

**Case No. 19-cv-10352<sup>1</sup>**

**UNITED STATES DISTRICT COURT FOR THE  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION**

In re:  
VERITY HEALTH SYSTEM  
OF CALIFORNIA, INC., et al.,<sup>2</sup>

Debtors and Debtors in  
Possession

STRATEGIC GLOBAL MANAGEMENT,  
INC.,

Appellant,

v.

STATE OF CALIFORNIA; VERITY  
HEALTH SYSTEM OF CALIFORNIA,  
INC., *et al.*  
Appellees,

On Appeal from the United States Bankruptcy  
Court for the Central District of California  
(Bankr. Lead Case No.: 2:18-bk-20151-ER)

Judge: Hon. Dale S. Fischer

Place: Courtroom 7D, 350 W. First  
Street, Los Angeles, CA 90012

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**APPELLANTS' STATEMENT OF ISSUES ON APPEAL AND  
DESIGNATION OF RECORD ON APPEAL**

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<sup>1</sup> This appeal (2:19-cv-10352-DSF) has been consolidated with the following related appeals: 2:19-cv-10354-DSF and 2:19-cv-10356-DSF.

<sup>2</sup> The other Debtors in the chapter 11 cases, being jointly administered under Lead Case No. 2:18-bk-20151-ER, are O'Connor Hospital 2:18-bk-20168-ER, Saint Louise Regional Hospital 2:18-bk-20162-ER, St. Francis Medical Center 2:18-cv-20165-ER, St. Vincent Medical Center 2:18-bk-20164-ER, Seton Medical Center 2:18-cv-20167-ER, O'Connor Hospital Foundation 2:18-bk-20179-ER, Saint Louise Regional Hospital Foundation 2:18-cv-20172-ER, St. Francis Medical Center of Lynwood Foundation 2:18-cv-20178-ER, St. Vincent Foundation 2:18-cv-20180-ER, St. Vincent Dialysis Center, Inc. 2:18-cv-20171-ER Seton Medical Center Foundation 2:18-cv-20175-ER, Verity Business Services 2:18-cv-20173-ER, Verity Medical Foundation 2:18-cv-20169-ER, Verity Holdings, LLC 2:18-cv-20163-ER, DePaul Ventures, LLC 2:18-cv-20176-ER, and DePaul Ventures – San Jose Dialysis, LLC 2:18-cv-20181-ER.



Pursuant to Rule 6(b) of the Federal Rules of Appellate Procedure (the “Appellate Rules”) and Rule 8009 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Appellant Verity Health System of California, Inc. (“VHS”), and its affiliated debtors (collectively, the “Debtors” or “Appellants”), hereby submit their Statement of Issues on Appeal and Designation of Record on Appeal.

### **ORDERS APPEALED**

On July 7, 2020, Appellants timely filed their notice of appeal to the United States Court of Appeals for the Ninth Circuit from this Court’s *Order Vacating Orders of the Bankruptcy Court*, dated June 10, 2020 [**Dkt No. 65**] (the “Vacatur Order”), including the related underlying interlocutory *Order Denying Appellee Verity Health System of California, Inc., et al.’s Emergency Motion to Dismiss Appeal*, dated December 20, 2019 [**Dkt No. 19**] (the “MTD Denial Order”). The Vacatur Order ordered vacatur of the following three orders of the Bankruptcy Court for the Central District of California (the “Bankruptcy Court”):

- (a) *Order Granting “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief,”* dated November 14, 2019 [Bankruptcy Docket No. 3611] (the “AG Order”);

- (b) *Order (1) Finding that SGM Is Obligated to Promptly Close the SGM Sale Under 8.6 of the APA, Provided that All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement*, dated November 18, 2019 [Bankruptcy Docket No. 3633] (the “Scheduling Order”); and
- (c) *Order (1) Finding that SGM Is Obligated to Close the SGM Sale By No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors' Motion for Approval of Disclosure Statement*, dated November 27, 2019 [Bankruptcy Docket No. 3724] (the “Material Adverse Effect Order” or “MAE Order”).

### **STATEMENT OF ISSUES**

This appeal raises the following seven issues:

1. Whether the District Court erred in vacating the Bankruptcy Court’s AG Order, where Strategic Global Management, Inc.’s (“SGM”) breach of the Asset Purchase Agreement (“APA”) entirely created or significantly contributed to the circumstances that caused the appeal to be moot?

2. Whether the District Court erred in vacating the Bankruptcy Court’s AG Order, where the dismissal did not deprive SGM of appellate review because SGM lacked standing, waived the right to appeal, and was estopped from asserting its right to appeal the AG Order?

Case 5:19-cv-0325-DJE Document 30 Filed 01/15/20 Page 3 of 15 Page ID #:1335

3. Whether the District Court erred in holding in the MTD Denial Order that SGM had standing to appeal the Bankruptcy Court’s AG Order?

4. Whether the District Court erred in holding in the MTD Denial Order that SGM had not waived the right to appeal and was not estopped from appealing the Bankruptcy Court's AG Order?

5. Whether the District Court erred in ordering the extraordinary equitable remedy of vacatur of the Bankruptcy Court's AG Order?

6. Whether the District Court erred in vacating the Bankruptcy Court's Scheduling Order?

7. Whether the District Court erred in vacating the Bankruptcy Court's MAE Order?

### **DESIGNATION OF RECORD ON APPEAL**

#### **A. Bankruptcy Court Record**

1. In accordance with Appellate Rule 6(b) and Bankruptcy Rule 8009, Appellants re-designate all of the items listed in the *Statement of Issues on Appeal and Designation of Record [Related to Appeal of November 14 Order, Doc. No. 3611]* filed in the Bankruptcy Case by appellee SGM for the appeal of the AG Order, USDC Case No. 2:19-cv-10352-DSF [Bankruptcy Docket No. 3810] (the

Case 5:19-cv-10352-DSF Document 30 Filed 01/15/20 Page 4 of 15 Page ID #:1333

"SGM 10352 Designation"). A copy of the SGM 10352 Designation, as prepared and filed under Bankruptcy Rule 8009, is attached hereto as Exhibit "A" and incorporated herein as if each designation in Exhibit "A" is fully set forth herein.

2. Appellants re-designate all of the items listed in the *Appellees' Designation of Additional Items to Be Included in the Record on Appeal (USDC Case No. 2:19-cv-10352-DSF)* filed in the Bankruptcy Case by the Debtors for the AG Order appeal [Bankruptcy Docket No. 3867] (the “Debtors’ 10352 Designation”). A copy of the Debtors’ 10352 Designation, as prepared and filed under Bankruptcy Rule 8009, is attached hereto as Exhibit “B” and incorporated herein as if each designation in Exhibit “B” is fully set forth herein.

3. Appellants re-designate all of the items listed in the *Statement of Issues on Appeal and Designation of Record [Related to Appeal of November 18 Order, Doc. No. 3622]* filed in the Bankruptcy Case by SGM for the appeal of the Scheduling Order, USDC Case No. 2:19-cv-10354-DSF [Bankruptcy Docket No. 3811] (the “SGM 10354 Designation”). A copy of the SGM 10354 Designation, as prepared and filed under Bankruptcy Rule 8009, is attached hereto as Exhibit “C” and incorporated herein as if each designation in Exhibit “C” is fully set forth herein

4. Appellants re-designate all of the items listed in the *Appellees' Designation of Additional Items to Be Included in the Record on Appeal (USDC Case No. 2:19-cv-10354-DSF)* filed in the Bankruptcy Case by the Debtors for the Scheduling Order appeal [Bankruptcy Docket No. 3868] (the “Debtors’ 10354 Designation”). A copy of the Debtors’ 10354 Designation, as prepared and filed

under Bankruptcy Rule 8009, is attached hereto as Exhibit “D” and incorporated herein as if each designation in Exhibit “D” is fully set forth herein.

5. Appellants re-designate all of the items listed in the *Statement of Issues on Appeal and Designation of Record [Related to Appeal of November 27 Order, Doc. No. 3724]* filed in the Bankruptcy Case by SGM for the appeal of the MAE Order, USDC Case No. 2:19-cv-10356-DSF [Bankruptcy Docket No. 3812] (the “SGM 10356 Designation”). A copy of the SGM 10356 Designation, as prepared and filed under Bankruptcy Rule 8009, is attached hereto as Exhibit “E” and incorporated herein as if each designation in Exhibit “E” is fully set forth herein

6. Appellants re-designate all of the items listed in the *Appellees’ Designation of Additional Items to Be Included in the Record on Appeal (USDC Case No. 2:19-cv-10356-DSF)* filed in the Bankruptcy Case by the Debtors for the MAE Order appeal [Bankruptcy Docket No. 3869] (the “Debtors’ 10356 Designation”). A copy of the Debtors’ 10356 Designation, as prepared and filed under Bankruptcy Rule 8009, is attached hereto as Exhibit “F” and incorporated herein as if each designation in Exhibit “F” is fully set forth herein.

Case 5:19-cv-10356-DSF Document 10 Filed 01/15/20 Page 6 of 15 Page ID #:1332

## **B. District Court Record**

7. In accordance with Appellate Rule 6(b) and Bankruptcy Rule 8009, Appellants further designate the following docket entries from the District Court record for this appeal.

**i. District Court Case. No. 2:19-cv-10352-DSF**

<b>Filing Date</b>	<b>Docket Number</b>	<b>Document Name</b>
12/6/2019	1 [735 pages]	Notice of Appeal and Statement of Election
12/6/2019	2 [42 pages]	Notice of Debtors' Emergency Motion to Dismiss Appeal
12/10/2019	3 [1535 pages]	Appendix in Support of Debtors' Emergency Motion to Dismiss Appeal
12/6/2019	5 [2 pages]	Notice Regarding Appeal from Bankruptcy Court
12/6/2019	6 [1 page]	Notice Regarding Appeal from Bankruptcy Court
12/12/2019	9 [6 pages]	Notice of Related Cases
12/17/2019	10 [28 pages]	Strategic Global Management, Inc.'s Opposition to "Debtors' Emergency Motion to Dismiss Appeal"
12/17/2019	11 [21 pages]	Emergency Motion of Official Committee of Unsecured Creditors for Entry of Order, (I) Pursuant to Bankruptcy Rule 8003(c) Recognizing Committee as "Party to the Appeal;" or (II) in the Alternative, Pursuant to 8013(g) Granting Committee Right to Intervene in Appeal
12/17/2019	12 [8 pages]	Official Committee of Unsecured Creditors' Joinder in Motion of Appellees Verity Health System of California, Inc., et al. to Dismiss Appeal
12/17/2019	13 [319 pages]	Declaration of Gary E. Klausner in Support of Strategic Global Management, Inc.'s Opposition to "Debtors' Emergency Motion to Dismiss Appeal"
12/19/2019	17 [9 pages]	Official Committee of Unsecured Creditors' Reply to Strategic Global Management, Inc.'s Opposition to "Debtors' Emergency Motion to Dismiss Appeal"
12/19/2019	18 [19 pages]	Reply in Support of Debtors' Emergency Motion to Dismiss Appeal
12/20/2019	19 [3 pages]	Order Denying Emergency Motion to Dismiss Appeal (Dkt. No. 2); Order Granting Motion to be Named as Appellee

12/20/2019	20 [15 pages]	Strategic Global Management, Inc.'s Notice of Motion and Motion to Consolidate Appeals
12/20/2019	21 [63 pages]	Declaration of Gary E. Klausner in Support of Strategic Global Management, Inc.'s Motion to Consolidate Appeals
12/26/2019	22 [0 pages]	Text Only Entry: (in Chambers) Order re: Strategic Global Management, Inc.'s Notice of Motion and Motion to Consolidate Appeals
01/17/2020	33 [1 page]	Order Granting Motions to Intervene; Order Granting Motion to Consolidate Appeals
2/4/2020	41 [4 pages]	Strategic Global Management, Inc.'s Notice of Related Cases
2/13/2020	42 [296 pages]	Strategic Global Management, Inc.'s Notice of Motion and Motion to: (1) Augment Record on Appeal and Request for Judicial Notice; and (2) Accept the Sale Correspondence Filed Under Seal with the Bankruptcy Court for Purposes of the Appeals; Declaration of Gary E. Klausner in Support Thereof
02/14/2020	43 [48 pages]	Appellant's Opening Brief
02/14/2020	44 [8 pages]	Appellant's Appendix
2/14/2020	45 [88 pages]	Strategic Global Management, Inc.'s Request for Judicial Notice Re: Documents Filed or Entered After November 27, 2019
02/20/2020	46 [10 pages]	Debtors' Response and Conditional Non-Opposition to Strategic Global Management, Inc.'s Motion to: (1) Augment Record on Appeal and Request for Judicial Notice; and (2) Accept Sale Correspondence Filed Under Seal with the Bankruptcy Court for the Purposes of the Appeals
04/14/2020	55 [75 pages]	Appellees' Joint Brief
04/14/2020	56 [585 pages]	Appendix in Support of Appellees' Joint Brief
04/14/2020	57 [10 pages]	Appellees' Request for Judicial Notice in Support of Joint Brief
05/04/2020	58 [33 pages]	Appellant's Reply Brief
05/14/2020	59 [2 pages]	Order Dismissing Appeals as Moot



05/28/2020	60 [10 pages]	Appellees' Joint Response to Court's Tentative Decision to Vacate Orders
05/29/2020	61 [6 pages]	Appellant's Conditional Request to File a Reply Brief
6/2/2020	62 [0 pages]	Text Only Entry: (in Chambers) Order re: Appellant May File a Five-Page Reply to the Appellees' Response re Vacatur No Later Than June 7, 2020
06/08/2020	64 [10 pages]	Appellant's Reply to "Appellees' Joint Response to Court's Tentative Decision to Vacate Orders"
06/10/2020	65 [2 pages]	Order Vacating Orders of the Bankruptcy Court
07/08/2020	66 [9 pages]	Notice of Appeal

ii. **District Court Case No. 2:19-cv-10354-DSF**

Filing Date	Docket No.	Docket Text
12/6/2019	1 [2 pages]	Notice of Appeal and Statement of Election
12/6/2019	2 [2 pages]	Notice Regarding Appeal from Bankruptcy Court
12/6/2019	3 [50 pages]	Notice of Referral of Appeal
12/6/2019	4 [2 pages]	Notice of Referral of Appeal
12/6/2019	5 [1 page]	Notice of Transfer of Appeal to District Court
12/19/2019	10 [6 pages]	Notice of Related Cases
12/19/2019	12 [1 pages]	Order Re Transfer Pursuant to General Order 19-03 (Related Cases)
12/19/2019	13 [41 pages]	Notice of Debtors' Emergency Motion to Dismiss Appeals
12/19/2019	14 [8 pages]	Appendix in Support of Debtors' Emergency Motion to Dismiss Appeals
12/20/2019	16 [1 pages]	Order Denying Emergency Motions to Dismiss

