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11 Proposed Counsel to Debtors and Debtors in Possession

12 UNITED STATES BANKRUPTCY COURT
12 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

13 In re:
14 BEVERLY COMMUNITY HOSPITAL
14 ASSOCIATION, dba BEVERLY HOSPITAL
15 (A NONPROFIT PUBLIC BENEFIT
16 CORPORATION), *et al.*¹

17 Debtors,

- 18 Affects all Debtors
19 Affects Beverly Community
20 Hospital Association
21 Montebello Community Health
22 Services, Inc.
23 Beverly Hospital Foundation

Lead Case No. 2:23-bk-12359-SK

Jointly administered with:
Case No. 2:23-bk-12360-SK
Case No. 2:23-bk-12361-SK
Chapter 11 Case

**DEBTORS' EMERGENCY
APPLICATION FOR AN ORDER (A)
APPOINTING KURTZMAN CARSON
CONSULTANTS LLC AS CLAIMS AND
NOTICING AGENT, AND (B)
APPROVING THE FORM AND MANNER
OF NOTICE OF CASE
COMMENCEMENT**

Date: TBD
Time: TBD
Judge: Hon. Sandra R. Klein
Place: Zoom.Gov – or - Courtroom 1575
255 E. Temple St.
Los Angeles, CA 90012

25
26
27 ¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification
28 number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community
Beverly Blvd., Montebello, California 90640.



1
2 **TO THE HONORABLE SANDRA R. KLEIN, UNITED STATES**
3 **BANKRUPTCY JUDGE; OFFICE OF THE U.S. TRUSTEE; AND ALL INTERESTED**
4 **PARTIES:**

5 Beverly Community Hospital Association d/b/a Beverly Hospital, Montebello Community
6 Health Services, Inc., and Beverly Hospital Foundation, the debtors and debtors in possession
7 (collectively, the “Debtors”) request an order authorizing and approving (a) the appointment of
8 Kurtzman Carson Consultants LLC (“KCC”) as Claims and Noticing Agent for the Court and the
9 Clerk of the Bankruptcy Court (the “Clerk’s Office”) pursuant to section 156(c) of title 28 of the
10 *United States Code* (the “Judicial Code”), section 341 of title 11 of the United States Code, Rule
11 2002 of the *Federal Rules of Bankruptcy Procedure* (the “Bankruptcy Rules”) and Rule 5075-1 of
12 the *Local Rules of Bankruptcy Procedure for the Bankruptcy Court for the Central District of*
13 *California* (the “Local Bankruptcy Rules”) and (b) approving the form and manner of Notice of the
14 commencement of these chapter 11 cases and the initial meeting of the Debtors’ creditors.

15
16 **DOCUMENTS AND ARGUMENT IN SUPPORT OF MOTION**

17 This Application is based on this Notice and Application, the Notice of Emergency Motions
18 that will be filed and served after obtaining a hearing date for the Debtors’ “First Day Motions,”
19 the attached Memorandum of Points and Authorities accompanying this Application, the
20 concurrently filed Declaration of Alice Cheng filed April 19, 2023 [Docket No. 9] in support of the
21 Emergency Motions, the arguments of counsel and other admissible evidence properly brought
22 before the Court at or before the hearing on this Application. In addition, the Debtors request that
23 the Court take judicial notice of all documents filed with the Court in this Case.

24 **SERVICE OF THE MOTION**

25 The Debtors have served a copy of this Application and all supporting papers upon the:
26 (i) the Office of the U.S. Trustee Region 16; (ii) the holders of the 30 largest unsecured claims
27 against the Debtors (on a consolidated basis); (iii) U.S. Bank and counsel thereto; (iv) Hanmi
28 Bank and counsel thereto; (v) the Internal Revenue Service; (vi) the Office of the Attorney
General for the State of California; (vii) the National Association of Attorneys General; and

1
2 **MEMORANDUM OF POINTS AND AUTHORITIES**

3 **INTRODUCTION**

4 Beverly Community Hospital Association d/b/a Beverly Hospital, Montebello Community
5 Health Services, Inc., and Beverly Hospital Foundation, the debtors and debtors-in-possession
6 (collectively, the “Debtors”) seek entry of an Order approving Kurtzman Carson Consultants LLC
7 (“KCC”) as the Claims and Noticing Agent, on the terms and conditions set forth in that certain
8 KCC Services Agreement, dated April 3, 2023 (the “KCC Agreement”) attached hereto as
9 Exhibit “A.”

10 **JURISDICTION**

11 The United States Bankruptcy Court for the Central District of California (the “Court”) has
12 jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the General Order
13 No. 13-05 (C.D. Cal. Jul. 1, 2013), and Rule 5011-1(a) of the Local Bankruptcy Rules for the
14 United States Bankruptcy Court Central District of California (the “Local Bankruptcy Rules”).
15 This is a core proceeding pursuant to 28 U.S.C. § 157(b).

16 Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

17 The bases for the relief requested herein are sections 105(a) and 366 of the Bankruptcy
18 Code, Bankruptcy Rules 6003 and 6004, and Rules 2081-1(a)(3) and 9075-1 of the Local
19 Bankruptcy Rules.
20

21 **STATEMENT OF FACTS**

22 **General Background.**

23
24 Beverly Hospital is a nonprofit, 202-bed hospital in Montebello that serves low-income
25 patients in the nearby Los Angeles area. As a safety net hospital, Beverly has been historically
26 underfunded and, in the post-Covid economy, became increasingly cash-strapped. With 91% of
27 its patients relying on Medicare and Medi-Cal, the Hospital’s financial struggles only worsened as
28

1 the cost of labor, medical supplies and medicine ballooned while government reimbursement rates
2 have stayed the same.

3 On the Petition Date, each of the Debtors filed a voluntary petition for relief under chapter
4 11 of the Bankruptcy Code. The Debtors are operating their business and managing their
5 properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
6 Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural
7 consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule
8 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter
9 11 cases, and no committees have been appointed or designated.

10 Additional background facts on the Debtors, including an overview of the Debtors'
11 business, information on the Debtors' debt structure and information on the events leading up to
12 the chapter 11 cases, are contained in the Declaration of Alice Cheng.

13 **Relevant Facts to Motion.**

14 **SERVICES TO BE PROVIDED BY KCC**

15 Pursuant to the KCC Agreement, the Debtors request that KCC be permitted to provide the
16 following services:

- 17
- 18 a. Prepare and serve required Notices in this chapter 11 case, including
- 19 1. a Notice of the commencement of the case and the initial meeting of creditors
 - 20 2. a Notice of the claims bar date;
 - 21 3. Notices of transfers of claims;
 - 22 4. Notice of objections to claims;
 - 23 5. Notices of any hearings on a disclosure statement and confirmation of a
 - 24 chapter 11 plan;
 - 25 6. Notice of the effective date of any chapter 11 plan; and
 - 26 7. such other miscellaneous Notices as the Debtors or the Court may deem
 - 27 necessary or appropriate for an orderly administration of this case.
 - 28

- 1 b. Maintain an official copy of the Debtors' schedules of assets and liabilities and
2 statement of financial affairs (collectively, the "Schedules"), listing the Debtors'
known creditors and the amounts owed thereto;
- 3 c. Maintain (1) a list of potential creditors, equity holders, and other parties-in-interest
4 and (2) a "core" mailing list consisting of all parties described in Bankruptcy Rule
5 2002 and those parties that have filed a notice of appearance under Bankruptcy Rule
6 9010; update said lists and make said lists available upon request by a party-in-
7 interest or the Clerk;
- 8 d. Within five (5) business days after the service of a particular Notice, file with the
9 Clerk's Office a declaration of service that includes (i) an alphabetical list of persons
10 on whom KCC served the Notice, along with their addresses, and (ii) the date and
11 manner of service;
- 12 e. Maintain a post office box or address for the purpose of receiving claims and returned
13 mail, and process all mail received;
- 14 f. Process all proofs of claim received, including those received by the Clerk's office,
15 check said processing for accuracy, and maintain the original proofs of claim in a
16 secure area;
- 17 g. Maintain copies of all proofs of claim and proofs of interest filed in this case at a
18 location other than where the originals are maintained;
- 19 h. Maintain an official claims register for each debtor (the "Claims Register") in this
20 case by docketing all proofs of claim and proofs of interest in a claims database that
21 includes the following information for each such claim or interest asserted:
 - 22 1. The name and address of the claimant or interest holder and any agent thereof,
23 if the proof of claim or proof of interest was filed by an agent, and the entity
24 against which such claim was filed;
 - 25 2. The date that the proof of claim or proof of interest was received by KCC
26 and/or the Court;
 - 27 3. The claim number assigned to the proof of claim or proof of interest; and
 - 28 4. The asserted amount and classification of the claim.
- i. Implement necessary security measures to ensure the completeness and integrity of
the claims register as approved by the Clerk of the Court;
- j. Periodically audit the claims information to assure the Clerk's Office that the claims
information is being appropriately and accurately recorded in the official claims
register;
- k. Allow the Clerk's Office to independently audit the claims information during regular
business hours;
- l. Furnish a notice to all potential creditors of the last date for the filing of proofs of claim
and a form for the filing of a proof of claim, after such notice and form are approved
by the Court, and notify said potential creditors of the existence, amount, and
classification of their respective claims as set forth in the Schedules, which may be
effected by inclusion of such information (or the lack thereof, in cases where the

