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Holdings, Inc.; KPC Health Plan Holdings,
Inc.; KPC Healthcare, Inc.; and KPC Global
Management, LLC

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION

VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al.*,

Debtors and Debtors In
Possession.

Case No. 2:20-CV-00613-DSF

Related to District Court Appeals:
Case Nos. 2:19-cv-10352-DSF; 2:19-cv-
10354-DSF; and 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

Lead Chapter 11 Bankr. 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;



- 1 Hospital Foundation
☐ Affects St. Francis Medical
2 Center of Lynwood Foundation
☐ Affects St. Vincent Foundation
3 ☐ Affects St. Vincent Dialysis
Center, Inc.
4 ☐ Affects Seton Medical Center
Foundation
5 ☐ Affects Verity Business Services
☐ Affects Verity Medical
6 Foundation
☐ Affects Verity Holdings, LLC
7 ☐ Affects De Paul Ventures, LLC
☐ Affects De Paul Ventures - San
8 Jose Dialysis, LLC,
9 Debtors and Debtors-in-
10 Possession.

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;

Adv. Case No. 2:20-ap-0100-ER

**STRATEGIC GLOBAL
MANAGEMENT, INC.'S
OPPOSITION TO DEBTORS'
CORRECTED REQUEST FOR
JUDICIAL NOTICE IN SUPPORT
OF MOTION TO DISMISS SGM'S
AMENDED COUNTERCLAIMS**

Judge: Hon. Dale S. Fischer

12 VERITY HEALTH SYSTEM OF
13 CALIFORNIA, INC., a California
nonprofit public benefit corporation,
14 ST. VINCENT MEDICAL
CENTER, a California nonprofit
public benefit corporation, ST.
15 VINCENT DIALYSIS CENTER,
INC., a California nonprofit public
16 benefit corporation, and ST.
FRANCIS MEDICAL CENTER, a
17 California nonprofit public benefit
corporation, SETON MEDICAL
18 CENTER, a California nonprofit
public benefit corporation, and
19 VERITY HOLDINGS, LLC, a
California limited liability company;
20 and

21 Plaintiffs,

22 v.

23 KALI P. CHAUDHURI, M.D., an
individual, STRATEGIC GLOBAL
24 MANAGEMENT, INC., a California
corporation, KPC HEALTHCARE
25 HOLDINGS, INC., a California
corporation, KPC HEALTH PLAN
26 HOLDINGS, INC., a California
corporation, KPC HEALTHCARE,
27 INC., a Nevada corporation, KPC
GLOBAL MANAGEMENT, LLC, a
28 California Limited Liability

Company, and DOES 1 through 500,
Defendants.

STRATEGIC GLOBAL
MANAGEMENT, INC., a California
corporation,

Counter-Plaintiff,

v.

VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., a California
nonprofit public benefit corporation,
ST. VINCENT MEDICAL
CENTER, a California nonprofit
public benefit corporation, ST.
VINCENT DIALYSIS CENTER,
INC., a California nonprofit public
benefit corporation, and ST.
FRANCIS MEDICAL CENTER, a
California nonprofit public benefit
corporation, SETON MEDICAL
CENTER, a California nonprofit
public benefit corporation, and
VERITY HOLDINGS, LLC, a
California limited liability company,

Counter-Defendants.

1 Defendant Strategic Global Management, Inc. (“SGM”) hereby objects to
 2 Plaintiffs and Counter-Defendants Verity Health System of California, Inc., St.
 3 Vincent Medical Center, St. Vincent Dialysis Center, Inc., St. Francis Medical
 4 Center, Seton Medical Center, and Verity Holdings, LLC’s (“Debtors”) Corrected
 5 Request for Judicial Notice in support of their Motion to Dismiss SGM’s Amended
 6 Counter-claims.

7 As a general rule, “[b]ecause factual challenges have no bearing under Rule
 8 12(b)(6),” courts in this Circuit do not consider material beyond the pleadings in
 9 ruling on a motion to dismiss. *Kamali v. Berman*, 2020 WL 2220201, at *3 (C.D.
 10 Cal. Jan. 7, 2020) (citations omitted). And while “the Court may take judicial notice
 11 of matters of public record, [...] it ‘cannot take judicial notice of disputed facts
 12 contained in such public records.’” *Id.* (quoting *Khoja v. Orexigen Therapeutics,*
 13 *Inc.*, 899 F.3d 988, 999 (9th Cir. 2018)).

14 Ignoring this well-established law, Debtors ask the Court to take judicial
 15 notice of a host of disputed facts in their Motion to Dismiss – including facts
 16 included in (and the disputed interpretation of) the bankruptcy court’s orders. *See,*
 17 *e.g.*, Motion at 1:18-21 (bankruptcy court orders); *id.* at 5:22-11 (same); *id.* at 6:12-
 18 7:13 (same); *id.* at 8:10-9:3 (same); *id.* at 10:3-11 (same); *id.* at 10:17-19 (disputed
 19 facts in the parties’ correspondence); *id.* at 16:11-19 (bankruptcy court orders); *id.*
 20 at 16:20-25; *id.* ¶ 6:-12 (facts at issue in bankruptcy court submissions). It is
 21 established that a court may take judicial notice of the *existence* of another court’s
 22 opinion, but not of the facts or findings contained in them. *Lee v. City of Los*
 23 *Angeles*, 250 F.3d 668, 690 (9th Cir. 2001); *see also Peel v. BrooksAmerica Mortg.*
 24 *Corp.*, 788 F.Supp.2d 1149, 1158 (C.D. Cal. 2011) (“a court may take judicial
 25 notice of the existence of another court’s opinion or of the filing of pleadings in
 26 related proceedings; the Court may not, however, accept as true the facts found or
 27 alleged in such documents.”)

28 The Court should deny Debtors’ Request for Judicial Notice.

1
2 Dated: September 14, 2020

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

3
4 By: /s/ Gary E. Klausner
5 Gary E. Klausner

6
7 Dated: September 14, 2020

BARNES & THORNBURG LLP

8
9 By: /s/ Kevin D. Rising
10 Kevin D. Rising

11 Attorneys for Defendants
12 Kali P. Chaudhuri, M.D.; Strategic
13 Global Management, Inc.; KPC
14 Healthcare Holdings, Inc.; KPC
15 Health Plan Holdings, INC.; KPC
16 Healthcare, Inc.; and KPC Global
17 Management, LLC

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SIGNATURE ATTESTATION

Pursuant to Local Rule 5-4.3.4(a)(2)(i), I, Kevin D. Rising, attest that all other signatories listed, and on whose behalf this filing is submitted, concur in the filing's content and have authorized the filing.

Dated: September 14, 2020

/s/ Kevin D. Rising
Kevin D. Rising