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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

**STIPULATION CONTINUING REPLY DEADLINE
CONCERNING THE CALIFORNIA
DEPARTMENT OF HEALTH CARE SERVICES'
OBJECTIONS TO THE PROPOSED TRANSFER
OF MEDI-CAL PROVIDER AGREEMENTS
RELATED TO ST. FRANCIS MEDICAL CENTER
AND SETON MEDICAL CENTER**

**[RELATED DOCKET NOS. 4069, 4099, 4345, 4360,
4448, 4511, 4567, 4634, 4642, 4764, 4891, 4892]**

Hearing:

Date: July 1, 2020

Time: 10:00 a.m. (Pacific Time)

Place: Courtroom 1568

255 East Temple Street

Los Angeles, California 90012



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 cases (collectively, the “Debtors”), on the one hand, and California Department of Health Care Services (“DHCS”), on the other hand.

RECITALS

A. St. Francis Medical Center (“St. Francis”) and Seton Medical Center (“Seton”) are parties to prepetition Medi-Cal provider agreements (the “Medi-Cal Provider Agreements”) with DHCS.

B. 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 and 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 “St. Francis Sale Motion”). The St. Francis Sale Motion sought, among other things, approval of a sale of certain assets related to St Francis (the “St. Francis Sale”). On April 9, 2020, the Court entered an order [Docket No. 4511] granting the St. Francis Sale Motion, subject to the foregoing briefing deadlines concerning any St. Francis Objection.

C. On March 29, 2020, the Debtors filed the *Debtors’ Notice of Motion and Motion to Approve Terms and Conditions of a Private Sale of Certain of the Debtors’ Assets Related to Seton Medical Center to AHMC Healthcare Inc.* [Docket No. 4360] (the “Seton Sale Motion”). The Seton Sale Motion sought, among other things, approval of a sale of certain assets related to Seton (the “Seton Sale”). On April 23, 2020, the Court entered an order [Docket No. 4634] granting the Seton Sale Motion, subject to the foregoing briefing deadlines concerning any Seton Objection.

D. The Debtors and DHCS entered into stipulations [Docket Nos. 4098, 4317, 4439, 4562, 4640, 4756] approved by the Court [Docket Nos. 4099, 4345, 4448, 4567, 4642, 4764] continuing

1 briefing and hearing deadlines concerning any objection by DHCS to the transfer of the St. Francis
2 Medi-Cal Provider Agreement pursuant to the St. Francis Sale (a “St. Francis Objection”) and the
3 transfer of the Seton Medi-Cal Provider Agreement pursuant to the Seton Sale (a “Seton Objection”).
4 The Court also continued [Docket No. 4764] (i) the Debtors’ deadline to file a reply to a St. Francis
5 Objection or a Seton Objection from June 3, 2020 to June 24, 2020, and (ii) the hearing on any St.
6 Francis Objection or Seton Objection from June 10, 2020, at 10:00 a.m. (Pacific Time), to July 1,
7 2020, at 10:00 a.m. (Pacific Time).

8 E. On June 17, 2020, DHCS filed objections to the transfer of the St. Francis Medi-Cal
9 Provider Agreement [Docket No. 4891] and the Seton Medi-Cal Provider Agreement [Docket No.
10 4892] (collectively, the “Objections”).

11 AGREEMENT

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

- 13 1. The deadline to file replies to the Objections shall be continued from June 24, 2020, to
14 June 26, 2020, at 4:00 p.m. (Pacific Time).
- 15 2. The hearing on the Objections shall remain July 1, 2020, at 10:00 a.m. (Pacific Time).
- 16 3. Nothing contained herein is a waiver of any rights, claims, interests, arguments, or
17 contentions of the parties hereto regarding the subject matter hereof, or the Sale, and all such rights,
18 claims, interests, arguments and contentions are expressly reserved.

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

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3 By: /s/ Tania M. Moyron

4 Samuel R. Maizel

5 Tania M. Moyron

6 Dentons US LLP

7 Counsel to Debtors and Debtors In Possession

8
9 **California Department of Health Care Services**

10 Kenneth K. Wang

11 Office of the California Attorney General

12 Counsel to the California Department of Health Care Services

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

2
3 By: _____
4 Samuel R. Maizel
5 Tania M. Moyron
6 Dentons US LLP
7 Counsel to Debtors and Debtors In Possession

8 **California Department of Health Care Services**

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11 Kenneth K. Wang
12 Office of the California Attorney General
13 Counsel to the California Department of Health Care Services
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