

In re:
Beverly Community Hospital Association
Debtor

Case No. 23-12359-SK
Docket #136 Date Filed: 04/26/2023

CERTIFICATE OF NOTICE

District/off: 0973-2
Date Rcvd: Apr 24, 2023

User: admin
Form ID: pdf042

Page 1 of 2
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Apr 26, 2023:

NONE

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
db	+ Email/PDF: acheng@beverly.org	Apr 24 2023 23:59:00	Beverly Community Hospital Association, 309 West Beverly Blvd, Montebello, CA 90640-4308

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Apr 26, 2023

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on April 21, 2023 at the address(es) listed below:

Name	Email Address
Alexandria Lattner	on behalf of Debtor Beverly Community Hospital Association alattnr@sheppardmullin.com ehwalters@sheppardmullin.com
Evelina Gentry	on behalf of Creditor Advantis Medical Staffing evelina.gentry@akerman.com rob.diwa@akerman.com
Howard Steinberg	on behalf of Creditor U.S. Bank Trust Company National Association as Master Trustee steinbergh@gtlaw.com, pearsallt@gtlaw.com;howard-steinberg-6096@ecf.pacerpro.com
Jennifer L Nassiri	on behalf of Debtor Beverly Community Hospital Association JNassiri@sheppardmullin.com
Joseph P Buchman	on behalf of Creditor Montebello Land and Water Company jbuchman@bwslaw.com gmitchell@bwslaw.com



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Marc A Levinson

on behalf of Debtor Beverly Community Hospital Association MAMLevinson@orrick.com borozco@orrick.com

Michael Jones

on behalf of U.S. Trustee United States Trustee (LA) michael.jones4@usdoj.gov

Nathan A Schultz

on behalf of Creditor Hanmi Bank nschultzesq@gmail.com

Ron Maroko

on behalf of U.S. Trustee United States Trustee (LA) ron.maroko@usdoj.gov

Sharon Z. Weiss

on behalf of Interested Party Hilco Real Estate LLC sharon.weiss@bclplaw.com,
raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com

Sharon Z. Weiss

on behalf of Interested Party HRE Montebello LLC sharon.weiss@bclplaw.com,
raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com

United States Trustee (LA)

ustpregion16.la.ecf@usdoj.gov

TOTAL: 12

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



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

10 UNITED STATES BANKRUPTCY COURT
11
12 CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

13 In re:

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

16 Debtors,

- 17
- 18 Affects all Debtors
19 Affects Beverly Community
Hospital Association
20 Montebello Community Health
21 Services, Inc.
22 Beverly Hospital Foundation
23

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

Jointly administered with:

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

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

Hon. Sandra R. Klein

Chapter 11 Case

**ORDER (I) APPROVING DEBTORS'
ADEQUATE ASSURANCE OF PAYMENT
FOR UTILITY SERVICES, (II)
PROHIBITING UTILITY PROVIDERS
FROM ALTERING, DISCONTINUING
SERVICE,
(III) APPROVING DEBTORS'
PROPOSED PROCEDURES AND
(IV) GRANTING RELATED RELIEF**

Date: April 21, 2023

Time: 2:00 p.m.

Judge: Hon. Sandra R. Klein

Place: Zoom.Gov – or - Courtroom 1575

255 E. Temple St.

Los Angeles, CA 90012

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 Upon the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Debtors'*
2 *Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility*
3 *Companies from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors'*
4 *Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related*
5 *Relief* (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the
6 "Debtors") filed on April 19, 2023; and upon the First Day Declaration; and this Court having
7 jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a
8 core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a
9 final order consistent with Article III of the United States Constitution; and this Court having found
10 that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§
11 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best
12 interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having
13 found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were
14 appropriate under the circumstances and no other notice need be provided; and this Court having
15 reviewed the Motion and having heard the statements in support of the relief requested therein at a
16 hearing before this Court on April 21, 2023 at 2:00 p.m.; and this Court having determined that the
17 legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief
18 granted herein and is necessary to avoid immediate and irreparable harm pursuant to Bankruptcy
19 Rule 6003; and after due deliberation and sufficient cause appearing therefor,

20 **IT IS HEREBY ORDERED THAT:**

- 21 1. The Motion is GRANTED as set forth in this Order.
- 22 2. The Debtors shall serve the Motion and this Order on each Utility Provider listed on
23 the Utility Providers List, attached as **Exhibit B** to the Motion, no later than three (3) business days
24 after the date that this Order is entered.

