

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Samuel R. Maizel (SBN 189301) samuel.maizel@dentons.com Tania M. Moyron (SBN 235736) tania.moyron@dentons.com DENTONS US LLP 601 South Figueroa Street, Suite 2500 Los Angeles, California 90017 Telephone: (213) 623-9300 Facsimile: (213) 623-9924</p> <p><input type="checkbox"/> Individual appearing without an attorney <input checked="" type="checkbox"/> Attorney for: Debtors and Debtors In Possession</p>	<p>FOR COURT USE ONLY</p>
<p style="text-align: center;"><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION</b></p>	
<p>In re: VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al., Debtors and Debtors In Possession.</p> <p>• Affects All Debtors</p> <p><input type="checkbox"/> Affects Verity Health System of California, Inc. <input type="checkbox"/> Affects O'Connor Hospital <input type="checkbox"/> Affects Saint Louise Regional Hospital <input type="checkbox"/> Affects St. Francis Medical Center <input type="checkbox"/> Affects St. Vincent Medical Center <input type="checkbox"/> Affects Seton Medical Center <input type="checkbox"/> Affects O'Connor Hospital Foundation <input type="checkbox"/> Affects Saint Louise Regional Hospital Foundation <input type="checkbox"/> Affects St. Francis Medical Center of Lynwood Foundation <input type="checkbox"/> Affects St. Vincent Foundation <input type="checkbox"/> Affects St. Vincent Dialysis Center, Inc. <input type="checkbox"/> Affects Seton Medical Center Foundation <input type="checkbox"/> Affects Verity Business Services <input type="checkbox"/> Affects Verity Medical Foundation <input type="checkbox"/> Affects Verity Holdings, LLC <input type="checkbox"/> Affects De Paul Ventures, LLC <input type="checkbox"/> Affects De Paul Ventures - San Jose Dialysis, LLC Liquidation Corporation, a California corporation,</p> <p>Debtors and Debtors In Possession.</p>	<p>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</p> <p>CHAPTER: 11</p> <p><b>NOTICE OF LODGMENT OF ORDER IN BANKRUPTCY CASE RE: (title of motion<sup>1</sup>):</b> Debtors' 1113 Motion re: SEIU Collective Bargaining Agreement [Docket No. 1192]</p>

PLEASE TAKE NOTE that the order titled Debtor's Motion Under 1113 Of The Bankruptcy Code To Modify, Reject and Terminate Certain Terms Of Service Employee International Union-United Healthcare Workers-West's Collective Bargaining Agreement With Certain Debtors Upon The Closing Of The Sale Of Hospitals To The County Of Santa Clara was lodged on (date) 2/15/2019 and is attached. This order relates to the motion which is docket number 1192.

<sup>1</sup> Please abbreviate if title cannot fit into text field.



DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

SAMUEL R. MAIZEL (Bar No. 189301)  
samuel.maizel@dentons.com  
TANIA M. MOYRON (Bar No. 235736)  
tania.moyron@dentons.com  
DENTONS US LLP  
601 South Figueroa Street, Suite 2500  
Los Angeles, California 90017-5704  
Tel: (213) 623-9300 / Fax: (213) 623-9924  
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 De Paul Ventures, LLC
- ☐ Affects De Paul 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

Hon. Judge Ernest M. Robles

**ORDER GRANTING DEBTORS' MOTION  
UNDER § 1113 OF THE BANKRUPTCY CODE  
TO MODIFY, REJECT AND TERMINATE THE  
TERMS OF SERVICE EMPLOYEE  
INTERNATIONAL UNION-UNITED  
HEALTHCARE WORKERS-WEST'S  
COLLECTIVE BARGAINING AGREEMENTS  
WITH CERTAIN DEBTORS UPON THE  
CLOSING OF THE SALE OF HOSPITALS TO  
SANTA CLARA COUNTY**

**[Relates to Docket No. 1192]**

**Hearing:**

**Date:** February 13, 2019

**Time:** 10:00 am

**Location:** Courtroom 1568

255 E. Temple St., Los Angeles, CA

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

This matter came before the Court on the *Debtors' Motion under § 1113 of the Bankruptcy Code to Modify, Reject and Terminate the Terms of Service Employee International Union-United Healthcare Workers-West's Collective Bargaining Agreements with Certain Debtors upon the Closing of the Sale of Hospitals to Santa Clara County* [Docket No. 1192] the ("Motion"), filed by Verity Health System of California, Inc. ("VHS"), and the above-referenced affiliated debtors and debtors in possession in the above-captioned chapter 11 bankruptcy cases (the "Debtors"), seeking the entry of an order, pursuant to § 1113 of title 11 of the United States Code (the "Bankruptcy Code")<sup>1</sup> modifying the Collective Bargaining Agreement between Service Employees International Union-United Healthcare Workers-West ("SEIU"), and Debtor O'Connor Hospitals, Debtor Saint Louise Regional Hospital, St. Francis Medical Center and St. Vincent Medical Center which expires October 31, 2021 (the "SEIU CBA"), so as to remove and terminate all terms related to SLRH and OCH (such terms being the "SEIU OCH/SLRH Obligations") pursuant to the redline with such proposed modifications filed as Docket No. 1202-5 (as redacted for confidentiality purposes); with all such relief to be effective and conditioned upon the "Closing" (as that term is defined in the Asset Purchase Agreement dated October 1, 2018 (the "APA") [Docket No. 365-1] between VHS, Verity Holdings, LLC, a California limited liability company, and Santa Clara County ("SCC")).