12/27/2019	17 [21 pages]	Notice of Motion and Motion of Official Committee of Unsecured Creditors for Entry of Order, (I) Pursuant to Bankruptcy Rule 8003(c) Recognizing Committee as “Party to the Appeal”; or (II) in the Alternative, Pursuant to 8013(g), Granting Committee Right to Intervene in Additional SGM Appeals
12/27/2019	18 [0 pages]	Text Only Entry: (in Chambers) Order re: Notice of Motion and Motion of Official Committee of Unsecured Creditors for Entry of Order, (I) Pursuant to Bankruptcy Rule 8003(c) Recognizing Committee as “Party to the Appeal”; or (II) in the Alternative, Pursuant to 8013(g), Granting Committee Right to Intervene in Additional SGM Appeals
01/17/2020	27 [1 page]	Order Granting Motions to Intervene; Order Granting Motion to Consolidate Appeals
05/14/2020	28 [2 pages]	Order Dismissing Appeals as Moot
06/10/2020	29 [2 pages]	Order Vacating Orders of the Bankruptcy Court

**iii. District Court Case No. 2:19-cv-10356-DSF**

Filing Date	Docket No.	Docket Text
12/06/2019	1 [737 pages]	SGM Notice of Appeal and Statement of Election
12/06/2019	2 [30 pages]	Notice of Referral of Appeal
12/06/2019	3 [1 page]	Notice of Transfer of Appeal to District Court
12/06/2019	4 [2 pages]	Notice Regarding Appeal from Bankruptcy Court
12/12/2019	8 [6 pages]	Notice of Related Cases
12/16/2019	9 [1 page]	Order Re Transfer Pursuant to General Order 19-03 (Related Cases)
12/19/2019	11 [41 pages]	Notice of Debtors’ Emergency Motion to Dismiss Appeals

12/19/2019	12 [8 pages]	Appendix in Support of Debtors' Emergency Motion to Dismiss Appeals
12/20/2019	14 [1 page]	Order Denying Emergency Motions to Dismiss
12/27/2019	15 [21 pages]	Notice of Motion and Motion of Official Committee of Unsecured Creditors for Entry of Order, (I) Pursuant to Bankruptcy Rule 8003(c) Recognizing Committee as "Party to the Appeal"; or (II) in the Alternative, Pursuant to 8013(g), Granting Committee Right to Intervene in Additional SGM Appeals
12/27/2019	16 [0 pages]	Text Only Entry: (in Chambers) Order re: Notice of Motion and Motion of Official Committee of Unsecured Creditors for Entry of Order, (I) Pursuant to Bankruptcy Rule 8003(c) Recognizing Committee as "Party to the Appeal"; or (II) in the Alternative, Pursuant to 8013(g), Granting Committee Right to Intervene in Additional SGM Appeals (No Image Available)
01/17/2020	25 [1 page]	Order Granting Motions to Intervene; Order Granting Motion to Consolidate Appeals
05/14/2020	26 [2 pages]	Order Dismissing Appeals as Moot
06/10/2020	27 [2 pages]	Order Vacating Orders of the Bankruptcy Court

Respectfully submitted,

Dated: July 22, 2020

DENTONS US LLP  
SAMUEL R. MAIZEL (Bar No. 189301)  
TANIA M. MOYRON (Bar No. 235736)  
SONIA R. MARTIN (Bar No. 191148)  
NICHOLAS A. KOFFROTH (Bar No. 287854)

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

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

## **CERTIFICATE OF SERVICE**

I hereby certify that on July 22, 2020, I electronically filed the foregoing document with the Clerk of the Court for the United States District Court for the Central District of California by using the CM/ECF system.

I further certify that parties of record to this appeal who either are registered CM/ECF users, or who have registered for electronic notice, or who have consented in writing to electronic service, will be served through the CM/ECF system.

I further certify that some of the parties of record to this appeal have not consented to electronic service. I have served the foregoing document by the means set forth below:

### **Courtesy Copies via Personal Delivery**

Chambers of the Honorable Dale S. Fischer  
First Street Courthouse  
350 West 1<sup>st</sup> Street  
Courtroom 7D  
Los Angeles, CA 90012

### **Served Via Email**

Gary E. Klausner  
Levene, Neale, Bender, Yoo & Brill LLP  
10250 Constellation Blvd., Ste. 1700  
Los Angeles, CA 90067  
gek@lnbyb.com

C926 S:70-CA-10328-024 Document 10 Filed 07/23/20 Page 1 of 1 b906 ID #:1347

*/s/ Tania M. Moyron*

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Tania M. Moyron

# **EXHIBIT A**

GARY E. KLAUSNER (SBN 69055)  
gek@lnbyb.com  
LEVENÉ, NEALE, BENDER, YOO & BRILL L.L.P.  
10250 Constellation Boulevard, Suite 1700  
Los Angeles, CA 90067  
Telephone: (310) 229-1234  
Facsimile: (310) 229-1244

L. RACHEL LERMAN  
rachel.lerman@btlaw.com  
BARNES & THORNBURG LLP  
2029 Century Park East Suite 300  
Los Angeles, CA 90067-2904  
Telephone: (310) 284-3871

Attorneys for Strategic Global Management, Inc.

**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 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

**STATEMENT OF ISSUES ON APPEAL  
AND DESIGNATION OF RECORD  
[RELATED TO APPEAL OF NOVEMBER  
14 ORDER, DOC. NO. 3611]**



**STATEMENT OF ISSUES ON APPEAL**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, appellants Strategic Global Management, Inc. (“SGM”), through its undersigned counsel of record, hereby designate the following statement of issues on appeal of the Bankruptcy Court’s “*Order Granting 'Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding that the Sale Is Free and Clear of Conditions Materially Different than Those Approved by the Court; (III) Finding that . . .*” [Doc. No. 3611] (the “Order”).<sup>1</sup>

1. Did the Bankruptcy Court err in entering the Order where: (1) SGM – the purchaser under its Asset Purchase Agreement with the Debtors – was not a party to the AG Compromise and Settlement, which directly affects SGM’s rights under the APA; and (2) the Debtors did not file a motion, pursuant to Federal Rule of Bankruptcy Procedure 9019 or otherwise, for Court approval of the AG Compromise and Settlement?

2. Did the Bankruptcy Court err in entering the Order in substantially the same form as the Debtors’ proposed form of order (the “Proposed Order”), and overruling SGM’s objections to the Proposed Order?

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<sup>1</sup> As of the filing of this statement, SGM has appealed the following orders of the Bankruptcy Court: (A) “*Order Granting 'Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding that the Sale Is Free and Clear of Conditions Materially Different than Those Approved by the Court; (III) Finding that . . .*” [Doc. No. 3611] entered on November 14, 2019 (the “November 14 Order”); (B) “*Order (1) Finding that SGM Is Obligated to Promptly Close the SGM Sale Under Sec. 8.6 of the APA, Provided that All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement*” [Doc. No. 3633] entered on November 18, 2019 (the “November 18 Order”); and (C) “*Order (1) Finding that SGM Is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors' Motion for Approval of Disclosure Statement*” [Doc. No. 3724] entered on November 27, 2019 (the “November 27 Order”, and collectively, the “Orders”). The Orders all relate to whether the conditions for SGM’s closing of the sale (the “Sale”) of certain assets (the “Assets”) pursuant to the asset purchase agreement dated January 8, 2019 [Doc. No. 2305] (the “Asset Purchase Agreement” or “APA”) have been satisfied.

**DESIGNATION OF THE RECORD**

Appellants hereby designate the following items to be included in the record on appeal:

1. Unless otherwise indicated, (1) each of the following pleadings that are described below are based on the electronic docket in the jointly administered bankruptcy cases of Verity Health System of California, Inc. (“VHS”) and the above-referenced affiliated debtors, the debtors and debtors in possession (collectively, the “Debtors”); and (2) the pleadings listed below have been filed on the electronic docket of VHS.

Filing Date	Docket No.	Docket Text
2/19/2019	1572	Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse Bidder and for Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections, (3) Approving Form of Notice to be Provided to Interested Parties, (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest Bidder and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (II) an Order (A) Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances; Memorandum of Points and Authorities in Support Thereof
05/02/2019	2305	Notice of Filing of Final Asset Purchase Agreement and Schedules Re Motion for the Entry of (I) An Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse Bidder and for Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections [...] [Related to Docket Nos. 1279 and 1572]
05/02/2019	2306	Order (A) Authorizing The Sale Of Certain Of The Debtors' Assets To Strategic Global Management, Inc. free And Clear Of Liens, Claims, Encumbrances, And Other Interests; (B) Approving The Assumption And Assignment Of An Unexpired Lease Related Thereto; And (C) Granting Related Relief
05/02/2019	2365	Stipulation Between the Debtors, DHCS, and HHS Continuing Hearing Regarding Transfer of Medi-Cal Provider Agreements and Medicare Provider Agreements to Strategic Global Management, Inc. [Related Docket Nos. 1572, 1879, 2278]
5/14/2019	2377	Order Approving Stipulation Between the Debtors, DHCS, and HHS Continuing Hearing Regarding Transfer of Medi-Cal Provider Agreements and Medicare Provider Agreements to Strategic Global Management, Inc. [Related Docket Nos. 1572, 1879, 2278]



<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
09/30/2019	3188	Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing the Conditions on That Sale; and (IV) Granting Related Relief [Docket No. 3188]
10/8/2019	3320	Official Committee of Unsecured Creditors' Response in Support of Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; and Other Relief [Dkt. 3188]
10/8/2019	3325	Response of United Nurses Associations of California to Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; and Other Relief
10/9/2019	3333	Opposition of California Attorney General to "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
10/9/2019	3334	Declaration of David K. Eldan in Support of the California Attorney General's Opposition to "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief"
10/10/2019	3356	Statement of Strategic Global Management, Inc. in Support of "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court . . . ."
10/14/2019	3382	Debtors' Reply to California Attorney General's Opposition to Debtors' Motion for the Entry of an Order Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
Posted 10/15/2019	N/A	Bankruptcy Court's Tentative Ruling on "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court . . . ." posted on October 15, 2019 at 7:48:42 AM.
10/23/2019	3446	Memorandum of Decision Granting Debtors' Emergency Motion to Enforce Sale Order [Doc. No. 3188]
11/08/2019	3572	Stipulation Resolving "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Docket No. 3188]
11/8/2019	3573	Notice Regarding Proposed Order Resolving Debtors' Emergency Motion for the Entry of an Order Enforcing the Sale Order and Requesting Related Relief
11/8/2019	3574	Notice of Lodgment of Order in Bankruptcy Case re: Enforcement Motion [Docket No. 3188]
11/11/2019	3582	Objection to Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" (Doc. 3188)
11/11/2019	3583	Notice of Lodgment of Order re: Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief (Doc.3188)
11/11/2019	3586	Debtors' Response to Strategic Global Management, Inc.'s (I) Objection to Debtors' Proposed Order Granting Enforcement Motion and (II) Strategic Global Management, Inc.'s Notice of Lodgment of Alternative Proposed Order; Declaration of Tania M. Moyron in Support Thereof [Related Docket Nos. 3572, 3573, 3574, 3582, 3583]

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
11/11/2019	3590	Official Committee of Unsecured Creditors' (I) Reply to SGM's Objection to the Debtors' Proposed Order on the Debtors' Enforcement Motion [Dkt. 3582] and (II) Statement in Support of the Debtors' Proposed Order [Dkt. 3574]
11/12/2019	3591	Order Setting Emergency Hearing on Strategic Global Management's Objection to the Form of the Debtor's Proposed Order Granting the Sale Enforcement Motion
11/13/2019	3599	Order Vacating and Withdrawing "Memorandum of Decision Granting Debtors' Emergency Motion to Enforce the Sale Order" [Doc. No. 3446]
11/14/2019	3610	Notice of Redline of Changes to Proposed Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
11/14/2019	3611	Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
11/18/2019	3632	Memorandum of Decision (1) Finding That SGM is Obligated to Promptly Close the SGM Sale Under § 8.6 of the APA, Provided That All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement
11/18/2019	3633	Order (1) Finding That SGM is Obligated to Promptly Close the SGM Sale Under § 8.6 of the APA, Provided That All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement
11/27/2019	3723	Memorandum of Decision Finding That SGM is Obligated to Close the SGM Sale by No Later Than December 5, 2019
11/27/2019	3724	Order (1) Finding That SGM is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors' Motion for Approval of Disclosure Statement
12/9/2019	3783	Memorandum of Decision Denying Debtors' Emergency Motion for Issuance of an Order to Show Cause re: Closing of the SGM Sale

Filing Date	Docket No.	Docket Text
12/9/2019	3784	Order Denying Debtors' Emergency Motion for Issuance of an Order to Show Cause re: Closing of the SGM Sale
10/21/2019	3416	Transcript Regarding Hearing Held October 15, 2019 re: Debtors' Emergency Motion for the Entry of an Order
11/15/2019	3620	Transcript Regarding Hearing Held November 13, 2019 re: Verity Health System of California, Inc.
N/A	N/A	Bankruptcy Court Docket, <i>In re Verity Health System of California, Inc., et al.</i> , Lead Case No. 2:18-bk-20151-ER
11/29/2019	3726	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.

2. Reporter's Transcript(s) for the following date(s):

October 15, 2019, November 13, 2019

Dated: December 13, 2019

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

By: /s/ Gary E. Klausner

Gary E. Klausner

Counsel for Strategic Global Management, Inc.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled **STATEMENT OF ISSUES ON APPEAL AND DESIGNATION OF RECORD [RELATED TO APPEAL OF NOVEMBER 14 ORDER, DOC. NO. 3611]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **December 13, 2019**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Alexandra Achamallah aachamallah@milbank.com, rliubicic@milbank.com
- Melinda Alonzo ml7829@att.com
- Robert N Amkraut ramkraut@foxrothschild.com
- Kyra E Andrassy kandrassy@swelawfirm.com, lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- Simon Aron saron@wrslawyers.com
- Lauren T Attard lattard@bakerlaw.com, agrosso@bakerlaw.com
- Allison R Axenrod allison@claimsrecoveryllc.com
- Cristina E Bautista cristina.bautista@kattenlaw.com, ecf.lax.docket@kattenlaw.com
- James Cornell Behrens jbehrens@milbank.com, gbray@milbank.com;mshinderman@milbank.com;dodonnell@milbank.com;jbrewster@milbank.com;JWeber@milbank.com
- Ron Bender rb@lnbyb.com
- Bruce Bennett bbennett@jonesday.com
- Peter J Benvenuti pbenvenuti@kellerbenvenuti.com, pjenven74@yahoo.com
- Leslie A Berkoff lberkoff@moritthock.com, hmay@moritthock.com
- Steven M Berman sberman@slk-law.com
- Stephen F Biegenzahn efile@sfblaw.com
- Karl E Block kblock@loeb.com, jvazquez@loeb.com;ladoCKET@loeb.com;kblock@ecf.courtdrive.com
- Dustin P Branch branchd@ballardspahr.com, carolod@ballardspahr.com;hubenb@ballardspahr.com
- Michael D Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com;mbreslauer@ecf.courtdrive.com;wyones@ecf.courtdrive.com
- Chane Buck cbuck@jonesday.com
- Lori A Butler butler.lori@pbgc.gov, efile@pbgc.gov
- Howard Camhi hcamhi@ecjlaw.com, tcastelli@ecjlaw.com;amatsuoka@ecjlaw.com
- Barry A Chatz barry.chatz@saul.com, jurate.medziak@saul.com
- Shirley Cho scho@pszjlaw.com
- Shawn M Christianson cmcintire@buchalter.com, schristianson@buchalter.com
- Louis J. Cisz lcisz@nixonpeabody.com, jzic@nixonpeabody.com
- Leslie A Cohen leslie@lesliecohenlaw.com, jaimel@lesliecohenlaw.com;olivia@lesliecohenlaw.com
- Marcus Colabianchi mcolabianchi@duanemorris.com
- Kevin Collins kevin.collins@btlaw.com, Kathleen.lytle@btlaw.com
- Joseph Corrigan Bankruptcy2@ironmountain.com
- David N Crapo dcrapo@gibbonslaw.com, elrosen@gibbonslaw.com
- Mariam Danielyan md@danielyanlawoffice.com, danielyan.mar@gmail.com

