

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<sup>C</sup>CLOY LLP  
2029 Century Park East, 33rd Floor  
Los Angeles, CA 90067  
Telephone: (424) 386-4000/Facsimile: (213) 629-5063

*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.

Affects:

- ☒ All Debtors  
☐ Verity Health System of California, Inc.  
☐ O'Connor Hospital  
☐ 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.

Lead Case No. 18-20151  
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. Ernest M. Robles

**SECOND STIPULATION BETWEEN  
UMB BANK, N.A. AND THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS REGARDING  
CHALLENGE DEADLINE**



1 This stipulation is entered between UMB Bank, N.A., as trustee (the "Master Trustee"), on the  
2 one hand, and the Official Committee of Unsecured Creditors in the above-captioned jointly  
3 administered cases (the "Committee"), on the other, with respect to the following:

4 1. On September 14, 2018, the Committee was formed.

5 2. On October 4, 2018, the Court entered its *Final Order (I) Authorizing Postpetition*  
6 *Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing*  
7 *Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying*  
8 *Automatic Stay, and (VI) Granting Related Relief* (the "Final DIP Order") [Docket No. 409].

9 3. Pursuant to paragraph 5(e) of the Final DIP Order, the Committee was provided 90  
10 days from the date of its formation, i.e. until December 13, 2018, to challenge Prepetition Liens (as  
11 defined in the Final DIP Order) asserted by the Master Trustee (the "Challenge Deadline").

12 4. Prior to December 13, 2018, the Committee and Master Trustee became parties to  
13 their *Stipulation Between UMB Bank, N.A. and the Official Committee of Unsecured Creditors*  
14 *Extending Challenge Deadline* (the "Prior Challenge Deadline Stipulation") [Docket No. 1049].

15 5. Among other terms, the Prior Challenge Deadline Stipulation (i) included the  
16 Committee's acknowledgement of the Master Trustee's valid and perfected liens on and security  
17 interests in Acknowledged Collateral (as defined in the Prior Challenge Deadline Stipulation), (ii)  
18 provided that the Challenge Deadline would not be extended as to the Acknowledged Collateral, but  
19 (iii) otherwise extended the Challenge Deadline by 30 days to January 14, 2019 (the "Extended  
20 Challenge Deadline") as it related to any assets of the Debtors other than the Acknowledged  
21 Collateral.

22 6. The Master Trustee and the Committee are continuing to discuss the extent and  
23 priority of liens therein and the Master Trustee has agreed to allow the Committee additional time on  
24 the terms reflected herein.


25 NOW, THEREFORE, all of the parties to this stipulation hereby stipulate as follows:

26 A. The Challenge Deadline shall be further extended from the Extended Challenge  
27 Deadline (January 14, 2019) to January 28, 2019, *provided* the extension period does not apply to the  
28


1 Acknowledged Collateral, and the Challenge Deadline has not been extended for the Acknowledged  
2 Collateral.

3 B. For the avoidance of doubt, nothing herein shall affect, limit or impair any rights or  
4 interests of the Master Trustee in any of the Debtors' existing or future assets, whether subject to the  
5 extended Challenge Deadline or otherwise.

6  
7 **UMB Bank, N.A., as trustee**

8  
9 By:   
10 Daniel S. Black  
Paul J. Ricotta  
Ian A. Hammel  
11 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
Counsel to UMB Bank, N.A.

12  
13 **Official Committee of Unsecured Creditors**

14 By: /AA  
15 Gregory A. Bray  
Mark Shinderman  
16 James C. Behrens  
Milbank, Tweed, Hadley & McCloy LLP  
17 Counsel to the Official Committee of Unsecured Creditors  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28