

SAMUEL R. MAIZEL (Bar No. 189301)
samuel.maizel@dentons.com
JOHN A. MOE, II (Bar No. 066893)
john.moe@dentons.com
TANIA M. MOYRON (Bar No. 235736)
tania.moyron@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

**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
Hon. Judge Ernest M. Robles

**NOTICE OF MOTION AND MOTION FOR ENTRY OF
AN ORDER (I) FIXING A BAR DATE FOR FILING
CERTAIN POSTPETITION ADMINISTRATIVE
EXPENSE CLAIMS AND (II) APPROVING THE FORM
OF NOTICE OF THE ADMINISTRATIVE EXPENSE
CLAIMS BAR DATE; MEMORANDUM OF POINTS
AND AUTHORITIES; DECLARATION OF RICHARD G.
ADCOCK IN SUPPORT THEREOF**

Hearing:

Date: August 28, 2019
Time: 10:00 a.m. (Pacific Time)
Location: Courtroom 1568
255 East Temple Street
Los Angeles, California 90012-3300



1820151190807000000000014

1 **PLEASE TAKE NOTICE** that at the above referenced date, time and location, Verity Health
2 System of California, Inc., a California nonprofit public benefit corporation and the Debtor herein
3 (“VHS”), and the above-referenced affiliated debtors, the debtors and debtors in possession in the
4 above-captioned chapter 11 bankruptcy cases (collectively, the “Debtors”), will move (the “Motion”),
5 pursuant to Rule 3003(c)(3)¹ and LBR 9013-1(o) and (q), for the entry of an order establishing a bar
6 date for filing requests for the allowance of postpetition administrative expenses against the Debtors
7 under §§ 503(b) and 507(a)(2), other than postpetition administrative expenses which are Excluded
8 Claims (as defined in the attached Memorandum of Points and Authorities) (the “Administrative
9 Expense Claims”), that is **October 4, 2019**, which shall be not less than thirty (30) days after service
10 of the order granting this Motion (the “Administrative Expense Claims Bar Date”), or be forever barred
11 from asserting such Administrative Expense Claims against the Debtors. The Administrative Expense
12 Claims Bar Date is necessary in order for the Debtors to accurately determine the number and types
13 of Administrative Expense Claims and their respective amounts that must be addressed in the Debtors’
14 cases. The foregoing is critical to the Debtors’ ability to make projections in these cases as it relates
15 to payment of Administrative Expense Claims, the Debtors’ plan of liquidation and distributions.

16 **PLEASE TAKE FURTHER NOTICE** that by the Motion, the Debtors request that the Court
17 approve the proposed form of notice of the Administrative Expense Claims Bar Date (the
18 “Administrative Expense Claims Bar Date Notice”) that is attached as **Exhibit A** to attached the
19 Declaration of Richard G. Adcock annexed hereto (the “Adcock Declaration”). The use of the
20 Administrative Expense Claims Bar Date Notice is necessary in this cases due to the size of the
21 Debtors’ bankruptcy cases and the large number of creditors.

22 **PLEASE TAKE FURTHER NOTICE** that the Motion is based upon this Notice and Motion,
23 Rule 3003(c)(3) and LBR 9013-1(o) and (q), the attached Adcock Declaration, the attached
24 Memorandum of Points and Authorities, the previously filed *Declaration of Richard G. Adcock in*
25

26 ¹ All references to sections or chapters are to provisions of the United States Bankruptcy Code, 11
27 U.S.C. §§ 101-1532. All references to “Rules” are to provisions of the Federal Rules of Bankruptcy
28 Procedure. All references to “LBR” are to provisions of the Local Bankruptcy Rules for the United
States Bankruptcy Court for the Central District of California.

1 *Support of First-Day Motions* [Docket No. 8], the entire record in this case, and any other evidence
2 properly presented to the Court.