- 1 • Brian L Davidoff b davidoff@greenbergglusker.com,  
calendar@greenbergglusker.com;jking@greenbergglusker.com
- 2 • Aaron Davis aaron.davis@bryancave.com, kat.flaherty@bryancave.com
- 3 • Lauren A Deeb lauren.deeb@nelsonmullins.com, maria.domingo@nelsonmullins.com
- 4 • Daniel Denny ddenny@milbank.com
- 5 • Anthony Dutra adutra@hansonbridgett.com
- 6 • Kevin M Eckhardt kevin.eckhardt@gmail.com, keckhardt@hunton.com
- 7 • Lei Lei Wang Ekvall lekvall@swelawfirm.com,  
lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- 8 • David K Eldan david.eldan@doj.ca.gov, teresa.depaz@doj.ca.gov
- 9 • Andy J Epstein taxcpaesq@gmail.com
- 10 • Richard W Esterkin richard.esterkin@morganlewis.com
- 11 • Christine R Etheridge christine.etheridge@ikonfin.com
- 12 • M Douglas Flahaut flahaut.douglas@arentfox.com
- 13 • Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- 14 • Joseph D Frank jfrank@fgllp.com,  
mmatlock@fgllp.com;csmith@fgllp.com;jkleinman@fgllp.com;csucic@fgllp.com
- 15 • William B Freeman bill.freeman@kattenlaw.com,  
nicole.jones@kattenlaw.com,ecf.lax.docket@kattenlaw.com
- 16 • John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- 17 • Eric J Fromme efromme@tocounsel.com,  
lchapman@tocounsel.com;sschuster@tocounsel.com
- 18 • Amir Gamliel amir-gamliel-9554@ecf.pacerpro.com,  
cmallahi@perkinscoie.com;DocketLA@perkinscoie.com
- 19 • Jeffrey K Garfinkle jgarfinkle@buchalter.com,  
docket@buchalter.com;dcyrankowski@buchalter.com
- 20 • Thomas M Geher tmg@jmbm.com, bt@jmbm.com;fc3@jmbm.com;tmg@ecf.inforuptcy.com
- 21 • Lawrence B Gill lgill@nelsonhardiman.com,  
rrange@nelsonhardiman.com;mmarkwell@nelsonhardiman.com
- 22 • Paul R. Glassman pglassman@sycr.com
- 23 • Matthew A Gold courts@argopartners.net
- 24 • Eric D Goldberg eric.goldberg@dlapiper.com, eric-goldberg-1103@ecf.pacerpro.com
- 25 • Marshall F Goldberg mgoldberg@glassgoldberg.com, jbailey@glassgoldberg.com
- 26 • Richard H Golubow rgolubow@wcghlaw.com,  
pj@wcghlaw.com;jmartinez@wcghlaw.com;Meir@virtualparalegalservices.com
- 27 • David M. Guess guessd@gtlaw.com
- 28 • Anna Gumport agumport@sidley.com
- Melissa T Harris harris.melissa@pbgc.gov, efile@pbgc.gov
- James A Hayes jhayes@zinserhayes.com, jhayes@jamesahayesaplc.com
- Michael S Held mheld@jw.com
- Lawrence J Hilton lhilton@onellp.com,  
lthomas@onellp.com,info@onellp.com,rgolder@onellp.com,lhyska@onellp.com,nlichtenberger  
@onellp.com
- Robert M Hirsh Robert.Hirsh@arentfox.com
- Florice Hoffman fhoffman@socal.rr.com, floricehoffman@gmail.com
- Lee F Hoffman leehoffmanjd@gmail.com, lee@fademlaw.com
- Michael Hogue hogue@gtlaw.com, SFOLitDock@gtlaw.com;navarrom@gtlaw.com
- Matthew B Holbrook mholbrook@sheppardmullin.com, mmanns@sheppardmullin.com
- David I Horowitz david.horowitz@kirkland.com,  
keith.catuara@kirkland.com;terry.ellis@kirkland.com;elsa.banuelos@kirkland.com;ivon.granado  
s@kirkland.com
- Brian D Huben hubenb@ballardspahr.com, carolod@ballardspahr.com
- Joan Huh joan.huh@cdtfa.ca.gov
- Benjamin Ikuta bikuta@hml.law
- Lawrence A Jacobson laj@cohenandjacobson.com
- John Mark Jennings johnmark.jennings@kutakrock.com, mary.clark@kutakrock.com



- 1 • Monique D Jewett-Brewster mjb@hopkinscarley.com, eamaro@hopkinscarley.com
- 2 • Crystal Johnson M46380@ATT.COM
- 3 • Gregory R Jones gjones@mwe.com, rnhunter@mwe.com
- 4 • Jeff D Kahane jkahane@duanemorris.com, dmartinez@duanemorris.com
- 5 • Steven J Kahn skahn@pszyjw.com
- 6 • Cameo M Kaisler salembier.cameo@pbgc.gov, efile@pbgc.gov
- 7 • Ivan L Kallick ikallick@manatt.com, ihernandez@manatt.com
- 8 • Ori Katz okatz@sheppardmullin.com,  
cshulman@sheppardmullin.com;ezisholtz@sheppardmullin.com;lsegura@sheppardmullin.com
- 9 • Payam Khodadadi pkhodadadi@mcguirewoods.com, dkiker@mcguirewoods.com
- 10 • Christian T Kim ckim@dumas-law.com, ckim@ecf.inforuptcy.com
- 11 • Jane Kim jkim@kellerbenvenuti.com
- 12 • Monica Y Kim myk@lnbrb.com, myk@ecf.inforuptcy.com
- 13 • Gary E Klausner gek@lnbyb.com
- 14 • David A Klein david.klein@kirkland.com
- 15 • Nicholas A Koffroth nick.koffroth@dentons.com, chris.omeara@dentons.com
- 16 • Joseph A Kohanski jkohanski@bushgottlieb.com, kprestegard@bushgottlieb.com
- 17 • Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- 18 • Darryl S Laddin bkrfilings@agg.com
- 19 • Robert S Lampl advocate45@aol.com, rlisarobinsonr@aol.com
- 20 • Richard A Lapping richard@lappinglegal.com
- 21 • Paul J Laurin plaurin@btlaw.com, slmoore@btlaw.com;jboustani@btlaw.com
- 22 • Nathaniel M Leeds nathaniel@mitchelllawsf.com, sam@mitchelllawsf.com
- 23 • David E Lemke david.lemke@wallerlaw.com,  
chris.cronk@wallerlaw.com;Melissa.jones@wallerlaw.com;cathy.thomas@wallerlaw.com
- 24 • Lisa Lenherr llenherr@wendel.com, bankruptcy@wendel.com
- 25 • Elan S Levey elan.levy@usdoj.gov, louis.lin@usdoj.gov
- 26 • Tracy L Mainguy bankruptcycourtnotices@unioncounsel.net, tmainguy@unioncounsel.net
- 27 • Samuel R Maizel samuel.maizel@dentons.com,  
alicia.aguilar@dentons.com;docket.general.lit.LOS@dentons.com;tania.moyron@dentons.com;k  
athryn.howard@dentons.com;joan.mack@dentons.com;derry.kalve@dentons.com
- 28 • Alvin Mar alvin.mar@usdoj.gov, dare.law@usdoj.gov
- Craig G Margulies Craig@MarguliesFaithlaw.com,  
Victoria@MarguliesFaithlaw.com;Helen@MarguliesFaithlaw.com
- Hutchison B Meltzer hutchison.meltzer@doj.ca.gov, Alicia.Berry@doj.ca.gov
- Christopher Minier becky@ringstadlaw.com, arlene@ringstadlaw.com
- John A Moe john.moe@dentons.com, glenda.spratt@dentons.com
- Susan I Montgomery susan@simontgomerylaw.com,  
assistant@simontgomerylaw.com;simontgomerylawecf.com@gmail.com;montgomerysr71631@  
notify.bestcase.com
- Monserrat Morales Monsi@MarguliesFaithLaw.com,  
Victoria@MarguliesFaithLaw.com;Helen@marguliesfaithlaw.com
- Kevin H Morse kmorse@clarkhill.com, blambert@clarkhill.com
- Marianne S Mortimer mmartin@jmbm.com
- Tania M Moyron tania.moyron@dentons.com,  
chris.omeara@dentons.com;nick.koffroth@dentons.com
- Alan I Nahmias anahmias@mbnlawyers.com, jdale@mbnlawyers.com
- Akop J Nalbandyan jnalbandyan@LNtriallawyers.com, cbautista@LNtriallawyers.com
- Jennifer L Nassiri jennifernassiri@quinnemanuel.com
- Charles E Nelson nelsonc@ballardspahr.com, wassweilerw@ballardspahr.com
- Sheila Gropper Nelson shedoesbkaw@aol.com
- Mark A Neubauer mneubauer@carltonfields.com,  
mlrodriguez@carltonfields.com;smcloughlin@carltonfields.com;schau@carltonfields.com;NDunn  
@carltonfields.com;ecfla@carltonfields.com
- Fred Neufeld fneufeld@sycr.com, tingman@sycr.com

- 1 • Nancy Newman nnewman@hansonbridgett.com,  
ajackson@hansonbridgett.com;calendarclerk@hansonbridgett.com
- 2 • Bryan L Ngo bngo@fortislaw.com,  
BNgo@bluecapitallaw.com;SPicariello@fortislaw.com;JNguyen@fortislaw.com;JNguyen@bluec  
3 apitallaw.com
- 4 • Abigail V O'Brient avobrient@mintz.com,  
docketing@mintz.com;DEHashimoto@mintz.com;nleali@mintz.com;ABLevin@mintz.com;GJLeo  
n@mintz.com
- 5 • John R OKeefe jokeefe@metzlewis.com, slohr@metzlewis.com
- 6 • Scott H Olson solson@vedderprice.com,  
jcano@vedderprice.com,jparker@vedderprice.com;scott-olson-  
2161@ecf.pacerpro.com,ecfsdocket@vedderprice.com
- 7 • Giovanni Orantes go@gobklaw.com, gorantes@orantes-  
law.com,cmh@gobklaw.com,gobklaw@gmail.com,go@ecf.inforuptcy.com;orantesgr89122@noti  
8 fy.bestcase.com
- 9 • Keith C Owens kowens@venable.com, khoang@venable.com
- 10 • R Gibson Pagter gibson@ppilawyers.com,  
ecf@ppilawyers.com;pagterr51779@notify.bestcase.com
- 11 • Paul J Pascuzzi ppascuzzi@ffwplaw.com
- 12 • Lisa M Peters lisa.peters@kutakrock.com, marybeth.brukner@kutakrock.com
- 13 • Christopher J Petersen cjpetersen@blankrome.com, gsolis@blankrome.com
- 14 • Mark D Plevin mplevin@crowell.com, cromo@crowell.com
- 15 • Steven G. Polard spolard@ch-law.com, calendar-  
lao@rmkb.com;melissa.tamura@rmkb.com;anthony.arriola@rmkb.com
- 16 • David M Powlen david.powlen@btlaw.com, pgroff@btlaw.com
- 17 • Christopher E Prince cprince@lesnickprince.com,  
jmack@lesnickprince.com;cprince@ecf.courtdrive.com
- 18 • Lori L Purkey bareham@purkeyandassociates.com
- 19 • William M Rathbone wrathbone@grsm.com, jmydlandevans@grsm.com;sdurazo@grsm.com
- 20 • Jason M Reed Jason.Reed@Maslon.com
- 21 • Michael B Reynolds mreynolds@swlaw.com, kcollins@swlaw.com
- 22 • J. Alexandra Rhim arhim@hrhlaw.com
- 23 • Emily P Rich erich@unioncounsel.net, bankruptcycourtnotices@unioncounsel.net
- 24 • Robert A Rich , candonian@huntonak.com
- 25 • Lesley A Riis lriis@dpmclaw.com
- 26 • Debra Riley driley@allenmatkins.com
- 27 • Jason E Rios jrios@ffwplaw.com
- 28 • Julie H Rome-Banks julie@binderhalter.com
- Mary H Rose mrose@buchalter.com
- Megan A Rowe mrowe@dsrhealthlaw.com, lwestoby@dsrhealthlaw.com
- Nathan A Schultz nschultz@goodwinlaw.com
- Mark A Serlin ms@swllplaw.com, mor@swllplaw.com
- Seth B Shapiro seth.shapiro@usdoj.gov
- David B Shemano dshemano@shemanolaw.com
- Joseph Shickich jshickich@riddellwilliams.com
- Mark Shinderman mshinderman@milbank.com,  
dmuhrez@milbank.com;dlbatie@milbank.com
- Rosa A Shirley rshirley@nelsonhardiman.com,  
ksherry@nelsonhardiman.com;lgill@nelsonhardiman.com;rrange@nelsonhardiman.com
- Kyrsten Skogstad kskogstad@calnurses.org, rcraven@calnurses.org
- Michael St James ecf@stjames-law.com
- Andrew Still astill@swlaw.com, kcollins@swlaw.com
- Jason D Strabo jstrabo@mwe.com, cfuraha@mwe.com
- Sabrina L Streusand Streusand@slollp.com
- Ralph J Swanson ralph.swanson@berliner.com, sabina.hall@berliner.com



- Michael A Sweet msweet@foxrothschild.com, swillis@foxrothschild.com;pbasa@foxrothschild.com
- James Toma james.toma@doj.ca.gov, teresa.depaz@doj.ca.gov
- Gary F Torrell gtorrell@health-law.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Cecelia Valentine cecelia.valentine@nlrb.gov
- Jason Wallach jwallach@ghplaw.com, g33404@notify.cincompass.com
- Kenneth K Wang kenneth.wang@doj.ca.gov, Jennifer.Kim@doj.ca.gov;Stacy.McKellar@doj.ca.gov;yesenia.caro@doj.ca.gov
- Phillip K Wang phillip.wang@rimonlaw.com, david.kline@rimonlaw.com
- Sharon Z. Weiss sharon.weiss@bclplaw.com, raul.morales@bclplaw.com
- Adam G Wentland awentland@tocounsel.com, lkwon@tocounsel.com
- Latonia Williams lwilliams@goodwin.com, bankruptcy@goodwin.com
- Michael S Winsten mike@winsten.com
- Jeffrey C Wisler jwisler@connollygallagher.com, dperkins@connollygallagher.com
- Neal L Wolf nwolf@hansonbridgett.com, calendarclerk@hansonbridgett.com,lchappell@hansonbridgett.com
- Hatty K Yip hatty.yip@usdoj.gov, dare.law@usdoj.gov;kelly.l.morrison@usdoj.gov;kenneth.g.lau@usdoj.gov
- Andrew J Ziaja aziaja@leonardcarder.com, sgroff@leonardcarder.com;msimons@leonardcarder.com;lbadar@leonardcarder.com
- Rose Zimmerman rzimmerman@dalycity.org

**2. SERVED BY UNITED STATES MAIL:** On **December 13, 2019**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **December 13, 2019**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**Served via Attorney Service**

The Honorable Ernest M. Robles  
United States Bankruptcy Court  
Edward R. Roybal Federal Building  
255 E. Temple Street, Suite 1560  
Los Angeles, CA 90012

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

**December 13, 2019**

Lisa Masse

/s/ Lisa Masse

Date

Type Name

Signature

# **EXHIBIT B**

SAMUEL R. MAIZEL (Bar No. 189301)  
samuel.maizel@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.

