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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

**SUPPLEMENTAL DECLARATION IN
SUPPORT OF THE CONTINUED RETENTION
OF ORDINARY COURSE PROFESSIONAL AT
INCREASED MONTHLY FEE RE MOTION
AUTHORIZING THE DEBTORS TO RETAIN
AND COMPENSATE PROFESSIONALS BEING
UTILIZED BY THE DEBTORS IN THE
ORDINARY COURSE OF BUSINESS**

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

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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 Supplemental Declaration in support of the retention
9 of Ordinary Course Professional Jeffer Mangels Butler & Mitchell, LLP (“JMB&M”), which
10 increases the maximum monthly fee for JMB&M to \$75,000 per month.

11
12 Dated: April 24, 2019

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

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

16 Attorneys for the Debtors
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Proposed Attorneys for the Chapter 11 Debtors and
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- ☐ Affects DePaul Ventures - San Jose
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Debtors and Debtors In Possession.

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Case No. 2:18-bk-20180-ER
Case No. 2:18-bk-20181-ER

Chapter 11 Cases

**SUPPLEMENTAL DECLARATION OF AN
NGUYEN RUDA IN SUPPORT OF
RETENTION OF JEFFER MANGELS BUTLER
& MITCHELL LLP AS AN ORDINARY
COURSE PROFESSIONAL AND INCREASE
TO MONTHLY BUDGET**

Judge: Hon. Ernest M. Robles

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1 I, An Nguyen Ruda, hereby declare that the following is true to the best of my knowledge,
2 information and belief.

3 1. I am a partner of Jeffer Mangels Butler & Mitchell LLP (the "Firm"), which
4 maintains offices at 1900 Avenue of the Stars, Los Angeles, CA 90067 and at 2 Embarcadero
5 Center, 5th Floor, San Francisco, CA 94111.

6 2. As was the case with my first Declaration, this Declaration is submitted in
7 connection with an Order of the United States Bankruptcy Court for the Central District of
8 California, Los Angeles Division entered October 29, 2018 [Docket No. 683], authorizing the
9 above-captioned debtor and debtor in possession (the "Debtor") to retain certain professionals in
10 the ordinary course of business during the pendency of the Debtors' chapter 11 cases, effective as
11 of the Petition Date.

12 3. On October 26, 2018, a Declaration that I executed was submitted on behalf of the
13 Debtors' engagement of the Firm as an Ordinary Course Professional [Docket No. 680]. This
14 Declaration supplements that prior Declaration.

15 4. As explained in my Declaration efiled on October 26, 2018, prior to the date the
16 voluntary petitions were filed, the Firm, through me, and members of the firm represented and
17 advised the Debtors as counsel with the following aspects of the Debtors' businesses or legal affairs,
18 including: representation in litigation, labor arbitration, labor mediation, administrative hearings,
19 collective bargaining, labor and employment advice, general business advice, and tax advice since
20 January 2011. Throughout the years we have handled approximately 121 matters for Verity Health
21 System (formerly Daughters of Charity Health System) and its hospitals and medical foundations
22 and clinics. Within the past few years, we have negotiated collective bargaining agreements with
23 its labor unions including SEIU-UHW, National Union of Health Care Workers, UNAC/SFRNA,
24 Local 20, and California Nurses Association. We have advised on grievances, mediations and labor
25 strategy. We have historic knowledge of the collective bargaining agreements, side letters, and
26 bargaining history.

27 5. As explained in by Declaration efiled on October 26, 2018, the Debtors previously
28 requested, and the Firm agreed, to continue to provide services to the Debtors pursuant to section

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327(b) & (e) of title 11 of the United States Code (the "Bankruptcy Code") with respect to such matters. More specifically, the Debtors requested, and the Firm has been rendering, the following services to the Debtors: labor and employment advice, traditional labor advice, collective bargaining representation, representation related to unfair labor practice charges, and other legal services necessary to support specific labor and employment representation.