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² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

1 3. The Debtors are authorized, but not directed, to cause the Adequate Assurance
2 Deposit to be held in the Adequate Assurance Account during the pendency of these chapter 11
3 cases.

4 4. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future
5 Utility Services in the ordinary course of business subject to the Adequate Assurance Procedures
6 shall constitute adequate assurance of future payment in satisfaction of section 366 of the
7 Bankruptcy Code.

8 5. The following Adequate Assurance Procedures are hereby approved, and the terms
9 thereof are in full force and effect:

10 a. Subject to paragraphs (b)–(j) herein, the Debtors will deposit the Adequate
11 Assurance Deposit, in the aggregate amount of \$140,000, in the Adequate
12 Assurance Account within five (5) business days after entry of the order
granting this Motion.

13 b. A Utility Provider may make an Adequate Assurance Request if the Debtors
14 have not satisfied their postpetition payment obligation with respect to the
15 applicable Utility Services in accordance with the terms and conditions of
16 such service, and such payment obligation remains unpaid past any
17 applicable grace period for the Utility Service. No disbursement will be made
18 for an Adequate Assurance Request unless the requesting Utility Provider
19 provides notice to the following parties (the "Utility Notice Parties"): (i) the
20 Debtors, (ii) proposed counsel to the Debtors, (iii) counsel to the proposed
DIP Lenders; (iv) the Office of the United States Trustee; and (v) counsel for
the official committee of unsecured creditors (if any) appointed in these
chapter 11 cases. The Debtors shall honor such request within five (5)
business days after the date they receive such Adequate Assurance Request,
subject to the Debtors and the requesting Utility Provider reaching an
alternative resolution. A court order is not required to honor the Adequate
Assurance Request in accordance with the Adequate Assurance Procedures
or to settle a postpetition payment dispute related to Utility Services.

21 c. If the Debtors make a disbursement to a Utility Provider from the Adequate
22 Assurance Account, the Debtors shall replenish the Adequate Assurance
Account in the amount so disbursed.

23 d. The portion of the Adequate Assurance Deposit attributable to each Utility
24 Provider shall be returned to the Debtors or the Reorganized Debtors, as
25 applicable, on the earlier of (i) the Debtors reconciling and paying the Utility
26 Provider's final invoice in accordance with applicable nonbankruptcy law
following the Debtors' termination of Utility Services from such Utility
Provider and (ii) the effective date of any chapter 11 plan confirmed in these
chapter 11 cases.

27 e. A Utility Provider desiring additional assurances of payment in the form of
28 deposits, prepayments, increases in the proposed allocable Adequate
Assurance amount, or otherwise must serve a request for additional assurance

1 (an “Additional Assurance Request”) on the Utility Notice Parties within
2 thirty (30) days of the Petition Date.

3 f. All Additional Assurance Requests and Adequate Assurance Requests must
4 set forth in writing the following: (i) the location(s) for which Utility Services
5 are provided and the account number(s) for such location(s); (ii) the
6 outstanding balance for each such account and a summary of the Debtors’
7 payment history relevant to the affected account(s); (iii) an explanation as to
8 why the Utility Provider believes the Adequate Assurance Deposit is not
9 adequate assurance of payment under section 366 of the Bankruptcy Code or
10 the basis for seeking the Adequate Assurance Deposit, each as applicable;
11 and (iv) list all Prepetition Deposits or surety bonds that the Utility Provider
12 holds for the Utility Services related to the Additional Assurance Request.