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  
Honorable Ernest M. Robles

**APPELLEES' DESIGNATION OF  
ADDITIONAL ITEMS TO BE INCLUDED IN  
THE RECORD ON APPEAL (USDC Case No.  
2:19-cv-10352-DSF)**

- ☒ 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.

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300



Pursuant to Rule 6 of the Federal Rules of Appellate Procedure and Rule 8009 of the Federal Rules of Bankruptcy Procedure, Appellees and Debtors, Verity Health System of California, Inc. and its affiliates (collectively, the “Appellees”), hereby designate the following items, in addition to those items previously designated by the Appellant, for inclusion in the record in connection with Appellant’s appeal from the *Order Granting Debtors’ Emergency Motion for the Entry of an Order: (1) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (2) Finding that the Sale is Free and Clear of Conditions Materially Different than those Approved by the Court; (3) Find that . . .* [Docket No. 3611].

**DESIGNATION OF ADDITIONAL ITEMS FOR INCLUSION IN RECORD ON APPEAL**  
**FROM THE DOCKET OF THE UNITED STATES BANKRUPTCY COURT FOR THE**  
**CENTRAL DISTRICT OF CALIFORNIA FOR CASE NO. 2:19-cv-10352-DSF**

Date Filed	Docket Number	Description
8/31/18	8	Declaration of Richard G. Adcock In Support of Emergency First-Day Motions
1/17/19	1279	Motion and Notice of Motion For The Entry of (I) An Order (1) Approving Form of Asset Purchase Agreement For Stalking Horse Bidder and For Prospective Overbidders; (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections; (3) Approving Form of Notice To Be Provided To Interested Parties; (4) Scheduling A Court Hearing To Consider Approval of The Sale To The Highest Bidder; and (5) Approving Procedures Related To The Assumption of Certain Executory Contracts and Unexpired Leases; and (II) An Order (A) Authorizing The Sale of Property Free and Clear of All Claims, Liens and Encumbrances; Memorandum of Points and Authorities In Support Thereof
2/19/19	1570	Transcript Regarding Hearing Held February 6, 2019 re: Motion and Notice of Motion for the Entry of an Order
9/20/19	3103	Motion to Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors’ Plan; and (IV) Granting Related Relief [Relates to Docket Nos. 2994, 2995]

DENTONS US LLP  
 601 SOUTH FIGUEROA STREET, SUITE 2500  
 LOS ANGELES, CALIFORNIA 90017-5704  
 (213) 623-9300

Date Filed	Docket Number	Description
9/20/19	3120	Order Granting Motion to Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan; and (IV) Granting Related Relief
10/15/19	3386	Supplemental Objection of the United States, on Behalf of the U.S. Department of Health and Human Services and Centers for Medicare and Medicaid Services to Debtors' Motion for the Entry of an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens, and Encumbrances; and Memorandum of Points and Authorities in Support Thereof
11/15/19	3621	Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 20, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594]
11/19/19	3644	Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594, 3632, 3633]
11/20/19	3646	Order Granting Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Debtors' Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594, 3621, 3623, 3633, 3644]
11/22/19	3677	Stipulation Between the Debtors and HHS re: Assumption and Assignment of Medicare Provider Agreements to Strategic Global Management, Inc.

DENTONS US LLP  
 601 SOUTH FIGUEROA STREET, SUITE 2500  
 LOS ANGELES, CALIFORNIA 90017-5704  
 (213) 623-9300

Date Filed	Docket Number	Description
11/22/19	3678	Debtors' Ex Parte Motion for an Order Allowing the Debtors to File "Plan B" of Their Status Report Under Seal; Declaration of Richard G. Adcock in Support Thereof
11/22/19	3679	Order Granting Debtors' Ex Parte Motion for an Order Allowing the Debtors to File "Plan B" of Their Status Report Under Seal
11/22/19	3680	Order Approving Stipulation Between the Debtors and HHS re: Assumption and Assignment of Medicare Provider Agreements to Strategic Global Management, Inc.
11/24/19	3692	Debtors' Status Report re Order Granting Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement, (II) Solicitation and Voting Procedures, (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections; and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter [Relates to Docket No. 3646]
11/25/19	3697	Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal; Declaration of Richard G. Adcock in Support Thereof
11/25/19	3698	Strategic Global Management, Inc.'s Objection to Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/19	3699	Order Granting Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/19	3700	Strategic Global Management, Inc.'s Amended Objection to Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/19	3701	Strategic Global Management, Inc.'s Reservation of Rights in Connection with Debtor's Status Conference Report
11/26/19	3704	[Filed Under Seal] "Plan B" to Debtors' Status Report
11/26/19	3705	[Filed Under Seal] Correspondence Regarding the SGM Sale Related to Debtors' Status Report
11/27/19	3716	Transcript Regarding Hearing Held November 26, 2019 re: Verity Health System of California, Inc.
11/29/19	3727	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.
12/3/19	3746	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.

Date Filed	Docket Number	Description
12/9/19	3786	Stipulation Between the Debtors and the California Department of Health Care Services re: Assumption and Assignment of Medi-Cal Provider Agreements to Strategic Global Management, Inc.
12/9/19	3787	Order Approving Stipulation Re: Assumption And Assignment Of Medi-Cal Provider Agreements To Strategic Global Management, Inc.

Respectfully submitted,

Dated: December 27, 2019

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

BY: /s/Tania M. Moyron  
TANIA M. MOYRON  
Attorneys for Debtors and Debtors In  
Possession

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

# **EXHIBIT C**



GARY E. KLAUSNER (SBN 69055)  
gek@lnbyb.com  
LEVENÉ, NEALE, BENDER, YOO & BRILL L.L.P.  
10250 Constellation Boulevard, Suite 1700  
Los Angeles, CA 90067  
Telephone: (310) 229-1234  
Facsimile: (310) 229-1244

L. RACHEL LERMAN  
rachel.lerman@btlaw.com  
BARNES & THORNBURG LLP  
2029 Century Park East Suite 300  
Los Angeles, CA 90067-2904  
Telephone: (310) 284-3871

Attorneys for Strategic Global Management, Inc.

**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 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

**STATEMENT OF ISSUES ON APPEAL  
AND DESIGNATION OF RECORD  
[RELATED TO APPEAL OF NOVEMBER  
18 ORDER, DOC. NO. 3633]**



**STATEMENT OF ISSUES ON APPEAL**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, appellants Strategic Global Management, Inc. (“SGM”), through its undersigned counsel of record, hereby designate the following statement of issues on appeal of the Bankruptcy Court’s “*Order (1) Finding that SGM Is Obligated to Promptly Close the SGM Sale Under Sec. 8.6 of the APA, Provided that All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors’ Motion for a Continuance of the Hearing to Approve the Disclosure Statement*” [Doc. No. 3633] (the “Order”).<sup>1</sup>

1. Did the Bankruptcy Court deprive SGM of due process when it entered an Order *sua sponte* adjudicating claims and disputes between the Debtors and SGM, without any notice to SGM that the Bankruptcy Court intended to adjudicate these issues, without a hearing, and without any opportunity for SGM to be heard, either orally or in writing, regarding the subject matter of the Order?

2. Did the Bankruptcy Court err in finding that the Order was a “final, non-appealable” order upon its entry when, at the time of the Order’s entry, the fourteen (14) day period to appeal the Order had not expired?

3. Did the Bankruptcy Court abuse its discretion in finding that the conditions for closing the Sale pursuant to Section 8.6 of the APA had been satisfied?

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<sup>1</sup> As of the filing of this statement, SGM has appealed the following orders of the Bankruptcy Court: (A) “*Order Granting ‘Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding that the Sale Is Free and Clear of Conditions Materially Different than Those Approved by the Court; (III) Finding that . . .*” [Doc. No. 3611] entered on November 14, 2019 (the “November 14 Order”); (B) “*Order (1) Finding that SGM Is Obligated to Promptly Close the SGM Sale Under Sec. 8.6 of the APA, Provided that All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors’ Motion for a Continuance of the Hearing to Approve the Disclosure Statement*” [Doc. No. 3633] entered on November 18, 2019 (the “November 18 Order”); and (C) “*Order (1) Finding that SGM Is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors’ Motion for Approval of Disclosure Statement*” [Doc. No. 3724] entered on November 27, 2019 (the “November 27 Order”, and collectively, the “Orders”). The Orders all relate to whether the conditions for SGM’s closing of the sale (the “Sale”) of certain assets (the “Assets”) pursuant to the asset purchase agreement dated January 8, 2019 [Doc. No. 2305] (the “Asset Purchase Agreement” or “APA”) have been satisfied.

4. Did the Bankruptcy Court err in depriving SGM of the “Evaluation Period” pursuant to Section 8.6 of the APA?

5. Did the Bankruptcy Court abuse its discretion in finding that the doctrine of judicial estoppel precluded SGM from arguing that certain conditions (namely, those described in Section 8.6 of the APA) for the closing of the Sale had not been satisfied?

### **DESIGNATION OF THE RECORD**

Appellants hereby designate the following items to be included in the record on appeal:

1. Unless otherwise indicated, (1) each of the following pleadings that are described below are based on the electronic docket in the jointly administered bankruptcy cases of Verity Health System of California, Inc. (“VHS”) and the above-referenced affiliated debtors, the debtors and debtors in possession (collectively, the “Debtors”); and (2) the pleadings listed below have been filed on the electronic docket of VHS.

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
2/19/2019	1572	Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse Bidder and for Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections, (3) Approving Form of Notice to be Provided to Interested Parties, (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest Bidder and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (II) an Order (A) Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances; Memorandum of Points and Authorities in Support Thereof
05/02/2019	2305	Notice of Filing of Final Asset Purchase Agreement and Schedules Re Motion for the Entry of (I) An Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse Bidder and for Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections [...] [Related to Docket Nos. 1279 and 1572]
05/02/2019	2306	Order (A) Authorizing The Sale Of Certain Of The Debtors' Assets To Strategic Global Management, Inc. free And Clear Of Liens, Claims, Encumbrances, And Other Interests; (B) Approving The Assumption And Assignment Of An Unexpired Lease Related Thereto; And (C) Granting Related Relief

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
05/02/2019	2365	Stipulation Between the Debtors, DHCS, and HHS Continuing Hearing Regarding Transfer of Medi-Cal Provider Agreements and Medicare Provider Agreements to Strategic Global Management, Inc. [Related Docket Nos. 1572, 1879, 2278]
5/14/2019	2377	Order Approving Stipulation Between the Debtors, DHCS, and HHS Continuing Hearing Regarding Transfer of Medi-Cal Provider Agreements and Medicare Provider Agreements to Strategic Global Management, Inc. [Related Docket Nos. 1572, 1879, 2278]
09/30/2019	3188	Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing the Conditions on That Sale; and (IV) Granting Related Relief [Docket No. 3188]
10/8/2019	3320	Official Committee of Unsecured Creditors' Response in Support of Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; and Other Relief [Dkt. 3188]
10/8/2019	3325	Response of United Nurses Associations of California to Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; and Other Relief
10/9/2019	3333	Opposition of California Attorney General to "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
10/9/2019	3334	Declaration of David K. Eldan in Support of the California Attorney General's Opposition to "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief"

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
10/10/2019	3356	Statement of Strategic Global Management, Inc. in Support of “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court . . . .”
10/14/2019	3382	Debtors’ Reply to California Attorney General’s Opposition to Debtors’ Motion for the Entry of an Order Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.
Posted 10/15/2019	N/A	Bankruptcy Court’s Tentative Ruling on “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court . . . .” posted on October 15, 2019 at 7:48:42 AM.
10/23/2019	3446	Memorandum of Decision Granting Debtors’ Emergency Motion to Enforce Sale Order [Doc. No. 3188]
11/08/2019	3572	Stipulation Resolving “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief” [Docket No. 3188]
11/8/2019	3573	Notice Regarding Proposed Order Resolving Debtors’ Emergency Motion for the Entry of an Order Enforcing the Sale Order and Requesting Related Relief
11/8/2019	3574	Notice of Lodgment of Order in Bankruptcy Case re: Enforcement Motion [Docket No. 3188]
11/11/2019	3582	Objection to Order Granting “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief” (Doc. 3188)

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
11/11/2019	3583	Notice of Lodgment of Order re: Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief (Doc.3188)
11/11/2019	3586	Debtors' Response to Strategic Global Management, Inc.'s (I) Objection to Debtors' Proposed Order Granting Enforcement Motion and (II) Strategic Global Management, Inc.'s Notice of Lodgment of Alternative Proposed Order; Declaration of Tania M. Moyron in Support Thereof [Related Docket Nos. 3572, 3573, 3574, 3582, 3583]
11/11/2019	3590	Official Committee of Unsecured Creditors' (I) Reply to SGM's Objection to the Debtors' Proposed Order on the Debtors' Enforcement Motion [Dkt. 3582] and (II) Statement in Support of the Debtors' Proposed Order [Dkt. 3574]
11/12/2019	3591	Order Setting Emergency Hearing on Strategic Global Management's Objection to the Form of the Debtor's Proposed Order Granting the Sale Enforcement Motion
11/13/2019	3599	Order Vacating and Withdrawing "Memorandum of Decision Granting Debtors' Emergency Motion to Enforce the Sale Order" [Doc. No. 3446]
11/14/2019	3610	Notice of Redline of Changes to Proposed Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
11/14/2019	3611	Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
9/20/2019	3103	Motion to Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan; and (IV) Granting Related Relief [Relates to Docket Nos. 2994, 2995]



<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
9/24/2019	3120	Order Granting Motion to Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan; and (IV) Granting Related Relief
11/15/2019	3621	Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 20, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594]
11/18/2019	3632	Memorandum of Decision (1) Finding That SGM is Obligated to Promptly Close the SGM Sale Under § 8.6 of the APA, Provided That All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement
11/18/2019	3633	Order (1) Finding That SGM is Obligated to Promptly Close the SGM Sale Under § 8.6 of the APA, Provided That All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement
11/27/2019	3723	Memorandum of Decision Finding That SGM is Obligated to Close the SGM Sale by No Later Than December 5, 2019
11/27/2019	3724	Order (1) Finding That SGM is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors' Motion for Approval of Disclosure Statement
12/9/2019	3783	Memorandum of Decision Denying Debtors' Emergency Motion for Issuance of an Order to Show Cause re: Closing of the SGM Sale
12/9/2019	3784	Order Denying Debtors' Emergency Motion for Issuance of an Order to Show Cause re: Closing of the SGM Sale
2/19/2019	1570	Transcript Regarding Hearing Held February 6, 2019 re: Motion and Notice of Motion for the Entry of an Order
10/21/2019	3416	Transcript Regarding Hearing Held October 15, 2019 re: Debtors' Emergency Motion for the Entry of an Order
11/15/2019	3620	Transcript Regarding Hearing Held November 13, 2019 re: Verity Health System of California, Inc.
N/A	N/A	Bankruptcy Court Docket, <i>In re Verity Health System of California, Inc., et al.</i> , Lead Case No. 2:18-bk-20151-ER

Filing Date	Docket No.	Docket Text
11/29/2019	3727	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.

