

FILED & ENTERED

JUN 11 2020

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY gonzalez DEPUTY CLERK

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 Medical 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
Chapter: 11

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.

**ORDER SETTING FINAL HEARING ON
DEBTORS' MOTION TO REJECT COLLECTIVE
BARGAINING AGREEMENT WITH UNAC**

[RELATES TO DOC. NO. 4742]

Date: June 10, 2020
Time: 10:00 a.m.
Location: Ctrm. 1568
Roybal Federal Building
255 East Temple Street
Los Angeles, CA 90012



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At the above-captioned date and time, the Court conducted a hearing on the *Debtors' Motion Under § 1113 of the Bankruptcy Code to Reject Collective Bargaining Agreement with UNAC* [Doc. No. 4742] (the "Motion"). For the reasons set forth in the tentative ruling [Doc. No. 4858] (the "Ruling"), incorporated herein by reference, the Court **HEREBY ORDERS AS FOLLOWS:**

- 1) The final hearing on the Motion shall take place on **July 8, 2020, at 10:00 a.m.** By no later than **July 1, 2020, at 5:00 p.m.**, the Debtors and UNAC shall submit final briefs accompanied by appropriate evidence setting forth their positions on those issues that remain in dispute. There is no merit to the contention that the Debtors cannot satisfy the requirements of § 1113 because of the APA's¹ provisions regarding the treatment of labor agreements or because the Debtors did not involve UNAC in the negotiations that produced the APA. The final briefing shall not address this issue.
- 2) To assist the Court in ruling upon *American Provision* Factors 2 and 5, the Debtors and UNAC shall file a stipulation setting forth the parties' disputes regarding whether complete and reliable information has been provided (the "Stipulation").² Local Bankruptcy Rule ("LBR") 7026-1(c)(3) contains procedures for the filing of a stipulation to aid the Court in adjudicating a discovery dispute. The Stipulation shall be modelled upon and shall substantially conform with the requirements of LBR 7026-1(c)(3). The Stipulation shall be filed by no later than **July 1, 2020, at 5:00 p.m.**
- 3) UNAC and the Debtors dispute whether the Debtors are required to attend further bargaining sessions between UNAC and Prime aimed at producing a Successor CBA. UNAC's position is that the Debtors must attend such sessions to satisfy *American Provision* Factor 6. The Debtors' position is that their attendance is not necessary. The Debtors have been present for discussions between UNAC and Prime regarding a Successor CBA that were conducted on April 22, April 28, May 1, May 5, May 6, May 8, May 19, May 21, May 26, June 2, June 5, and June 9. For purposes of Factor 6, the Debtors' presence at future discussions regarding a Successor CBA is not necessary. To satisfy Factor 6, the Debtors are required to meet with UNAC only with respect to the Debtors' proposal to reject the existing CBA.

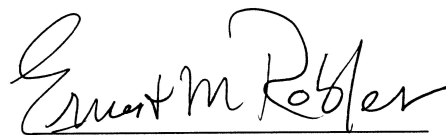
¹ Capitalized terms not defined herein have the meaning set forth in the Ruling.

² As set forth in the Ruling, Prime is in the best position to provide much of the information that UNAC has requested. The Court will not require Prime to be a party to the Stipulation because under § 1113, the obligation to provide information is directed toward the Debtors, not Prime. *See In re Walter Energy*, 542 B.R. 859, 896 ("To satisfy the second and fifth procedural requirements, a debtor need only provide that information that is within its power to provide."). However, the Court maintains and reiterates the finding, set forth in the Ruling, that it is incumbent upon Prime, as the beneficiary of the APA and the Debtors' attempts to reject the CBA, to make a good-faith effort to provide information to UNAC.

IT IS SO ORDERED.

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Date: June 11, 2020

A handwritten signature in black ink, reading "Ernest M. Robles". The signature is written in a cursive style with a horizontal line underneath the name.

Ernest M. Robles
United States Bankruptcy Judge