3 **PLEASE TAKE FURTHER NOTICE** that any party opposing or responding to the Motion
4 must file and serve their response (“Response”), pursuant to LBR 9013-1(f), on the moving party and
5 the United States Trustee not later than fourteen (14) days before the date designated for the hearing.
6 A Response must be a complete written statement of all reasons in opposition thereto or in support,
7 declarations and copies of all evidence on which the responding party intends to rely, and any
8 responding memorandum of points and authorities.

9 **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(h), the failure to file
10 and serve a timely objection to the Motion may be deemed by the Court to be consent to the relief
11 requested herein.

12 Dated: August 7, 2019

DENTONS US LLP

By: /s/ Samuel R. Maizel

Samuel R. Maizel

John A. Moe, II

Tania M. Moyron

Attorneys for Chapter 11 Debtors and
Debtors in Possession

MEMORANDUM OF POINTS AND AUTHORITIES

Verity Health System of California, Inc., a California nonprofit benefit corporation and the Debtor herein (“VHS”), and the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter 11 bankruptcy cases (collectively, the “Debtors”), by and through their undersigned counsel, hereby file this motion (the “Motion”) for entry of an order, pursuant to §§ 105(a), 503(b), and 507(a)(2) and Rule 3003(c)(3):² (i) establishing the bar date for filing requests for the allowance of postpetition administrative expenses against the Debtors under §§ 503(b) and 507(a)(2), other than postpetition administrative expenses which are Excluded Claims (as defined herein), that is **October 4, 2019** (the “Administrative Expense Claims Bar Date”),³ which shall be not less than thirty (30) days after service of the order granting this Motion; and (ii) approving the form of notice of the Administrative Expense Claims Bar Date, pursuant to Rule 2002(a)(1). In support of this Motion, the Debtors respectfully state as follows:

I. JURISDICTION AND VENUE

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested herein are §§ 105(a), 503(b) and 507(a)(2), and Rule 3003(c)(3).

II. BACKGROUND

1. On August 31, 2018 (“Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 the Bankruptcy Code. Since the commencement of their cases, the Debtors have been operating their businesses as debtors in possession pursuant to §§ 1107 and 1108.

2. On the Petition Date, Debtor VHS, a California nonprofit public benefit corporation, was the sole corporate member of the following five Debtor California nonprofit public benefit corporations that operate or operated six acute care hospitals, O’Connor Hospital, Saint Louise

² All references to sections or chapters are to provisions of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532. All references to “Rules” are to provisions of the Federal Rules of Bankruptcy Procedure. All references to “LBR” are to provisions of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Central District of California.

³ The Debtor may file a request to establish a supplemental bar date for any Excluded Claims.

1 Regional Hospital, St. Francis Medical Center, St. Vincent Medical Center, Seton Medical Center and
2 Seton Medical Center Coastsides (collectively, the “Hospitals”), and other facilities in the state of
3 California. *Declaration of Richard G. Adcock in Support of First-Day Motions* [Docket No. 8] (the
4 “First-Day Decl.”), at 4, ¶ 11. Seton Medical Center and Seton Medical Center Coastsides operate
5 under one consolidated acute care license. *Id.*

6 3. On the Petition Date, VHS, the Hospitals, and their affiliated entities (collectively,
7 “Verity Health System”) operated as a nonprofit health care system, with approximately 1,680
8 inpatient beds, six active emergency rooms, a trauma center, eleven medical office buildings, and a
9 host of medical specialties, including tertiary and quaternary care. *First-Day Decl.*, at 4, ¶ 12. A sale
10 of O’Connor Hospital and Saint Louise Regional Hospital to Santa Clara County closed in February
11 2019. A sale of the remaining Hospitals (St. Francis Medical Center, St. Vincent Medical Center, and
12 Seton Medical Center, including Seton Medical Center Coastsides Campus) was approved by the Court
13 on May 2, 2019 [Docket No. 2306] and is expected to close in September 2019.

