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Attorneys for Local Initiative Health Authority  
for Los Angeles County operating as L.A.  
Care Health Plan

FILED & ENTERED

APR 15 2019

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY gonzalez 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.

- ☐ 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

Chapter 11 Cases

Adv. Proc. No. 2:19-ap-01002-ER

**ORDER GRANTING DEFENDANT'S  
MOTION FOR ENTRY OF ORDER  
DISMISSING COMPLAINT OR, IN THE  
ALTERNATIVE, STAYING TRIAL OF  
ADVERSARY PROCEEDING**

Date: April 3, 2019  
Time: 10:00 A.M.  
Judge: Hon. Ernest M. Robles  
Courtroom: 1568



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1 ST. VINCENT MEDICAL CENTER, a  
2 California nonprofit public benefit  
3 corporation and ST. FRANCIS MEDICAL  
4 CENTER, a California nonprofit public  
5 benefit corporation,

6 Plaintiffs,

7 v.

8 LOCAL INITIATIVE HEALTH AUTHORITY  
9 FOR LOS ANGELES COUNTY DBA L.A.  
10 CARE HEALTH PLAN, an independent  
11 local public agency,

12 Defendant.

13 Defendant Local Initiative Health Authority For Los Angeles County operating as  
14 L.A. Care Health Plan ("LA Care")'s *Motion for Entry of Order Dismissing Complaint or, in*  
15 *the Alternative, Motion for Entry of Order Staying Trial of Adversary Proceeding, and*  
16 *Memorandum of Points and Authorities in Support Thereof* [Doc. No. 17] (the "Motion"),  
17 seeking the dismissal of the *Complaint for Breach of Written Contracts, Turnover, Unjust*  
18 *Enrichment, Damages for Violation of the Automatic Stay, and Injunctive Relief* [Doc. No.  
19 1] (the "Complaint"), or in the alternative, that this Court stay this adversary proceeding  
20 until the parties have completed arbitration of the claims asserted in the Complaint  
21 pursuant to the mandatory arbitration clauses in the contracts alleged in the Complaint,  
22 came for hearing before the Court on April 3, 2019.

23 The Court, having reviewed the Motion, the Complaint; *Notice of Motion for Entry*  
24 *of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order Staying*  
25 *Trial of Adversary Proceeding* [Doc. No. 14]; *Plaintiffs' Amended Opposition to Motion for*  
26 *Entry of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order*  
27 *Staying Trial of Adversary Proceeding* [Doc. No. 32]; *Reply Brief in Support of Motion for*  
28 *Entry of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order*  
*Staying Trial of Adversary Proceeding* [Doc. No. 36]; LA Care's *Motion for Entry of*  
*Protective Order, and Memorandum of Points and Authorities in Support Thereof* [Doc.

No. 20]; *Plaintiffs' Opposition to Motion for Entry of Protective Order* [Doc. No. 26]; LA Care's *Reply Brief in Support of Motion for Entry of Protective Order* [Doc. No. 35]; the parties' *Joint Status Report* [Doc. No. 18]; LA Care's *Memorandum of Points and Authorities Regarding Non-Core Designation* [Doc. No. 19]; and *Plaintiffs' Response to Defendant's Memorandum of Points and Authorities Regarding Non-Core Designation* [Doc. No. 22], and for the reasons set forth in the Court's tentative ruling (as amended by the Court after the April 3, 2019 hearing) [Doc. No. 39-1], which the Court adopts as its final ruling and which is incorporated herein by reference, and good cause having been shown,

**IT IS HEREBY ORDERED THAT:**

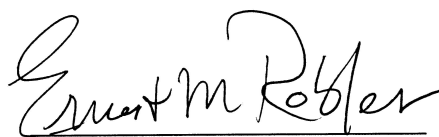
1. The Motion is GRANTED with respect to its alternative request for an order staying this adversary proceeding.
2. This adversary proceeding will be stayed pending the completion of arbitration of the claims for relief asserted in the Complaint.
3. Any determinations made by the arbitrator with respect to the Fourth and Eighth Claims for Relief (for purported violations of the automatic stay) and the Ninth Claim for Relief (seeking injunctive relief) shall be subject to the review and approval of this Court upon motion by any party after completion of the arbitration.
4. A Status Conference shall be held on June 19, 2019 at 10:00 a.m. No later than fourteen days prior to the hearing, the parties shall file a Status Report discussing the status of arbitration.

**IT IS SO ORDERED.**

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Date: April 15, 2019

A handwritten signature in black ink, appearing to read "Ernest M. Robles". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Ernest M. Robles  
United States Bankruptcy Judge