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UNITED STATES DEPARTMENT OF JUSTICE OFFICE OF THE UNITED STATES TRUSTEE CENTRAL DISTRICT OF CALIFORNIA	ATTACH TO THE FRONT OF THE MONTHLY OPERATING REPORT AND SUBMIT TO UNITED STATES TRUSTEE
In re:	Case Number: 18-20151-ER (See Below)
VERITY HEALTH SYSTEM OF CALIFORNIA, INC, <i>et al.</i> , Debtors.	MONTHLY OPERATING REPORT DISBURSEMENT SUMMARY MOR NO. 11 FOR MONTH ENDING: July 2019

1. Total number of Debtor in Possession Bank Accounts for all Debtors.	76
2. TOTAL THIRD PARTY DISBURSEMENTS THIS PERIOD FROM ALL DEBTOR IN POSSESSION ACCOUNTS FOR ALL ENTITIES WITH BANK ACCOUNTS	\$112,724,304.00

The Debtors in the these chapter 11 cases, along with their case numbers are: Verity Health System of California, Inc. 18-20151-ER, O'Connor Hospital 18-20168-ER, Saint Louise Regional Hospital 18-20162-ER, St. Francis Medical Center 18-20165-ER, St. Vincent Medical Center 18-20164-ER, Seton Medical Center 18-20167-ER, O'Connor Hospital Foundation 18-20179-ER, Saint Louise Regional Hospital Foundation 18-20172-ER, St. Francis Medical Center of Lynwood Foundation 18-20178-ER, St. Vincent Foundation 18-20180-ER, St. Vincent Dialysis Center, Inc. 18-20171-ER Seton Medical Center Foundation 18-20175-ER, Verity Business Services 18-20173-ER, Verity Medical Foundation 18-20169-ER, Verity Holdings, LLC 18-20163-ER, DePaul Ventures, LLC 18-20176-ER, and DePaul Ventures - San Jose Dialysis, LLC 18-20181-ER.

Effective September 1, 2011

USTLA 16



182015119083000000000002

Verity Bank Account Summary

For the month ending 7/31/2019

\$ in 000's

Debtor Name ¹	Debtor Case #	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows ²	DIP Outflows ²	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
Verity Health System of California, Inc.	18-20151	\$ 63,893	\$ 3,186	\$ (20,779)	\$ 87,067	\$ (118)	\$ 61,000	\$ (92,912)	\$ 24,387	\$ (87,645)	\$ 38,080	591
O'Connor Hospital	18-20168	111,990	2,604	(990)	-	(2,435)	-	-	855	(25)	111,999	368
St. Louise Regional Hospital	18-20162	57,734	788	(124)	-	(694)	-	-	203	(13)	57,895	262
St. Francis Medical Center	18-20165	21,207	47,217	(44,396)	-	(47,276)	-	-	56,227	(27,670)	5,309	2,941
St. Vincent Medical Center	18-20164	7,917	17,236	(18,911)	-	(17,244)	-	-	22,149	(6,983)	4,164	1,619
Seton Medical Center	18-20167	9,823	18,244	(21,161)	-	(18,386)	-	-	24,298	(9,735)	3,082	1,832
O'Connor Hospital Foundation	18-20179	1,584	3	-	-	-	-	-	-	-	1,587	4
St. Louise Regional Hospital Foundation	18-20172	320	1	(0)	-	-	-	-	-	-	320	2
St. Francis Medical Center of Lynwood Foundation	18-20178	173	467	-	-	-	-	-	-	(501)	139	9
St. Vincent Medical Center Foundation	18-20180	1,611	5	-	-	-	-	-	-	(141)	1,475	3
St. Vincent Dialysis Center, Inc.	18-20171	18	425	-	-	(443)	-	-	-	-	-	26
Seton Medical Center Foundation	18-20175	5,888	7	(1)	-	-	-	-	-	(322)	5,573	14
Verity Business Services	18-20173	1,204	-	(3,237)	-	-	-	-	4,238	(1,768)	436	131
Verity Medical Foundation	18-20169	4,753	682	(2,171)	-	-	-	-	2,378	(802)	4,840	695
Verity Holdings, LLC	18-20163	16,188	485	(954)	-	(472)	-	-	870	-	16,116	121
De Paul Ventures – San Jose Dialysis, LLC	18-20181	87	0	-	-	-	-	-	-	-	87	1
Subtotal		\$ 304,390	\$ 91,349	\$ (112,724)	\$ 87,067	\$ (87,067)	\$ 61,000	\$ (92,912)	\$ 135,605	\$ (135,605)	\$ 251,102	8,619

Notes

1) In our monthly submissions, De Paul Ventures, LLC is not included above because it does not have a bank account.