2. Reporter's Transcript(s) for the following date(s):

February 6, 2019, October 15, 2019, November 13, 2019

Dated: December 13, 2019

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

By: /s/ Gary E. Klausner  
Gary E. Klausner  
Counsel for Strategic Global Management, Inc.



## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled **STATEMENT OF ISSUES ON APPEAL AND DESIGNATION OF RECORD [RELATED TO APPEAL OF NOVEMBER 18 ORDER, DOC. NO. 3633]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **December 13, 2019**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Alexandra Achamallah aachamallah@milbank.com, rliubicic@milbank.com
- Melinda Alonzo ml7829@att.com
- Robert N Amkraut ramkraut@foxrothschild.com
- Kyra E Andrassy kandrassy@swelawfirm.com, lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- Simon Aron saron@wrslawyers.com
- Lauren T Attard lattard@bakerlaw.com, agrosso@bakerlaw.com
- Allison R Axenrod allison@claimsrecoveryllc.com
- Cristina E Bautista cristina.bautista@kattenlaw.com, ecf.lax.docket@kattenlaw.com
- James Cornell Behrens jbehrens@milbank.com, gbray@milbank.com;mshinderman@milbank.com;dodonnell@milbank.com;jbrewster@milbank.com;JWeber@milbank.com
- Ron Bender rb@lnbyb.com
- Bruce Bennett bbennett@jonesday.com
- Peter J Benvenuti pbenvenuti@kellerbenvenuti.com, pjenven74@yahoo.com
- Leslie A Berkoff lberkoff@moritthock.com, hmay@moritthock.com
- Steven M Berman sberman@slk-law.com
- Stephen F Biegenzahn efile@sfblaw.com
- Karl E Block kblock@loeb.com, jvazquez@loeb.com;ladocket@loeb.com;kblock@ecf.courtdrive.com
- Dustin P Branch branchd@ballardspahr.com, carolod@ballardspahr.com;hubenb@ballardspahr.com
- Michael D Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com;mbreslauer@ecf.courtdrive.com;wyones@ecf.courtdrive.com
- Chane Buck cbuck@jonesday.com
- Lori A Butler butler.lori@pbgc.gov, efile@pbgc.gov
- Howard Camhi hcamhi@ecjlaw.com, tcastelli@ecjlaw.com;amatsuoka@ecjlaw.com
- Barry A Chatz barry.chatz@saul.com, jurate.medziak@saul.com
- Shirley Cho scho@pszjlaw.com
- Shawn M Christianson cmcintire@buchalter.com, schristianson@buchalter.com
- Louis J. Cisz lcisz@nixonpeabody.com, jzic@nixonpeabody.com
- Leslie A Cohen leslie@lesliecohenlaw.com, jaimie@lesliecohenlaw.com;olivia@lesliecohenlaw.com
- Marcus Colabianchi mcolabianchi@duanemorris.com
- Kevin Collins kevin.collins@btlaw.com, Kathleen.lytle@btlaw.com
- Joseph Corrigan Bankruptcy2@ironmountain.com
- David N Crapo dcrapo@gibbonslaw.com, elrosen@gibbonslaw.com
- Mariam Danielyan md@danielyanlawoffice.com, danielyan.mar@gmail.com

- 1 • Brian L Davidoff b davidoff@greenbergglusker.com,  
calendar@greenbergglusker.com;jking@greenbergglusker.com
- 2 • Aaron Davis aaron.davis@bryancave.com, kat.flaherty@bryancave.com
- 3 • Lauren A Deeb lauren.deeb@nelsonmullins.com, maria.domingo@nelsonmullins.com
- 4 • Daniel Denny ddenny@milbank.com
- 5 • Anthony Dutra adutra@hansonbridgett.com
- 6 • Kevin M Eckhardt kevin.eckhardt@gmail.com, keckhardt@hunton.com
- 7 • Lei Lei Wang Ekvall lekvall@swelawfirm.com,  
lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- 8 • David K Eldan david.eldan@doj.ca.gov, teresa.depaz@doj.ca.gov
- 9 • Andy J Epstein taxcpaesq@gmail.com
- 10 • Richard W Esterkin richard.esterkin@morganlewis.com
- 11 • Christine R Etheridge christine.etheridge@ikonfin.com
- 12 • M Douglas Flahaut flahaut.douglas@arentfox.com
- 13 • Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- 14 • Joseph D Frank jfrank@fgllp.com,  
mmatlock@fgllp.com;csmith@fgllp.com;jkleinman@fgllp.com;csucic@fgllp.com
- 15 • William B Freeman bill.freeman@kattenlaw.com,  
nicole.jones@kattenlaw.com,ecf.lax.docket@kattenlaw.com
- 16 • John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- 17 • Eric J Fromme efromme@tocounsel.com,  
lchapman@tocounsel.com;sschuster@tocounsel.com
- 18 • Amir Gamliel amir-gamliel-9554@ecf.pacerpro.com,  
cmallahi@perkinscoie.com;DocketLA@perkinscoie.com
- 19 • Jeffrey K Garfinkle jgarfinkle@buchalter.com,  
docket@buchalter.com;dcyrankowski@buchalter.com
- 20 • Thomas M Geher tmg@jmbm.com, bt@jmbm.com;fc3@jmbm.com;tmg@ecf.inforuptcy.com
- 21 • Lawrence B Gill lgill@nelsonhardiman.com,  
rrange@nelsonhardiman.com;mmarkwell@nelsonhardiman.com
- 22 • Paul R. Glassman pglassman@sycr.com
- 23 • Matthew A Gold courts@argopartners.net
- 24 • Eric D Goldberg eric.goldberg@dlapiper.com, eric-goldberg-1103@ecf.pacerpro.com
- 25 • Marshall F Goldberg mgoldberg@glassgoldberg.com, jbailey@glassgoldberg.com
- 26 • Richard H Golubow rgolubow@wcghlaw.com,  
pj@wcghlaw.com;jmartinez@wcghlaw.com;Meir@virtualparalegalservices.com
- 27 • David M. Guess guessd@gtlaw.com
- 28 • Anna Gumport agumport@sidley.com
- Melissa T Harris harris.melissa@pbgc.gov, efile@pbgc.gov
- James A Hayes jhayes@zinserhayes.com, jhayes@jamesahayesaplc.com
- Michael S Held mheld@jw.com
- Lawrence J Hilton lhilton@onellp.com,  
lthomas@onellp.com,info@onellp.com,rgolder@onellp.com,lhyska@onellp.com,nlichtenberger  
@onellp.com
- Robert M Hirsh Robert.Hirsh@arentfox.com
- Florice Hoffman fhoffman@socal.rr.com, floricehoffman@gmail.com
- Lee F Hoffman leehoffmanjd@gmail.com, lee@fademlaw.com
- Michael Hogue hogue@gtlaw.com, SFOLitDock@gtlaw.com;navarrom@gtlaw.com
- Matthew B Holbrook mholbrook@sheppardmullin.com, mmanns@sheppardmullin.com
- David I Horowitz david.horowitz@kirkland.com,  
keith.catuara@kirkland.com;terry.ellis@kirkland.com;elsa.banuelos@kirkland.com;ivon.granado  
s@kirkland.com
- Brian D Huben hubenb@ballardspahr.com, carolod@ballardspahr.com
- Joan Huh joan.huh@cdtfa.ca.gov
- Benjamin Ikuta bikuta@hml.law
- Lawrence A Jacobson laj@cohenandjacobson.com
- John Mark Jennings johnmark.jennings@kutakrock.com, mary.clark@kutakrock.com

- 1 • Monique D Jewett-Brewster mjb@hopkinscarley.com, eamaro@hopkinscarley.com
- 2 • Crystal Johnson M46380@ATT.COM
- 3 • Gregory R Jones gjones@mwe.com, rnhunter@mwe.com
- 4 • Jeff D Kahane jkahane@duanemorris.com, dmartinez@duanemorris.com
- 5 • Steven J Kahn skahn@pszyjw.com
- 6 • Cameo M Kaisler salembier.cameo@pbgc.gov, efile@pbgc.gov
- 7 • Ivan L Kallick ikallick@manatt.com, ihernandez@manatt.com
- 8 • Ori Katz okatz@sheppardmullin.com,  
cshulman@sheppardmullin.com;ezisholtz@sheppardmullin.com;lsegura@sheppardmullin.com
- 9 • Payam Khodadadi pkhodadadi@mcguirewoods.com, dkiker@mcguirewoods.com
- 10 • Christian T Kim ckim@dumas-law.com, ckim@ecf.inforuptcy.com
- 11 • Jane Kim jkim@kellerbenvenuti.com
- 12 • Monica Y Kim myk@lnbrb.com, myk@ecf.inforuptcy.com
- 13 • Gary E Klausner gek@lnbyb.com
- 14 • David A Klein david.klein@kirkland.com
- 15 • Nicholas A Koffroth nick.koffroth@dentons.com, chris.omeara@dentons.com
- 16 • Joseph A Kohanski jkohanski@bushgottlieb.com, kprestegard@bushgottlieb.com
- 17 • Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- 18 • Darryl S Laddin bkrfilings@agg.com
- 19 • Robert S Lampl advocate45@aol.com, rlisarobinsonr@aol.com
- 20 • Richard A Lapping richard@lappinglegal.com
- 21 • Paul J Laurin plaurin@btlaw.com, slmoore@btlaw.com;jboustani@btlaw.com
- 22 • Nathaniel M Leeds nathaniel@mitchelllawsf.com, sam@mitchelllawsf.com
- 23 • David E Lemke david.lemke@wallerlaw.com,  
chris.cronk@wallerlaw.com;Melissa.jones@wallerlaw.com;cathy.thomas@wallerlaw.com
- 24 • Lisa Lenherr llenherr@wendel.com, bankruptcy@wendel.com
- 25 • Elan S Levey elan.levey@usdoj.gov, louisalin@usdoj.gov
- 26 • Tracy L Mainguy bankruptcycourtnotices@unioncounsel.net, tmainguy@unioncounsel.net
- 27 • Samuel R Maizel samuel.maizel@dentons.com,  
alicia.aguilar@dentons.com;docket.general.lit.LOS@dentons.com;tania.moyron@dentons.com;k  
athryn.howard@dentons.com;joan.mack@dentons.com;derry.kalve@dentons.com
- 28 • Alvin Mar alvin.mar@usdoj.gov, dare.law@usdoj.gov
- Craig G Margulies Craig@MarguliesFaithlaw.com,  
Victoria@MarguliesFaithlaw.com;Helen@MarguliesFaithlaw.com
- Hutchison B Meltzer hutchison.meltzer@doj.ca.gov, Alicia.Berry@doj.ca.gov
- Christopher Minier becky@ringstadlaw.com, arlene@ringstadlaw.com
- John A Moe john.moe@dentons.com, glenda.spratt@dentons.com
- Susan I Montgomery susan@simontgomerylaw.com,  
assistant@simontgomerylaw.com;simontgomerylawecf.com@gmail.com;montgomerysr71631@  
notify.bestcase.com
- Monserrat Morales Monsi@MarguliesFaithLaw.com,  
Victoria@MarguliesFaithLaw.com;Helen@marguliesfaithlaw.com
- Kevin H Morse kmorse@clarkhill.com, blambert@clarkhill.com
- Marianne S Mortimer mmartin@jmbm.com
- Tania M Moyron tania.moyron@dentons.com,  
chris.omeara@dentons.com;nick.koffroth@dentons.com
- Alan I Nahmias anahmias@mbnlawyers.com, jdale@mbnlawyers.com
- Akop J Nalbandyan jnalbandyan@LNtriallawyers.com, cbautista@LNtriallawyers.com
- Jennifer L Nassiri jennifernassiri@quinnemanuel.com
- Charles E Nelson nelsonc@ballardspahr.com, wassweilerw@ballardspahr.com
- Sheila Gropper Nelson shedoesbkla@aol.com
- Mark A Neubauer mneubauer@carltonfields.com,  
mlrodriguez@carltonfields.com;smcloughlin@carltonfields.com;schau@carltonfields.com;NDunn  
@carltonfields.com;ecfla@carltonfields.com
- Fred Neufeld fneufeld@sycr.com, tingman@sycr.com

- 1 • Nancy Newman nnewman@hansonbridgett.com,  
ajackson@hansonbridgett.com;calendarclerk@hansonbridgett.com
- 2 • Bryan L Ngo bngo@fortislaw.com,  
BNgo@bluecapitallaw.com;SPicariello@fortislaw.com;JNguyen@fortislaw.com;JNguyen@bluec  
3 apitallaw.com
- 4 • Abigail V O'Brient avobrient@mintz.com,  
docketing@mintz.com;DEHashimoto@mintz.com;nleali@mintz.com;ABLevin@mintz.com;GJLeo  
n@mintz.com
- 5 • John R OKeefe jokeefe@metzlewis.com, slohr@metzlewis.com
- 6 • Scott H Olson solson@vedderprice.com,  
jcano@vedderprice.com,jparker@vedderprice.com;scott-olson-  
2161@ecf.pacerpro.com,ecfsdocket@vedderprice.com
- 7 • Giovanni Orantes go@gobklaw.com, gorantes@orantes-  
law.com,cmh@gobklaw.com,gobklaw@gmail.com,go@ecf.inforuptcy.com;orantesgr89122@noti  
8 fy.bestcase.com
- 9 • Keith C Owens kowens@venable.com, khoang@venable.com
- 10 • R Gibson Pagter gibson@ppilawyers.com,  
ecf@ppilawyers.com;pagterr51779@notify.bestcase.com
- 11 • Paul J Pascuzzi ppascuzzi@ffwplaw.com
- 12 • Lisa M Peters lisa.peters@kutakrock.com, marybeth.brukner@kutakrock.com
- 13 • Christopher J Petersen cjpetersen@blankrome.com, gsolis@blankrome.com
- 14 • Mark D Plevin mplevin@crowell.com, cromos@crowell.com
- 15 • Steven G. Polard spolard@ch-law.com, calendar-  
lao@rmkb.com;melissa.tamura@rmkb.com;anthony.arriola@rmkb.com
- 16 • David M Powlen david.powlen@btlaw.com, pgroff@btlaw.com
- 17 • Christopher E Prince cprince@lesnickprince.com,  
jmack@lesnickprince.com;cprince@ecf.courtdrive.com
- 18 • Lori L Purkey bareham@purkeyandassociates.com
- 19 • William M Rathbone wrathbone@grsm.com, jmydlandevans@grsm.com;sdurazo@grsm.com
- 20 • Jason M Reed Jason.Reed@Maslon.com
- 21 • Michael B Reynolds mreynolds@swlaw.com, kcollins@swlaw.com
- 22 • J. Alexandra Rhim arhim@hrhlaw.com
- 23 • Emily P Rich erich@unioncounsel.net, bankruptcycourtnotices@unioncounsel.net
- 24 • Robert A Rich , candonian@huntonak.com
- 25 • Lesley A Riis lriis@dpmclaw.com
- 26 • Debra Riley driley@allenmatkins.com
- 27 • Jason E Rios jrios@ffwplaw.com
- 28 • Julie H Rome-Banks julie@binderhalter.com
- Mary H Rose mrose@buchalter.com
- Megan A Rowe mrowe@dsrhealthlaw.com, lwestoby@dsrhealthlaw.com
- Nathan A Schultz nschultz@goodwinlaw.com
- Mark A Serlin ms@swllplaw.com, mor@swllplaw.com
- Seth B Shapiro seth.shapiro@usdoj.gov
- David B Shemano dshemano@shemanolaw.com
- Joseph Shickich jshickich@riddellwilliams.com
- Mark Shinderman mshinderman@milbank.com,  
dmuhrez@milbank.com;dlbatie@milbank.com
- Rosa A Shirley rshirley@nelsonhardiman.com,  
ksherry@nelsonhardiman.com;lgill@nelsonhardiman.com;rrange@nelsonhardiman.com
- Kyrsten Skogstad kskogstad@calnurses.org, rcraven@calnurses.org
- Michael St James ecf@stjames-law.com
- Andrew Still astill@swlaw.com, kcollins@swlaw.com
- Jason D Strabo jstrabo@mwe.com, cfuraha@mwe.com
- Sabrina L Streusand Streusand@slollp.com
- Ralph J Swanson ralph.swanson@berliner.com, sabina.hall@berliner.com

