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Litigation Counsel for the VHS Liquidating Trust

**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

Jointly Administered With:

CASE NO.: 2:18-bk-20162-ER

CASE NO.: 2:18-bk-20163-ER

CASE NO.: 2:18-bk-20164-ER

CASE NO.: 2:18-bk-20165-ER

CASE NO.: 2:18-bk-20167-ER

CASE NO.: 2:18-bk-20168-ER

CASE NO.: 2:18-bk-20169-ER

CASE NO.: 2:18-bk-20171-ER

CASE NO.: 2:18-bk-20172-ER

CASE NO.: 2:18-bk-20173-ER

CASE NO.: 2:18-bk-20175-ER

CASE NO.: 2:18-bk-20176-ER

CASE NO.: 2:18-bk-20178-ER

CASE NO.: 2:18-bk-20179-ER

CASE NO.: 2:18-bk-20180-ER

CASE NO.: 2:18-bk-20181-ER

Chapter 11 Cases

Hon. Judge Ernest M. Robles

**THIRD STIPULATION APPROVING  
TOLLING AGREEMENT BY AND BETWEEN  
THE VHS LIQUIDATING TRUST AND  
ASSURED INVESTMENT MANAGEMENT  
LLC (F/K/A BLUEMOUNTAIN CAPITAL  
MANAGEMENT, LLC) AND AFFILIATES**



1 This stipulation (the “Stipulation”) is entered into this 30<sup>th</sup> day of October, 2020 (the  
2 “Effective Date”), by and between the VHS Liquidating Trust (the “Trust”), on the one hand, and  
3 Assured Investment Management LLC (f/k/a BlueMountain Capital Management, LLC),  
4 BlueMountain Guadalupe Peak Fund L.P., BlueMountain Summit Opportunities Fund II (US) L.P.,  
5 BMSB L.P., BlueMountain Foinaven Master Fund L.P., BlueMountain Logan Opportunities  
6 Master Fund L.P., and BlueMountain Monteners Master Fund SCA SICAV-SIF (collectively,  
7 “BlueMountain” and, together with the Trust, the “Parties”), on the other hand. The Parties hereby  
8 stipulate as follows:

9 **RECITALS**

10 A. On August 31, 2018 (the “Petition Date”), the Verity Health System Of California,  
11 Inc. (“VHS”) and the above-referenced affiliated debtors and debtors in possession in the above  
12 captioned chapter 11 bankruptcy cases (collectively, the “Debtors”) each filed a voluntary petition  
13 for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).<sup>1</sup> The  
14 Debtors’ chapter 11 cases (the “Bankruptcy Cases”) are jointly administered under the case  
15 captioned *In re Verity Health System of California, Inc.*, Case No. 2:18-bk-20151-ER, which is  
16 currently pending before the United States Bankruptcy Court for the Central District of California  
17 (the “Bankruptcy Court”).

18 B. As of the Effective Date of this Stipulation, the Trust has advised BlueMountain that  
19 the Trust believes it may have or may desire to assert certain claims, demands, actions and/or causes  
20 of action against BlueMountain on behalf of the Debtors and their respective bankruptcy estates  
21 (the “Estates”) pursuant to §§ 544, 545, 547, 548, or 553, including claims arising under applicable  
22 nonbankruptcy law pertaining to the avoidance of a transfer of an interest of the Debtors in property  
23 or any obligation incurred by the Debtors that is voidable under applicable law (collectively, the  
24 “Claims”).

25  
26  
27 <sup>1</sup> All references to “§” herein are to sections of the Bankruptcy Code, 11 U.S.C. §§101, *et seq.*  
28 unless otherwise noted.

1 C. On August 14, 2020, the Bankruptcy Court entered an order [Docket No. 5504] (the  
2 “Confirmation Order”) confirming the *Modified Second Amended Joint Chapter 11 Plan of*  
3 *Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the*  
4 *Committee* [Docket No. 5466] (the “Plan”), which, *inter alia*, provides for the transfer of certain  
5 causes of action, including the Claims, to a liquidating trust (the “Liquidating Trust”) to be  
6 administered by a trustee (the “Liquidating Trustee”) for the benefit of the Estates.