2) Pursuant to the terms of the DIP loan agreement, Verity submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. Commencing in November 2018, when there was no DIP balance outstanding, funds flowed to Ally Bank from the VHS – DIP Concentration Account and were returned by Ally to the new VHS – DIP Loan Proceeds account. Prior to the implementation of this cash management process, funds flowed to/ from Ally Bank through the VHS – AP account and such activity netted to zero to the extent funds were sent to and received from Ally Bank in the same month. The aggregate of the DIP Inflows and DIP Outflows columns above represent cumulative DIP borrowings and DIP repayments, respectively, for the period presented.

Verity Bank Account Summary
 For the month ending 7/31/2019
 \$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows ²	DIP Outflows ²	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
VHS - AP	XXXXXX6440	\$ 2,392	\$ 154	\$ (17,706)	\$ -	\$ -	\$ -	\$ -	\$ 19,890	\$ (2,695)	\$ 2,035	275
VHS - Self Insurance	XXXXXX9250	-	118	-	-	(118)	-	-	-	-	-	9
VHS - Payroll	XXXXXX1785	357	-	(2,702)	-	-	-	-	2,695	-	350	36
VHS - DIP Concentration Account	XXXXXX2889	4,309	2,862	(371)	87,067	-	-	(92,912)	802	-	1,757	226
VHS - DIP Loan Proceeds	XXXXXX4358	25,850	-	-	-	-	61,000	-	1,000	(84,950)	2,900	43
VHS - Non Santa Clara Sale Proceeds ⁴	XXXXXX9100	30,264	51	-	-	-	-	-	-	-	30,315	1
VHS - Santa Clara Sale Proceeds ⁴	XXXXXX9087	722	1	-	-	-	-	-	-	-	723	1
OCH - Lockbox	XXXXXX2945	23	2,414	-	-	(2,435)	-	-	-	-	2	242
OCH - Gross Revenue	XXXXXX3900	45	-	-	-	-	-	-	-	-	45	-
OCH - AP	XXXXXX6389	646	-	(965)	-	-	-	-	830	(25)	487	120
OCH - Payroll	XXXXXX3007	313	-	(25)	-	-	-	-	25	-	312	4
OCH - FSA	XXXXXX2284	-	-	-	-	-	-	-	-	-	-	-
OCH - Patient Trust	XXXXXX2662	5	1	-	-	-	-	-	-	-	6	1
OCH - Santa Clara Sale Proceeds ⁴	XXXXXX9549	110,958	188	-	-	-	-	-	-	-	111,146	1
SLRH - Lockbox	XXXXXX2926	5	691	-	-	(694)	-	-	-	-	2	194
SLRH - Gross Revenue	XXXXXX3905	15	-	-	-	-	-	-	-	-	15	-
SLRH - AP	XXXXXX6421	284	-	(111)	-	-	-	-	190	(13)	350	65
SLRH - Payroll	XXXXXX7575	180	-	(13)	-	-	-	-	13	-	180	2
SLRH - FSA	XXXXXX2307	-	-	-	-	-	-	-	-	-	-	-
SLRH - Santa Clara Sale Proceeds ⁴	XXXXXX9563	57,251	97	-	-	-	-	-	-	-	57,348	1
SFMC - Lockbox	XXXXXX2940	289	47,185	-	-	(47,244)	-	-	-	-	229	517
SFMC - Gross Revenue	XXXXXX3924	60	-	-	-	-	-	-	-	-	60	-
SFMC - AP	XXXXXX6407	17,662	-	(18,021)	-	-	-	-	29,561	(27,670)	1,532	867
SFMC - Payroll	XXXXXX3012	754	-	(19,552)	-	-	-	-	19,783	-	985	378
SFMC - FSA	XXXXXX2487	-	-	-	-	-	-	-	-	-	-	-
SFMC - Cafeteria Deposits	XXXXXX1057	3	31	-	-	(32)	-	-	-	-	2	51
SFMC - Capitation (AppleCare)	XXXXXX1371	1,646	-	(5,415)	-	-	-	-	5,171	-	1,402	454
SFMC - Capitation (Conifer)	XXXXXX1357	499	-	(1,082)	-	-	-	-	1,107	-	525	462
SFMC - Capitation AC	XXXXXX1845	25	-	(10)	-	-	-	-	10	-	26	32
SFMC - Capitation HCLA	XXXXXX1840	222	-	(317)	-	-	-	-	596	-	501	170
SFMC - Career College	XXXXXX2162	46	1	(0)	-	-	-	-	-	-	47	9
SFMC - Sale Proceeds ⁴	XXXXXX0090	0	0	-	-	-	-	-	-	-	0	1
SVMC - Lockbox	XXXXXX2964	187	17,234	-	-	(17,244)	-	-	-	-	177	596
SVMC - Gross Revenue	XXXXXX3929	35	-	-	-	-	-	-	-	-	35	-
SVMC - AP	XXXXXX6426	5,311	-	(11,870)	-	-	-	-	15,166	(6,983)	1,625	689
SVMC - Payroll	XXXXXX3017	151	-	(6,422)	-	-	-	-	6,372	-	101	170
SVMC - FSA	XXXXXX2062	-	-	-	-	-	-	-	-	-	-	-
SVMC - Capitation (CHP)	XXXXXX0553	332	-	-	-	-	-	-	-	-	332	-
SVMC - Capitation (Conifer)	XXXXXX3695	654	-	(619)	-	-	-	-	611	-	646	162
SVMC - Restricted Cash ³	XXXXXX0989	1,246	2	-	-	-	-	-	-	-	1,248	1
SVMC - Sale Proceeds ⁴	XXXXXX0076	0	0	-	-	-	-	-	-	-	0	1
SMC - Lockbox	XXXXXX2902	233	18,026	-	-	(18,182)	-	-	-	-	78	661
SMC - Gross Revenue	XXXXXX3887	5	-	-	-	-	-	-	-	-	5	-
SMC - AP	XXXXXX6365	8,108	-	(11,849)	-	-	-	-	14,787	(9,735)	1,311	759
SMC - Payroll	XXXXXX3001	1,230	-	(9,161)	-	-	-	-	9,361	-	1,430	211
SMC - FSA	XXXXXX2289	-	-	-	-	-	-	-	-	-	-	-
SMCC - Lockbox	XXXXXX02907	15	214	-	-	(204)	-	-	-	-	24	94
SMCC - Gross Revenue	XXXXXX3882	40	-	-	-	-	-	-	-	-	40	-
SMCC - AP	XXXXXX6384	167	-	(150)	-	-	-	-	150	-	167	102
SMCC - FSA	XXXXXX2302	-	-	-	-	-	-	-	-	-	-	-
SMCC - Patient Trust	XXXXXX12907	25	4	(2)	-	-	-	-	-	-	27	5