- 1 Schedules indicate no debt due to the subject party) on a customized proof of claim
2 form provided to potential creditors;
- 3 m. Transmit to the Clerk's Office a copy of the claims register on a weekly basis or at
4 such other times as the Clerk's Office may direct;
- 5 n. Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to
6 the offices of KCC, not less than weekly;
- 7 o. Maintain an up-to-date mailing list for all entities that have filed proofs of claim or
8 proofs of interest and make such list available upon request to the Clerk's Office or
9 any party in interest;
- 10 p. Provide the public and the Clerk's Office access to copies of the proofs of claim or
11 proofs of interest filed in this chapter 11 case without charge during regular business
12 hours (9:00 a.m. - 4:00 p.m. Pacific Time) in a viewing area at the following address:
13 2335 Alaska Avenue, El Segundo, California 90245 and on a case-specific website
14 maintained by KCC;
- 15 q. Allow the Clerk's Office to inspect KCC's premises at any time during regular
16 business hours;
- 17 r. Record all transfers of claims pursuant to Federal Bankruptcy Rule 3001(e) and
18 provide notice of such transfers as required by Federal Bankruptcy Rule 3001(e);
- 19 s. assist in the dissemination of information to the public and respond to requests for
20 administrative information regarding these chapter 11 cases, as directed by the
21 Debtors or the Court, including through the use of a case website and call center;
- 22 t. if the case is converted to chapter 7, contact the Clerk's Office within three (3) days
23 of the notice to KCC of entry of the order converting the case;
- 24 u. thirty (30) days prior to the close of these chapter 11 cases, to the extent practicable,
25 request that the Debtors submit to the Court a proposed order dismissing KCC and
26 terminating KCC's services of such agent upon completion of its duties and
27 responsibilities and upon the closing of these cases;
- 28 v. within seven (7) days of notice to KCC of the entry of an order closing these chapter
11 cases, provide to the Court the final version of the Claims Registers as of the date
immediately before the close of the cases; and
- w. at the close of these chapter 11 cases, box and transport all original documents, in
proper format, as provided by the Clerk's office, to (i) Riverside Federal Records
Center, 23123 Cajalco Road, Perris, CA 92570, or (ii) any other location requested by
the Clerk's office.
- x. Comply with applicable federal, state, municipal and local statutes, ordinances, rules,
regulations, orders and other requirements;
- y. Promptly comply with such further conditions and requirements as the Clerk's Office
or the Court may at any time prescribe; and

1 z. Provide such other claims processing, noticing, and related administrative services as
2 may be requested from time to time by the Debtors.

3 In addition to the foregoing, in accordance with the KCC Agreement and to the extent
4 requested by the Debtors, KCC shall assist the Debtors with, among other things, (a) data collection
5 and processing required for, among other things, the reconciliation and resolution of claims; (b)
6 Schedules of Assets and Liabilities and Statements of Financial Affairs, (c) maintenance of the
7 Debtors' Master Mailing Matrix, and (d) the preparation, mailing and tabulation of ballots for the
8 purpose of voting to accept or reject a chapter 11 plan.

9 Notwithstanding the relief requested herein and the services proposed to be provided by
10 KCC, except for the Debtors, any party submitting a particular pleading or other document with
11 the Court shall be responsible for all noticing and service functions relevant to the particular
12 matters as may be required under applicable rules and shall file with the Clerk's Office a
13 declaration of service regarding such noticing and service. In addition, except for the Debtors'
14 attorneys, the attorney submitting a proposed order or judgment shall serve copies upon all parties
15 entitled to receive notice of entry of the order or judgment as soon as practicable and shall be
16 responsible for photocopying the conformed copies in order to relieve the Clerk's Office of the
17 large burden of photocopying these orders.

18 Notwithstanding the foregoing, KCC may, with the Debtors' consent, provide services to
19 any official committee, such as mailing or web site creation/maintenance.

21 **KCC'S QUALIFICATIONS**

22 Management consulted with their legal and financial advisors, who, after consultations
23 with others in their firms, determined that based on the size, scope, and geography of the case,
24 KCC was the appropriate choice. Given their work together in other cases, the Debtors' advisors
25 were also able to secure extremely competitive pricing from KCC for these services.

26 KCC specializes in providing comprehensive chapter 11 administrative services, including
27 noticing, claims processing, balloting, and other related services critical to the effective
28 administration of chapter 11 cases. Indeed, KCC has developed efficient and cost-effective

1 methods to properly handle the voluminous mailings associated with the noticing, claims
2 processing, and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of
3 creditors, equity security holders, and all other parties in interest. Further, KCC has experience
4 working with, and will continue to work with, the Clerk to ensure that the services provided
5 conform to all of the Court's procedures, the Local Rules, and the provisions of any orders entered
6 by the Court. Accordingly, the Debtors' estates and their creditors will benefit from KCC's
7 retention because KCC has developed efficient and cost-effective methods in this area of expertise.

8
9 KCC has been retained as the official claims and noticing agent in many large and complex
10 cases filed in this Court as well as other courts across the country. *In re Verity Health Systems of*
11 *California, Inc., et al.*, Case No. 2:18-bk-20151-ER (Docket No. 153); *In re Woodside Group,*
12 *LLC, et al.*, Case No. 08-20682 (PC) (Docket No. 311) (Bankr. C.D. Cal. Aug. 20, 2008); *In re*
13 *Standayne LLC, et al.*, Case No. 23-10207 (JTD) (Bankr. D. Del. Feb. 22, 2023); *In re Tricida,*
14 *Inc.*, Case No. 23-10024 (JTD) (Bankr. D. Del. Jan. 13, 2023); *In re Carestream Health, Inc., et*
15 *al.*, Case No. 22-10778 (JKS) (Bankr. D. Del. Aug. 26, 2022); *In re First Guaranty Mortgage*
16 *Corp., et al.*, Case No. 22-10584 (CTG) (Bankr. D. Del. Jul. 1, 2022); *In re Zosano Pharma Corp.,*
17 *et al.*, Case No. 22-10506 (JKS) (Bankr. D. Del. Jun. 6, 2022); *In re Sequential Brands Group, Inc., et*
18 *al.*, Case No. 21-11194 (JTD) (Bankr. D. Del. Sep. 1, 2021).

19 The Debtors believe in their business judgment, that KCC has the experience and expertise
20 to render the necessary services in a professional and efficient manner in accordance with the
21 Federal Bankruptcy Rules and Local Bankruptcy Rules.

22 23 **COMPENSATION**

24 The compensation to be provided by the Debtors to KCC for services rendered is set forth
25 in the fee schedule included in Exhibit "A" attached hereto. The Debtors believe that such
26 compensation is fair and reasonable. The Debtors respectfully request that the undisputed fees and
27 expenses incurred by KCC in the performance of the above services be treated as administrative
28

1 expenses of the Debtors' chapter 11 estates pursuant to 28 U.S.C. § 156(c) and section
2 503(b)(1)(A) of the Bankruptcy Code and be paid in the ordinary course of business without further
3 application to or order of the Court. KCC agrees to maintain records of all services showing dates,
4 categories of services, fees charged, and expenses incurred, and to serve monthly invoices on the
5 Debtors, the Office of the United States Trustee, counsel for the Debtors, counsel for any official
6 committee appointed in these chapter 11 cases, and any party in interest who specifically requests
7 service of the monthly invoices. If any dispute arises relating to the KCC Agreement or monthly
8 invoices, the parties shall meet and confer in an attempt to resolve the dispute. If resolution is not
9 achieved, the parties may seek resolution of the matter from the Court. The court mandated form
10 F 5075-1.1 Declaration To Be Filed With Motion Establishing Administrative Procedures re
11 28 U.S.C. § 156(c), together with the completed Mega Case Procedures Checklist, are attached
12 hereto as Exhibit "C."

