

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, July 17, 2019

Hearing Room 1568

11:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#100.00 HearingRE: [2620] Application for Compensation [First Interim Fee Application Of Levene, Neale, Bender, Yoo & Brill L.L.P. For Approval Of Fees And Reimbursement Of Expenses; Declaration Of Monica Y. Kim, Esq. (POS Attached) (Attorneys for Jacob Nathan Rubin, MD, FACC, Patient Care Ombudsman)]- for Levene, Neale, Bender, Yoo & Brill LLP, Ombudsman Health, Period: 10/1/2018 to 4/30/2019, Fee: \$99,671.00, Expenses: \$1,035.52.

Docket 2620

Matter Notes:

7/17/2019

**The tentative ruling will be the order.
Party to lodge order: Movant**

POST PDF OF TENTATIVE RULING TO CIAO

Tentative Ruling:

7/16/2019

On May 24, 2019, the Debtors provided notice to professionals employed in this case that a hearing on interim fee applications would take place on August 14, 2019. *See* Notice to Professionals of Scheduled Hearing Date for Interim Fee Applications [Doc. No. 2446] (the "Notice"). Levene, Neale, Bender, Yoo & Brill LLP ("LNBYB") noticed a hearing on its first interim fee application on this date, rather than on the August 14 date specified in the Notice. For cases in which more than one professional has been employed, Local Bankruptcy Rule 2016-1(2) sets forth a procedure under which all fee applications are heard on the same date. Pursuant to this procedure, LNBYB should have set its interim fee application for hearing on August 14, 2019, concurrently with the hearings on the fee applications filed by other professionals. The Court will not require LNBYB to renote this hearing for August 14, 2019. **However, in the future, professional fee applications t**



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accordance with LBR 2016-1(a)(2) will be denied.

Turning to the merits, on October 25, 2018, the Court entered an *Order on Debtors' Motion Establishing Procedures for Monthly Payment of Fees and Expense Reimbursement* [Doc. No. 661], and on October 16, 2018, the Court entered an *Amended Order on Debtors' Motion Establishing Procedures for Monthly Payment of Fees and Expense Reimbursement* [Doc. No. 826] (the "Fee Procedures Order"). **[Note 1]** Pursuant to the Fee Procedures Order, each professional employed by the estate may file a monthly fee application (each, a "Monthly Application") seeking payment of interim compensation in an amount equal to 80% of the fees sought and 100% of the expenses incurred during the prior month. If no objection is filed and served within ten calendar days after the date of the filing of the notice of the Monthly Application, the Monthly Application is deemed approved on an interim basis, and the Debtor is authorized to pay 80% of the fees and 100% of the expenses requested in the Monthly Application without further order of the Court. **[Note 2]** The failure to object to a Monthly Application does not result in a waiver of a party's ability to object to an interim fee application.

On October 9, 2018, the Court entered an order appointing Jacob Nathan Rubin, MD as the patient care ombudsman (the "PCO") in these cases. Doc. No. 430. On November 2, 2018, the Court approved the PCO's application to employ LNBYB as its counsel. Doc. No. 751. For the fee period at issue, LNBYB has submitted seven Monthly Applications [Doc. Nos. 854, 1123, 1317, 1595, 1911, 2256, and 2457], none of which have been opposed. The Fee Procedures Order requires LNBYB to hold payments received from the Debtors in its trust account, until such time as the Court awards fees and costs to LNBYB in accordance with its Fee Applications.

No objections to the *First Interim Application of Levene, Neale, Bender, Yoo & Brill LLP for Approval of Fees and Reimbursement of Expenses* [Doc. No. 2620] (the "Application") have been filed. Having reviewed the Application, the Court approves, on an interim basis, the fees and expenses set forth below:

Fees: \$99,671.00

Expenses: \$1,035.52

To the extent requested in the Application, LNBYB is authorize to transfer the fees and expenses awarded above from its trust account to its general operating account. **[Note 3]**

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No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Jessica Vogel or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Note 1

The initial Fee Procedures Order did not list Nelson Hardiman, LLP, the Debtors' healthcare regulatory counsel, as a party entitled to file Monthly Fee Applications. The Amended Fee Procedures Order corrected this omission and is otherwise identical to the initial Fee Procedures Order.

Note 2

Pachulski Stang Ziehl & Jones, LLP ("PSZJ"), which has been employed as the Debtors' conflicts counsel, is authorized to receive payment of fees and expenses every four months, instead of every month.

Note 3

Pursuant to the Fee Procedures Order, LNBYB has been paid a total of \$89,976.62 in connection with its Monthly Applications. Those funds remain in LNBYB's trust account. LNBYB will not seek payment of the unpaid balance of \$10,729.90 until it files its final fee application.

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| Party Information |
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Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

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Nicholas A Koffroth

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