

SAMUEL R. MAIZEL (Bar No. 189301)
samuel.maizel@dentons.com
SONIA R. MARTIN (Bar No. 191148)
Sonia.martin@dentons.com
TANIA M. MOYRON (Bar No. 235736)
tania.moyron@dentons.com
NICHOLAS A. KOFFROTH (Bar. No. 287854)
nicholas.koffroth@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 ASC, LLC

Debtors and Debtors In Possession.

Lead Bankruptcy 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

Adversary No. 2:20-ap-01001-ER

**STIPULATION CONTINUING HEARING
DATE OF DEFENDANTS' SPECIAL
MOTION TO STRIKE AND MOTION TO
DISMISS AND RELATED BRIEFING
SCHEDULE [RELATED DOCKET NOS. 39,
40]**

Continued Hearing Date and Time:

Date: March 18, 2020

Time: 9:30 a.m.

Place: Courtroom 1568

255 E. Temple St.

Los Angeles, CA 90012



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1
2 VERITY HEALTH SYSTEM OF CALIFORNIA,
3 INC., a California nonprofit public benefit
4 corporation, ST. VINCENT MEDICAL CENTER, a
5 California nonprofit public benefit corporation, ST.
6 VINCENT DIALYSIS CENTER, INC., a California
7 nonprofit public benefit corporation, and ST.
8 FRANCIS MEDICAL CENTER, a California
9 nonprofit public benefit corporation, SETON
10 MEDICAL CENTER, a California nonprofit public
11 benefit corporation, and VERITY HOLDINGS,
12 LLC, a California limited liability company; and

13
14 Plaintiffs,

15
16 v.

17
18 KALI P. CHAUDHURI, M.D., an individual,
19 STRATEGIC GLOBAL MANAGEMENT, INC., a
20 California corporation, KPC HEALTHCARE
21 HOLDINGS, INC. a California Corporation KPC
22 HEALTH PLAN HOLDINGS, INC. a California
23 Corporation, KPC HEALTHCARE, INC. a Nevada
24 Corporation, KPC GLOBAL MANAGEMENT,
25 LLC, a California Limited Liability Company, and
26 DOES 1 through 500,

27
28 Defendants.

STIPULATION

This Stipulation is entered between Verity Health System of California, Inc., a California nonprofit public benefit corporation, St. Vincent Medical Center, a California nonprofit public benefit corporation, St. Vincent Dialysis Center, Inc., a California nonprofit public benefit corporation, and St. Francis Medical Center, a California nonprofit public benefit corporation, Seton Medical Center, a California nonprofit public benefit corporation, and Verity Holdings, LLC, a California limited liability company (collectively, the “Plaintiffs”), the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter 11 bankruptcy cases, on the one hand, and Defendants Kali P. Chaudhuri, M.D., an individual, Strategic Global Management, Inc., a California corporation, KPC Healthcare Holdings, Inc., a California Corporation, KPC Health Plan Holdings, Inc. a California Corporation, KPC Healthcare, Inc. a Nevada Corporation, KPC Global Management, LLC, a California Limited Liability Company (collectively, the “Defendants”), on the other hand.

RECITALS

A. On January 3, 2020, the Plaintiffs filed its *Complaint For Breach of Contract, Promissory Fraud, and Tortious Breach of Contract (Breach Of Implied Covenant Of Good Faith And Fair Dealing)* [Docket No. 1] (the “Complaint”). At Defendants’ request, Plaintiffs agreed to a one-week extension of time for Defendants to file a response to the Complaint.

B. On February 19, 2020, Defendants filed a *Special Motion to Strike Plaintiff’s Complaint Pursuant to Cal. Civ. Proc. Code § 425.16* [Docket 39] (the “Special Motion to Strike”) and a *Motion to Dismiss Plaintiffs’ Complaint* [Docket 40] (the “Motion to Dismiss”).

C. Both the Special Motion to Strike and the Motion to Dismiss are set for hearing on March 11, 2020, at 10:00 a.m., in Courtroom 1568, located at 255 E. Temple Street, Los Angeles, CA 90012.

D. The Plaintiffs and Defendants have agreed to continue the hearing for the Motion to Dismiss and Special Motion to Strike from March 11, 2020, at 10:00 a.m., to March 18, 2020, at 9:30 a.m., in Courtroom 1568, located at 255 E. Temple Street, Los Angeles, CA 90012. In accordance with the Local Bankruptcy Rules, the parties have agreed that Plaintiffs’ Opposition briefs to the Special Motion to

Strike and Motion to Dismiss are due on March 4, 2020, and Defendants' Reply briefs to the Special Motion to Strike and Motion to Dismiss due on March 11, 2020.

AGREEMENT

NOW, THEREFORE, the parties to this Stipulation hereby agree and stipulate as follows:

1. The deadline for Plaintiffs to file Opposition briefs to the Special Motion to Strike and the Motion to Dismiss shall be continued from February 26, 2020 to March 4, 2020.

2. The deadline for Defendants to file Reply briefs for the Special Motion to Strike and the Motion to Dismiss shall be continued from March 4, 2020 to March 11, 2020.

3. The hearing on the Special Motion to Strike and Motion to Dismiss shall be continued from March 11, 2020 at 10:00 a.m. to March 18, 2020 at 9:30 a.m.

Dated: February 25, 2020

DENTONS US LLP
SAMUEL R. MAIZEL
SONIA R. MARTIN
TANIA M. MOYRON
NICHOLAS A. KOFFROTH

By /s/ Tania M. Moyron
Tania M. Moyron

Attorneys for Plaintiffs Verity Health Systems
of California, Inc., *et al.*

Dated: February __, 2020

LEVENE, NEALE, BENDER, YOO & BRILL
L.L.P.
GARY E. KLAUSNER
JEFFREY S. KWONG

By /s/
Gary E. Klausner

Attorneys for Defendants Strategic Global
Management, Inc., *et al.*

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Dated: February 25, 2020

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By /s/ Tania M. Moyron
Tania M. Moyron

Attorneys for Plaintiffs Verity Health Systems
of California, Inc., *et al.*

Dated: February 25, 2020

LEVENE, NEALE, BENDER, YOO & BRILL
L.L.P.
GARY E. KLAUSNER
JEFFREY S. KWONG

By /s/ Gary E. Klausner
Gary E. Klausner

Attorneys for Defendants Strategic Global
Management, Inc., *et al.*