6. We are currently assigned the following active matters:

National Labor Relations Board (Unfair Labor Practice Charges)

Case No. 21-CA-231856 (St. Francis Medical Center)

Case No. 21-CA-230499 (St. Francis Medical Center)

Case No. 20-CA-234542 (Verity Medical Foundation)

Case No. 20-CA-237344 (Verity Medical Foundation)

Division of Labor Standards & Enforcement

Rosa Carcamo (St. Francis Medical Center)

Department of Fair Employment & Housing

Dwight Rapp (St. Vincent Medical Center)

Equal Employment Opportunity Commission

Esmeralda Garcia v. Verity Medical Foundation

Grievance/Arbitration/Claim

Rosa Carcamo (St. Francis Medical Center)

Elizabeth Gendron (St. Vincent Medical Center)

Anil Jain (St. Francis Medical Center)

Catherine Wolferd (St. Francis Medical Center)

Roseann Gonzalez (St. Francis Medical Center)

Star Brown (St. Francis Medical Center)

Litigation

Carcamo v. St. Francis Medical Center

Nguyen v. St. Francis Medical Center

Mahan v. Seton Medical Center/Coastside

Aragon v. St. Francis Medical Center

Wahidi v. Verity Health System of California, Inc., Verity Business Services, Verity

Medical Foundation, Seton Medical Center, O'Connor Hospital, St. Louise Regional

Hospital, Seton Coastside, St. Francis Medical Center, and St. Vincent Medical Center

Engelman v. St. Francis Medical Center

Irene Rodriguez v. St. Francis Medical Center

Mary Meeko v. Seton Medical Center

Some of these matters are stayed pursuant to the automatic bankruptcy stay, except for non-economic grievances/arbitrations, EEOC and DFEH Charges, and unfair labor practice charges.

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1 However, some matters *may* be post-petition claims, which may require litigation. For example, in
2 the Meeko matter, the parties have stipulated to relief from stay and I expect the matter to be
3 litigated within the upcoming months in federal court necessitating discovery and depositions. The
4 same may be said of several demand letters which have been received by Debtors, to which we
5 have been assigned and which may be litigated.

6 7. Additionally, the Firm provides labor and employment advice, bargaining advice,
7 collective bargaining representation and advice and administration, administrative hearing
8 appearance, grievance and arbitration representation to Seton Medical Center/Seton Coastside, St.
9 Francis Medical Center, St. Vincent Medical Center, and Verity Health System, and are asked to
10 do so during the pendency of these proceedings.

11 8. In regard to the Declaration that was efiled on October 26, 2018, no objections
12 were filed and the Firm was approved for a maximum monthly fee payable to the Firm as an
13 Ordinary Course Professional of not more than \$50,000 per month on a "rolling basis." As set
14 forth in my original Declaration, my 2019 hourly rate remains at \$595 per hour, and my associate
15 billing rates range from \$395-\$535 per hour. My 2019 hourly rate represents a discount from my
16 standard 2019 billing rate of \$625 per hour.

17 9. Now I project that the \$50,000 maximum monthly fee will be insufficient for the
18 anticipated amount of work to be completed in the upcoming months. In addition to the work set
19 forth in Paragraphs 5, 6 and 7, I anticipate that I will provide advice to Debtor's general
20 bankruptcy counsel, Dentons, concerning labor matters and labor relations. I anticipate that I will
21 assist with the preparation of declarations and portions of briefing in the bankruptcy action related
22 to labor matters. I anticipate that I will provide collective bargaining support, advice and strategy
23 to assist in facilitating any transaction. This is in addition to day to day labor advice and
24 litigation, as well as responses to unfair labor practice charges. I anticipate the number of matters
25 where we will represent the Debtors in litigation in courts, other than the bankruptcy court, will
26 increase.

27 10. Accordingly, the Firm requests a budget increase of \$25,000 per month to a
28 maximum fee of \$75,000 per month, which the Debtors have approved.

1 I declare under penalty of perjury under the laws of the United States of America, that the
2 foregoing is true and correct. Executed this 19th day of April, 2019 at San Carlos, California.

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