15 Prior to the Petition Date, the Debtors provided KCC a retainer in the amount of \$25,000.
16 KCC seeks to first apply the retainer to all pre-petition invoices, and thereafter, to have the
17 retainer replenished to the original retainer amount, and thereafter, to hold the retainer under the
18 KCC Agreement during the cases as security for the payment of fees and expenses incurred
19 under the KCC Agreement.
20

21 In addition to the retainer payment, KCC received \$30,000 in payments from the Debtor
22 for estimated fees incurred prior to the Petition Date (the "Pre-Petition Payments").
23

24 As part of the overall compensation payable to KCC under the terms of the KCC
25 Agreement, the Debtors have agreed to certain indemnification and contribution obligations as set
26 forth in the KCC Agreement, to the extent permitted by applicable law and as modified by the
27 Proposed Order. The terms of the KCC Agreement and indemnification provisions included
28

1 therein were negotiated at arms' length between the Debtors and KCC, and the Debtors
2 respectfully submit that these provisions of the KCC Agreement are reasonable and in the best
3 interests of the Debtors, their estates, and their creditors.
4

5 **DISINTERESTEDNESS**

6 As set forth in the Declaration of Evan Gershbein (the "Gershbein Declaration"), attached
7 hereto as Exhibit "B," KCC represents, among other things, that:

- 8 a. KCC shall be under the supervision and control of the Clerk of Court but not be an
9 employee of the United States government, not consider itself employed by the
10 United States government and shall not seek any compensation from the United
11 States government in its capacity as the Claims and Noticing Agent in these chapter
12 11 cases;
- 13 b. by accepting employment in these chapter 11 cases, KCC waives any rights to
14 receive compensation from the United States government in its capacity as Agent
15 in this case;
- 16 c. in its capacity as the Claims and Noticing Agent in these chapter 11 cases, KCC
17 will not be an agent of the United States government and will not act on behalf of
18 the United States; and
- 19 d. KCC will not employ any past or present employees of the Debtors in connection
20 with its work as the Claims and Noticing Agent in these chapter 11 cases unless
21 otherwise approved by the Clerk of Court.
- 22 e. it is a "disinterested person" as the term is defined in section 101(14) of the
23 Bankruptcy Code with respect to the matters upon which it is to be engaged;

24 The relief requested herein is necessary to relieve the Clerk of obligations which, given the
25 facts and circumstances of this case, would be burdensome to the Clerk if the Debtors did not
26 undertake the obligations, and to establish orderly procedures for processing certain notices.
27 Pursuant to section 156(c) of the Judicial Code, the Court is empowered to utilize outside agents
28 and facilities for these purposes, provided that the Debtors' estates pay the cost of such services.²

28 U.S.C § 156(c) provides:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in case filed under the provisions of title 11, United States Code, where the cost of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The

1 The Debtors have identified approximately 2,500 potential creditors. The Debtors believe that the
2 retention of KCC as the Claims and Noticing Agent is in the best interests of the Debtors, their
3 estates and creditors.

4 The Debtors have determined in the exercise of its business judgment to engage KCC for
5 the matters described herein. The Debtors' business judgment is entitled to substantial deference.
6 It is well established that courts accord great weight to the debtor-in-possession's business
7 judgment on matters that would be beneficial to its estate. *See NLRB v. Bildisco & Bildisco*, 465
8 U.S. 513, 523 (1984).

9
10 **THE PROPOSED FORM AND MANNER**
11 **OF THE CASE COMMENCEMENT NOTICE**

12 As described above, one of KCC's responsibilities will be to prepare and serve a notice of
13 the commencement of these chapter 11 cases and the initial meeting of creditors (the
14 "Case Commencement Notice") under section 341(a) of the Bankruptcy Code (the "Section 341
15 Meeting").

16 The Debtors propose that KCC serve the Case Commencement Notice, substantially in the
17 form annexed hereto as Exhibit D, by regular mail, postage prepaid, on those entities entitled to
18 receive the Case Commencement Notice pursuant to Federal Bankruptcy Rule 2002. The Debtors
19 further propose that service of the Case Commencement Notice take place not more than five
20 business days after the Debtors receive notice from the United States Trustee of the time and place
21 of the Section 341 Meeting. Finally, the Debtors propose to publish the Case Commencement
22 Notice in the Los Angeles Times within five business days after the Case Commencement Notice
23 is served. The Debtors submit that such notice by publication will provide adequate notice of the
24 commencement of these chapter 11 cases to unknown entities that may hold or be entitled to assert
25 a claim against the Debtors.
26

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28 _____
utilization of such facilities or services shall be subject to such conditions and limitations as the
pertinent circuit counsel may prescribe.

1 The proposed form of the Case Commencement Notice should be approved. The form of
2 the Case Commencement Notice contains the required information regarding the commencement
3 of these chapter 11 cases, as well as important information specifically tailored to the Debtors and
4 these cases. The Debtors believe that service of the proposed form of the Case Commencement
5 Notice, supplemented by the publication of the Case Commencement Notice as described in this
6 Motion, will adequately inform parties in interest of the commencement of these cases and the
7 Section 341 Meeting. *See* Bankruptcy Rule 2002(1) (providing that the Court may order notice by
8 publication to supplement notice being given).
9

10 **CONCLUSION**

11 WHEREFORE the Debtors respectfully request that the Court enter an Order
12 substantially in the form attached hereto as Exhibit E:

- 13 (i) Authorizing and approving (a) the appointment of KCC as Claims and Noticing
14 Agent for the Court, and (b) approving the form and manner of notice of the
15 commencement of these chapter 11 cases and the initial meeting of the Debtors'
16 creditors; and,
17 (ii) Granting the Debtors such other and further relief as is just.

18
19 Dated: April 20, 2023

SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP

20
21 By /s/ Jennifer L. Nassiri
Jennifer L. Nassiri

22
23 JUSTIN R. BERNBROCK
JENNIFER L. NASSIRI
24 CATHERINE JUN
ROBERT B. McLELLARN
25 ALEXANDRIA G. LATTNER

26 Proposed Counsel to Debtors and
Debtors in Possession
27
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EXHIBIT A

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KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 3 day of April 2023, between Beverly Community Hospital Association (together with its affiliates and subsidiaries, the “Company”),¹ and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, “KCC”). In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Terms and Conditions

I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC’s standard reports as well as consulting and programming support for the Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the fees outlined in a pricing schedule provided to the Company (the “KCC Fee Structure”).

C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company’s representatives, employees, agents and/or professionals (collectively, the “Company Parties”) with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company. The Company agrees and understands that KCC shall not provide the Company or any other party with any legal advice.

¹ The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company’s chapter 11 case.

AL



KCC AGREEMENT FOR SERVICES

II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services at the rates and prices set by KCC that are in effect as of the date of this Agreement and in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment and are inclusive of all charges. KCC reserves the right to reasonably increase its prices, charges and rates; provided, however, that if any such increase exceeds 15%, KCC will give thirty (30) days written notice to the Company.

B. In addition to fees and charges for services, the Company agrees to pay KCC's reasonable transportation, lodging, and meal expenses incurred in connection with services provided under this Agreement.

C. In addition to all fees for services and expenses hereunder, the Company shall pay to KCC (i) any fees and charges related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate.

E. KCC agrees to submit its invoices to the Company monthly and the Company agrees that the amount invoiced is due and payable upon the Company's receipt of the invoice. KCC's invoices will contain reasonably detailed descriptions of charges for both hourly (fees) and non-hourly (expenses) case specific charges. Where total invoice amounts are expected to exceed \$10,000 in any single month and KCC reasonably believes it will not be paid, KCC may require advance payment from the Company due and payable upon demand and prior to the performance of services hereunder. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, the Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the total amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, the Company shall give written notice to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute or any amounts unable to be paid due to Court order or applicable law. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) must be paid at least three (3) days in advance of those fees and expenses being incurred. Certain fees and charges may need to be adjusted due to availability related to the COVID-19 (novel coronavirus) global health issue.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) to the extent possible and otherwise in accordance with applicable Bankruptcy law and that all amounts due under this Agreement shall, to the extent possible, be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and



KCC AGREEMENT FOR SERVICES

orders of the Bankruptcy Court), the Company shall cause pleadings to be filed with the Bankruptcy Court seeking entry of an order or orders approving this Agreement (the "Retention Order"). The form and substance of the pleadings and the Retention Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with the terms of this Agreement. The parties recognize and agree that if there is a conflict between the terms of this Agreement and the terms of the Retention Order, the terms of the Retention Order shall govern during the chapter 11 or other proceeding.

G. To the extent permitted by applicable law, KCC shall receive a retainer in the amount of \$25,000 (the "Retainer") that may be held by KCC as security for the Company's payment obligations under the Agreement. The Retainer is due upon execution of this Agreement. In the event of a Chapter 11 Filing, KCC will first apply the Retainer to all pre-petition invoices, and thereafter, will have the Retainer replenished to the original amount. KCC shall be entitled to hold the Retainer until the termination of the Agreement. Following termination of the Agreement, KCC shall return to the Company any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. The Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. The Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC's performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by the Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for the Company's use during and in connection with the services provided by KCC under this Agreement.

IV. NON-SOLICITATION

The Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency



KCC AGREEMENT FOR SERVICES

or other regulatory body it may, upon not less than five (5) business days' written notice to the other party, release the required information.

VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined herein). As used herein, the term "Cause" means (i) gross negligence or willful misconduct of KCC that causes serious and material harm to the Company's reorganization under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or (iii) the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and KCC shall provide all necessary staff, services and assistance required for an orderly transfer. The Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Retention Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility in the Company's bankruptcy case.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. If the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days, KCC may dispose of the data or media, and be reimbursed by the Company for the expense of such disposition, after giving the Company thirty (30) days' notice. Notwithstanding any term herein to the contrary, following entry of the Retention Order, the disposition of any data or media by KCC shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.

A handwritten signature in blue ink, appearing to be the initials "AC", located in the bottom right corner of the page.



KCC AGREEMENT FOR SERVICES

VIII. BANK ACCOUNTS

At the Company's request and subject to Court approval following any chapter 11 filing, KCC may be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. The Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement. Such indemnification shall exclude Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

B. Except as provided herein, KCC's liability to the Company or any person making a claim through or under the Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to the Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement. In no event shall KCC's liability to the Company for any Losses, whether direct or indirect, arising out of this Agreement exceed the total amount billed to the Company and actually paid to KCC for the services contemplated under the Agreement; provided, however, that this limitation shall not apply to the Company during any chapter 11 case in which the Company is a debtor.

C. The Company is responsible for the accuracy of the programs, data and information it or any Company Party submits for processing to KCC and for the output of such information. KCC does not verify information provided by the Company and, with respect to the preparation of schedules and statements, all decisions are at the sole discretion and direction of the Company. The Company reviews and approves all schedules and statements filed on behalf of, or by, the Company; KCC bears no responsibility for the accuracy or contents therein. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs and data submitted by the Company to KCC.

D. The Company agrees that except as expressly set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or



KCC AGREEMENT FOR SERVICES

express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.

X. FORCE MAJEURE

KCC will not be liable for any delay or failure in performance when such delay or failure arises from circumstances beyond its reasonable control, including without limitation acts of God, acts of government in its sovereign or contractual capacity, acts of public enemy or terrorists, acts of civil or military authority, war, riots, civil strife, terrorism, blockades, sabotage, rationing, embargoes, epidemics, pandemics, outbreaks of infectious diseases or any other public health crises, earthquakes, fire, flood, other natural disaster, quarantine or any other employee restrictions, power shortages or failures, utility or communication failure or delays, labor disputes, strikes, or shortages, supply shortages, equipment failures, or software malfunctions.

XI. INDEPENDENT CONTRACTORS

The Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this Agreement.

XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or electronic mail or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC
222 N. Pacific Coast Highway, 3rd Floor
El Segundo, CA 90245
Attn: Drake D. Foster
Tel: (310) 823-9000
Fax: (310) 823-9133
E-Mail: dfoster@kccllc.com

Beverly Community Hospital Association
309 W. Beverly Blvd.
Montebello, CA 90640
Attn: Alice Cheng
Tel: (323) 726-1222
Fax: (323) 725-4338
E-Mail: acheng@beverly.org

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement



KCC AGREEMENT FOR SERVICES

between the parties, which supersedes and merges all prior proposals, understandings, other agreements, and communications oral and written between the parties relating to the subject matter of this Agreement. The Company represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

XV. COUNTERPARTS; EFFECTIVENESS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, which delivery may be made by exchange of copies of the signature page by facsimile or electronic mail.

XVI. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned without written consent by KCC to a wholly-owned subsidiary or affiliate of KCC.

XVII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

[SIGNATURE PAGE FOLLOWS]

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KCC AGREEMENT FOR SERVICES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC


BY: Evan Gershbein DATE: 4/5/23
TITLE: EVP, Corporate Restructuring Services

Beverly Community Hospital Association

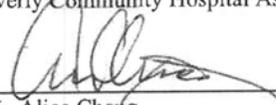

BY: Alice Cheng DATE: 04-05-2023
TITLE: Chief Executive Officer

EXHIBIT B

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1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
JUSTIN R. BERNBROCK (*pro hac vice* admission pending)
2 CATHERINE JUN (*pro hac vice* admission pending)
ROBERT B. McLELLARN (*pro hac vice* admission pending)
3 321 North Clark Street, 32nd Floor
Chicago, Illinois 60654
4 Telephone: 312.499.6300
Facsimile: 312.499.6301
5 Email: jbernbrock@sheppardmullin.com
cjun@sheppardmullin.com
6 rmclellarn@sheppardmullin.com

7 JENNIFER L. NASSIRI, SBN 209796
8 ALEXANDRIA G. LATTNER, SBN 314855
1901 Avenue of the Stars, Suite 1600
9 Los Angeles, CA 90067-6055
Telephone: 310.228.3700
10 Facsimile: 310.228.3701
Email: jnassiri@sheppardmullin.com
11 alattner@sheppardmullin.com

12 Proposed Counsel to Debtors and Debtors in
13 Possession

14 UNITED STATES BANKRUPTCY COURT

15 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

16 In re:

17 BEVERLY COMMUNITY HOSPITAL
18 ASSOCIATION, dba BEVERLY HOSPITAL
(A NONPROFIT PUBLIC BENEFIT
19 CORPORATION), *et al*,³

20 Debtors,

Lead Case No.:2:23-bk-12359-SK

Jointly administered with:
Case No.: 2:23-bk-12360-SK
Case No. 2:23-bk-12361-SK

Chapter 11 Case

**DECLARATION OF EVAN GERSHBEIN
IN SUPPORT OF DEBTORS'
EMERGENCY APPLICATION FOR AN
ORDER (A) APPOINTING KURTZMAN
CARSON CONSULTANTS LLC AS
CLAIMS AND NOTICING AGENT, AND
(B) APPROVING THE FORM AND**

25
26
27 ³ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification
28 number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community
Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309
W. Beverly Blvd., Montebello, California 90640.

**MANNER OF NOTICE OF CASE
COMMENCEMENT**

Date: TBD
Time: TBD
Judge: Hon. Sandra R. Klein
Place: Zoom.Gov – or - Courtroom 1575
255 E. Temple St.
Los Angeles, CA 90012

I, Evan Gershbein, being duly sworn, state the following under penalty of perjury and that the following is true to the best of my knowledge, information and belief:

1. I am an Executive Vice President of Corporate Restructuring Services of Kurtzman Carson Consultants LLC (“KCC”). I submit this declaration in support of the application (the “Application”) by the above-captioned debtors and debtors in possession for an order authorizing and approving (i) the appointment of Kurtzman Carson Consultants LLC as claims and noticing agent for the Court and the Clerk of the Bankruptcy Court (the “Clerk’s Office”) and (ii) approving the form and manner of notice of the commencement of these chapter 11 cases and the initial meeting of the Debtors’ creditors.

2. KCC specializes in providing comprehensive chapter 11 administrative services, including noticing, claims processing, balloting, and other related services critical to the effective administration of chapter 11 cases. Indeed, KCC has developed efficient and cost-effective methods to properly handle the voluminous mailings associated with the noticing, claims processing, and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders, and all other parties in interest. Further, KCC has experience working with, and will continue to work with, the Clerk’s office to ensure that the services provided conform with all of the Court’s procedures, the Local Rules, and the provisions of any orders entered by the Court.

1 3. The Debtors' estates and their creditors will benefit from KCC's retention because
2 KCC has developed efficient and cost-effective methods in this area of expertise. KCC is fully
3 equipped to handle the volume of mailing involved in properly sending the required notices to and
4 processing the claims of creditors in these chapter 11 cases. KCC is one of the country's leading
5 chapter 11 administrators, with experience in noticing, claims administration, solicitation,
6 balloting, and facilitating other administrative aspects of chapter 11 cases.

7
8 4. KCC has been retained as the official claims and noticing agent in many large and
9 complex cases filed in this Court as well as other courts across the country. *In re Verity Health*
10 *Systems of California, Inc., et al.*, Case No. 2:18-bk-20151-ER (Docket No. 153); *In re Woodside*
11 *Group, LLC, et al.*, Case No. 08-20682 (PC) (Docket No. 311) (Bankr. C.D. Cal. Aug. 20, 2008);
12 *In re Standayne LLC, et al.*, Case No. 23-10207 (JTD) (Bankr. D. Del. Feb. 22, 2023); *In re*
13 *Tricida, Inc.*, Case No. 23-10024 (JTD) (Bankr. D. Del. Jan. 13, 2023); *In re Carestream Health,*
14 *Inc., et al.*, Case No. 22-10778 (JKS) (Bankr. D. Del. Aug. 26, 2022); *In re First Guaranty*
15 *Mortgage Corp., et al.*, Case No. 22-10584 (CTG) (Bankr. D. Del. Jul. 1, 2022); *In re Zosano*
16 *Pharma Corp.*, Case No. 22-10506 (JKS) (Bankr. D. Del. Jun. 6, 2022); *In re Sequential Brands*
17 *Group, Inc., et al.*, Case No. 21-11194 (JTD) (Bankr. D. Del. Sep. 1, 2021).

