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APR 25 2023

CLERK U.S. BANKRUPTCY COURT
Central District of California
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Proposed Counsel to Debtors and Debtors in Possession

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

In re:

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

BEVERLY COMMUNITY HOSPITAL
ASSOCIATION, dba BEVERLY HOSPITAL
(A NONPROFIT PUBLIC BENEFIT
CORPORATION), *et al*,¹

Jointly administered with:

Case No: 2:23-bk-12360-SK

Case No: 2:23-bk-12361-SK

Debtors,

Hon. Sandra R. Klein

Chapter 11 Case

☒ Affects all Debtors

☐ Affects Beverly Community
Hospital Association

☐ Montebello Community Health
Services, Inc.

☐ Beverly Hospital Foundation

**ORDER (I) APPOINTING
KURTZMAN CARSON
CONSULTANTS LLC AS CLAIMS
AND NOTICING AGENT, AND (I)
APPROVING THE FORM AND
MANNER OF NOTICE OF CASE
COMMENCEMENT
INTERCOMPANY TRANSACTIONS;
AND (II) GRANTING RELATED
RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification 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.



Date: April 21, 2023
Time: 2 p.m. Pacific Time
Judge: Hon. Sandra R. Klein
Place: Zoom.Gov – or - Courtroom
1575

255 E. Temple St.
Los Angeles, CA 90012

Upon consideration of the application (the “Application”) of the above-captioned debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), for an Order, pursuant to section 156(c) of title 28 of the United States Code (the “Judicial Code”), section 341 of the Bankruptcy Code, Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 5075-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California (the “Local Rules”), authorizing and approving (i) the appointment of Kurtzman Carson Consultants LLC (“KCC”) 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; and upon the Declaration of Robert Evan Gershbein in support thereof and the Court-mandated Form 5075-1 Declaration To be Filed With Motion Establishing Administrative Procedures Re 28 U.S.C. § 156(c) with the completed Mega Case Checklist attached thereto, and upon consideration of the record of the hearing held before the Court; and it appearing that the relief requested is in the best interests of the Debtors and their respective estates and creditors; and it appearing that due and proper notice of the Application having been given; and any objections to the Application having been overruled; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Application is granted in its entirety.
2. The Debtors are hereby authorized to retain KCC as the claims and noticing agent 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
3 A, 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
9 certified 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

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

- 19 a. Prepare and serve required Notices in this chapter 11 case, including
20 1. Notice of the commencement of the case and the initial meeting of creditors
21 under section 341(a) of the Bankruptcy Code;
22 2. Notice of the claims bar date;
23 3. Notices of transfers of claims;
24 4. Notice of objections to claims;
25 5. Notices of any hearings on a disclosure statement and confirmation of a
26 chapter 11 plan; and
27 6. Notice of the effective date of any chapter 11 plan;
28 7. Such other miscellaneous Notices as the Debtors or the Court may deem
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

- 2002 and those parties that have filed a notice of appearance under Bankruptcy Rule 9010; update said lists and make said lists available upon request by a party-in-interest or the Clerk;
- d. Within five (5) business days after the service of a particular Notice, file with the Clerk's Office a declaration of service that includes (i) an alphabetical list of persons on whom KCC served the Notice, along with their addresses, and (ii) the date and manner of service;
 - e. Maintain a post office box or address for the purpose of receiving claims and returned mail, and process all mail received;
 - f. Process all proofs of claim received, including those received by the Clerk's office, check said processing for accuracy, and maintain the original proofs of claim in a secure area;
 - g. Maintain copies of all proofs of claim and proofs of interest filed in this case at a location other than where the originals are maintained;
 - h. Maintain an official claims register for each debtor (the "Claims Register") in this case by docketing all proofs of claim and proofs of interest in a claims database that includes the following information for each such claim or interest asserted:
 - 1. The name and address of the claimant or interest holder and any agent thereof, if the proof of claim or proof of interest was filed by an agent, and the entity against which such claim was filed;
 - 2. The date that the proof of claim or proof of interest was received by KCC and/or the Court;
 - 3. The claim number assigned to the proof of claim or proof of interest; and
 - 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 Schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;
 - 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;

