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

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

- 15  Affects All Debtors
- 16  Affects Verity Health System of  
17 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  
25 Foundation  
26  Affects St. Francis Medical Center of  
27 Lynwood Foundation  
28  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  
Dialysis, LLC

Chapter 11 Cases  
Hon. Judge Ernest M. Robles

**APPELLANT'S STATEMENT OF ISSUES AND  
DESIGNATION OF RECORD ON APPEAL OF  
INTERLOCUTORY ORDER GRANTING IN PART  
PRIME HEALTHCARE SERVICES, INC.'S  
MOTION TO ENFORCE ASSET PURCHASE  
AGREEMENT**

Debtors and Debtors In Possession.

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1 Pursuant to Rule 8009(a)(1) of the Federal Rules of Bankruptcy Procedure and Local  
2 Bankruptcy Rule 8000-1, appellant Verity Health System of California, Inc. (“VHS”) hereby  
3 submits its designation of record and statement of the issues to be presented in connection with  
4 Appellant’s appeal from the *Interlocutory Order Granting In Part Prime Healthcare Services,*  
5 *Inc.’s Motion To Enforce Asset Purchase Agreement* [Docket No. 6691].

6 **STATEMENT OF ISSUES**

7 1. Whether the Bankruptcy Court erred by authorizing Prime Healthcare Services, Inc.  
8 (“Prime”) to retain \$23,157,581 in QAF VI Seller Net Payments as defined in the Asset Purchase  
9 Agreement (“APA”) between VHS, St. Francis Medical Center, and Verity Holdings, LLC, as  
10 sellers, and Prime, as purchaser?

11 2. Whether the Bankruptcy Court erred by interpreting the APA as excluding \$11.9  
12 million in trauma payments from Accounts Receivable as defined in the APA?

13 3. Whether the Bankruptcy Court erred by interpreting the APA as not requiring Prime  
14 to include \$11.9 million of trauma payments collected by Prime as part of the Accounts Receivable  
15 the APA required Prime to collect, credit towards the Final A/R Collected, and turn over to the  
16 VHS Liquidating Trust?

17 **DESIGNATION OF RECORD**

18

Date Filed	Docket Number	Description
4/9/20	4511	Order (A) Authorizing the Sale of Certain of the Debtors’ Assets to Prime Healthcare Services, Inc. Pursuant to the APA Attached Hereto Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of Certain Assigned Contracts Related Thereto; and (C) Granting Related Relief
8/14/20	5504	Order Confirming Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee
9/2/21	6645	Prime Healthcare Services, Inc.’s Motion to Enforce Provisions of the Asset Purchase Agreement Pertaining to Accounts Receivable Adjustment

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Date Filed	Docket Number	Description
9/21/21	6662	Post-Effective Date Debtors and Liquidating Trustee's Memorandum in Opposition to Prime Healthcare Services, Inc.'s Motion to Enforce Provisions of the Asset Purchase Agreement Pertaining to Accounts Receivable Adjustment
9/28/21	6669	Prime Healthcare Services, Inc.'s Reply to Post-Effective Date Debtors and Liquidating Trustee's Memorandum in Opposition to Prime Healthcare Services, Inc.'s Motion to Enforce Provisions of the Asset Purchase Agreement Pertaining to Accounts Receivable Adjustment
10/4/21	6674	Post-Effective Date Debtors and Liquidating Trustee's Evidentiary Objection and Motion to Strike New Evidence Presented in Reply; Alternatively, Request for Sur-Reply
10/4/21	6675	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
10/4/21	6676	Order Approving 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
10/13/21	6682	Post-Effective Date Debtors and Liquidating Trustee's Sur-Reply in Opposition to Prime Healthcare Services, Inc.'s Reply to Post-Effective-Date Debtors and Liquidating Trustee's Memorandum in Opposition to Prime Healthcare Services, Inc.'s Motion to Enforce Provisions of the Asset Purchase Agreement Pertaining to Accounts Receivable Adjustment
10/15/21	6684	Prime Healthcare Services, Inc.'s Evidentiary Objections to Supplemental Declaration of Peter Chadwick, and Motion to Strike and Evidentiary Objections to Declaration of Regina Hernandez
10/21/21	6690	Memorandum Of Decision Granting In Part Prime Healthcare Services, Inc.'s Motion To Enforce Asset Purchase Agreement
10/21/21	6691	Interlocutory Order Granting In Part Prime Healthcare Services, Inc.'s Motion To Enforce Asset Purchase Agreement

1 Dated: November 17, 2021

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