18
19
20 5. The Debtors propose to employ KCC on the terms set forth in that certain
21 agreement for services by and between the Debtors and KCC, entered into as of April 3, 2023 (the
22 "KCC Agreement"), a copy of which is attached to the Application as Exhibit "A". The proposed
23 terms and conditions of KCC's engagement as set forth in the KCC Agreement are consistent with,
24 and typical of, other claims and noticing engagements in chapter 11 cases approved in this and
25 other districts.
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1 6. The services to be performed by KCC as claims and noticing agent are described
2 in the Application. In addition, at the Debtors' request, KCC will perform such other noticing,
3 claims, balloting, technical, and support services specified in the Application.
4

5 7. Subject to the Court's approval, the Debtors have agreed to compensate KCC for
6 professional services rendered in connection with these chapter 11 cases pursuant to the KCC
7 Agreement. KCC believes that the rates for its claims and noticing processing services are
8 comparable to the rates charged by its competitors for similar services.
9

10 8. KCC respectfully submits that the fees and expenses incurred by KCC are
11 administrative in nature and should not be subject to the standard fee application procedures for
12 professionals. Specifically, KCC requests authorization to be compensated on a monthly basis (in
13 the ordinary course of business and in accordance with the terms and conditions set forth in the
14 KCC Agreement). KCC agrees to maintain records of all services showing dates, categories of
15 services, fees charged and expenses incurred, and to serve monthly invoices on the Debtors, the
16 U.S. Trustee, counsel for the Debtors, counsel for any official committee, and any party in interest
17 who specifically requests service of the monthly invoices.
18

19 9. If any dispute arises relating to the KCC Agreement or KCC's monthly invoices,
20 the parties will meet in an attempt to resolve the dispute. If a resolution is not achieved, the parties
21 will seek resolution of the matter from the Court.
22

23 10. Before the Petition Date, KCC received a retainer from the Debtors in the amount of
24 \$25,000. KCC seeks to first apply the retainer to all pre-petition invoices, and thereafter, to have
25 the retainer replenished to the original retainer amount, and thereafter, to hold the retainer under
26 the KCC Agreement during the cases as security for the payment of fees and expenses incurred
27 under the KCC Agreement.
28

1 11. In addition to the retainer payment, KCC received \$30,000 in payments from the
2 Debtor for estimated fees incurred prior to the Petition Date (the “Pre-Petition Payments”).

3 12. To the best of my knowledge, neither KCC, nor any of its professional personnel,
4 has any relationship with the Debtors, or any potential party in interest, that would impair KCC’s
5 ability to serve as the official claims and noticing agent. The Debtors have many creditors, and
6 accordingly, KCC may have rendered and may continue to render services to certain of these
7 creditors. KCC has not and will not represent the separate interests of any such creditor in these
8 cases. Additionally, KCC employees may, in the ordinary course of their personal affairs, have
9 relationships with certain creditors of the Debtors. For example, one or more of KCC’s employees
10 may have obligations outstanding with financial institutions that are creditors of the Debtors or
11 may have used the Debtors’ services.

14 13. KCC may also have relationships with other professionals to be retained by the
15 Debtors.

17 14. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited
18 is a financial services and technologies provider for the global securities industry. Within the
19 Computershare corporate structure, KCC operates as a separate, segregated business unit. As such,
20 any relationships that Computershare Limited and its affiliates maintain do not create an interest
21 of KCC that is materially adverse to the Debtors’ estates or any class of creditors or equity security
22 holders.

24 15. To the best of my knowledge and except as disclosed herein, KCC neither holds
25 nor represents any interest materially adverse to the Debtors’ estates in connection with any matter
26 on which it would be employed and is a “disinterested person” within the meaning of section
27 101(14) of the Bankruptcy Code, as would be required by section 327(a) of the Bankruptcy Code.
28

1 KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that
2 would require disclosure.

3 16. KCC represents:

- 4
- 5 a. KCC shall be under the supervision and control of the Clerk of Court but
6 not be an employee of the United States government, not consider itself
7 employed by the United States government and shall not seek any
8 compensation from the United States government in its capacity as the
9 Claims and Noticing Agent in these chapter 11 cases;
- 10 b. by accepting employment in these chapter 11 cases, KCC waives any
11 rights to receive compensation from the United States government in its
12 capacity as Agent-in this case;
- 13 c. in its capacity as the Claims and Noticing Agent in these chapter 11 cases,
14 KCC will not be an agent of the United States government and will not act
15 on behalf of the United States; and
- 16 d. KCC will not employ any past or present employees of the Debtors in
17 connection with its work as the Claims and Noticing Agent in these
18 chapter 11 cases unless otherwise approved by the Clerk of Court.

19 17. Although the Debtors do not propose to retain KCC under section 327 of the
20 Bankruptcy Code, KCC believes that it is a “disinterested person,” as that term is defined in 11
21 U.S.C. § 101(14), in that KCC, its management and staff:

- 22 a. are not creditors, equity security holders or insiders of the Debtor:
- 23 b. are not and were not, within two (2) years before the date of the filing of
24 the Debtor’s chapter 11 petition, directors, officers or employees of the
25 Debtors; and
- 26 c. do not hold or represent an interest materially adverse to the interest of the
27 Debtor’s estate or any class of creditors or equity security holders, by
28 reason of any direct or indirect relationship to, connection with, or interest
in, the Debtors.

18. KCC has not been retained to assist any entity or person other than the Debtors on
matters relating to, or in connection with, these chapter 11 cases. If this Court approves KCC’s
proposed retention, KCC will not accept any engagement or perform any service for any entity or

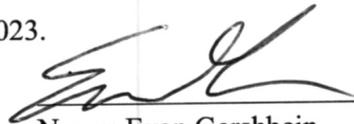
1 person other than the Debtors in this chapter 11 case. KCC may, however, provide services to
2 entities or persons that may be creditors or parties in interest in these chapter 11 cases, provided
3 that such services do not relate to, or have any direct connection with, these chapter 11 cases or
4 the Debtors.
5

6 19. As part of the overall compensation payable to KCC under the terms of the KCC
7 Agreement, KCC is entitled to certain indemnification obligations, which are described in detail
8 in the KCC Agreement. Specifically, the KCC Agreement provides that the Debtors will
9 indemnify and hold harmless KCC, its subcontractors, and their respective personnel under certain
10 circumstances specified in the KCC Agreement.
11

12 20. The terms of the KCC Agreement and indemnification provisions were negotiated
13 between KCC and the Debtors at arm's length, and I believe that these indemnification provisions,
14 the Debtors' proposed modifications thereto, and the KCC Agreement are reasonable.
15

16 Pursuant to 28 U.S.C. § 1746, I declare under penalty that the foregoing is true
17 and correct to the best of my knowledge, information and belief.

18 Executed this 19th day of April, 2023.



20 Name: Evan Gershbein
21 Title: Executive Vice President, Corporate
22 Restructuring Services
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EXHIBIT C

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Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number JUSTIN R. BERNBROCK (<i>pro hac vice</i> admission pending) JENNIFER L. NASSIRI, SBN 209796 CATHERINE JUN (<i>pro hac vice</i> admission pending) ALEXANDRIA G. LATTNER, SBN 314855 ROBERT B. McLELLARN (<i>pro hac vice</i> admission pending) 1901 Avenue of the Stars, Suite 1600 321 North Clark Street, 32nd Floor Los Angeles, CA 90067-6055 Chicago, Illinois 60654 Telephone: 310.228.3700 Telephone: 312.499.6300 Facsimile: 310.228.3701 Facsimile: 312.499.6301 Email: jnassiri@sheppardmullin.com Email: jbernbrock@sheppardmullin.com alattner@sheppardmullin.com cjun@sheppardmullin.com rmclellarn@sheppardmullin.com	CHAPTER: 11 CASE NO.: 2:23-bk-12359-SK
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	CASE NAME: Beverly Community Hospital Association, et al.

MEGA CASE PROCEDURES CHECKLIST

Estimate of:		
Number of Creditors	<u>3,000</u>	Assets <u>\$100,000,001-\$500 million</u>
Number of Claims to be filed	<u>3,000</u>	
Number of Pleadings to be filed	<u>400</u>	
Number of Adversary Proceedings to be filed	<u>0</u>	
It is proposed the following will be employed by the estate (<i>check all that apply</i>):		
Noticing Agent/Claims Processor <input checked="" type="checkbox"/> Estate Clerk <input type="checkbox"/> Independent Printer <input type="checkbox"/> Other <input type="checkbox"/>		

Instructions: Mark either the "YES" or "NO" box for each question listed in this declaration. For each question that a "NO" box is marked (other than question 1, 20 or 30), an explanation must be provided on the "COMMENTS" page.