Verity Bank Account Summary
 For the month ending 7/31/2019
 \$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows ²	DIP Outflows ²	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
OCH Foundation ³	XXXXXX3433	1,341	3	-	-	-	-	-	-	-	1,344	2
OCH Foundation - Investment ³	XXXXX2-037	243	0	-	-	-	-	-	-	-	243	2
SLRH Foundation ³	XXXXXX2521	320	1	(0)	-	-	-	-	-	-	320	2
SFMC of Lynwood Foundation ³	XXXXXX2809	173	467	-	-	-	-	-	-	(501)	139	9
SVMC Foundation ³	XXXXXX3025	1,611	5	-	-	-	-	-	-	(141)	1,475	3
SVMC Foundation - EWB ³	XXXXXX1162	-	-	-	-	-	-	-	-	-	-	-
St. Vincent Dialysis Center	XXXXXX8921	18	425	-	-	(443)	-	-	-	-	-	26
SMC Foundation ³	XXXXXX2260	5,460	6	(0)	-	-	-	-	-	(322)	5,143	3
SMC Foundation - SVCS ³	XXXXXX0089	429	2	(1)	-	-	-	-	-	-	430	11
VBS - AP	XXXXXX6402	1,193	-	(1,463)	-	-	-	-	2,470	(1,768)	432	101
VBS - Payroll	XXXXXX2982	10	-	(1,774)	-	-	-	-	1,768	-	4	30
VBS - FSA	XXXXXX3192	-	-	-	-	-	-	-	-	-	-	-
VMF - Checking	XXXXXX9996	2,957	407	(2,171)	-	-	-	-	2,378	(802)	2,769	691
VMF - Payroll ZBA	XXXXXX0010	-	-	-	-	-	-	-	-	-	-	-
VMF - Sale Proceeds ⁴	XXXXXX2810	1,796	275	-	-	-	-	-	-	-	2,071	4
VH - AP	XXXXXX1597	347	-	(954)	-	-	-	-	870	-	262	88
VH - MOB	XXXXXX1248	33	458	-	-	(472)	-	-	-	-	18	32
VH - Operating	XXXXXX1970	-	-	-	-	-	-	-	-	-	-	-
VH - Savings	XXXXXX1975	-	-	-	-	-	-	-	-	-	-	-
VH - Santa Clara Sale Proceeds ⁴	XXXXXX9568	15,808	27	-	-	-	-	-	-	-	15,835	1
De Paul Ventures - San Jose Dialysis, LLC	XXXXXX2797	87	0	-	-	-	-	-	-	-	87	1
SMCC - Patient Trust - TCB	XXXXXX3611	-	-	-	-	-	-	-	-	-	-	-
SMC Foundation - TCB ³	XXXXXX8521	-	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 304,390	\$ 91,349	\$ (112,724)	\$ 87,067	\$ (87,067)	\$ 61,000	\$ (92,912)	\$ 135,605	\$ (135,605)	\$ 251,102	8,619

