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Debtors and Debtors In Possession

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

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

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,

Plaintiffs,

v.

KALI P. CHAUDHURI, M.D., an  
individual, STRATEGIC GLOBAL  
MANAGEMENT, INC., a California  
corporation, KPC HEALTHCARE  
HOLDINGS, INC. a California Corporation  
KPC HEALTH PLAN HOLDINGS, INC. a  
California Corporation, KPC  
HEALTHCARE, INC. a Nevada  
Corporation, KPC GLOBAL  
MANAGEMENT, LLC, a California

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

Hon. Dale S. Fischer

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

Date: October 5, 2020  
Time: 1:30 p.m.  
Place: Courtroom 7D  
350 West 1st Street  
Los Angeles, CA 90012

DENTONS US LLP  
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1 Limited Liability Company, and DOES 1  
2 through 500,

3 Defendants.

4 STRATEGIC GLOBAL MANAGEMENT,  
5 INC., a California corporation,

6 Counter-Plaintiff,

7 v.

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

22 Counter-Defendants.  
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1 Strategic Global Management, Inc. (“SGM”) generally objects to Plaintiffs’  
2 Request for Judicial Notice, asserting that the Court may not judicially notice  
3 unspecified “facts or findings contained” in the Bankruptcy Court’s orders or  
4 proceedings. *See* ECF 66. But Plaintiffs have not requested the Court to judicially  
5 notice any “disputed facts.”

6 Instead, Plaintiffs’ Motion properly relied on the APA and the parties’  
7 correspondence referenced in the Counterclaim. It is well-established that the Court  
8 may consider “documents whose contents are alleged in [counterclaim] and whose  
9 authenticity no party questions, but which are not physically attached to the  
10 pleading.” *Lapidus v. Hecht*, 232 F.3d 679, 682 (9th Cir. 2000) (internal quotation  
11 omitted). The Court may also consider SGM admissions contained in its Answer,  
12 which are contained in the same document as its Counterclaim. *See* ECF 41; *Am.*  
13 *Title Ins. Co. v. Lacelaw Corp.*, 861 F.2d 224, 226 (9th Cir. 1988) (“A statement in  
14 a complaint, answer or pretrial order is a judicial admission, as is a failure in an  
15 answer to deny an allegation.”).

16 Nor can there be any dispute that the Court may judicially notice the pleadings  
17 and Court orders filed in the bankruptcy proceeding. *See Skilstaf, Inc. v. CVS*  
18 *Caremark Corp.*, 669 F.3d 1005, 1016 n. 9 (9th Cir. 2012) (judicial notice proper  
19 where “[t]here was no dispute about the contents or about the statements from those  
20 filings that the district court considered through judicial notice.”). Indeed, SGM  
21 previously filed its own request for judicial notice, attaching twenty exhibits from the  
22 bankruptcy proceeding, including the Sale Order (*compare* SGM’s Exhibit I in ECF  
23 40 *with* Plaintiffs’ Exhibit B) and many of the other exhibits at issue in Plaintiffs’  
24 Request for Judicial Notice (*compare* SGM’s Exhibit R in ECF 40 *with* Plaintiffs’  
25 Exhibit I, and SGM’s Exhibit P in ECF 40 *with* Plaintiffs’ Exhibit L).

26 Accordingly, the Court should grant Plaintiffs’ Request for Judicial Notice.  
27 *See Steinle v. City & Cty. of San Francisco*, 919 F.3d 1154, 1167 n.17 (9th Cir. 2019)  
28 (“the policy underlying the incorporation by reference doctrine is to prevent plaintiffs

1 from surviving a Rule 12(b)(6) motion by deliberately omitting references to  
2 documents upon which their claims are based” (internal quotation and citation  
3 omitted)).

4 Dated: September 21, 2020

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