



Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Levi Reuben Uku, CSB#196406 1044 W. 7th Street, Suite 3300 Los Angeles, CA 90017 Phone: 2133850193 <input type="checkbox"/> Individual <i>appearing without an attorney</i> <input checked="" type="checkbox"/> Attorney for: Sophia Holly-Horton	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION 	
In re: Verity Health System of California, Inc., et al Debtor(s)	CASE NO.: 2:18-bk-20151 ER CHAPTER: 11  NOTICE OF LODGMENT OF ORDER IN BANKRUPTCY CASE RE: <i>(title of motion¹)</i>: <u>Motion for Relief from Stay from Automatic Stay-</u> <u>Non Bankruptcy Forum</u>

PLEASE TAKE NOTE that the order titled Order Granting Motion for Relief from Automatic Stay-Non Bankruptcy Forum

was lodged on (date) 02/23/2021 and is attached. This order relates to the motion which is docket number 6395.

¹ Please abbreviate if title cannot fit into text field.

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:
1055 W. 7th Street Suite 3300
Los Angeles, CA 90017

A true and correct copy of the foregoing document entitled: **NOTICE OF LODGMENT OF ORDER IN BANKRUPTCY CASE** 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 *(date)* 02/23/2021, 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:

See Attached Mailing List

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**: On *(date)* 02/23/2021, 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.

See Attached Mailing List

☐ 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 *(date)* _____, 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.

☐ Service information continued on attached page

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

02/23/2021
Date

Levi Reuben Uku, Esquire
Printed Name


Signature

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Levi Reuben Uku, Esquire CSB#196406 1055 W. 7 th Street, Suite 3300 Los Angeles, CA 90017 Phone: 2133850193 <input type="checkbox"/> <i>Movant appearing without an attorney</i> <input checked="" type="checkbox"/> <i>Attorney for Movant Sophia Holly-Horton</i>	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA LOS ANGELES DIVISION	
In re: VERITY HEALTH SYSTEMS OF CALIFORNIA, INC., ET AL. Debtor(s).	CASE NO.: 2:18-BK-20151 ER CHAPTER: 11
	ORDER GRANTING MOTION FOR RELIEF FROM THE AUTOMATIC STAY UNDER 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)
	DATE: 2/22/2021 TIME: 10:00a.m. COURTROOM: 1568 PLACE: 255 E. Temple Street Los Angeles, CA 90012
MOVANT:	

1. The Motion was: ☒ Opposed ☐ Unopposed ☐ Settled by stipulation

2. The Motion affects the following Nonbankruptcy Action: Verity Health System California Inc., 2:18-bk-20151 ER and St. Vincent Medical Center Case # 2:18-bk-20167 ER

Name of Nonbankruptcy Action: Sophia Holly-Horton v. Verity Health Systems of California Inc.

Docket number: BC706278

Nonbankruptcy court or agency where the Nonbankruptcy Action is pending: Los Angeles Superior Court-Central District

3. The Motion is granted under 11 U.S.C. § 362(d)(1).
4. As to Movant, its successors, transferees and assigns, the stay of 11 U.S.C. § 362(a) is:
 - a. ☒ Terminated as to the Debtor and the Debtor's bankruptcy estate.
 - b. ☒ Modified or conditioned as set forth in Exhibit "A" to the Motion.
 - c. ☐ Annulled retroactively to the bankruptcy petition date. Any postpetition acts taken by Movant to enforce its remedies regarding the nonbankruptcy action do not constitute a violation of the stay.
5. **Limitations on Enforcement of Judgment:** Movant may proceed in the nonbankruptcy forum to final judgment (including any appeals) in accordance with applicable nonbankruptcy law. Movant is permitted to enforce its final judgment only by *(specify all that apply)*:
 - a. ☒ Collecting upon any available insurance in accordance with applicable nonbankruptcy law.
 - b. ☐ Proceeding against the Debtor as to property or earnings that are not property of this bankruptcy estate.
6. This order is binding and effective despite any conversion of this bankruptcy case to a case under any other chapter of the Bankruptcy Code.
7. ☐ The co-debtor stay of 11 U.S.C. § 1201(a) or § 1301(a) is terminated, modified or annulled as to the co-debtor, on the same terms and conditions as to the Debtor.
8. ☐ The 14-day stay prescribed by FRBP 4001(a)(3) is waived.
9. ☒ This order is binding and effective in any bankruptcy case commenced by or against the Debtor for a period of 180 days, so that no further automatic stay shall arise in that case as to the nonbankruptcy action.
10. ☐ This order is binding and effective in any future bankruptcy case, no matter who the debtor may be, without further notice.
11. ☐ Other *(specify)*:

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EXHIBIT 'A'

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Monday, February 22, 2021

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Sophia Holley-Horton (the “Movant”) seeks stay relief, pursuant to § 362(d)(1), for the purposing of litigating a personal injury action against VHS and St. Vincent Medical Center (collectively, the “Debtors”) [Note 1] in the Los Angeles Superior Court (the “State Court Action”). Movant seeks recovery only from applicable insurance and waives any deficiency claim against the Debtors. Movant checked the box indicating that she retains the right to file a proof of claim against the Debtors and/or file an adversary proceeding under §§ 523 or 727. [Note 2]

Given that Movant seeks recovery only from applicable insurance, Debtors do not oppose the Motion. Debtors oppose only Movant’s request that she retain the ability to file a proof of claim or an adversary proceeding. Debtors note that both the claims bar date and the deadline to commence an adversary proceeding expired long ago.

Movant has not filed a reply to the Debtors’ limited opposition.

II. Findings and Conclusions

Section 362(d)(1) requires the Court to lift the automatic stay for “cause.” “Because there is no clear definition of what constitutes ‘cause,’ discretionary relief from the stay must be determined on a case by case basis.” *Piombo Corp. v. Castlerock Props. (In re Castlerock Props.)*, 781 F.2d 159, 163 (9th Cir. 1986). Where stay relief is sought to permit litigation to continue in another forum, the fact that the debtor’s insurance carrier has assumed full financial responsibility for defending the litigation constitutes “cause” for lifting the stay. *Truebro, Inc. v. Plumberex Specialty Prods., Inc. (In re Plumberex Specialty Prods., Inc.)*, 311 B.R. 551, 559-60 (Bankr. C.D. Cal. 2004).

Since Movant seeks recovery only from applicable insurance and waives any deficiency claim, the Motion is **GRANTED** pursuant to § 362(d)(1). The State Court is best suited to adjudicate the personal injury claims which arise under non-bankruptcy law.

Movant shall not be permitted to file a proof of claim or an adversary proceeding under §§ 523 or 727. Movant is barred from filing a proof of claim because she received notice of the claims bar date and failed to timely file a proof of claim. Movant is barred from filing an adversary proceeding under § 523 because in a Chapter 11 case, a § 523 action may be filed only by a domestic governmental unit. *See* § 1141(d)(6)(A). Movant is barred from filing an adversary proceeding under § 727 because pursuant to § 13.2 of the Plan, “the Debtors will not receive a discharge under this Plan.” The fact that the Debtors are not receiving a discharge under the Plan renders moot any contemplated § 727 action. Movant’s request that the order granting

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
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10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

stay relief be binding and effective in any bankruptcy case commenced by or against the Debtors for a period of 180 days is denied for lack of good cause shown.

Within seven days of the hearing, Movant shall submit an order incorporating this tentative ruling by reference. **[Note 3]**

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Note 1

The Court notes that pursuant to the Plan and Confirmation Order, VHS and St. Vincent are both "Post-Effective Date Debtors." For simplicity, the Court refers to both entities collectively as "Debtors."

Note 2

The box that Movant checked on the mandatory form also contains requests for relief other than the right to file a proof of claim or an adversary proceeding under §§ 523 or 727. As a result, it is unclear whether Movant actually intends to file a proof of claim or commence an adversary proceeding.

Note 3

To ensure that the Debtors have the opportunity to review Movant's proposed order as to form, Movants shall either (a) submit a *Notice of Lodgment* of the proposed order in accordance with the procedure set forth in Local Bankruptcy Rule 9021-1(b)(3)(A) or, in the alternative, shall (b) obtain Debtors' endorsement as to the form of the proposed order pursuant to the procedure set forth in Local Bankruptcy Rule 9021-1(b)(3)(C).

Party Information

Debtor(s):

Verity Health System of California,

Represented By
Samuel R Maizel

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Monday, February 22, 2021

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

John A Moe II
Tania M Moyron
Claude D Montgomery
Sam J Alberts
Shirley Cho
Patrick Maxcy
Steven J Kahn
Nicholas A Koffroth
Kerry L Duffy
Brigette G McGrath
Gary D Underdahl
Nicholas C Brown
Anna Kordas
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