14 4. On September 17, 2018, the Office of the United States Trustee appointed an Official
15 Committee of Unsecured Creditors in these chapter 11 cases. [Dkt. No. 197].

16 5. On February 11, 2019, this Court entered the *Order Establishing Bar Date for Filing*
17 *Proofs of Claim* [Docket No. 1528] (the “General Bar Date Order”). The General Bar Date Order
18 fixed April 1, 2019 as the last day for the filing of proofs of claim in these cases for all claims against
19 the Debtors arising prior to the Petition Date (the “General Bar Date”),⁴ except for governmental
20 units, which deadline was (a) 180 days after the entry the order for relief in this case, or (b) April 1,
21 2019, whichever is later (the “Governmental Bar Date”).

22 **III. RELIEF REQUESTED**

23 By this Motion, the Debtors respectfully request that the Court enter an order: (i) establishing
24 October 4, 2019 (which shall be not less than thirty (30) days from the date of service of the order
25 approving this Motion) as the Administrative Expense Claims Bar Date, *i.e.*, the last day by which
26

27 ⁴ Any and all claims arising under § 503(b)(9) are subject to the General Bar Date. Nothing contained
28 herein shall be deemed to extend, modify or otherwise impact the General Bar Date or the
Governmental Bar Date.

creditors may assert Administrative Expense Claims (defined below) in accordance with the procedures approved by the Court or be forever barred from, among other things, asserting or being paid on account of such postpetition claims from any assets of the Debtors' estates; and (ii) approving the form of the notice of the Administrative Expense Claims Bar Date attached to the Declaration of Richard G. Adcock annexed hereto (the "Adcock Declaration") as **Exhibit A** (the "Administrative Expense Claims Bar Date Notice") and the manner of notice of the Administrative Expense Claims Bar Date Notice.

The Debtors request that the Administrative Expense Claims Bar Date apply to all persons or entities who may have a claim, as that term is defined in § 101(5), against the Debtors or the Debtors' estates pursuant to §§ 503(b) and 507(a)(2) that was incurred, accrued, or arose during the period from and after the Petition Date until the Administrative Expense Claims Bar Date (the "Postpetition Period"), including, but not limited to, (i) the actual, necessary costs and expenses, of preserving the Debtors' estates and operating the business of the Debtors, including wages, salaries, payments or commissions for services rendered after the commencement of the chapter 11 cases and (ii) claims or causes of action arising after the Petition Date, including obligations due vendors, alleged personal injuries, medical malpractice and employment law related claims, among others, whether or not such claims are reduced to judgment, liquidated, unliquidated, fixed, contingent, insured or uninsured, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured (each an "Administrative Expense Claim" and collectively, "Administrative Expense Claims").

The Debtors propose to exclude from the relief requested in this Motion any Administrative Expense Claims of professionals retained pursuant to orders of this Court who may seek fees and expenses for their services pursuant to §§ 330 and 331, and fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930.

Moreover, the Debtors propose that the following entities, whose claims would otherwise be subject to the Administrative Expense Claims Bar Date, need not assert an Administrative Expense Claim (collectively, the "Excluded Claims"):

- a) Any entity that has already properly filed a motion requesting allowance of an administrative expense claim pursuant to § 503(b) related to the Postpetition Period;

b) A holder of an Administrative Expense Claim related to or incurred during the Postpetition Period that previously has been allowed by order of the Court; and

c) A holder of an Administrative Expense Claim that has been paid in full by the Debtor pursuant to the Bankruptcy Code or in accordance with an Order of the Court.

The Debtors also request that any order approving the relief requested also provide that, in order to assert a timely Administrative Expense Claim, a creditor must file a pleading with the Bankruptcy Court on or before the Administrative Expense Claims Bar Date, in which the creditor indicates the amount of its asserted Administrative Expense Claim and attaches as an exhibit all documentary evidence in support of its asserted Administrative Expense Claim and serve that pleading on counsel for the Debtors. The creditor is not required to set the matter for hearing.

