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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

**NOTICE OF RESOLUTION OF CURE
OBJECTION FILED BY PARALLON
REVENUE CYCLE SERVICES, INC.
[RELATED DOCKET NO. 1904]**

PLEASE TAKE NOTICE that, on March 5, 2019, the Debtors filed their *Notice to Counterparties to Executory Contracts and Unexpired Leases of the Debtors That May Be Assumed*



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1 *and Assigned* [Docket No. 1704] (the “Initial Cure Notice”), in accordance with their *Motion For The*
2 *Entry Of (I) An Order (1) Approving Form Of Asset Purchase Agreement For Stalking Horse Bidder*
3 *And For Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures And*
4 *Stalking Horse Bid Protections, (3) Approving Form Of Notice To Be Provided To Interested Parties,*
5 *(4) Scheduling A Court Hearing To Consider Approval Of The Sale To The Highest Bidder, And (5)*
6 *Approving Procedures Related To The Assumption Of Certain Executory Contracts And Unexpired*
7 *Leases; And (II) An Order (A) Authorizing The Sale Of Property Free And Clear Of All Claims, Liens*
8 *And Encumbrances* [Docket No. 1279], which was approved by the Court by entry of the *Order (1)*
9 *Approving Form Of Asset Purchase Agreement For Stalking Horse Bidder And For Prospective*
10 *Overbidders, (2) Approving Auction Sale Format, Bidding Procedures And Stalking Horse Bid*
11 *Protections, (3) Approving Form Of Notice To Be Provided To Interested Parties, (4) Scheduling A*
12 *Court Hearing To Consider Approval Of The Sale To The Highest Bidder, And (5) Approving*
13 *Procedures Related To The Assumption Of Certain Executory Contracts And Unexpired Leases; And*
14 *(II) An Order (A) Authorizing The Sale Of Property Free And Clear Of All Claims, Liens And*
15 *Encumbrances* [Docket No. 1572] (the “Bidding Procedures Order”).

16 **PLEASE TAKE FURTHER NOTICE** that, on March 18, 2019, the Debtors filed a
17 *Supplemental Notice re Notice to Counterparties to Executory Contracts and Unexpired Leases of the*
18 *Debtors that May be Assumed and Assigned* (the “Supplemental Cure Notice”) [Docket No. 1836].
19 The Initial Cure Notice and Supplemental Cure Notice assert a total cure amount (the “Cure Amount”)
20 owed to Parallon Revenue Cycle Systems, Inc. f/k/a The Outsource Group, Inc. (“Parallon”) related
21 to a certain agreement (the “Agreement”) between the Debtors and Parallon. On March 25, 2019,
22 Parallon filed an objection to the proposed Cure Amount (the “Cure Objection”). [Docket No. 1904].

23 **PLEASE TAKE FURTHER NOTICE** that, on April 11, 2019, the Debtors filed a *Notice of*
24 *Executory Contracts and Unexpired Leases Designated by Strategic Global Management, Inc. for*
25 *Assumption and Assignment* [Docket No. 2131], listing all executory contracts and unexpired leases
26 that SGM desired to have assigned to it (the “Designated Contracts List”).¹ On May 2, 2019, the Court

27
28 ¹ Pursuant to the Sale Order, SMG may elect to add executory contracts and unexpired leases to
Designated Contracts List not later than thirty days prior to the Closing. See Sale Order, ¶ 16 at
19, ¶ 36 at 26. Further, SGM may remove any Contracts from the Designated Contracts List up

1 entered an *Order (A) Authorizing the Sale of Certain of the Debtors' Assets to Strategic Global*
2 *Management, Inc. Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B)*
3 *Approving the Assumption and Assignment of an Unexpired Lease Related Thereto; and (C) Granting*
4 *Related Relief* [Docket No. 2306] (the "Sale Order"). On May 24, 2019, the Debtors filed a
5 *Supplemental Notice of Executory Contracts Designated by Strategic Global Management, Inc. for*
6 *Assumption and Assignment* (the "Designated Contracts Supplement"). [Docket No. 2441].

7 **PLEASE TAKE FURTHER NOTICE** that the Parallon Agreement is not listed in the
8 Designated Contracts List or the Designated Contracts Supplement. Thus, the Parallon Agreement is
9 not designated to be assumed and assigned to SGM at this time. Therefore, the Parallon Cure
10 Objection is moot.

11
12 Dated: June 4, 2019

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NICHOLAS A. KOFFROTH

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14
15 By /s/ Tania M. Moyron
16 Tania M. Moyron

17 Attorneys for the Chapter 11 Debtors and
18 Debtors In Possession
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28 to 7 days prior to the Closing. *See id.*, ¶ 13 at 17. The Debtors reserve all rights with respect to
the addition or removal of executory contracts and unexpired leases from the list of Designated
Contracts.