13 g. The Debtors may, without further order from the Court, resolve an Additional
14 Assurance Request by mutual agreement with a Utility Provider, and the
15 Debtors may, in connection with any such agreement, provide a Utility
16 Provider with additional adequate assurance of payment, including cash
17 deposits, prepayments, or other forms of security if the Debtors believe that
18 such adequate assurance is reasonable. The Debtors shall maintain a
19 summary record of such agreements and their respective terms, and such
20 summary record and the agreements themselves shall be available to any
21 official committee appointed in these cases, and the U.S. Trustee upon
22 request.

23 h. The Debtors may reduce or remove a Utility Provider’s portion of the
24 Adequate Assurance Deposit with the consent of such Utility Provider at any
25 time during the chapter 11 cases.

26 i. If the Debtors and the Utility Provider are not able to reach a resolution within
27 fourteen (14) days of receipt of the Additional Assurance Request, the
28 Debtors may request a hearing before the Court to determine the adequacy of
assurances of payment with respect to a particular Utility Provider (the
“Determination Hearing”) pursuant to section 366(c)(3) of the Bankruptcy
Code. Pending final resolution of the Determination Hearing, the Utility
Provider filing such Additional Assurance Request shall be prohibited from
altering, refusing, or discontinuing Utility Services to the Debtors on account
of unpaid charges for prepetition services or on account of any objections to
the Proposed Adequate Assurance.

6. The Utility Providers are prohibited from requiring additional adequate assurance of
payment other than pursuant to the Adequate Assurance Procedures.

7. Unless and until a Utility Provider files and serves an Additional Assurance Request
in accordance with the Adequate Assurance Procedures and the Court rules otherwise at a
Determination Hearing, the Utility Provider shall be (a) deemed to have received “satisfactory”
adequate assurance of payment in compliance with section 366 of the Bankruptcy Code and
(b) forbidden from (i) discontinuing, altering, or refusing Utility Services to or discriminating

1 against the Debtors on account of any unpaid prepetition charges, the commencement of these
2 chapter 11 cases, or any perceived inadequacy of the Proposed Adequate Assurance, or (ii) requiring
3 additional assurance of payment other than the Proposed Adequate Assurance.

4 8. The Debtors are authorized to (a) add any Utility Provider to the Utility Providers
5 List (each a, "Subsequently Identified Utility Provider"), (b) remove any Utility Provider from the
6 Utility Providers List, and (c) add to or subtract from the Adequate Assurance Account the portion
7 of such deposit allocated to any Utility Provider(s); or Subsequently Identified Utility Provider(s);
8 provided that the Debtors may only add Subsequently Identified Utility Provider(s) to the Utility
9 Providers List and deposit funds in the Adequate Assurance Account in the sum of the "Proposed
10 Adequate Assurance" allocated to such Subsequently Identified Utility Provider(s) within thirty (30)
11 days from the Petition date, provided further that the Debtors shall provide fourteen (14) days' notice
12 to any Utility Provider that it is being removed from the Utility Providers List and that its respective
13 Adequate Assurance Deposit will be deducted from the Adequate Assurance Account. If an
14 objection is received from such Utility Provider(s), the Debtors may request a hearing before this
15 Court regarding such objection. The Debtors shall not deduct the Adequate Assurance Deposit
16 allocated to any such Utility Provider that the Debtors seek to terminate or delete from the Utility
17 Providers List unless and until the fourteen (14) day notice period has expired without objection
18 from the respective Utility Provider(s).

19 9. The Debtors must (a) serve any Subsequently Identified Utility Provider a copy of
20 the Motion and Order within three (3) business days of such provider being added to the list, (b)
21 allocate additional amounts to the Adequate Assurance Deposit in accordance with the Motion, and
22 (c) provide notice to the Subsequently Identified Utility Provider of its proposed Adequate
23 Assurance. Any Subsequently Identified Utility Provider shall (a) be bound to the Adequate
24 Assurance Procedures and (b) have twenty-one (21) days from the date of service of the Motion and
25 the Order to make a request for additional adequate assurance of payment in accordance with the
26 Adequate Assurance Procedures.

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