Any entity that fails to file an Administrative Expense Claim on or before the Administrative Expense Claims Bar Date shall be forever barred, estopped and enjoined from asserting an Administrative Expense Claim against the Debtors, its estates, its successor, or its property and any holder of such Administrative Expense Claim (i) shall not be entitled to any payment on account of such alleged Administrative Expense Claim, (ii) shall not be permitted to participate in any distribution in these chapter 11 cases or, in the event that these cases are converted, in any case under chapter 7, on account of such Administrative Expense Claim; and (iii) shall not be entitled to receive further notices regarding such Administrative Expense Claim. Furthermore, the Debtors request that any order entered also provides that all such Administrative Expense Claims shall be disallowed and expunged in their entirety.

IV. BASIS FOR RELIEF REQUESTED

A. Good Cause Exists For Establishing the Administrative Expense Claims Bar Date

The Debtors are in the process of completing a sale of their remaining Hospitals and, among other things, preparing a plan of liquidation. In developing a plan that will maximize recovery to creditors, the Debtors and other parties need to understand, among other things, the likely amount of Administrative Expense Claims. The Debtors submit that the establishment of the Administrative Expense Claims Bar Date is a necessary step in that process as it will also allow the Debtors and other interested parties to more fully evaluate the Administrative Expense Claims' pool, which will facilitate

1 the Debtors' ability to more accurately make projections in connection with their cases, the plan of
2 liquidation, and the claims resolution process. It therefore is imperative that the Debtors understand
3 the universe of administrative claims.

4 Rule 3003(c)(3) provides, in pertinent part, that "the court shall fix and for cause shown may
5 extend the time within which proofs of claim or interest may be filed." Fed. R. Bankr. P. 3003(c)(3).
6 Rule 2002(a)(7) provides for twenty-one days' notice of a court fixed bar date for filing proofs of
7 claim in a chapter 11 case. The proposed Administrative Expense Claims Bar Date will be more than
8 twenty-one days from service or the order granting this Motion and thus will comply with Rule
9 2002(a)(7).

10 **B. Claimants Will Receive Adequate Notice of the Administrative Expense Claims Bar Date**

11 Sections 105 and 502, together with Rule 9007, permit the Court to approve the form and
12 sufficiency of the Administrative Expense Claims Bar Date Notice. 11 U.S.C. §§ 105, 502; Fed. R.
13 Bank. P. 9007. The Debtors propose, therefore, that the Court approve the Administrative Expense
14 Claims Bar Date Notice.

15 The proposed Administrative Expense Claims Bar Date Notice notifies potential claimants of
16 the Administrative Expense Claims Bar Date and contains information regarding who must file an
17 Administrative Expense Claim and the consequences of the failure to file such claims or provide the
18 supporting information.

19 All potential claimants will receive not less than thirty (30) days' notice of the Administrative
20 Expense Claims Bar Date. The Debtors intend to serve the Administrative Expense Claims Bar Date
21 Notice on the following categories of potential claimants which may hold Administrative Expense
22 Claims: (1) employees employed by the Debtors postpetition, (2) vendors providing postpetition
23 services to the Debtors, (3) counterparties to executory contracts and unexpired leases with the Debtors
24 and (4) holders of postpetition causes of action. The Debtors also intend to publish the Administrative
25 Expense Claims Bar Date Notice only in the Los Angeles Times, the San Jose Mercury News, the San
26 Francisco Chronicle, and USA Today at least thirty (30) days prior to the Administrative Expense
27 Claims Bar Date.
28

The Debtors request approval of the proposed Administrative Expense Claims Bar Date Notice. The use of the proposed Administrative Expense Claims Bar Date Notice is necessary in these cases due to the size of the Debtors' bankruptcy cases and the large number of creditors. The proposed Administrative Expense Claims Bar Date Notice also includes all of the language contained in the court-approved form of notice of bar date, and, in particular, advises interested parties of, among other things: (1) the Administrative Expense Claims Bar Date of October 4, 2019 and (2) the need to assert Administrative Expense Claims on or before the Administrative Expense Claims Bar Date. Accordingly, the Debtors respectfully submit that the proposed Administrative Expense Claims Bar Date Notice is appropriate in light of the circumstances and should be approved.

