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8 to the Liquidating Trustee, Howard Grobstein

9 **UNITED STATES BANKRUPTCY COURT**  
10 **FOR THE CENTRAL DISTRICT OF CALIFORNIA -**  
11 **LOS ANGELES DIVISION**

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

15 Debtors and Debtors In Possession.

- 16  Affects All Debtors
- 17  Affects Verity Health System of California, Inc.
- 18  Affects O'Connor Hospital
- 19  Affects Saint Louise Regional Hospital
- 20  Affects St. Francis Medical Center
- 21  Affects St. Vincent Medical Center
- 22  Affects Seton Medical Center
- 23  Affects O'Connor Hospital Foundation
- 24  Affects Saint Louise Regional Hospital Foundation
- 25  Affects St. Francis Medical Center of Lynwood  
Foundation
- 26  Affects St. Vincent Foundation
- 27  Affects St. Vincent Dialysis Center, Inc.
- 28  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 Bankruptcy 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

**STIPULATION CONSENTING TO SUR-REPLY,  
WITHDRAWING MOTION TO STRIKE, AND  
CONTINUING HEARING ON PRIME  
HEALTHCARE SERVICES, INC.'S MOTION TO  
ENFORCE PROVISIONS OF THE ASSET  
PURCHASE AGREEMENT PERTAINING TO  
ACCOUNTS RECEIVABLE ADJUSTMENT  
[RELATES TO DOCKET NO. 6645, 6662, 6669, 6674]**

Current Hearing:

Date: October 6, 2021

Time: 10:00 a.m.

Proposed Continued Hearing:

Date: October 19, 2021

Time: 10:00 a.m.

Place: Courtroom 1568



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1 STIPULATION

2 Verity Health System of California, Inc., Saint Francis Medical Center and certain  
3 affiliated debtors (collectively, prior to the effective date of the Joint Plan (defined below), the  
4 “Debtors” and after the effective date, the “Post-Effective Date Debtors”) and the Liquidating  
5 Trustee (the “Liquidating Trustee”) of the VHS Liquidating Trust, established pursuant to the  
6 Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the  
7 Debtors, the Prepetition Secured Creditors, and the Official Committee of Unsecured Creditors  
8 [Docket No. 5466] (the “Joint Plan”) confirmed by the order [Docket No. 5504] entered August  
9 14, 2020, and that certain Liquidating Trust Agreement, dated as of September 5, 2020 [Docket  
10 No. 6043], in the above-captioned chapter 11 bankruptcy cases (the “Cases”), on the one hand,  
11 and Prime Healthcare Services, Inc. (“Prime” and, together with the Post-Effective Date Debtors  
12 and the Liquidating Trustee, the “Parties”), on the other hand, hereby stipulate as follows (the  
13 “Stipulation”):

14 RECITALS

15 A. On September 2, 2021, Prime filed *Prime Healthcare Services, Inc.’s Motion to*  
16 *Enforce Provisions of the Asset Purchase Agreement Pertaining to Accounts Receivable*  
17 *Adjustment* [Docket No. 6645]. The Motion was set for hearing on October 5, 2021, at 11:00 a.m.  
18 (Pacific Time) [Docket No. 6646] (the “Original Hearing Date”).

19 B. On September 21, 2021, the Post-Effective Date Debtors and the Liquidating  
20 Trustee filed the *Post-Effective Date Debtors and Liquidating Trustee’s Memorandum in*  
21 *Opposition to Prime Healthcare Services, Inc.’s Motion to Enforce Provisions of the Asset*  
22 *Purchase Agreement Pertaining to Accounts Receivable Adjustment* [Docket No. 6662] (the  
23 “Opposition”).

24 C. On September 24, 2021, the Court rescheduled the Original Hearing Date to  
25 October 6, 2021, at 10:00 a.m. (Pacific Time) [Docket No. 6665] (the “Rescheduled Hearing  
26 Date”).

27 D. On September 28, 2021, Prime filed *Prime Healthcare Services, Inc.’s Reply to*  
28 *Post-Effective Date Debtors and Liquidating Trustee’s Memorandum in Opposition to Prime*

1 *Healthcare Services, Inc.’s Motion to Enforce Provisions of the Asset Purchase Agreement*  
2 *Pertaining to Accounts Receivable Adjustment* [Docket No. 6669] (the “Reply”), which included  
3 *Prime Healthcare Services, Inc. Evidentiary Objections* (the “Evidentiary Objections”).

4 E. On October 4, 2021, the Post-Effective Date Debtors and the Liquidating Trustee  
5 filed the *Post-Effective Date Debtors and Liquidating Trustee’s Evidentiary Objection and*  
6 *Motion to Strike New Evidence Presented in Reply; Alternatively Request for Sur-Reply; and*  
7 *Response to Prime’s Evidentiary Objections* [Docket No. 6674] (the “Motion to Strike”).

8 F. The Parties have agreed to the filing of a sur-reply in exchange for the withdrawal  
9 of the Motion to Strike with the exception of the portion thereof that responded to the Evidentiary  
10 Objections (the “Evidentiary Response”).

11 **AGREEMENT**

12 NOW, THEREFORE, the Parties to this Stipulation hereby agree and stipulate as follows:

13 1. The Post-Effective Date Debtors and Liquidating Trustee may file a sur-reply (the  
14 “Sur-Reply”) to the Reply by October 13, 2021, to address the evidence set forth in the Reply that  
15 was the subject of the Motion to Strike.

16 2. The Post-Effective Date Debtors and Liquidating Trustee shall withdraw the  
17 Motion to Strike (but not the Evidentiary Response) upon entry of an order approving this  
18 Stipulation.

19 3. The Motion, Opposition, Reply, Evidentiary Objections and Evidentiary Response  
20 are not affected by this Stipulation and the parties retain all rights with respect to same, and with  
21 respect to any subsequent pleadings filed in this matter, including the Sur-Reply or any pleadings  
22 filed in response to the Sur-Reply.

23 4. The Hearing on the Motion, Opposition, Reply, Evidentiary Objections,  
24 Evidentiary Response, and Sur-Reply shall be continued from October 6, 2021, at 10:00 a.m.  
25 (Pacific Time), to October 19, 2021, at 10:00 a.m. (Pacific Time) or such later time as may be  
26 convenient to the Court.

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Dated: October 4, 2021

**DENTONS US LLP**  
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By: /s/ Tania M. Moyron  
Tania M. Moyron

Attorneys for the Post-Effective Date Debtors & Special  
Counsel to the Liquidating Trustee, Howard Grobstein

Dated: October 4, 2021

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By: /s/ James W. Kapp  
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