At the previous hearing on the Motion on February 13, 2019 (the "Hearing"), the Court considered the Motion, the *Declaration of Richard G. Adcock in Support of Debtors' § 1113 Motions* [Docket No. 1193], the *Declaration of James Moloney in Support of Debtors' § 1113 Motions* [Docket No. 1194], the *Corrected Declaration of Sam J. Alberts in Support of Motions to Reject or Modify Collective Bargaining Agreements* [Docket No. 1202], *SEIU-UHW's Opposition to Debtors' Motion Under § 1113 to Modify, Reject and Terminate SEIU-UHW's CBA with Certain Debtors* [Doc. No. 1271], *Declaration of Greg Pullman in Opposition to Debtors' Motion Under § 1113 to Modify, Reject and Terminate SEIU-UHW's CBA with Certain Debtors* [Doc. No. 1272]; *Declaration of Emily P. Rich in Opposition to Debtors' Motion Under § 1113*

<sup>1</sup> Unless specified otherwise, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, all "Rule" references are to the Federal Rules of Bankruptcy Procedure, and all "LBR" references are to the Local Bankruptcy Rules for the United States Bankruptcy Court for the Central District of California.

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

1 to Modify, Reject and Terminate SEIU-UHW's CBA with Certain Debtors [Doc. No. 1273], the  
2 Official Committee of Unsecured Creditors' Response to Debtors' Motions to Reject or Modify  
3 Collective Bargaining Agreements [Docket No. 1276], the Debtors' Omnibus Reply in Support of  
4 Motions Under § 1113 of the Bankruptcy Code [Doc. No. 1332], the Order: (1) Requiring  
5 Further Briefing on Debtors' Motions to Reject Collective Bargaining Agreements and (2)  
6 Continuing Hearing on Motions from January 30, 2019 to February 8, 2019 at 10:00 a.m. [Doc.  
7 No. 1411], SEIU-UHW's Supplemental Brief in Opposition to Debtors' Motion Under § 1113 to  
8 Modify, Reject and Terminate SEIU-UHW's CBA with Certain Debtors [Doc. No. 1501], The  
9 County of Santa Clara's Briefing Re Debtors' Motions to Reject Collective Bargaining  
10 Agreements [Doc. No. 1502], Official Committee of Unsecured Creditors' Supplemental  
11 Response to Debtors' Motions to Reject or Modify Collective Bargaining Agreements [Doc. No.  
12 1503], and the Debtors' Response to Court Order for Additional Briefing Regarding Selected  
13 Issues Concerning Debtors' Motions Under § 1113 of the Bankruptcy Code [Doc. No. 1507] and  
14 the related Notice of Errata [Doc. No. 1511], and having reviewed the foregoing, including all  
15 exhibits and declarations submitted therewith, as well as the statements, arguments and  
16 representations of the parties made at the Hearing; and the entire record of these cases;

17 **HEREBY FINDS AND CONCLUDES THAT:<sup>2</sup>**

18 A. The relief sought in the Motion is in the best interests of the Debtors and their  
19 estates, and the legal and factual bases set forth in the Motion and presented at the Hearing  
20 establish just cause for the relief granted herein and for the reasons set forth in the Court's  
21 tentative ruling [Docket No. 1542-1; 1542-2] which is incorporated by reference herein.

22 B. Proper notice of the Motion has been provided;

23 C. The Debtors have met the requirements of § 1113 for the relief they seek in the  
24 Motions, including satisfying the nine-part test articulated in *In re Karykeion, Inc.*, 435 B.R. 663,  
25 677 (Bankr. C.D. Cal. 2010).

26 <sup>2</sup> The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant  
27 to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that  
28 any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any  
of the following conclusions of law constitute findings of fact, they are adopted as such.

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

1 D. The SEIU CBA is among the “applicable CBAs” referenced in paragraph 18 of the  
2 *Order (A) Authorizing the Sale of Certain of the Debtors’ Assets to Santa Clara County Free and*  
3 *Clear of Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and*  
4 *Assignment of an Unexpired Lease Related Thereto; and (C) Granting Related Relief* [Docket No.  
5 1153] (the “Sale Order”).

6 E. This Order constitutes the “resolution of the collective bargaining agreements” “that  
7 cover employees at Saint Louise Regional Hospital and O’Connor Hospital prior to SCC closing on the  
8 proposed Sale pursuant to the APA” referenced in paragraph 33 of the Sale Order as relates to the  
9 SEIU CBA and to SEIU.

10 F. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. §  
11 158(a). This Order shall be effective and enforceable immediately, and time is of the essence in  
12 approving the relief granted herein.

13 **NOW THEREFORE, IT IS HEREBY ORDERED THAT:**

14 1. The relief requested in the Motions is GRANTED and APPROVED.

15 2. All objections with regard to the relief sought in the Motions that have not been  
16 withdrawn, waived, settled, or provided for herein, including any reservation of rights included in  
17 such objections, are overruled on the merits, with prejudice.

18 3. Effective and conditioned upon the Closing, (i) the SEIU CBA is modified as set  
19 forth in the redlined document filed as Docket No. 1202-5, (ii) and (a) all of the SEIU  
20 OCH/SLRH Obligations and (b) all terms contained therein that relate to SLRH and OCH in the  
21 SEIU CBA are terminated.

22 4. The Debtors are authorized to take all steps necessary to carry out this Order.

23 5. This Court shall retain jurisdiction to hear and determine all matters arising from  
24 or related to the implementation, interpretation and/or enforcement of this Order or the SEIU  
25 CBA.

26 ##

27 ##

1 **IT IS SO ORDERED.**

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

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300