Notes

- 1) Sweep inflows and outflows reflect sweeps between lockbox, gross revenue and AP accounts of the same debtor and between lockbox and the VHS - DIP Concentration Account. In addition, VMF - Checking receipts that are swept to the VHS - DIP Concentration Account are reflected in I/C Outflows for the VMF - Checking account.
- 2) Pursuant to the terms of the DIP loan agreement, Verity submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. Commencing in November 2018, when there was no DIP balance outstanding, funds flowed to Ally Bank from the VHS - DIP Concentration Account and were returned by Ally to the new VHS - DIP Loan Proceeds account. Prior to the implementation of this cash management process, funds flowed to/ from Ally Bank through the VHS - AP account and such activity netted to zero to the extent funds were sent to and received from Ally Bank in the same month. The aggregate of the DIP Inflows and DIP Outflows columns above represent cumulative DIP borrowings and DIP repayments, respectively, for the period presented.
- 3) This bank account contains certain funds that are donor restricted, and therefore, are not available for the debtor's general operating activities. Please refer to the attached restricted funds schedule for additional restricted funds recorded by the debtors that are not included in the Verity bank account summary as they are not part of the cash management program.
- 4) The Final DIP Order provides that the Sale Proceeds, including any deposits, shall be held in escrow in one or more deposit accounts subject to a deposit account control agreement in favor of the DIP Agent (the "Escrow Deposit Account"). Any funds held in the Escrow Deposit Account shall not be commingled with any other funds of the selling Debtor, the Sale Proceeds of any other Debtor or otherwise.

Verity Bank Account Cumulative Summary

For the eleven months ending 7/31/2019 (including 8/31/2018 activity)

Main Document

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\$ in 000's

Debtor Name ¹	Debtor Case #	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows ²	DIP Outflows ²	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
Verity Health System of California, Inc.	18-20151	\$ 7,529	\$ 46,837	\$ (308,140)	\$ 630,490	\$ (3,496)	\$ 841,000	\$ (802,978)	\$ 690,680	\$ (1,063,841)	\$ 38,080	6,153
O'Connor Hospital	18-20168	8,981	275,738	(112,345)	194,828	(263,360)	-	-	141,139	(132,982)	111,999	14,659
St. Louise Regional Hospital	18-20162	3,978	109,889	(36,809)	61,632	(83,846)	-	-	45,729	(42,678)	57,895	9,486
St. Francis Medical Center	18-20165	10,077	529,361	(345,915)	411,355	(722,885)	-	-	482,499	(359,183)	5,309	26,908
St. Vincent Medical Center	18-20164	9,936	182,878	(189,884)	149,073	(250,036)	-	-	231,773	(129,575)	4,164	15,747
Seton Medical Center	18-20167	5,884	204,571	(177,244)	176,193	(292,735)	-	-	255,575	(169,162)	3,082	19,420
O'Connor Hospital Foundation	18-20179	1,714	97	(0)	-	-	-	-	-	(224)	1,587	61
St. Louise Regional Hospital Foundation	18-20172	720	52	(2)	-	-	-	-	-	(450)	320	45
St. Francis Medical Center of Lynwood Foundation	18-20178	780	3,033	(0)	-	-	-	-	-	(3,674)	139	76
St. Vincent Medical Center Foundation	18-20180	1,613	1,063	-	-	-	-	-	772	(1,973)	1,475	61
St. Vincent Dialysis Center, Inc.	18-20171	332	4,802	(7)	-	(3,802)	-	-	-	(1,325)	-	266
Seton Medical Center Foundation	18-20175	6,229	184	(100)	-	-	-	-	117	(858)	5,573	388
Verity Business Services	18-20173	1,003	4	(30,542)	-	-	-	-	47,034	(17,064)	436	1,216
Verity Medical Foundation	18-20169	4,493	55,966	(88,354)	-	-	-	-	113,489	(80,754)	4,840	25,511
Verity Holdings, LLC	18-20163	12,778	21,437	(9,624)	-	(3,410)	-	-	15,463	(20,528)	16,116	1,277
De Paul Ventures – San Jose Dialysis, LLC	18-20181	-	87	-	-	-	-	-	-	-	87	5
Subtotal		\$ 76,048	\$ 1,435,999	\$ (1,298,967)	\$ 1,623,570	\$ (1,623,570)	\$ 841,000	\$ (802,978)	\$ 2,024,272	\$ (2,024,272)	\$ 251,102	121,279

