

SAMUEL R. MAIZEL (Bar No. 189301)  
samuel.maizel@dentons.com  
TANIA M. MOYRON (Bar No. 235736)  
tania.moyron@dentons.com  
PATRICK C. MAXCY (Pro Hac Vice)  
patrick.maxcy@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

FILED & ENTERED

MAR 22 2019

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY evangeli DEPUTY CLERK

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. 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-20171-ER

Chapter 11 Cases

Hon. Judge Ernest M. Robles

**ORDER GRANTING DEBTORS' MOTION FOR  
APPROVAL OF COMPROMISE WITH MEDLINE  
INDUSTRIES, INC. PURSUANT TO FEDERAL  
RULE OF BANKRUPTCY PROCEDURE 9019  
[RELATED DOCKET NO. 1591]**

HEARING:

Date: March 13, 2019

Time: 10:00 a.m.

Place: Courtroom 1568, 255 E. Temple St., Los  
Angeles, CA

☒ 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 ASC, LLC

Debtors and Debtors In Possession.

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



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1 The Debtors' Motion for Approval of Compromise with Medline Industries, Inc. Pursuant  
2 to Federal Rule of Bankruptcy Procedure 9019 [Docket No. 1591] (the "Motion") seeking approval  
3 of that settlement agreement between Verity Health System of California, Inc. and certain of its  
4 affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively,  
5 the "Debtors"), on one hand, and Medline Industries Inc. ("Medline"), on the other, attached to the  
6 Motion as Exhibit "A," (the "Settlement Agreement") came for hearing before the Court on March  
7 13, 2019 (the "Hearing").

8 The Court, having reviewed the Motion and the Memorandum of Points and Authorities, the  
9 Settlement Agreement, the Declarations of Peter C. Chadwick and Richard G. Adcock in support of  
10 the Motion, the Declaration of Richard G. Adcock in Support of First-Day Motions [Docket No. 8],  
11 the Final Order Granting Debtors' Emergency Motion For Entry Of An Order Authorizing Debtors  
12 To Honor Prepetition Obligations To Critical Vendors [Docket No. 436] (the "Critical Vendor  
13 Order") and the Official Committee of Unsecured Creditors' Response to Debtors' Notice and  
14 Motion for Approval of Compromise with Medline Industries, Inc. Pursuant to Federal Rule of  
15 Bankruptcy Procedure 9019 [Docket No. 1697], and no other objection or response having been  
16 filed, it further appearing that proper notice of the Motion had been provided, and for the reasons  
17 set forth in the Court's tentative ruling [Docket. No. 1789], which the Court adopts as its final ruling  
18 and which is incorporated herein by reference and good and sufficient cause having been shown,

19 **IT IS HEREBY ORDERED:**

20 1. The Motion is GRANTED in its entirety and the Settlement Agreement is  
21 APPROVED in its entirety.

22 2. This Court has jurisdiction over any dispute arising from or relating to the Settlement  
23 Agreement, the Critical Vendor Order, or Medline's participation as Critical Supplier as defined and  
24 under the Critical Vendor Order.

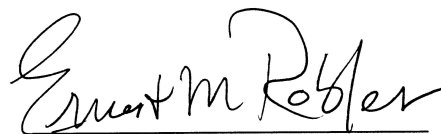
25 3. The Debtors and Medline are each authorized to take all actions and execute all  
26 documents and instruments that they deem necessary or appropriate to implement and effectuate the  
27 transactions contemplated by the Settlement Agreement.  
28

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1 **IT IS SO ORDERED.**

2 ###

23  
24 Date: March 22, 2019

25   
Ernest M. Robles  
United States Bankruptcy Judge