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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 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

**STIPULATION CONTINUING HEARING AND  
RELATED DEADLINES CONCERNING OBJECTION  
BY PARALLON REVENUE CYCLE SERVICES, INC.  
F/K/A THE OUTSOURCE GROUP, INC. TO CURE  
AMOUNTS AND OTHER ASSUMPTION ISSUES  
RELATED TO THE PROPOSED SALE OF ASSETS  
CONCERNING ST. FRANCIS MEDICAL CENTER  
[RELATES TO DOCKET NOS. 4069, 4161, 4165, 4267]**

**Original Hearing:**

Date: April 9, 2020

**Continued Hearing:**

Date: April 29, 2019

Time: 10:00 a.m.

Place: United States Bankruptcy Court, Courtroom 1568  
255 East Temple Street  
Los Angeles, California 90012



1820151200408000000000004

**STIPULATION**

This stipulation is entered between Verity Health System of California, Inc. (“VHS”) and the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter 11 bankruptcy case (collectively, the “Debtors”), on the one hand, and Parallon Revenue Cycle Services, Inc. f/k/a The Outsource Group, Inc. (“Parallon”), on the other hand.

**RECITALS**

A. On February 10, 2020, the Debtors filed the *Debtors’ Notice Of Motion And Motion For The Entry of (I) An Order (1) Approving Form Of Asset Purchase Agreement; (2) Approving Auction Sale Format and Bidding Procedures, (3) Approving Process For Discretionary Selection Of Stalking Horse Bidder And Bid Protections; (4) Approving Form Of Notice To Be Provided To Interested Parties; (5) Scheduling A Court Hearing To Consider Approval Of The Sale To The Highest And Best Bidder; And (6) Approving Procedures Related To The Assumption Of Certain Executory Contracts And Unexpired Leases; And (II) An Order Authorizing The Sale Of Property Free And Clear Of All Claims, Liens And Encumbrances* [Docket No. 4069] (the “Motion”).<sup>1</sup>

B. On February 26, 2020, the Court entered an Order [Docket No. 4165] (the “Bidding Procedures Order”) approving, among other things, the procedures for assumption and assignment of Assumed Executory Contracts. The Bidding Procedures Order set April 3, 2020, at 5:00 p.m. (prevailing Pacific Time), as the deadline for counterparties to Assumed Executory Contracts to file objections to cure amounts or any other objection to the Debtors’ assumption and assignment of the Assumed Executory Contract, and required counterparties to submit any objection to the Winning Bidder’s ability to provide adequate assurance of future performance at or before the Sale Hearing on April 9, 2020, at 10:00 a.m. (prevailing Pacific Time).

C. On March 13, 2020, the Debtors filed a *Notice of Counterparties to Executory Contracts and Unexpired Leases of the Debtors That May Be Assumed and Assigned* [Docket No. 4267].

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the definitions set forth in the Motion.

D. On April 3, 2020, Parallon filed the *Objection of Parallon Revenue Cycle Services, Inc. to Proposed Assumption and Assignment of Executory Contract* [Docket No. 4426] (the “Objection”).

E. On April 9, 2020, at 10:00 a.m., the Court will hold a hearing concerning, among other things, approval of the proposed Sale and to address the Objection (the “Hearing”).

F. The Debtors and Parallon intend to (i) engage in discussions regarding disputed cure amounts related to executory contracts and unexpired leases and the assumption and assignment of the same to the Winning Bidder and (ii) agreed to continue the Hearing with respect to the Objection, to allow additional time to resolve such issues.

### **AGREEMENT**

NOW, THEREFORE, all of the parties to this Stipulation hereby stipulate as follows:

1. The deadline to file any reply to the Objection shall be April 24, 2020, at 5:00 p.m. (Pacific Time).

2. The Hearing on the Objection shall be continued from April 9, 2020, at 10:00 a.m. (Pacific Time), to April 29, 2020, at 10:00 a.m. (Pacific Time).

**Verity Health System of California, Inc., et al.**

DATED: April 7, 2020

DENTONS US LLP

By: /s/ Tania M. Moyron

Samuel Maizel  
Tania M. Moyron  
Nicholas A. Koffroth  
Counsel to Debtors and Debtors in Possession

**Parallon Revenue Cycle Services, Inc.  
f/k/a The Outsource Group, Inc.**

DATED: April 7, 2020

PERKINS COIE LLP

By: \_\_\_\_\_

Amir Gamliel  
John D. Penn  
Counsel to Parallon Revenue Cycle Services, Inc.  
f/k/a The Outsource Group, Inc.

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16 **Verity Health System of California, Inc., et al.**

17 DATED: April 6, 2020

DENTONS US LLP

18  
19 By: \_\_\_\_\_

Samuel Maizel  
Tania M. Moyron  
Nicholas A. Koffroth  
Counsel to Debtors and Debtors in Possession

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22 **Parallon Revenue Cycle Services, Inc.**  
23 **f/k/a The Outsource Group, Inc.**

24 DATED: April 6, 2020

PERKINS COIE LLP

25  
26 By:  \_\_\_\_\_

Amir Gamliel  
John D. Penn  
Counsel to Parallon Revenue Cycle Services, Inc.  
f/k/a The Outsource Group, Inc.