- n. Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to the offices of KCC, not less than weekly;
- o. Maintain an up-to-date mailing list for all entities that have filed proofs of claim or proofs of interest and make such list available upon request to the Clerk's Office or any party in interest;
- p. Provide the public and the Clerk's Office access to copies of the proofs of claim or proofs of interest filed in this chapter 11 case without charge during regular business hours (9:00 a.m. - 4:00 p.m. Pacific Time) in a viewing area at the following address: 2335 Alaska Avenue, El Segundo, California 90245 and on a case-specific website maintained by KCC;
- q. Allow the Clerk's Office to inspect KCC's premises at any time during regular business hours;
- r. Record all transfers of claims pursuant to Federal Bankruptcy Rule 3001(e) and provide notice of such transfers as required by Federal Bankruptcy Rule 3001(e);
- s. assist in the dissemination of information to the public and respond to requests for administrative information regarding these chapter 11 cases, as directed by the Debtors or the Court, including through the use of a case website and call center;
- t. if the case is converted to chapter 7, contact the Clerk's Office within three (3) days of the notice to KCC of entry of the order converting the case;
- u. thirty (30) days prior to the close of these chapter 11 cases, to the extent practicable, request that the Debtors submit to the Court a proposed order dismissing KCC and terminating KCC's services of such agent upon completion of its duties and responsibilities and upon the closing of these cases;
- 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
- 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
6 the 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
10 its 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
15 11 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
22 expenses 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

12 15. The Debtors shall indemnify KCC under the terms of the KCC Agreement;
13 *provided that* KCC shall not be entitled to indemnification, contribution, or reimbursement
14 pursuant to the KCC Agreement for services other than the services provided under the KCC
15 Agreement, unless such services and the indemnification, contribution, or reimbursement
16 therefore are approved by this Court.
17

18 16. Notwithstanding anything to the contrary in the KCC Agreement, the Debtors shall
19 have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any
20 claim or expense that is: (a) judicially determined (the determination having become final) to
21 have arisen from KCC's gross negligence, willful misconduct, or fraud; (b) for a contractual
22 dispute in which the Debtors allege the breach of KCC's contractual obligations if this Court
23 determines that indemnification, contribution, or reimbursement would not be permissible under
24 applicable law; or (c) settled prior to a judicial determination under (a) or (b), but determined by
25 this Court, after notice and a hearing, to be a claim or expense for which KCC should not receive
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27
28

1 indemnity, contribution, or reimbursement under the terms of the KCC Agreement as modified
2 by this Order.

3 17. If, before the earlier of (a) the entry of an order confirming a chapter 11 plan in
4 these cases (that order having become a final order no longer subject to appeal), or (b) the entry
5 of an order closing these cases, KCC believes that it is entitled to the payment of any amounts by
6 the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement
7 obligations under the KCC Agreement (as modified by this Order), including without limitation
8 the advancement of defense costs, KCC must file an application therefor in this Court, and the
9 Debtors may not pay any such amounts to KCC before, after notice and a hearing, the entry of an
10 order by this Court approving the payment. This paragraph is intended only to specify the period
11 of time under which this Court shall have jurisdiction over any request for fees and expenses by
12 KCC for indemnification, contribution, or reimbursement, and not a provision limiting the
13 duration of the Debtors' obligation to indemnify KCC. All parties in interest shall retain the right
14 to object to any demand by KCC for indemnification, contribution, or reimbursement.
15

16
17 18. In the event that KCC is unable to provide the services set out in this Order, KCC
18 will immediately notify the Clerk and Debtors' counsel and, upon approval of the Court, cause to
19 have all original proofs of claim and computer information turned over to another claims and
20 noticing agent with the advice and consent of the Clerk and Debtors' counsel.
21

22 19. The Debtors and KCC are authorized to take all actions necessary to effectuate the
23 relief granted pursuant to this Order in accordance with the Application.
24

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.
27
28

21. KCC shall not cease providing claims processing services during any of these chapter 11 cases for any reason, including nonpayment, without an order of this Court.

22. KCC is authorized to serve a notice of the commencement of these chapter 11 cases and the initial meeting of creditors (the "Case Commencement Notice") under section 341(a) of the Bankruptcy Code (the "Section 341 Meeting") in substantially the same form as is annexed to the Application as Exhibit D, by regular mail, postage prepaid, on those entities entitled to receive the Case Commencement Notice pursuant to Bankruptcy Rule 2002. The Case Commencement Notice shall be served not more than five business days after the Debtors receive notice from the United States Trustee of the time and place of the Section 341 Meeting.


23. The Debtors are authorized to publish the Case Commencement Notice in the Los Angeles Times within five business days after the Case Commencement Notice is served. Such notice by publication constitutes adequate notice of the commencement of these chapter 11 cases to unknown entities that may hold or be entitled to assert a claim against the Debtors.

24. This Order shall be immediately effective and enforceable upon its entry.

25. In the event of any inconsistency between the KCC Agreement, the Application, and this Order, this Order shall govern.

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Date: April 25, 2023


Sandra R. Klein
United States Bankruptcy Judge