- 1 • Michael A Sweet msweet@foxrothschild.com,  
swillis@foxrothschild.com;pbasa@foxrothschild.com
- 2 • James Toma james.toma@doj.ca.gov, teresa.depaz@doj.ca.gov
- 3 • Gary F Torrell gtorrell@health-law.com
- 4 • United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- 5 • Cecelia Valentine cecelia.valentine@nlrb.gov
- 6 • Jason Wallach jwallach@ghplaw.com, g33404@notify.cincompass.com
- 7 • Kenneth K Wang kenneth.wang@doj.ca.gov,  
Jennifer.Kim@doj.ca.gov;Stacy.McKellar@doj.ca.gov;yesenia.caro@doj.ca.gov
- 8 • Phillip K Wang phillip.wang@rimonlaw.com, david.kline@rimonlaw.com
- 9 • Sharon Z. Weiss sharon.weiss@bclplaw.com, raul.morales@bclplaw.com
- 10 • Adam G Wentland awentland@tocounsel.com, lkwon@tocounsel.com
- 11 • Latonia Williams lwilliams@goodwin.com, bankruptcy@goodwin.com
- 12 • Michael S Winsten mike@winsten.com
- 13 • Jeffrey C Wisler jwisler@connollygallagher.com, dperkins@connollygallagher.com
- 14 • Neal L Wolf nwolf@hansonbridgett.com,  
calendarclerk@hansonbridgett.com,lchappell@hansonbridgett.com
- 15 • Hatty K Yip hatty.yip@usdoj.gov,  
dare.law@usdoj.gov;kelly.l.morrison@usdoj.gov;kenneth.g.lau@usdoj.gov
- 16 • Andrew J Ziaja aziaja@leonardcarder.com,  
sgroff@leonardcarder.com;msimons@leonardcarder.com;lbadar@leonardcarder.com
- 17 • Rose Zimmerman rzimmerman@dalycity.org

18 **2. SERVED BY UNITED STATES MAIL:** On **December 13, 2019**, I served the following persons and/or  
19 entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true  
20 and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and  
21 addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be  
22 completed no later than 24 hours after the document is filed.

23 ☐ Service information continued on attached page

24 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**  
25 **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,  
26 on **December 13, 2019**, I served the following persons and/or entities by personal delivery, overnight  
27 mail service, or (for those who consented in writing to such service method), by facsimile transmission  
28 and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or  
overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**Served via Attorney Service**

The Honorable Ernest M. Robles  
United States Bankruptcy Court  
Edward R. Roybal Federal Building  
255 E. Temple Street, Suite 1560  
Los Angeles, CA 90012

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

<b>December 13, 2019</b>	Lisa Masse	/s/ Lisa Masse
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>

# **EXHIBIT D**



SAMUEL R. MAIZEL (Bar No. 189301)  
samuel.maizel@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.

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  
Honorable Ernest M. Robles

**APPELLEES' DESIGNATION OF  
ADDITIONAL ITEMS TO BE INCLUDED IN  
THE RECORD ON APPEAL (USDC Case No.  
2:19-cv-10354-DSF)**

- ☒ 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.

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300





Pursuant to Rule 6 of the Federal Rules of Appellate Procedure and Rule 8009 of the Federal Rules of Bankruptcy Procedure, Appellees and Debtors, Verity Health System of California, Inc. and its affiliates (collectively, the “Appellees”), hereby designate the following items, in addition to those items previously designated by the Appellant, for inclusion in the record in connection with Appellant’s appeal from the *Order (1) Finding that SGM is Obligated to Promptly Close the SGM Sale Under Sec. 8.6 of the APA, Provided that all other Conditions to Closing have been Satisfied and (2) Granting Debtors’ Motion for a Continuance of the Hearing to Approve the Disclosure Statement* [Docket No. 3633].

**DESIGNATION OF ADDITIONAL ITEMS FOR INCLUSION IN RECORD ON APPEAL**  
**FROM THE DOCKET OF THE UNITED STATES BANKRUPTCY COURT FOR THE**  
**CENTRAL DISTRICT OF CALIFORNIA FOR CASE NO. 2:19-cv-10354-DSF**

Date Filed	Docket Number	Description
8/31/18	8	Declaration of Richard G. Adcock In Support of Emergency First-Day Motions
1/17/19	1279	Motion and Notice of Motion For The Entry of (I) An Order (1) Approving Form of Asset Purchase Agreement For Stalking Horse Bidder and For Prospective Overbidders; (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections; (3) Approving Form of Notice To Be Provided To Interested Parties; (4) Scheduling A Court Hearing To Consider Approval of The Sale To The Highest Bidder; and (5) Approving Procedures Related To The Assumption of Certain Executory Contracts and Unexpired Leases; and (II) An Order (A) Authorizing The Sale of Property Free and Clear of All Claims, Liens and Encumbrances; Memorandum of Points and Authorities In Support Thereof
10/15/19	3386	Supplemental Objection of the United States, on Behalf of the U.S. Department of Health and Human Services and Centers for Medicare and Medicaid Services to Debtors’ Motion for the Entry of an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens, and Encumbrances; and Memorandum of Points and Authorities in Support Thereof

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

Date Filed	Docket Number	Description
11/19/19	3644	Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594, 3632, 3633]
11/20/19	3646	Order Granting Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Debtors' Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594, 3621, 3623, 3633, 3644]
11/22/19	3677	Stipulation Between the Debtors and HHS re: Assumption and Assignment of Medicare Provider Agreements to Strategic Global Management, Inc.
11/22/19	3678	Debtors' Ex Parte Motion for an Order Allowing the Debtors to File "Plan B" of Their Status Report Under Seal; Declaration of Richard G. Adcock in Support Thereof
11/22/19	3679	Order Granting Debtors' Ex Parte Motion for an Order Allowing the Debtors to File "Plan B" of Their Status Report Under Seal
11/22/19	3680	Order Approving Stipulation Between the Debtors and HHS re: Assumption and Assignment of Medicare Provider Agreements to Strategic Global Management, Inc.
11/24/19	3692	Debtors' Status Report re Order Granting Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement, (II) Solicitation and Voting Procedures, (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections; and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter [Relates to Docket No. 3646]
11/25/19	3697	Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal; Declaration of Richard G. Adcock in Support Thereof

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300

Date Filed	Docket Number	Description
11/25/19	3698	Strategic Global Management, Inc.'s Objection to Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/19	3699	Order Granting Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/19	3700	Strategic Global Management, Inc.'s Amended Objection to Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/19	3701	Strategic Global Management, Inc.'s Reservation of Rights in Connection with Debtor's Status Conference Report
11/26/19	3704	[Filed Under Seal] "Plan B" to Debtors' Status Report
11/26/19	3705	[Filed Under Seal] Correspondence Regarding the SGM Sale Related to Debtors' Status Report
11/27/19	3716	Transcript Regarding Hearing Held November 26, 2019 re: Verity Health System of California, Inc.
11/29/19	3726	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.
12/3/19	3746	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.
12/9/19	3786	Stipulation Between the Debtors and the California Department of Health Care Services re: Assumption and Assignment of Medi-Cal Provider Agreements to Strategic Global Management, Inc.
12/9/19	3787	Order Approving Stipulation Re: Assumption And Assignment Of Medi-Cal Provider Agreements To Strategic Global Management, Inc.

Respectfully submitted,

Dated: December 27, 2019

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

BY: /s/Tania M. Moyron  
TANIA M. MOYRON  
Attorneys for Debtors and Debtors In  
Possession

# **EXHIBIT E**

GARY E. KLAUSNER (SBN 69055)  
gek@lnbyb.com  
LEVENÉ, NEALE, BENDER, YOO & BRILL L.L.P.  
10250 Constellation Boulevard, Suite 1700  
Los Angeles, CA 90067  
Telephone: (310) 229-1234  
Facsimile: (310) 229-1244

L. RACHEL LERMAN  
rachel.berman@btlaw.com  
BARNES & THORNBURG LLP  
2029 Century Park East Suite 300  
Los Angeles, CA 90067-2904  
Telephone: (310) 284-3871

Attorneys for Strategic Global Management, Inc.

**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 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

**STATEMENT OF ISSUES ON APPEAL  
AND DESIGNATION OF RECORD  
[RELATED TO APPEAL OF NOVEMBER  
27 ORDER, DOC. NO. 3724]**



**STATEMENT OF ISSUES ON APPEAL**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, appellants Strategic Global Management, Inc. (“SGM”), through its undersigned counsel of record, hereby designate the following statement of issues on appeal of the Bankruptcy Court’s “*Order (1) Finding that SGM Is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors’ Motion for Approval of Disclosure Statement*” [Doc. No. 3724] (the “Order”).<sup>1</sup>

1. Did the Bankruptcy Court err in entering its *sua sponte* Order of November 27, 2019 when it did not provide SGM with any notice, prior to entering the Order, that the Bankruptcy Court intended to make a ruling which would purport to adjudicate issues fundamental to determining whether SGM was obligated to close the APA transaction on December 5, 2019, and failed to give SGM a reasonable opportunity to be heard, either orally or in written briefs, prior to entering the Order?

2. Did the Bankruptcy Court deprive SGM of its due process rights by determining that notice and hearing were not required to adjudicate whether the parties had satisfied all conditions to closing?

3. Did the Bankruptcy Court err in finding that an adversary proceeding pursuant to

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<sup>1</sup> As of the filing of this statement, SGM has appealed the following orders of the Bankruptcy Court: (A) “*Order Granting ‘Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding that the Sale Is Free and Clear of Conditions Materially Different than Those Approved by the Court; (III) Finding that . . .*” [Doc. No. 3611] entered on November 14, 2019 (the “November 14 Order”); (B) “*Order (1) Finding that SGM Is Obligated to Promptly Close the SGM Sale Under Sec. 8.6 of the APA, Provided that All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors’ Motion for a Continuance of the Hearing to Approve the Disclosure Statement*” [Doc. No. 3633] entered on November 18, 2019 (the “November 18 Order”); and (C) “*Order (1) Finding that SGM Is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors’ Motion for Approval of Disclosure Statement*” [Doc. No. 3724] entered on November 27, 2019 (the “November 27 Order”, and collectively, the “Orders”). The Orders all relate to whether the conditions for SGM’s closing of the sale (the “Sale”) of certain assets (the “Assets”) pursuant to the asset purchase agreement dated January 8, 2019 [Doc. No. 2305] (the “Asset Purchase Agreement”) have been satisfied.

1 Federal Rule of Bankruptcy Procedure 7001 was not required to adjudicate whether the Debtors  
2 had satisfied all conditions to closing as of November 20, 2019, when the Debtors sent to SGM the  
3 Debtors' demand that SGM close the sale on December 5, 2019?

4 4. Did the Bankruptcy Court err in entering its *sua sponte* Order of November 27, 2019,  
5 when, *inter alia*,

6 (a) the Debtors had not satisfied all conditions for closing the sale as of the date they  
7 sent SGM a demand to close on December 5, 2019; and

8 (b) based on its review, over SGM's objection, of (i) correspondence exchanged  
9 between counsel for the Debtors and counsel for SGM, which were not intended to be a  
10 substitute for pleadings, evidence or legal briefs; and (ii) the Debtors' statements regarding  
11 alternatives to the Sale which were filed under seal and never shared with SGM?

12 5. Did the Bankruptcy Court err, in issuing an advisory opinion or summarily  
13 adjudicating, that it would dismiss any complaint filed by SGM regarding the Sale and APA?<sup>2</sup>

14 6. Did the Bankruptcy Court err in finding that SGM could not appeal its determination  
15 regarding the non-occurrence of a "Material Adverse Effect" under the APA?

16 7. Did the Bankruptcy Court abuse its discretion in finding that all of the conditions  
17 for closing the Sale under the APA had been satisfied as of November 19, 2019, and that, as a result,  
18 SGM was obligated to close the Sale by December 5, 2019?

19 **DESIGNATION OF THE RECORD**

20 Appellants hereby designate the following items to be included in the record on appeal:

21 1. Unless otherwise indicated, (1) each of the following pleadings that are described  
22 below are based on the electronic docket in the jointly administered bankruptcy cases of Verity  
23 Health System of California, Inc. ("VHS") and the above-referenced affiliated debtors, the debtors  
24 and debtors in possession (collectively, the "Debtors"); and (2) the pleadings listed below have  
25 been filed on the electronic docket of VHS.

26 \_\_\_\_\_

27  
28 <sup>2</sup> See (Doc. No. 3723, 6 fn. 4) ("Had SGM presented its allegations by way of an adversary complaint, the Court would dismiss such a complaint under Civil Rule 12(b)(6) for failure to state a claim upon which relief could be granted.").