V. CONCLUSION

WHEREFORE, the Debtor respectfully requests that this Court enter an order:

- (1) affirming the adequacy of the Notice given herein;
- (2) granting the Motion in its entirety;
- (3) establishing October 4, 2019 as the Administrative Expense Claims Bar Date for asserting Administrative Expense Claims against the Debtors;
- (4) barring any party that fails to file an Administrative Expense Claim on or before the Administrative Expense Claims Bar Date from asserting an Administrative Expense Claim against the Debtors, its estates, its successor, or its property;
- (5) approving the form of Administrative Expense Claims Bar Date Notice attached as Exhibit A to the Adcock Declaration; and
- (6) granting such other and further relief as the Court deems just and proper under the circumstances.

Dated: August 7, 2019

DENTONS US LLP

By: /s/ Samuel R. Maizel

Samuel R. Maizel
John A. Moe, II
Tania M. Moyron

Attorneys for Chapter 11 Debtors and
Debtors in Possession

DECLARATION OF RICHARD G. ADCOCK

I, Richard G. Adcock, declare, that if called as a witness, I would and could competently testify thereto, of my own personal knowledge, as follows.

1. I am the Chief Executive Officer of Verity Health System of California, Inc. (“VHS”). I became the Debtors’ Chief Executive Officer effective January 2018. Prior thereto, I served as VHS’s Chief Operating Officer since August 2017.

2. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge, my review of relevant documents, information provided to me by employees of the Debtors or the Debtors’ legal and financial advisors, or my opinion based upon my experience, knowledge, and information concerning the Debtors’ operations and the healthcare industry. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

3. This Declaration is in support of the *Debtors’ Notice And Motion For an Order (I) Fixing A Bar Date for Filing Certain Administrative Expense Claims and (II) Approving the Form of Notice of the Administrative Expense Claims Bar Date* (“Motion”) and for all other purposes permitted by law.

4. The Debtors are in the process of completing a sale of their remaining Hospitals⁵ and, among other things, preparing a plan of liquidation. In developing a plan that will maximize recovery to creditors, the Debtors and other parties need to understand, among other things, the likely amount of Administrative Expense Claims. I believe that the establishment of the Administrative Expense Claims Bar Date is a necessary step in that process as it will also allow the Debtors and other interested parties to more fully evaluate the Administrative Expense Claims’ pool, which will facilitate the Debtors’ ability to more accurately make projections in connection with their cases, the plan of liquidation, and the claims resolution process. It is therefore imperative that the Debtors understand the universe of administrative claims.

⁵ All capitalized terms not otherwise defined in this Declaration are afforded the meaning attributed in the Motion.


5. The Debtors' Motion seeks to establish October 4, 2019 as the Administrative Expense Claims Bar Date, i.e., the last day by which creditors may assert Administrative Expense Claims in accordance with the procedures approved by the Court or be forever barred from, among other things, asserting or being paid on account of such postpetition claims from any assets of the Debtors' estates. I believe that the establishment of the Administrative Expense Claims Bar Date will enable the Debtors to quantify the full amount of its liabilities so that the Debtors may formulate and confirm a plan of liquidation.

6. By the Motion, the Debtors also request that the Court approve the proposed form of Administrative Expense Claims Bar Date Notice that is attached hereto as **Exhibit A**.

I declare under penalty of perjury and of the laws in the United States of America, the foregoing is true and correct.

