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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.*,

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 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 DePaul Ventures, LLC  
☐ Affects DePaul Ventures - San Jose  
Dialysis, LLC

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

Chapter 11 Cases

Judge: Hon. Ernest M. Robles

**EXECUTED DECLARATION IN SUPPORT  
OF THE RETENTION OF ORDINARY  
COURSE PROFESSIONAL RE MOTION  
AUTHORIZING THE DEBTORS TO RETAIN  
AND COMPENSATE PROFESSIONALS  
UTILIZED BY THE DEBTORS IN THE  
ORDINARY COURSE OF BUSINESS**

DATE: October 24, 2018  
TIME: 10:00 a.m.  
PLACE: Courtroom 1568

DENTONS US LLP  
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LOS ANGELES, CALIFORNIA 90017-5704  
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1 On October 1, 2018, Verity Health System of California, Inc. and the above-referenced  
2 affiliated debtors, debtors and debtors in possession in the above-captioned administratively  
3 consolidated chapter 11 bankruptcy cases (collectively, the “Debtors”) filed the *Motion For An*  
4 *Order Authorizing The Debtors To Retain And Compensate Professionals Utilized By The*  
5 *Debtors In The Ordinary Course Of Business*; (the “Motion”) [Docket No. 364]. The Court  
6 granted the Motion and an order approving the Motion was entered October 29, 2018 [Docket  
7 No. 693].

8 The Debtor hereby files the attached Declaration in support of the retention of:  
9 Stephenson, Acquisto & Colman.

10  
11 Dated: January 15, 2019

DENTONS US LLP  
SAMUEL R. MAIZEL  
JOHN A. MOE, II  
TANIA R. MOYRON

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14 By /s/John A. Moe, II  
JOHN A. MOE, II

15 Attorneys for the Debtors  
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Case No. 2:18-bk-20180-ER  
Case No. 2:18-bk-20181-ER

Chapter 11 Cases

Judge: Hon. Ernest M. Robles

**DISCLOSURE DECLARATION OF DAVID F.  
MASTAN IN SUPPORT OF RETENTION OF  
STEPHENSON, ACQUISTO & COLMAN AS  
AN ORDINARY COURSE PROFESSIONAL**

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1 I, David F. Mastan, hereby declare that the following is true to the best of my knowledge,  
2 information and belief.

3 1. I am a Partner of Stephenson, Acquisto & Colman (the “Firm”), which maintains  
4 offices at 303 North Glenoaks Blvd., Ste. 700, Burbank, CA 91502.

5 2. This Declaration is submitted in connection with an Order of the United States  
6 Bankruptcy Court for the Central District of California, Los Angeles Division dated October 29,  
7 2018 [Docket No. 693], authorizing the above-captioned debtor and debtor in possession (the  
8 “Debtor”) to retain certain professionals in the ordinary course of business during the pendency of  
9 the Debtor’s chapter 11 cases, effective as of the Petition Date.

10 3. The Firm, through me, and members of the firm, have represented and advised the  
11 Debtors, or entities now owned or controlled by Debtors, as legal counsel with the following aspects  
12 of the Debtors’ businesses or legal affairs, including health care reimbursement litigation and debt  
13 collection, since 1994.

14 4. The Debtors have requested, and the Firm has agreed, to continue to provide services  
15 to the Debtors pursuant to section 327(b) of chapter 11 of title 11 of the United States Code (the  
16 “Bankruptcy Code”) with respect to such matters. More specifically, the Debtors have requested,  
17 and the Firm proposes to render, the following services to the Debtors: The Law Offices of  
18 Stephenson, Acquisto & Colman, Inc. (“SAC”) specializes in representing medical providers  
19 (overwhelmingly hospitals) pursuing unpaid or underpaid claims for medical care payments against  
20 large institutional payors such as HMO’s and PPO’s, governmental entities and ERISA health  
21 plans. Aside from certain narrow exceptions not pertinent here, SAC provides its services to  
22 hospitals on a sliding-scale, contingency fee basis. SAC does expect its clientele to pay for costs in  
23 arrears (except for arbitration fees which must be paid upfront) but does not charge attorney’s fees  
24 at all unless SAC succeeds in obtaining payments for hospitals. SAC has provided services to Verity  
25 prepetition. SAC continues to provide services pursuant to a contingency fee rate agreement. SAC  
26 will only be paid as funds are recovered and delivered to the Debtors.

27 5. The Firm’s current customary reimbursement rates, subject to change from time to  
28 time, are based upon a contingency fee agreement.

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6. To the best of my knowledge, formed after due inquiry, neither I, the Firm, nor any employee thereof has any connection with the Debtors or currently represents any creditors, other parties-in-interest, the United States Trustee or any person employed by the Office of the United States Trustee with respect to the matters upon which it is to be engaged, and the Firm does not, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, hold or represent any interest adverse to the Debtors, the estate or any class of creditors or equity interest holders, other than amounts due the Firm set forth below.

7. In addition, although unascertainable at this time after due inquiry, the Firm may have in the past represented, currently represent, and may in the future represent entities that are claimants of the Debtors in matters entirely unrelated to the Debtors and the Estates. The Firm does not and will not represent any such entity in connection with these pending chapter 11 cases and does not have any relationship with any such entity, attorneys or accountants that would be adverse to the Debtors or the Estates.

8. The Firm's process of ascertaining what, if any, connection it may have with any interest adverse to the Debtors, the Estates or any class of creditors or equity interest holders, consists of the following: we reviewed of the Debtors' top 50 list of general unsecured creditors and the Debtors' list of creditors asserting secured claims.

9. In the past year, the Firm has rendered services that have not yet been billed or that have been billed but with respect to which payment has not yet been received. The Firm is currently owed \$119,089.30 on account of such prepetition services. I understand that payment of such amount is dependent upon the Firm filing a Proof of Claim, and the Claim being determined to be an allowed Claim, and the Debtors paying an amount commensurate with what it is permitted to pay and can pay.

10. In light of the foregoing, I believe that the Firm does not hold or represent any interest materially adverse to the Debtors, the estate, creditors, or equity interest holders, as identified to the Firm, with respect to the matters in which the firm will be engaged.

11. Except as set forth herein, no promises have been received by the Firm or any partner, associate or other professional thereof as to compensation in connection with these

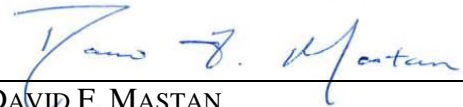
chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rule"), the Local Rules of the United States Bankruptcy Court for the Central District of California ("LBR"), and orders of this Court.

12. The Firm further states that it has not shared, nor agreed to share any compensation received in connection with this chapter 11 case with another party or person, other than as permitted by section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016.

13. The foregoing constitutes the statement of the Firm pursuant to sections 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016(b).

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

Executed this 15<sup>th</sup> day of January, 2019 at Burbank, California.



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