<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
2/19/2019	1572	Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse Bidder and for Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections, (3) Approving Form of Notice to be Provided to Interested Parties, (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest Bidder and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (II) an Order (A) Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances; Memorandum of Points and Authorities in Support Thereof
05/02/2019	2305	Notice of Filing of Final Asset Purchase Agreement and Schedules Re Motion for the Entry of (I) An Order (1) Approving Form of Asset Purchase Agreement for Stalking Horse Bidder and for Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections [...] [Related to Docket Nos. 1279 and 1572]
05/02/2019	2306	Order (A) Authorizing The Sale Of Certain Of The Debtors' Assets To Strategic Global Management, Inc. free And Clear Of Liens, Claims, Encumbrances, And Other Interests; (B) Approving The Assumption And Assignment Of An Unexpired Lease Related Thereto; And (C) Granting Related Relief
05/02/2019	2365	Stipulation Between the Debtors, DHCS, and HHS Continuing Hearing Regarding Transfer of Medi-Cal Provider Agreements and Medicare Provider Agreements to Strategic Global Management, Inc. [Related Docket Nos. 1572, 1879, 2278]
5/14/2019	2377	Order Approving Stipulation Between the Debtors, DHCS, and HHS Continuing Hearing Regarding Transfer of Medi-Cal Provider Agreements and Medicare Provider Agreements to Strategic Global Management, Inc. [Related Docket Nos. 1572, 1879, 2278]
09/30/2019	3188	Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing the Conditions on That Sale; and (IV) Granting Related Relief [Docket No. 3188]
10/8/2019	3320	Official Committee of Unsecured Creditors' Response in Support of Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; and Other Relief [Dkt. 3188]

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
10/8/2019	3325	Response of United Nurses Associations of California to Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; and Other Relief
10/9/2019	3333	Opposition of California Attorney General to "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
10/9/2019	3334	Declaration of David K. Eldan in Support of the California Attorney General's Opposition to "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief"
10/10/2019	3356	Statement of Strategic Global Management, Inc. in Support of "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court . . . ."
10/14/2019	3382	Debtors' Reply to California Attorney General's Opposition to Debtors' Motion for the Entry of an Order Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.
Posted 10/15/2019	N/A	Bankruptcy Court's Tentative Ruling on "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale Is Free and Clear of Conditions Materially Different Than Those Approved by the Court . . . ." posted on October 15, 2019 at 7:48:42 AM.
10/23/2019	3446	Memorandum of Decision Granting Debtors' Emergency Motion to Enforce Sale Order [Doc. No. 3188]

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
11/08/2019	3572	Stipulation Resolving “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief” [Docket No. 3188]
11/8/2019	3573	Notice Regarding Proposed Order Resolving Debtors’ Emergency Motion for the Entry of an Order Enforcing the Sale Order and Requesting Related Relief
11/8/2019	3574	Notice of Lodgment of Order in Bankruptcy Case re: Enforcement Motion [Docket No. 3188]
11/11/2019	3582	Objection to Order Granting “Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief” (Doc. 3188)
11/11/2019	3583	Notice of Lodgment of Order re: Debtors’ Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief (Doc.3188)
11/11/2019	3586	Debtors’ Response to Strategic Global Management, Inc.’s (I) Objection to Debtors’ Proposed Order Granting Enforcement Motion and (II) Strategic Global Management, Inc.’s Notice of Lodgment of Alternative Proposed Order; Declaration of Tania M. Moyron in Support Thereof [Related Docket Nos. 3572, 3573, 3574, 3582, 3583]
11/11/2019	3590	Official Committee of Unsecured Creditors’ (I) Reply to SGM’s Objection to the Debtors’ Proposed Order on the Debtors’ Enforcement Motion [Dkt. 3582] and (II) Statement in Support of the Debtors’ Proposed Order [Dkt. 3574]
11/12/2019	3591	Order Setting Emergency Hearing on Strategic Global Management’s Objection to the Form of the Debtor’s Proposed Order Granting the Sale Enforcement Motion
11/13/2019	3599	Order Vacating and Withdrawing “Memorandum of Decision Granting Debtors’ Emergency Motion to Enforce the Sale Order” [Doc. No. 3446]

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
11/14/2019	3610	Notice of Redline of Changes to Proposed Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc.; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
11/14/2019	3611	Order Granting "Debtors' Emergency Motion for the Entry of an Order: (I) Enforcing the Order Authorizing the Sale to Strategic Global Management, Inc; (II) Finding That the Sale is Free and Clear of Conditions Materially Different Than Those Approved by the Court; (III) Finding That the Attorney General Abused His Discretion in Imposing Conditions on That Sale; and (IV) Granting Related Relief" [Doc. 3188]
9/20/2019	3103	Motion to Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan; and (IV) Granting Related Relief [Relates to Docket Nos. 2994, 2995]
9/24/2019	3120	Order Granting Motion to Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan; and (IV) Granting Related Relief
10/11/2019	3372	Order Authorizing Debtors to Sell Medi-Cal Provider Agreements, Free and Clear of Interests Asserted by the California Department of Health Care Services, Pursuant to §§ 363(b) and (f)(5)
11/15/2019	3621	Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 20, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594]
11/18/2019	3632	Memorandum of Decision (1) Finding That SGM is Obligated to Promptly Close the SGM Sale Under § 8.6 of the APA, Provided That All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement

<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
11/18/2019	3633	Order (1) Finding That SGM is Obligated to Promptly Close the SGM Sale Under § 8.6 of the APA, Provided That All Other Conditions to Closing Have Been Satisfied and (2) Granting Debtors' Motion for a Continuance of the Hearing to Approve the Disclosure Statement
11/19/2019	3644	Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594, 3632, 3633]
11/20/2019	3646	Order Granting Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Debtors' Reply Deadline with Respect to Disclosure Statement Objections, and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter; Declaration of Richard G. Adcock in Support Thereof [Relates to Docket Nos. 2994, 2995, 3120, 3193, 3260, 3389, 3594, 3621, 3623, 3633, 3644]
10/15/2019	3386	Supplemental Objection of the United States, on Behalf of the U.S. Department of Health and Human Services and Centers for Medicare and Medicaid Services to Debtors' Motion for the Entry of an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens, and Encumbrances; and Memorandum of Points and Authorities in Support Thereof
11/22/2019	3677	Stipulation Between the Debtors and HHS re: Assumption and Assignment of Medicare Provider Agreements to Strategic Global Management, Inc.
11/22/2019	3678	Debtors' Ex Parte Motion for an Order Allowing the Debtors to File "Plan B" of Their Status Report Under Seal; Declaration of Richard G. Adcock in Support Thereof
11/22/2019	3679	Order Granting Debtors' Ex Parte Motion for an Order Allowing the Debtors to File "Plan B" of Their Status Report Under Seal
11/22/2019	3680	Order Approving Stipulation Between the Debtors and HHS re: Assumption and Assignment of Medicare Provider Agreements to Strategic Global Management, Inc.



<b>Filing Date</b>	<b>Docket No.</b>	<b>Docket Text</b>
11/24/2019	3692	Debtors' Status Report re Order Granting Motion to (A) Continue Hearing on Motion of the Debtors for an Order Approving: (I) Proposed Disclosure Statement, (II) Solicitation and Voting Procedures, (III) Notice and Objection Procedures for Confirmation of Debtors' Plan, and (IV) Granting Related Relief; (B) Continue the Reply Deadline with Respect to Disclosure Statement Objections; and (C) Use the November 26, 2019, 10:00 a.m. Hearing Date for a Status Conference on This Matter [Relates to Docket No. 3646]
11/25/2019	3697	Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal; Declaration of Richard G. Adcock in Support Thereof
11/25/2019	3698	Strategic Global Management, Inc.'s Objection to Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/2019	3699	Order Granting Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/2019	3700	Strategic Global Management, Inc.'s Amended Objection to Debtors' Ex Parte Motion for an Order Allowing the Debtors to File Correspondence Regarding the SGM Sale Under Seal
11/25/2019	3701	Strategic Global Management, Inc.'s Reservation of Rights in Connection with Debtor's Status Conference Report
11/26/2019	3704	[Filed Under Seal] "Plan B" to Debtors' Status Report
11/26/2019	3705	[Filed Under Seal] Correspondence Regarding the SGM Sale Related to Debtors' Status Report
11/27/2019	3723	Memorandum of Decision Finding That SGM is Obligated to Close the SGM Sale by No Later Than December 5, 2019
11/27/2019	3724	Order (1) Finding That SGM is Obligated to Close the SGM Sale by No Later Than December 5, 2019 and (2) Setting Continued Hearing on Debtors' Motion for Approval of Disclosure Statement
12/9/2019	3783	Memorandum of Decision Denying Debtors' Emergency Motion for Issuance of an Order to Show Cause re: Closing of the SGM Sale
12/9/2019	3784	Order Denying Debtors' Emergency Motion for Issuance of an Order to Show Cause re: Closing of the SGM Sale
12/9/2019	3786	Stipulation Between the Debtors and the California Department of Health Care Services re: Assumption and Assignment of Medi-Cal Provider Agreements to Strategic Global Management, Inc.
12/9/2019	3787	Order Approving Stipulation Re: Assumption And Assignment Of Medi-Cal Provider Agreements To Strategic Global Management, Inc.

Filing Date	Docket No.	Docket Text
2/19/2019	1570	Transcript Regarding Hearing Held February 6, 2019 re: Motion and Notice of Motion for the Entry of an Order
10/21/2019	3416	Transcript Regarding Hearing Held October 15, 2019 re: Debtors' Emergency Motion for the Entry of an Order
11/15/2019	3620	Transcript Regarding Hearing Held November 13, 2019 re: Verity Health System of California, Inc.
11/27/2019	3716	Transcript Regarding Hearing Held November 26, 2019 re: Verity Health System of California, Inc.
N/A	N/A	Bankruptcy Court Docket, <i>In re Verity Health System of California, Inc., et al.</i> , Lead Case No. 2:18-bk-20151-ER
12/03/2019	3746	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.

2. Reporter's Transcript(s) for the following date(s):

February 6, 2019, October 15, 2019, November 13, 2019, November 26, 2019

Dated: December 13, 2019

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

By: /s/ Gary E. Klausner

Gary E. Klausner

Counsel for Strategic Global Management, Inc.



## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled **STATEMENT OF ISSUES ON APPEAL AND DESIGNATION OF RECORD [RELATED TO APPEAL OF NOVEMBER 27 ORDER, DOC. NO. 3724]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **December 13, 2019**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Alexandra Achamallah aachamallah@milbank.com, rliubicic@milbank.com
- Melinda Alonzo ml7829@att.com
- Robert N Amkraut ramkraut@foxrothschild.com
- Kyra E Andrassy kandrassy@swelawfirm.com, lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- Simon Aron saron@wrslawyers.com
- Lauren T Attard lattard@bakerlaw.com, agrosso@bakerlaw.com
- Allison R Axenrod allison@claimsrecoveryllc.com
- Cristina E Bautista cristina.bautista@kattenlaw.com, ecf.lax.docket@kattenlaw.com
- James Cornell Behrens jbehrens@milbank.com, gbray@milbank.com;mshinderman@milbank.com;dodonnell@milbank.com;jbrewster@milbank.com;JWeber@milbank.com
- Ron Bender rb@lnbyb.com
- Bruce Bennett bbennett@jonesday.com
- Peter J Benvenuti pbenvenuti@kellerbenvenuti.com, pjenven74@yahoo.com
- Leslie A Berkoff lberkoff@moritthock.com, hmay@moritthock.com
- Steven M Berman sberman@slk-law.com
- Stephen F Biegenzahn efile@sfblaw.com
- Karl E Block kblock@loeb.com, jvazquez@loeb.com;ladocket@loeb.com;kblock@ecf.courtdrive.com
- Dustin P Branch branchd@ballardspahr.com, carolod@ballardspahr.com;hubenb@ballardspahr.com
- Michael D Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com;mbreslauer@ecf.courtdrive.com;wyones@ecf.courtdrive.com
- Chane Buck cbuck@jonesday.com
- Lori A Butler butler.lori@pbgc.gov, efile@pbgc.gov
- Howard Camhi hcamhi@ecjlaw.com, tcastelli@ecjlaw.com;amatsuoka@ecjlaw.com
- Barry A Chatz barry.chatz@saul.com, jurate.medziak@saul.com
- Shirley Cho scho@pszjlaw.com
- Shawn M Christianson cmcintire@buchalter.com, schristianson@buchalter.com
- Louis J. Cisz lcisz@nixonpeabody.com, jzic@nixonpeabody.com
- Leslie A Cohen leslie@lesliecohenlaw.com, jaimie@lesliecohenlaw.com;olivia@lesliecohenlaw.com
- Marcus Colabianchi mcolabianchi@duanemorris.com
- Kevin Collins kevin.collins@btlaw.com, Kathleen.lytle@btlaw.com
- Joseph Corrigan Bankruptcy2@ironmountain.com
- David N Crapo dcrapo@gibbonslaw.com, elrosen@gibbonslaw.com
- Mariam Danielyan md@danielyanlawoffice.com, danielyan.mar@gmail.com

- 1 • Brian L Davidoff b davidoff@greenbergglusker.com,  
calendar@greenbergglusker.com;jking@greenbergglusker.com
- 2 • Aaron Davis aaron.davis@bryancave.com, kat.flaherty@bryancave.com
- 3 • Lauren A Deeb lauren.deeb@nelsonmullins.com, maria.domingo@nelsonmullins.com
- 4 • Daniel Denny ddenny@milbank.com
- 5 • Anthony Dutra adutra@hansonbridgett.com
- 6 • Kevin M Eckhardt kevin.eckhardt@gmail.com, keckhardt@hunton.com
- 7 • Lei Lei Wang Ekvall lekvall@swelawfirm.com,  
lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- 8 • David K Eldan david.eldan@doj.ca.gov, teresa.depaz@doj.ca.gov
- 9 • Andy J Epstein taxcpaesq@gmail.com
- 10 • Richard W Esterkin richard.esterkin@morganlewis.com
- 11 • Christine R Etheridge christine.etheridge@ikonfin.com
- 12 • M Douglas Flahaut flahaut.douglas@arentfox.com
- 13 • Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- 14 • Joseph D Frank jfrank@fgllp.com,  
mmatlock@fgllp.com;csmith@fgllp.com;jkleinman@fgllp.com;csucic@fgllp.com
- 15 • William B Freeman bill.freeman@kattenlaw.com,  
nicole.jones@kattenlaw.com,ecf.lax.docket@kattenlaw.com
- 16 • John-Patrick M Fritz jpf@lnbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- 17 • Eric J Fromme efromme@tocounsel.com,  
lchapman@tocounsel.com;sschuster@tocounsel.com
- 18 • Amir Gamliel amir-gamliel-9554@ecf.pacerpro.com,  
cmallahi@perkinscoie.com;DocketLA@perkinscoie.com
- 19 • Jeffrey K Garfinkle jgarfinkle@buchalter.com,  
docket@buchalter.com;dcyrankowski@buchalter.com
- 20 • Thomas M Geher tmg@jmbm.com, bt@jmbm.com;fc3@jmbm.com;tmg@ecf.inforuptcy.com
- 21 • Lawrence B Gill lgill@nelsonhardiman.com,  
rrange@nelsonhardiman.com;mmarkwell@nelsonhardiman.com
- 22 • Paul R. Glassman pglassman@sycr.com
- 23 • Matthew A Gold courts@argopartners.net
- 24 • Eric D Goldberg eric.goldberg@dlapiper.com, eric-goldberg-1103@ecf.pacerpro.com
- 25 • Marshall F Goldberg mgoldberg@glassgoldberg.com, jbailey@glassgoldberg.com
- 26 • Richard H Golubow rgolubow@wcghlaw.com,  
pj@wcghlaw.com;jmartinez@wcghlaw.com;Meir@virtualparalegalservices.com
- 27 • David M. Guess guessd@gtlaw.com
- 28 • Anna Gumport agumport@sidley.com
- Melissa T Harris harris.melissa@pbgc.gov, efile@pbgc.gov
- James A Hayes jhayes@zinserhayes.com, jhayes@jamesahayesaplc.com
- Michael S Held mheld@jw.com
- Lawrence J Hilton lhilton@onellp.com,  
lthomas@onellp.com,info@onellp.com,rgolder@onellp.com,lhyska@onellp.com,nlichtenberger  
@onellp.com
- Robert M Hirsh Robert.Hirsh@arentfox.com
- Florice Hoffman fhoffman@socal.rr.com, floricehoffman@gmail.com
- Lee F Hoffman leehoffmanjd@gmail.com, lee@fademlaw.com
- Michael Hogue hogue@gtlaw.com, SFOLitDock@gtlaw.com;navarrom@gtlaw.com
- Matthew B Holbrook mholbrook@sheppardmullin.com, mmanns@sheppardmullin.com
- David I Horowitz david.horowitz@kirkland.com,  
keith.catuara@kirkland.com;terry.ellis@kirkland.com;elsa.banuelos@kirkland.com;ivon.granado  
s@kirkland.com
- Brian D Huben hubenb@ballardspahr.com, carolod@ballardspahr.com
- Joan Huh joan.huh@cdtfa.ca.gov
- Benjamin Ikuta bikuta@hml.law
- Lawrence A Jacobson laj@cohenandjacobson.com
- John Mark Jennings johnmark.jennings@kutakrock.com, mary.clark@kutakrock.com

