013

**Daniel S Bleck**  
Mintz, Levin, et al  
One Financial Center  
Boston, MA 02111

**Nathan F Coco**  
McDermott Will & Emery  
444 West Lake Street  
Chicago, IL 60606-0029

**Ian A Hammel**  
Mintz Levin Cohn Ferris Glovsky & Popeo  
One Financial Center  
Boston, MA 02111

**Donald R Kirk**  
Carlton Fields  
4221 W Boy Scout Blvd Ste 1000  
Tampa, FL 33607

**Donald R Kirk**  
Carlton Fields Jordan Burt, P.A.  
4221 W. Boy Scout Blvd., Suite 1000  
Tampa, FL 33607-5780

**Claude D Montgomery**  
Dentons US LLP  
1221 Avenue of the Americas  
New York, NY 10020-1001

**Megan Preusker**  
McDermott Will & Emery  
444 West Lake Street  
Chicago, IL 60606-0029

**Jason Reed**

Maslon LLP  
3300 Wells Fargo Center  
90 S Seventh St  
Minneapolis, MN 55402

**Paul J Ricotta**

Mintz Levin Cohn Ferris Glovsky and Pope  
Chrysler Center  
666 Third Ave  
New York, NY 10017

**Ryan Schultz**

Fox Swibel Levin & Carroll LLP  
200 W. Madison Street  
Suite 3000  
Chicago, IL 60606

**Clark Whitmore**

Maslon LLP  
3300 Wells Fargo Center  
90 S 7th St  
Minneapolis, MN 55402

**John Ryan Yant**

Carlton Fields Jorden Burt, P.A.  
4221 W Boy Scout Blvd Ste 1000  
Tampa, FL

**John Ryan Yant**

Carlton Fields Jorden Burt, P.A.  
4221 W. Boy Scout Blvd., Suite 1000  
Tampa, FL 33607-5780