Executed this 7th day of August, 2019, at Los Angeles, California.

Los Angeles, California.



RICHARD G. ADCOCK

EXHIBIT A

[Administrative Expense Claims Bar Date Notice]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SAMUEL R. MAIZEL (Bar No. 189301)
samuel.maizel@dentons.com
JOHN A. MOE, II (Bar No. 066893)
john.moe@dentons.com
TANIA M. MOYRON (Bar No. 235736)
tania.moyron@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

**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
Hon. Judge Ernest M. Robles

**NOTICE OF BAR DATE FOR FILING
ADMINISTRATIVE EXPENSE CLAIMS**

BAR DATE: OCTOBER 4, 2019

TO ALL PARTIES HOLDING POTENTIAL ADMINISTRATIVE EXPENSE CLAIMS:

NOTICE OF ADMINISTRATIVE EXPENSE CLAIMS BAR DATE

The Bankruptcy Court has set a deadline of **October 4, 2019 at 4:00 p.m. (Pacific Time)** (the “Administrative Expense Claims Bar Date”) for holders of Administrative Expense Claims (as defined herein) against Verity Health System of California, Inc., a California nonprofit benefit corporation and the Debtor herein, and the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter 11 bankruptcy cases (collectively, the “Debtors”), to assert an Administrative Expense Claim against the Debtors’ estates.

An “Administrative Expense Claim” is a claim, as that term is defined in § 101(5), against the Debtors or the Debtors’ estates pursuant to §§ 503(b) and 507(a)(2), that was incurred, accrued or arose during the period from and after the Petition Date through the Administrative Expense Bar Date (the “Postpetition Period”) including, but not limited to, (i) the actual, necessary costs and expenses of preserving the Debtors’ estates and operating the business of the Debtors, including wages, salaries, payments or commissions for services rendered after the commencement of the chapter 11 cases and (ii) claims or causes of action arising after the Petition Date, including obligations due vendors, alleged personal injuries, medical malpractice and employment law claims, among others, whether or not such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, insured or uninsured, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured.

The following entities, whose claims would otherwise be subject to the Administrative Expense Claims Bar Date, need not assert an Administrative Expense Claim (collectively, the “Excluded Claims”):

- a) Any entity that has already properly filed a motion requesting allowance of an administrative expense claim pursuant to § 503(b) related to the Postpetition Period;
- b) A holder of an Administrative Expense Claim related to or incurred during the Postpetition Period that previously has been allowed by order of the Court; and
- c) A holder of an Administrative Expense Claim that has been paid in full by the Debtor pursuant to the Bankruptcy Code or in accordance with an Order of the Court.

In order to assert a timely Administrative Expense Claim, a creditor must file a pleading with the Bankruptcy Court on or before the Administrative Expense Claims Bar Date, in which the creditor indicates the amount of its asserted Administrative Expense Claim and attaches as an exhibit all documentary evidence in support of its asserted Administrative Expense Claim and serve that pleading on counsel for the Debtors, whose names and addresses appear in the upper, left-hand corner of the first page of this Notice. The creditor is not required to set the matter for hearing.

Failure of a holder of an Administrative Expense Claim (other than an Excluded Claim) to timely assert an Administrative Expense Claim on or before the deadline may result in disallowance of the claim under the terms of a plan of liquidation without further notice or hearing. 11 U.S.C. § 502(b)(9). Creditors may wish to consult an attorney to protect your rights.

///

///

1 The foregoing deadlines for the filing of Administrative Expense Claims by the Administrative
2 Expense Claims Bar Date shall not apply to any of the professionals employed in these chapter 11
3 bankruptcy cases.

4 Dated: [], 2019

DENTONS US LLP

5 By: /s/ Samuel R. Maizel

6 Samuel R. Maizel

7 John A. Moe, II

Tania M. Moyron

8 Attorneys for Chapter 11 Debtors and
9 Debtors in Possession
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28