- 1 • Monique D Jewett-Brewster mjb@hopkinscarley.com, eamaro@hopkinscarley.com
- 2 • Crystal Johnson M46380@ATT.COM
- 3 • Gregory R Jones gjones@mwe.com, rnhunter@mwe.com
- 4 • Jeff D Kahane jkahane@duanemorris.com, dmartinez@duanemorris.com
- 5 • Steven J Kahn skahn@pszyjw.com
- 6 • Cameo M Kaisler salembier.cameo@pbgc.gov, efile@pbgc.gov
- 7 • Ivan L Kallick ikallick@manatt.com, ihernandez@manatt.com
- 8 • Ori Katz okatz@sheppardmullin.com,
- 9 cshulman@sheppardmullin.com;ezisholtz@sheppardmullin.com;lsegura@sheppardmullin.com
- 10 • Payam Khodadadi pkhodadadi@mcguirewoods.com, dkiker@mcguirewoods.com
- 11 • Christian T Kim ckim@dumas-law.com, ckim@ecf.inforuptcy.com
- 12 • Jane Kim jkim@kellerbenvenuti.com
- 13 • Monica Y Kim myk@lnbrb.com, myk@ecf.inforuptcy.com
- 14 • Gary E Klausner gek@lnbyb.com
- 15 • David A Klein david.klein@kirkland.com
- 16 • Nicholas A Koffroth nick.koffroth@dentons.com, chris.omeara@dentons.com
- 17 • Joseph A Kohanski jkohanski@bushgottlieb.com, kprestegard@bushgottlieb.com
- 18 • Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- 19 • Darryl S Laddin bkrfilings@agg.com
- 20 • Robert S Lampl advocate45@aol.com, rlisarobinsonr@aol.com
- 21 • Richard A Lapping richard@lappinglegal.com
- 22 • Paul J Laurin plaurin@btlaw.com, slmoore@btlaw.com;jboustani@btlaw.com
- 23 • Nathaniel M Leeds nathaniel@mitchelllawsf.com, sam@mitchelllawsf.com
- 24 • David E Lemke david.lemke@wallerlaw.com,
- 25 chris.cronk@wallerlaw.com;Melissa.jones@wallerlaw.com;cathy.thomas@wallerlaw.com
- 26 • Lisa Lenherr llenherr@wendel.com, bankruptcy@wendel.com
- 27 • Elan S Levey elan.levey@usdoj.gov, louisalin@usdoj.gov
- 28 • Tracy L Mainguy bankruptcycourtnotices@unioncounsel.net, tmainguy@unioncounsel.net
- Samuel R Maizel samuel.maizel@dentons.com,
- alicia.aguilar@dentons.com;docket.general.lit.LOS@dentons.com;tania.moyron@dentons.com;k
- athryn.howard@dentons.com;joan.mack@dentons.com;derry.kalve@dentons.com
- Alvin Mar alvin.mar@usdoj.gov, dare.law@usdoj.gov
- Craig G Margulies Craig@MarguliesFaithlaw.com,
- Victoria@MarguliesFaithlaw.com;Helen@MarguliesFaithlaw.com
- Hutchison B Meltzer hutchison.meltzer@doj.ca.gov, Alicia.Berry@doj.ca.gov
- Christopher Minier becky@ringstadlaw.com, arlene@ringstadlaw.com
- John A Moe john.moe@dentons.com, glenda.spratt@dentons.com
- Susan I Montgomery susan@simontgomerylaw.com,
- assistant@simontgomerylaw.com;simontgomerylawecf.com@gmail.com;montgomerysr71631@
- notify.bestcase.com
- Monserrat Morales Monsi@MarguliesFaithLaw.com,
- Victoria@MarguliesFaithLaw.com;Helen@marguliesfaithlaw.com
- Kevin H Morse kmorse@clarkhill.com, blambert@clarkhill.com
- Marianne S Mortimer mmartin@jmbm.com
- Tania M Moyron tania.moyron@dentons.com,
- chris.omeara@dentons.com;nick.koffroth@dentons.com
- Alan I Nahmias anahmias@mbnlawyers.com, jdale@mbnlawyers.com
- Akop J Nalbandyan jnalbandyan@LNtriallawyers.com, cbautista@LNtriallawyers.com
- Jennifer L Nassiri jennifernassiri@quinnemanuel.com
- Charles E Nelson nelsonc@ballardspahr.com, wassweilerw@ballardspahr.com
- Sheila Gropper Nelson shedoesbkla@aol.com
- Mark A Neubauer mneubauer@carltonfields.com,
- mlrodriguez@carltonfields.com;smcloughlin@carltonfields.com;schau@carltonfields.com;NDunn
- @carltonfields.com;ecfla@carltonfields.com
- Fred Neufeld fneufeld@sycr.com, tingman@sycr.com

- 1 • Nancy Newman nnewman@hansonbridgett.com,  
ajackson@hansonbridgett.com;calendarclerk@hansonbridgett.com
- 2 • Bryan L Ngo bngo@fortislaw.com,  
BNgo@bluecapitallaw.com;SPicariello@fortislaw.com;JNguyen@fortislaw.com;JNguyen@bluec  
3 apitallaw.com
- 4 • Abigail V O'Brient avobrient@mintz.com,  
docketing@mintz.com;DEHashimoto@mintz.com;nleali@mintz.com;ABLevin@mintz.com;GJLeo  
n@mintz.com
- 5 • John R OKeefe jokeefe@metzlewis.com, slohr@metzlewis.com
- 6 • Scott H Olson solson@vedderprice.com,  
jcano@vedderprice.com,jparker@vedderprice.com;scott-olson-  
2161@ecf.pacerpro.com,ecfsdocket@vedderprice.com
- 7 • Giovanni Orantes go@gobklaw.com, gorantes@orantes-  
law.com,cmh@gobklaw.com,gobklaw@gmail.com,go@ecf.inforuptcy.com;orantesgr89122@noti  
8 fy.bestcase.com
- 9 • Keith C Owens kowens@venable.com, khoang@venable.com
- 10 • R Gibson Pagter gibson@ppilawyers.com,  
ecf@ppilawyers.com;pagterr51779@notify.bestcase.com
- 11 • Paul J Pascuzzi ppascuzzi@ffwplaw.com
- 12 • Lisa M Peters lisa.peters@kutakrock.com, marybeth.brukner@kutakrock.com
- 13 • Christopher J Petersen cjpetersen@blankrome.com, gsolis@blankrome.com
- 14 • Mark D Plevin mplevin@crowell.com, cromo@crowell.com
- 15 • Steven G. Polard spolard@ch-law.com, calendar-  
lao@rmkb.com;melissa.tamura@rmkb.com;anthony.arriola@rmkb.com
- 16 • David M Powlen david.powlen@btlaw.com, pgroff@btlaw.com
- 17 • Christopher E Prince cprince@lesnickprince.com,  
jmack@lesnickprince.com;cprince@ecf.courtdrive.com
- 18 • Lori L Purkey bareham@purkeyandassociates.com
- 19 • William M Rathbone wrathbone@grsm.com, jmydlandevans@grsm.com;sdurazo@grsm.com
- 20 • Jason M Reed Jason.Reed@Maslon.com
- 21 • Michael B Reynolds mreynolds@swlaw.com, kcollins@swlaw.com
- 22 • J. Alexandra Rhim arhim@hrhlaw.com
- 23 • Emily P Rich erich@unioncounsel.net, bankruptcycourtnotices@unioncounsel.net
- 24 • Robert A Rich , candonian@huntonak.com
- 25 • Lesley A Riis lriis@dpmclaw.com
- 26 • Debra Riley driley@allenmatkins.com
- 27 • Jason E Rios jrios@ffwplaw.com
- 28 • Julie H Rome-Banks julie@binderhalter.com
- Mary H Rose mrose@buchalter.com
- Megan A Rowe mrowe@dsrhealthlaw.com, lwestoby@dsrhealthlaw.com
- Nathan A Schultz nschultz@goodwinlaw.com
- Mark A Serlin ms@swllplaw.com, mor@swllplaw.com
- Seth B Shapiro seth.shapiro@usdoj.gov
- David B Shemano dshemano@shemanolaw.com
- Joseph Shickich jshickich@riddellwilliams.com
- Mark Shinderman mshinderman@milbank.com,  
dmuhrez@milbank.com;dlbatie@milbank.com
- Rosa A Shirley rshirley@nelsonhardiman.com,  
ksherry@nelsonhardiman.com;lgill@nelsonhardiman.com;rrange@nelsonhardiman.com
- Kyrsten Skogstad kskogstad@calnurses.org, rcraven@calnurses.org
- Michael St James ecf@stjames-law.com
- Andrew Still astill@swlaw.com, kcollins@swlaw.com
- Jason D Strabo jstrabo@mwe.com, cfuraha@mwe.com
- Sabrina L Streusand Streusand@slollp.com
- Ralph J Swanson ralph.swanson@berliner.com, sabina.hall@berliner.com

- Michael A Sweet msweet@foxrothschild.com, swillis@foxrothschild.com;pbasa@foxrothschild.com
- James Toma james.toma@doj.ca.gov, teresa.depaz@doj.ca.gov
- Gary F Torrell gtorrell@health-law.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- Cecelia Valentine cecelia.valentine@nlrb.gov
- Jason Wallach jwallach@ghplaw.com, g33404@notify.cincompass.com
- Kenneth K Wang kenneth.wang@doj.ca.gov, Jennifer.Kim@doj.ca.gov;Stacy.McKellar@doj.ca.gov;yesenia.caro@doj.ca.gov
- Phillip K Wang phillip.wang@rimonlaw.com, david.kline@rimonlaw.com
- Sharon Z. Weiss sharon.weiss@bclplaw.com, raul.morales@bclplaw.com
- Adam G Wentland awentland@tocounsel.com, lkwon@tocounsel.com
- Latonia Williams lwilliams@goodwin.com, bankruptcy@goodwin.com
- Michael S Winsten mike@winsten.com
- Jeffrey C Wisler jwisler@connollygallagher.com, dperkins@connollygallagher.com
- Neal L Wolf nwolf@hansonbridgett.com, calendarclerk@hansonbridgett.com,lchappell@hansonbridgett.com
- Hatty K Yip hatty.yip@usdoj.gov, dare.law@usdoj.gov;kelly.l.morrison@usdoj.gov;kenneth.g.lau@usdoj.gov
- Andrew J Ziaja aziaja@leonardcarder.com, sgroff@leonardcarder.com;msimons@leonardcarder.com;lbadar@leonardcarder.com
- Rose Zimmerman rzimmerman@dalycity.org

**2. SERVED BY UNITED STATES MAIL:** On **December 13, 2019**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **December 13, 2019**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**Served via Attorney Service**

The Honorable Ernest M. Robles  
United States Bankruptcy Court  
Edward R. Roybal Federal Building  
255 E. Temple Street, Suite 1560  
Los Angeles, CA 90012

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

**December 13, 2019**

Lisa Masse

/s/ Lisa Masse

Date

Type Name

Signature

# **EXHIBIT F**



SAMUEL R. MAIZEL (Bar No. 189301)  
samuel.maizel@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.

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  
Honorable Ernest M. Robles

**APPELLEES' DESIGNATION OF  
ADDITIONAL ITEMS TO BE INCLUDED IN  
THE RECORD ON APPEAL (USDC Case No.  
2:19-cv-10356-DSF)**

- ☒ 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.

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300





Pursuant to Rule 6 of the Federal Rules of Appellate Procedure and Rule 8009 of the Federal Rules of Bankruptcy Procedure, Appellees and Debtors, Verity Health System of California, Inc. and its affiliates (collectively, the “Appellees”), hereby designate the following items, in addition to those items previously designated by the Appellant, for inclusion in the record in connection with Appellant’s appeal from the *Order (1) Finding that SGM is Obligated to Close the SGM Sale by no Later than December 5, 2019 and (2) Setting Continued Hearing on Debtors’ Motion for Approval of Disclosure Statement*. [Docket No. 3724].

**DESIGNATION OF ADDITIONAL ITEMS FOR INCLUSION IN RECORD ON APPEAL  
 FROM THE DOCKET OF THE UNITED STATES BANKRUPTCY COURT FOR THE  
 CENTRAL DISTRICT OF CALIFORNIA FOR CASE NO. 2:19-cv-10356-DSF**

Date Filed	Docket Number	Description
8/31/18	8	Declaration of Richard G. Adcock In Support of Emergency First-Day Motions
1/17/19	1279	Motion and Notice of Motion For The Entry of (I) An Order (1) Approving Form of Asset Purchase Agreement For Stalking Horse Bidder and For Prospective Overbidders; (2) Approving Auction Sale Format, Bidding Procedures and Stalking Horse Bid Protections; (3) Approving Form of Notice To Be Provided To Interested Parties; (4) Scheduling A Court Hearing To Consider Approval of The Sale To The Highest Bidder; and (5) Approving Procedures Related To The Assumption of Certain Executory Contracts and Unexpired Leases; and (II) An Order (A) Authorizing The Sale of Property Free and Clear of All Claims, Liens and Encumbrances; Memorandum of Points and Authorities In Support Thereof
11/29/19	3726	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.
11/29/19	3727	Notice of Appeal and Statement of Election by Strategic Global Management, Inc.

Respectfully submitted,

Dated: December 27, 2019

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

BY: /s/Tania M. Moyron  
TANIA M. MOYRON  
Attorneys for Debtors and Debtors In  
Possession

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300