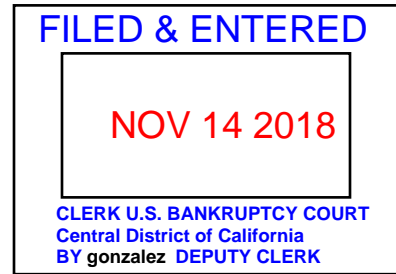


GREGORY A. BRAY (Bar No. 115367)
gbray@milbank.com
MARK SHINDERMAN (Bar No. 136644)
mshinderman@milbank.com
JAMES C. BEHRENS (Bar No. 280365)
jbehrens@milbank.com
MILBANK, TWEED, HADLEY & M^cCLOY LLP
2029 Century Park East, 33rd Floor
Los Angeles, CA 90067
Telephone: (424) 386-4000/Facsimile: (213) 629-5063

*Proposed Counsel for the Official Committee of
Unsecured Creditors of Verity Health System of
California, Inc., et al.*



**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.

Lead Case No. 18-20151

Chapter 11 Cases

Hon. Ernest M. Robles

**ORDER AUTHORIZING RETENTION
OF FTI CONSULTING, INC. AS
FINANCIAL ADVISOR TO THE
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS NUNC PRO
TUNC TO SEPTEMBER 14, 2018**

[No Hearing Required Unless Requested
Pursuant to Local Bankruptcy Rule 2014-1]

Affects:

- ☒ All Debtors
- ☐ Verity Health System of California, Inc.
- ☐ Saint Louise Regional Hospital
- ☐ St. Francis Medical Center
- ☐ St. Vincent Medical Center
- ☐ Seton Medical Center
- ☐ O'Connor Hospital Foundation
- ☐ Saint Louise Regional Hospital Foundation
- ☐ St. Francis Medical Center of Lynwood Foundation
- ☐ St. Vincent Foundation
- ☐ St. Vincent Dialysis Center, Inc.
- ☐ Seton Medical Center Foundation
- ☐ Verity Business Services
- ☐ Verity Medical Foundation
- ☐ Verity Holdings, LLC
- ☐ De Paul Ventures, LLC
- ☐ De Paul Ventures - San Jose Dialysis, LLC

Debtors and Debtors In Possession.



1820151181114000000000008

1 Upon the application (the “Application”) of the Official Committee of Unsecured
2 Creditors (the “Committee”) of the above-captioned debtors and debtors in possession (collectively,
3 the “Debtors”), for an order pursuant to section 1103 of chapter 11 of title 11 of the United States
4 Code (the “Bankruptcy Code”), authorizing them to retain FTI Consulting, Inc., together with its
5 wholly owned subsidiaries (“FTI”) as financial advisor; and upon the Declaration of Samuel Star in
6 support of the Application; and due and adequate notice of the Application having been given; and it
7 appearing that no other notice need be given; and it appearing that FTI is not representing any
8 adverse interest in connection with these cases; and it appearing that the relief requested in the
9 Application is in the best interest of the Committee; after due deliberation and sufficient cause
10 appearing therefore, it is hereby

11
12 ORDERED that the Application be, and it hereby is, granted; and it is further

13 ORDERED that the capitalized terms not defined herein shall have the meanings
14 ascribed to them in the Application; and it is further

15
16 ORDERED that in accordance with section 1103 of the Bankruptcy Code, the
17 Committee is authorized to employ and retain FTI as of September 14, 2018 as their financial
18 advisor on the terms set forth in the Application; and it is further

19 ORDERED that FTI shall be compensated in accordance with the procedures set forth
20 in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be
21 applicable, from time to time, and such procedures as may be fixed by order of this court; and it is
22 further

23
24 ORDERED that FTI is entitled to reimbursement of actual and necessary expenses,
25 including legal fees related to this retention application and future fee applications as approved by
26 the court; and it is further

27 ORDERED that the following indemnification provisions are approved:
28

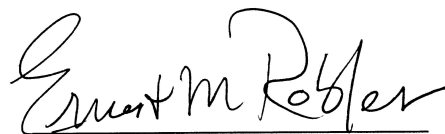
- 1 a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are
2 authorized to indemnify, and shall indemnify, FTI for any claims arising from,
3 related to, or in connection with the services to be provided by FTI as
4 specified in the Application, but not for any claim arising from, related to, or
5 in connection with FTI's post-petition performance of any other services other
6 than those in connection with the engagement, unless such post-petition
7 services and indemnification therefore are approved by this Court; and
8
- 9 b. the Debtors shall have no obligation to indemnify FTI for any claim or
10 expense that is either (i) judicially determined (the determination having
11 become final) to have arisen primarily from FTI's gross negligence, willful
12 misconduct or fraud unless the Court determines that indemnification would
13 be permissible pursuant to *In re United Artists Theatre company, et al.*, 315
14 *F.3d 217 (3d Cir. 2003)*, or (ii) settled prior to a judicial determination as to
15 FTI's gross negligence, willful misconduct or fraud, but determined by this
16 Court, after notice and a hearing, to be a claim or expense for which FTI is not
17 entitled to receive indemnity under the terms of this Application; and
18
- 19 c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in
20 this case (that order having become a final order no longer subject to appeal),
21 and (ii) the entry of an order closing this chapter 11 case, FTI believes that it
22 is entitled to the payment of any amounts by the Debtors on account of the
23 Debtors' indemnification obligations under the Application, including,
24 without limitation, the advancement of defense costs, FTI must file an
25 application in this Court, and the Debtors may not pay any such amounts to
26 FTI before the entry of an order by this Court approving the payment. This
27
28

1 subparagraph (c) is intended only to specify the period of time under which
2 the Court shall have jurisdiction over any request for fees and expenses by
3 FTI for indemnification, and not as a provision limiting the duration of the
4 Debtors' obligation to indemnify FTI; and it is further

5
6 ORDERED that this court shall retain jurisdiction with respect to all matters arising
7 from or related to the implementation of this order.

8 ###

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24 Date: November 14, 2018

25 
26 Ernest M. Robles
27 United States Bankruptcy Judge
28