I. Noticing Agent/Claims Processor

Delegation of Noticing/Claims Service Functions - The noticing/claims agent ("Agent") maintains the claims docket for the Court and performs all claims functions required by statute. The noticing/claims agent also maintains a database of all creditors in the case and sends notices to these creditors, as requested by the Court.

YES NO

- 1. Are you proposing the estate hire a Noticing Agent/Claims Processor? (*If no, skip to Section II.*)
- 2. Is the price list attached to the motion and are the service charges fair and reasonable?
- 3. Does the motion state the Debtor has surveyed or solicited bids from different claims processing and noticing agents before designating a proposed agent?
- 3a. If no, what criteria was used to select the agent? _____

- 4. Does the motion state the Agent is not a creditor in the case?
- 5. Does the motion state the Agent shall be subject to the consent and approval of the Clerk of Court?
- 6. Does the motion state the Agent shall be at the expense of the estate and be paid directly by the Debtor?

YES NO

7. Does the motion state the Agent shall be under the supervision and control of the Clerk of Court but not be an employee of the United States government?
8. Does the motion state the Agent shall waive any rights to receive compensation from the United States government in its capacity as Agent in this case?
9. Does the motion state the Agent shall not employ any past or present employees of the Debtor in connection with its work as the Agent in this case unless otherwise approved by the Clerk of Court?
10. Does the motion state the Agent shall maintain copies of all proofs of claim or interest at a location other than where the originals are maintained?
11. Does the motion state the Agent shall implement security measures to ensure the completeness and integrity of the claims registers as approved by the Clerk of Court?
12. Does the motion state the Agent shall transmit to the Clerk of Court a copy of the claims registers every week or as frequently as requested by the Clerk of Court?
13. Does the motion state the Agent shall provide a proof of claim viewing area **without charge** during normal business hours (9:00 a.m.-4:00 p.m. Pacific Time)?
- 13a. In what city is the viewing area located? (*provide address*) 222 N Pacific Coast Highway, 3rd Floor, El Segundo, CA 90245
14. Does the motion state the Clerk of Court shall be entitled to inspect the Agent's premises at anytime?
15. Does the motion state the Agent shall audit the claims information periodically to satisfy the Clerk of Court that the claims information is being appropriately and accurately recorded in the Court's claims register?
16. Does the motion state the Clerk of Court shall be able to independently audit the claims information at anytime?

II. Motions and Other Pleadings

17. Does the motion state the party submitting a particular pleading or other document with the Court shall be responsible for all noticing and service functions relevant to the particular matter as may be required under applicable rules and shall file with the Clerk of Court a declaration of service regarding such noticing and service?

III. Notice of Entry of Order or Judgment

18. Does the motion state the attorney for the party submitting the proposed order or judgment shall serve copies upon all parties entitled to receive notice of the entry of the order or judgment as soon as practicable?
19. Does the motion state the attorney shall be responsible for photocopying the conformed copies in order to relieve the Clerk's Office from the large burden of photocopying these orders?

IV. Employment of Special Employees of the Estate (Estate Clerk)

- | YES | NO | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 20. Does the motion state the Debtor shall furnish one or more employees to assist the Clerk's Office in the administration of this case as the Clerk of Court deems necessary. (If no, skip to Section V.) |
| <input type="checkbox"/> | <input type="checkbox"/> | 21. The employee shall not be designated as a part-time employee in the motion or order? |
| <input type="checkbox"/> | <input type="checkbox"/> | 22. Does the motion state the employee of the Estate shall be subject to the consent and approval of the Clerk of Court? |
| <input type="checkbox"/> | <input type="checkbox"/> | 23. Does the motion state the employee of the Estate shall be at the expense of the estate and be paid directly by the Debtor? |
| <input type="checkbox"/> | <input type="checkbox"/> | 24. Does the motion state the employee of the Estate shall be under the supervision and control of the Clerk of Court but not be an employee of the United States government? |
| <input type="checkbox"/> | <input type="checkbox"/> | 25. Does the motion state an employee of the Estate shall waive any rights to receive compensation from the United States government in its capacity as an employee in this case? |
| <input type="checkbox"/> | <input type="checkbox"/> | 26. Does the motion state an employee of the Estate shall not be a past or present employee of the Debtor unless otherwise approved by the Clerk of Court? |
| <input type="checkbox"/> | <input type="checkbox"/> | 27. Does the motion state an employee of the Estate may perform non-estate functions as the Clerk of Court deems necessary in exchange for Clerk's Office employees performing court-related docketing functions for the Estate? |

V. Additional Space and Equipment

- | | | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 28. Does the motion state the Debtor shall be directly responsible for the cost of any additional space or equipment such as designated telephone lines and automation equipment, etc., if necessary? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 29. Does the motion state the Debtor shall be responsible for payment for the designated post office boxes retained for receiving filings in this case? |

VI. Independent Printer

Delegation of Printer Functions - At an offsite location near the Court, the independent printer ("Printer") maintains copies of all orders, pleadings and other documents filed in the case for inspection by the public during business hours. The printer also provides copies of these documents and case dockets to the public for a fee.

- | | | |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 30. Are you proposing the estate hire a Printer? (If no, skip to the signature section VII.) |
| <input type="checkbox"/> | <input type="checkbox"/> | 31. Is the Printer located off the Court's premises but in close proximity to the appropriate divisional office of the Court? |
| <input type="checkbox"/> | <input type="checkbox"/> | 32. Is the price list attached to the motion and are the service charges fair and reasonable? |
| <input type="checkbox"/> | <input type="checkbox"/> | 33. Does the motion state the service charges cannot be changed without prior approval from the Clerk of Court? |

YES NO

34. Does the motion state the Debtor has surveyed or solicited bids from different printing services before designating a proposed printer?

34a. If no, what criteria was used to select the proposed Printer? _____

35. Does the motion state the Printer shall not be a creditor in the case?

36. Does the motion state the Printer shall be subject to the consent and approval of the Clerk of Court?

37. Does the motion state the Printer shall be at the expense of the estate and be paid directly by the Debtor?

38. Does the motion state the Printer shall be under the supervision and control of the Clerk of Court but not be an employee of the United States government?

39. Does the motion state the Printer shall waive any rights to receive compensation from the United States government in its capacity as Printer in this case?

40. Does the motion state the Printer shall not employ any past or present employees of the Debtor in connection with its work as the Printer in this case unless otherwise approved by the Clerk of Court?

41. Does the motion state the Printer shall provide a proof of claim viewing area **without charge** during normal business hours (9:00 a.m.-4:00 p.m. Pacific Time)?

41a. In what city is the viewing area located? (*provide address*) _____

42. Does the motion state the Printer shall provide the Clerk of Court copies of any document filed in this case without charge?

43. Does the motion state the Printer shall implement security measures to ensure the completeness and integrity of the set of pleadings as approved by the Clerk of Court?

44. Does the motion state the Clerk of Court shall be entitled to inspect the Printer's premises at anytime?

COMMENTS: If you need additional space, please attach an additional piece of paper.	
Item # _____	Comment: _____ _____ _____ _____

COMMENTS OF THE CLERK'S OFFICE

- The Clerk's Office has no objection.
- The Clerk's Office objects as set forth below.
- Other:

Dated: _____

By: _____
Signature

Print Name and Title

EXHIBIT D

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SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
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7 JENNIFER L. NASSIRI, SBN 209796
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alattner@sheppardmullin.com

11 Proposed Counsel to Debtors and Debtors in Possession

12 UNITED STATES BANKRUPTCY COURT
13 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

14 In re:
15 BEVERLY COMMUNITY HOSPITAL
ASSOCIATION, dba BEVERLY HOSPITAL (A
16 NONPROFIT PUBLIC BENEFIT
CORPORATION), *et al.*¹
17 Debtors,

Lead Case No.: 2:23-bk-12359-SK

Jointly administered with:
Case No.: 2:23-bk-12360-SK
Case No. 2:23-bk-12361-SK

Chapter 11 Case

- 18 _____
19 Affects all Debtors
20 Affects Beverly Community
Hospital Association
21 Montebello Community Health
Services, Inc.
22 Beverly Hospital Foundation
23 _____

**NOTICE OF CASE COMMENCEMENT OF
CHAPTER 11 CASES AND MEETING OF
CREDITORS PURSUANT TO SECTION 341
OF THE BANKRUPTCY CODE**

Date: TBD
Time: TBD
Judge: Hon. Sandra R. Klein

24 _____
25
26
27 ¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification
28 number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community
Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309 W.
Beverly Blvd., Montebello, California 90640.

