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Debtors In Possession

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

9 In re

10 VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al.*,
11
12 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

- 13 Affects All Debtors
14 Affects Verity Health System of
California, Inc.
15 Affects O'Connor Hospital
 Affects Saint Louise Regional Hospital
16 Affects St. Francis Medical Center
 Affects St. Vincent Medical Center
17 Affects Seton Medical Center
 Affects O'Connor Hospital Foundation
18 Affects Saint Louise Regional Hospital
Foundation
19 Affects St. Francis Medical Center of
Lynwood Foundation
20 Affects St. Vincent Foundation
 Affects St. Vincent Dialysis Center, Inc.
21 Affects Seton Medical Center Foundation
 Affects Verity Business Services
22 Affects Verity Medical Foundation
 Affects Verity Holdings, LLC
23 Affects De Paul Ventures, LLC
24 Affects De Paul Ventures - San Jose
Dialysis, LLC

Chapter 11 Cases
Hon. Judge Ernest M. Robles

**NOTICE OF SALE PROCEDURES,
AUCTION DATE, AND SALE HEARING**

[RELATES TO DOCKET NOS. 365 & 724]

25 Debtors and Debtors In Possession.
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1 **PLEASE TAKE NOTICE** that, on October 1, 2018, the above-captioned debtors and
2 debtors in possession (the “Debtors”), filed the *Debtors’ Notice of Motion and Motion for the*
3 *Entry of (I) an Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse*
4 *Bidder and for Prospective Overbidders to Use, (2) Approving Auction Sale Format, Bidding*
5 *Procedures and Stalking Horse Bid Protections, (3) Approving Form of Notice to be Provided to*
6 *Interested Parties, (4) Scheduling a Hearing to Consider Approval of the Sale to the Highest*
7 *Bidder, (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and*
8 *Unexpired Leases; and (II) an Order (A) Authorizing the Sale of Property Free and Clear of All*
9 *Claims, Liens and Encumbrances* (the “Motion”).¹ The Debtors seek, among other things, to sell
10 all assets of O’Connor Hospital and Saint Louise Regional Hospital (excluding cash, A/R and
11 causes of action) (the “Purchased Assets”) to the successful bidder(s) (the “Successful Bidder”),
12 at an auction, free and clear of all liens, claims, encumbrances and other interests, pursuant to §§
13 363 and 365 of the Bankruptcy Code.

9 **PLEASE TAKE FURTHER NOTICE** that, on October 31, 2018, the Bankruptcy Court
10 entered an order (the “Bidding Procedures Order”) approving the Motion and the bidding
11 procedures (the “Bidding Procedures”), which set the key dates and times related to the Sale of
12 the Offered Assets. All interested bidders should carefully read the Bidding Procedures Order
13 and the Bidding Procedures, which are being served on you with this Notice. To the extent that
14 there are any inconsistencies between the Bidding Procedures Order (including the Bidding
15 Procedures) and the summary description of its terms and conditions contained in this Notice, the
16 terms of the Bidding Procedures Order shall control.

14 **PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Bidding
15 Procedures, a partial bid auction (the “Partial Bid Auction”) to sell the Offered Assets will be
16 conducted on **December 10, 2018, at 10:00 a.m. (prevailing Pacific Time)** at the offices of
17 Dentons US LLP, 601 South Figueroa Street, Suite 2500, Los Angeles, California 90017, or at
18 such other location as shall be identified in a notice filed with the Bankruptcy Court at least 24
19 hours before the Partial Bid Auction. Within forty-eight (48) hours of the conclusion of the
20 Partial Bid Auction, the Debtors shall file a notice with the Bankruptcy Court identifying the
21 Successful Bidder(s), if any.

19 **PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Bidding
20 Procedures, a full bid auction (the “Full Bid Auction”) to sell the Offered Assets will be
21 conducted on **December 11, 2018, at 10:00 a.m. (prevailing Pacific Time)** at the offices of
22 Dentons US LLP, 601 South Figueroa Street, Suite 2500, Los Angeles, California 90017, or at
23 such other location as shall be identified in a notice filed with the Bankruptcy Court at least 24
24 hours before the Full Bid Auction. Within forty-eight (48) hours of the conclusion of the Full Bid
25 Auction, the Debtors shall file a notice with the Bankruptcy Court identifying the Successful
26 Bidder.

24 **PLEASE TAKE FURTHER NOTICE** that a hearing will be held to approve the sale of
25 the Offered Assets to the Successful Bidder (the “Sale Hearing”) before the Honorable Ernest
26 Robles, United States Bankruptcy Judge, United States Bankruptcy Court for the Central District
27 of California, 255 E. Temple St., Los Angeles, California 90012, Courtroom 1568, on **December**

27
28 ¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the
Motion.

1 **19, 2018, at 10:00 a.m. (prevailing Pacific Time)**, or at such time thereafter as counsel may be
2 heard or at such other time as the Bankruptcy Court may determine. The Sale Hearing may be
3 adjourned from time to time without further notice to creditors or parties in interest other than by
4 announcement of the adjournment in open court on the date scheduled for the Sale Hearing.
5 Objections to the Sale shall be filed with the Bankruptcy Court and served **so as to be received**
6 **no later than 12:00 p.m. (prevailing Pacific Time) on December 14, 2018**, by: (i) counsel to
7 the Debtors: Dentons US LLP, 601 S. Figueroa Street, Suite 2500, Los Angeles, CA 90017 (Attn:
8 Samuel R. Maizel (samuel.maizel@dentons.com)); (ii) the Debtors' Investment Banker: Cain
9 Brothers, a division of KeyBanc Capital Markets, 601 California Street, Suite 1505, San
10 Francisco, CA 94108 (Attn: James Moloney (jmoloney@cainbrothers.com)); (iii) counsel to the
11 Stalking Horse Purchaser: McDermott Will & Emery LLP, 2049 Century Park East, Suite 3800,
12 Los Angeles, CA 90067 (Attn: James F. Owens (JFowens@mwe.com)); (iv) the Office of the
13 United States Trustee (the "U.S. Trustee"): 915 Wilshire Blvd., Suite 1850, Los Angeles,
14 California 90017 (Attn: Hatty Yip (Hatty.Yip@usdoj.gov)); and (v) counsel to the Official
15 Committee: Milbank, Tweed, Hadley & McCloy LLP, 2029 Century Park East, 33rd Floor, Los
16 Angeles, CA 90067 (Attn: Gregory A. Bray (gbray@milbank.com)) (collectively, the "Notice
Parties").

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18 **PLEASE TAKE FURTHER NOTICE** that this Notice of the Auction and Sale Hearing
19 is subject to the full terms and conditions of the Motion, Bidding Procedures Order and Bidding
20 Procedures, which Bidding Procedures Order shall control in the event of any conflict, and the
21 Debtors encourage parties in interest to review such documents in their entirety. Any party that
22 has not received a copy of the Motion or the Bidding Procedures Order that wishes to obtain a
23 copy of the Motion, the Bidding Procedures Order (including all exhibits thereto), the Bidding
24 Procedures, and the Stalking Horse APA, may make such a request in writing to Dentons US
25 LLP, Attn: Samuel R. Maizel, 601 South Figueroa Street, Suite 2500, Los Angeles, CA 90017
26 or by emailing samuel.maizel@dentons.com or by calling (213) 892-2910.

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Dated: October 31, 2018

DENTONS US LLP
SAMUEL R. MAIZEL
TANIA M. MOYRON

By /s/ Tania M. Moyron
Tania M. Moyron

Attorneys for the Chapter 11 Debtors and Debtors In
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