7 D. On September 1, 2020, the Court entered an order [Docket No. 6029] approving the  
8 *Stipulation Approving Tolling Agreement by and Between the Debtors and Blue Mountain Capital*  
9 *Management LLC and Affiliates* [Docket No. 6026] by and between the Debtors, on the one hand,  
10 and BlueMountain, on the other hand, that, among other things, extended the deadline to bring  
11 certain Claims (defined below) through and including September 30, 2020.

12 E. On October 1, 2020, the Court entered an order [Docket No. 6139] approving the  
13 *Second Stipulation Approving Tolling Agreement by and Between the VHS Liquidating Trust and*  
14 *Assured Investment Management LLC and Affiliates* [Dkt. No. 6138] by and between the Trust, on  
15 the one hand, and BlueMountain, on the other hand, that, among other things, extended the deadline  
16 to bring certain Claims (defined below) through and including October 30, 2020.

17 F. The Parties deem it to be in their mutual interests to enter into the agreement below.

18 **AGREEMENT**

19 In consideration of the mutual agreements hereinafter set forth, and for other good and  
20 valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties  
21 hereby covenant and agree as follows:

- 22 1. As used in this Stipulation, the following terms shall have the following meanings:
- 23 a. “Tolling Period” shall mean the period from and including the Effective Date  
24 of this Stipulation until and including the Expiration Date (as that term is  
25 defined below).
- 26 b. “Expiration Date” shall mean November 30, 2020.
- 27 c. “Timing Defenses” shall mean, but shall not be limited to, any affirmative  
28

1 defenses to the Claims that BlueMountain has, may have, or may claim to  
2 have as of the Effective Date based upon: (i) any statute of limitations; (ii)  
3 laches; (iii) any failure to institute or commence litigation or other legal  
4 proceedings within some specified period, before a specified date, on or  
5 before the happening of a specified event; or (iv) any other defense that is  
6 based, in whole or in part, upon the passage of time.

7 2. The Parties stipulate, covenant and agree that any Claims which, if filed on or before  
8 the Effective Date, would have been timely filed, shall be deemed timely filed if filed on or before  
9 the Expiration Date. The Parties further stipulate, covenant and agree that any Timing Defenses  
10 applicable to the Claims shall be tolled during the Tolling Period.

11 3. The provisions of this Stipulation comprise all of the terms, conditions, agreements  
12 and representations of the Parties respecting subject matter hereof. This Stipulation may not be  
13 altered or amended except by written agreement executed by both Parties. The terms of this  
14 Stipulation have not been changed, modified, or expanded by any oral agreements or  
15 representations entered into or made by the either of the Parties prior to or at the execution of this  
16 Stipulation.

17 4. The Parties further acknowledge that they have, individually or through their  
18 respective counsel, participated in the preparation of this Stipulation, and no provision hereof shall  
19 be construed against any Party by reason of said Party having drafted or prepared the Stipulation.

20 5. Nothing in this Stipulation shall be construed as an admission by any of the Parties  
21 as to the merits of any of the Claims or any defenses thereto. Further, nothing in this Stipulation  
22 shall prevent the Trust from filing litigation prior to the Expiration Date.

23 6. This Stipulation may be executed in one or more original or facsimile or email  
24 counterparts, each of which shall be deemed an original, but also which together will constitute one  
25 and the same instrument.

26 7. The Bankruptcy Court shall retain jurisdiction to interpret, implement, and enforce  
27 the provisions of this Stipulation.  
28

1 Dated: October 30, 2020

**BIENERT | KATZMAN PC**

2  
3 By: /s/ Anthony R. Bisconti

4 Steven J. Katzman

5 Tony R. Bisconti

Litigation Counsel to the VHS Liquidating Trust

6 Dated: October 30, 2020

**ASSURED INVESTMENT MANAGEMENT LLC  
(F/K/A BLUEMOUNTAIN CAPITAL  
MANAGEMENT, LLC) ON BEHALF OF ITSELF  
AND INVESTMENT FUNDS IT MANAGES  
LISTED BELOW**

7  
8  
9  
10 By: 

Eric M. Albert

11 Counsel to Assured Investment Management LLC (f/k/a  
12 BlueMountain Capital Management, LLC), BlueMountain  
Guadalupe Peak Fund L.P., BlueMountain Summit  
13 Opportunities Fund II (US) L.P., BMSB L.P.,  
14 BlueMountain Foinaven Master Fund L.P., BlueMountain  
Logan Opportunities Master Fund L.P., BlueMountain  
15 Montenvers Master Fund SCA SICAV-SIF