1 **PROOF OF CLAIM:** Schedules of creditors will be filed pursuant to Federal Rule of Bankruptcy Procedure 1007, and the
2 Debtors will seek an order of the Court establishing procedures for the filing of proofs of claim. A proof of claim is a signed
3 statement describing a creditor's claim. Any creditor holding a scheduled claim that is not listed as disputed, contingent or
4 unliquidated as to amount may, but is not required to, file a proof of claim in these cases. Creditors whose claims are not
5 scheduled or whose claims are listed as disputed, contingent or unliquidated as to amount and who desire to participate in
6 these cases or share in any distribution must file their proofs of claim. A creditor who desires to rely on the schedules of
7 creditors has the responsibility for determining that the claim is listed accurately.

8 A proof of claim may be filed at any time prior to the deadline established by the Court. No deadline has yet been
9 established in these cases. When a deadline is established, all known creditors will received notice of the deadline, along
10 with a proof of claim form indicating how their claim is scheduled and instructions for completing and filing a proof of
11 claim. Proof of claim forms are also available in the office of the clerk of the court of any bankruptcy court. Kurtzman
12 Carson Consultants LLC is the claims agent in these cases. The place to request a proof of claim form from the Claims
13 Agent is 222 N Pacific Coast Highway, 3rd Floor, El Segundo, California 90245. You will be notified by separate notice
14 when and where to file a proof of claim.

15 **PLEASE DO NOT FILE OR MAIL ANY PROOFS OF CLAIM OR OTHER DOCUMENTATION, INCLUDING
16 CORRESPONDENCE CONCERNING A CLAIM, WITH OR TO ANYONE, INCLUDING THE BANKRUPTCY
17 COURT, THE UNITED STATES TRUSTEE AND/OR THE UNDERSIGNED COUNSEL, UNTIL YOU ARE
18 INSTRUCTED WHEN AND WHERE TO FILE A PROOF OF CLAIM**

19 **DISCHARGE OF DEBTS:** Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or
20 part of your claim. See section 1141(d) of the Bankruptcy Code. A discharge means that you may never try to collect your
21 claim from any of the Debtors, except as provided in the plan.

22 **NOTICE:** You will not receive notice of all documents filed in these cases. All documents filed with the Court, including
23 schedules of the Debtors' property and debts, will be available for inspection at the office of the clerk of the court. Since
24 this case is governed by the Local Bankruptcy Rules regarding electronic means of filing, signing and verifying documents,
25 the Court's docket sheet and documents filed electronically are also accessible at the Court's Internet site,
26 www.nysb.uscourts.gov, through an account obtained from Pacer Service Center by dialing 1-800-676-6856 (from the US)
27 or (210) 301-6440 (from outside the US).

28 **FURTHER INFORMATION:** Further information concerning these chapter 11 cases may be obtained by calling 1-866-
967-0490 (from the US) or 1-310-751-2690 (from outside the US). The Claims Agent will also maintain a website,
rww.kcen.net/beverly, specifically for the Debtors' bankruptcy cases from which anyone may download the claims register
and obtain other relevant information and documents pertaining to the Debtors' cases at no extra charge.

LEGAL ADVICE: The staff of the bankruptcy clerk's office cannot give legal advice. Consult a lawyer to determine your
rights in this case.

Dated: April __, 2023

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By _____
Jennifer L. Nassiri

JUSTIN R. BERNBROCK
JENNIFER L. NASSIRI
CATHERINE JUN
ROBERT B. McLELLARN
ALEXANDRIA G. LATTNER

Proposed Counsel to Debtors and
Debtors in Possession

EXHIBIT E

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1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
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11 alattner@sheppardmullin.com

12 Proposed Counsel to Debtors and Debtors in
13 Possession

14 UNITED STATES BANKRUPTCY COURT

15 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

16 In re:

17 BEVERLY COMMUNITY HOSPITAL
18 ASSOCIATION, dba BEVERLY HOSPITAL
(A NONPROFIT PUBLIC BENEFIT
19 CORPORATION), *et al*,⁴

20 Debtors,

Lead Case No.:2:23-bk-12359-SK

Jointly administered with:
Case No.: 2:23-bk-12360-SK
Case No. 2:23-bk-12361-SK

Chapter 11 Case

**ORDER (A) APPOINTING KURTZMAN
CARSON CONSULTANTS LLC AS
CLAIMS AND NOTICING AGENT, AND
(B) APPROVING THE FORM AND
MANNER OF NOTICE OF CASE
COMMENCEMENT**

Date: TBD

26
27 ⁴ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification
28 number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community
Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309
W. Beverly Blvd., Montebello, California 90640.

Time: TBD
Judge: Hon. Sandra R. Klein
Place: Zoom.Gov – or - Courtroom 1575
255 E. Temple St.
Los Angeles, CA 90012

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6
7 Upon consideration of the application (the “Application”) of the above-captioned
8 debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the
9 “Debtors”), for an Order, pursuant to section 156(c) of title 28 of the United States Code (the
10 “Judicial Code”), section 341 of the Bankruptcy Code, Rule 2002 of the Federal Rules of
11 Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 5075-1 of the Local Bankruptcy Rules
12 of the United States Bankruptcy Court for the Central District of California (the “Local Rules”),
13 authorizing and approving (i) the appointment of Kurtzman Carson Consultants LLC (“KCC”) as
14 Claims and Noticing Agent for the Court and the Clerk of the Bankruptcy Court (the “Clerk’s
15 Office”) and (ii) approving the form and manner of Notice of the commencement of these chapter
16 11 cases and the initial meeting of the Debtors’ creditors; and upon the Declaration of Robert Evan
17 Gershbein in support thereof and the Court-mandated Form 5075-1 Declaration To be Filed With
18 Motion Establishing Administrative Procedures Re 28 U.S.C. § 156(c) with the completed Mega
19 Case Checklist attached thereto, and upon consideration of the record of the hearing held before
20 the Court; and it appearing that the relief requested is in the best interests of the Debtors and their
21 respective estates and creditors; and it appearing that due and proper notice of the Application
22 having been given; and any objections to the Application having been overruled; and after due
23 deliberation and sufficient cause appearing therefor,

24 **IT IS HEREBY ORDERED:**

- 25 1. The Application is granted in its entirety.
26
27 2. The Debtors are hereby authorized to retain KCC as the claims and noticing agent
28 in these chapter 11 cases effective as of the Petition Date pursuant to section 156(c) of the Judicial

1 Code and Local Bankruptcy Rule 5075-1 as provided in the Application, on the terms and
2 conditions set forth in the KCC Agreement for Services, attached to the Application as Exhibit A,
3 which terms and conditions are hereby approved.
4

5 3. KCC shall serve as the custodian of court records and shall be designated as the
6 authorized repository for all proofs of claim filed in these cases, if any, and is authorized and
7 directed to maintain official claims registers for each of the Debtors, to provide public access to
8 every proof of claim unless otherwise ordered by the Court and to provide the Clerk with a certified
9 duplicate thereof upon the request of the Clerk.
10

11 4. KCC is authorized and directed to obtain a post office box or address for the receipt
12 of proof of claims.

13 5. KCC is authorized to take such other action comply with all duties set forth in the
14 Application.

15 6. At the request of the Debtors and/or the Clerk's Office, the Debtors' claims and
16 noticing agent, KCC shall, subject to the terms of the KCC Agreement, provide the following
17 services:
18

- 19 a. Prepare and serve required Notices in this chapter 11 case, including
20 1. a Notice of the commencement of the case and the initial meeting of creditors
21 2. a Notice of the claims bar date;
22 3. Notices of transfers of claims;
23 4. Notice of objections to claims;
24 5. Notices of any hearings on a disclosure statement and confirmation of a
25 chapter 11 plan; and
26 6. Notice of the effective date of any chapter 11 plan;
27 7. such other miscellaneous Notices as the Debtors or the Court may deem
28 necessary or appropriate for an orderly administration of this case.
- b. Maintain an official copy of the Debtors' schedules of assets and liabilities and
statement of financial affairs (collectively, the "Schedules"), listing the Debtors'
known creditors and the amounts owed thereto;
- c. Maintain (1) a list of potential creditors, equity holders, and other parties-in-interest
and (2) a "core" mailing list consisting of all parties described in Bankruptcy Rule

1 2002 and those parties that have filed a notice of appearance under Bankruptcy Rule
2 9010; update said lists and make said lists available upon request by a party-in-
interest or the Clerk;

- 3 d. Within five (5) business days after the service of a particular Notice, file with the
4 Clerk's Office a declaration of service that includes (i) an alphabetical list of persons
5 on whom KCC served the Notice, along with their addresses, and (ii) the date and
6 manner of service;
- 7 e. Maintain a post office box or address for the purpose of receiving claims and returned
8 mail, and process all mail received;
- 9 f. Process all proofs of claim received, including those received by the Clerk's office,
10 check said processing for accuracy, and maintain the original proofs of claim in a
11 secure area;
- 12 g. Maintain copies of all proofs of claim and proofs of interest filed in this case at a
13 location other than where the originals are maintained;
- 14 h. Maintain an official claims register for each debtor (the "Claims Register") in this
15 case by docketing all proofs of claim and proofs of interest in a claims database that
16 includes the following information for each such claim or interest asserted:
- 17 1. The name and address of the claimant or interest holder and any agent thereof,
18 if the proof of claim or proof of interest was filed by an agent, and the entity
19 against which such claim was filed;
 - 20 2. The date that the proof of claim or proof of interest was received by KCC
21 and/or the Court;
 - 22 3. The claim number assigned to the proof of claim or proof of interest; and
 - 23 4. The asserted amount and classification of the claim.
- 24 i. Implement necessary security measures to ensure the completeness and integrity of
25 the claims register as approved by the Clerk of the Court;
- 26 j. Periodically audit the claims information to assure the Clerk's Office that the claims
27 information is being appropriately and accurately recorded in the official claims
28 register;
- 29 k. Allow the Clerk's Office to independently audit the claims information during regular
30 business hours;
- 31 l. Furnish a notice to all potential creditors of the last date for the filing of proofs of claim
32 and a form for the filing of a proof of claim, after such notice and form are approved
33 by the Court, and notify said potential creditors of the existence, amount, and
34 classification of their respective claims as set forth in the Schedules, which may be
35 effected by inclusion of such information (or the lack thereof, in cases where the
36 Schedules indicate no debt due to the subject party) on a customized proof of claim
37 form provided to potential creditors;
- 38 m. Transmit to the Clerk's Office a copy of the claims register on a weekly basis or at
such other times as the Clerk's Office may direct;

- 1 n. Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to
2 the offices of KCC, not less than weekly;
 - 3 o. Maintain an up-to-date mailing list for all entities that have filed proofs of claim or
4 proofs of interest and make such list available upon request to the Clerk's Office or
5 any party in interest;
 - 6 p. Provide the public and the Clerk's Office access to copies of the proofs of claim or
7 proofs of interest filed in this chapter 11 case without charge during regular business
8 hours (9:00 a.m. - 4:00 p.m. Pacific Time) in a viewing area at the following address:
9 2335 Alaska Avenue, El Segundo, California 90245 and on a case-specific website
10 maintained by KCC;
 - 11 q. Allow the Clerk's Office to inspect KCC's premises at any time during regular
12 business hours;
 - 13 r. Record all transfers of claims pursuant to Federal Bankruptcy Rule 3001(e) and
14 provide notice of such transfers as required by Federal Bankruptcy Rule 3001(e);
 - 15 s. assist in the dissemination of information to the public and respond to requests for
16 administrative information regarding these chapter 11 cases, as directed by the
17 Debtors or the Court, including through the use of a case website and call center;
 - 18 t. if the case is converted to chapter 7, contact the Clerk's Office within three (3) days
19 of the notice to KCC of entry of the order converting the case;
 - 20 u. thirty (30) days prior to the close of these chapter 11 cases, to the extent practicable,
21 request that the Debtors submit to the Court a proposed order dismissing KCC and
22 terminating KCC's services of such agent upon completion of its duties and
23 responsibilities and upon the closing of these cases;
 - 24 v. within seven (7) days of notice to KCC of the entry of an order closing these chapter
25 11 cases, provide to the Court the final version of the Claims Registers as of the date
26 immediately before the close of the cases; and
 - 27 w. at the close of these chapter 11 cases, box and transport all original documents, in
28 proper format, as provided by the Clerk's office, to (i) Riverside Federal Records
Center, 23123 Cajalco Road, Perris, CA 92570, or (ii) any other location requested by
the Clerk's office.
 - x. Comply with applicable federal, state, municipal and local statutes, ordinances, rules,
regulations, orders and other requirements;
 - y. Promptly comply with such further conditions and requirements as the Clerk's Office
or the Court may at any time prescribe; and
 - z. Provide such other claims processing, noticing, and related administrative services as
may be requested from time to time by the Debtors.
7. In addition to the foregoing, in accordance with the KCC Agreement and to the
extent requested by the Debtors, KCC shall assist the Debtors with, among other things, (a)

1 Schedules of Assets and Liabilities and Statements of Financial Affairs, (b) maintenance of the
2 Debtors' Master Mailing List, and (c) the preparation, mailing and tabulation of ballots for the
3 purpose of voting to accept or reject a chapter 11 plan.

4
5 8. The Debtors are authorized to compensate KCC in accordance with the terms of the
6 KCC Agreement upon the receipt of reasonably detailed invoices setting forth the services
7 provided by KCC and the rates charged for each, and to reimburse KCC for all reasonable and
8 necessary expenses it may incur, upon the presentation of appropriate documentation, without the
9 need for KCC to file fee applications or otherwise seek Court approval for the compensation of its
10 services and reimbursement of its expenses.

11
12 9. KCC shall maintain records of all services showing dates, categories of services,
13 fees charged, and expenses incurred, and shall serve monthly invoices on the Debtors, the U.S.
14 Trustee, counsel for the Debtors, counsel for any official committee appointed in these chapter 11
15 cases, and any party in interest who specifically requests service of the monthly invoices.

16
17 10. If any dispute arises relating to the KCC Agreement or KCC's monthly invoices,
18 the parties shall meet and confer in an attempt to resolve such dispute, and the parties may seek
19 resolution of the matter from this Court if resolution is not achieved.

20
21 11. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, KCC's fees and expenses
22 under this Order shall be an administrative expense of the Debtors' estates.

23
24 12. KCC may apply its retainer to all prepetition invoices, which retainer may be
25 replenished to the original retainer amount, and thereafter, KCC may hold its retainer under the
26 KCC Agreement during the chapter 11 cases as security for the payment of fees and expenses
27 incurred under the KCC Agreement.
28

1 13. The Debtors shall be responsible for payment for the designated post office boxes
2 retained for receiving filings in the Debtors' cases.

3 14. To the extent that the Debtors and KCC modify the KCC Agreement for Services,
4 the Debtors shall file with the Court a Notice of Modification of Agreement with KCC (the
5 "Notice") and serve such Notice upon the Office of the United States Trustee, counsel for any
6 statutory committee appointed in the Debtors' chapter 11 cases pursuant to section 1102 of the
7 Bankruptcy Code, and any other party requesting notice of matters herein; and, if no objections
8 are filed to the Notice within twenty (20) days after service of the Notice, then the proposed
9 modifications set forth in the Notice shall be deemed approved without the necessity of a hearing
10 or further order of this Court.

11 15. The Debtors shall indemnify KCC under the terms of the KCC Agreement,
12 *provided that* KCC shall not be entitled to indemnification, contribution, or reimbursement
13 pursuant to the KCC Agreement for services other than the services provided under the KCC
14 Agreement, unless such services and the indemnification, contribution, or reimbursement therefore
15 are approved by this Court.

16 16. Notwithstanding anything to the contrary in the KCC Agreement, the Debtors shall
17 have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any
18 claim or expense that is: (a) judicially determined (the determination having become final) to have
19 arisen from KCC's gross negligence, willful misconduct, or fraud; (b) for a contractual dispute in
20 which the Debtors allege the breach of KCC's contractual obligations if this Court determines that
21 indemnification, contribution, or reimbursement would not be permissible under applicable law;
22 or (c) settled prior to a judicial determination under (a) or (b), but determined by this Court, after
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1 notice and a hearing, to be a claim or expense for which KCC should not receive indemnity,
2 contribution, or reimbursement under the terms of the KCC Agreement as modified by this Order.

3
4 17. If, before the earlier of (a) the entry of an order confirming a chapter 11 plan in
5 these cases (that order having become a final order no longer subject to appeal), or (b) the entry of
6 an order closing these cases, KCC believes that it is entitled to the payment of any amounts by the
7 Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement
8 obligations under the KCC Agreement (as modified by this Order), including without limitation
9 the advancement of defense costs, KCC must file an application therefor in this Court, and the
10 Debtors may not pay any such amounts to KCC before, after notice and a hearing, the entry of an
11 order by this Court approving the payment. This paragraph is intended only to specify the period
12 of time under which this Court shall have jurisdiction over any request for fees and expenses by
13 KCC for indemnification, contribution, or reimbursement, and not a provision limiting the duration
14 of the Debtors' obligation to indemnify KCC. All parties in interest shall retain the right to object
15 to any demand by KCC for indemnification, contribution, or reimbursement.
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18 18. In the event that KCC is unable to provide the services set out in this Order, KCC
19 will immediately notify the Clerk and Debtors' counsel and, upon approval of the Court, cause to
20 have all original proofs of claim and computer information turned over to another claims and
21 noticing agent with the advice and consent of the Clerk and Debtors' counsel.
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23 19. The Debtors and KCC are authorized to take all actions necessary to effectuate the
24 relief granted pursuant to this Order in accordance with the Application.

25 20. Notwithstanding any term in the KCC Agreement to the contrary, the Court retains
26 jurisdiction with respect to all matters arising from or related to the implementation of this Order.
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