Notes

1) In our monthly submissions, De Paul Ventures, LLC is not included above because it does not have a bank account.

2) Pursuant to the terms of the DIP loan agreement, Verity submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. Commencing in November 2018, when there was no DIP balance outstanding, funds flowed to Ally Bank from the VHS – DIP Concentration Account and were returned by Ally to the new VHS – DIP Loan Proceeds account. Prior to the implementation of this cash management process, funds flowed to/ from Ally Bank through the VHS – AP account and such activity netted to zero to the extent funds were sent to and received from Ally Bank in the same month. In the month of January, certain funds continued to flow to Ally Bank through the VHS – AP account. The aggregate of the DIP Inflows and DIP Outflows columns above represent cumulative DIP borrowings and DIP repayments, respectively, for the period presented.

Verity Bank Account Cumulative Summary

For the eleven months ending 7/31/2019 (including 8/31/2018 activity)

\$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows ²	DIP Outflows ²	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
VHS - AP	XXXXXX6440	\$ 7,083	\$ 1,033	\$ (269,005)	\$ -	\$ -	\$ 40,000	\$ (150,125)	\$ 415,841	\$ (42,793)	\$ 2,035	3,524
VHS - Self Insurance	XXXXXX9250	200	4,337	-	-	(3,496)	-	-	-	(1,041)	-	84
VHS - Payroll	XXXXXX1785	246	-	(36,055)	-	-	-	-	36,159	-	350	330
VHS - DIP Concentration Account	XXXXXX2889	-	10,429	(2,857)	630,490	-	-	(845,648)	209,478	(135)	1,757	1,716
VHS - DIP Loan Proceeds	XXXXXX4358	-	-	(223)	-	-	801,000	192,794	29,200	(1,019,871)	2,900	483
VHS - Non Santa Clara Sale Proceeds ⁴	XXXXXX9100	-	30,315	-	-	-	-	-	-	-	30,315	8
VHS - Santa Clara Sale Proceeds ⁴	XXXXXX9087	-	722	-	-	-	-	-	1	-	723	8
OCH - Lockbox	XXXXXX2945	188	164,797	-	-	(164,984)	-	-	-	-	2	6,597
OCH - Gross Revenue	XXXXXX3900	1,962	-	-	96,452	(98,376)	-	-	7	-	45	202
OCH - AP	XXXXXX6389	6,499	0	(44,238)	98,376	-	-	-	72,700	(132,850)	487	5,007
OCH - Payroll	XXXXXX3007	207	-	(68,107)	-	-	-	-	68,213	-	312	2,825
OCH - FSA	XXXXXX2284	125	-	-	-	-	-	-	-	(125)	-	2
OCH - Patient Trust	XXXXXX2662	-	13	-	-	-	-	-	0	(7)	6	18
OCH - Santa Clara Sale Proceeds ⁴	XXXXXX9549	-	110,927	-	-	-	-	-	219	-	111,146	8
SLRH - Lockbox	XXXXXX2926	24	52,643	-	-	(52,665)	-	-	-	-	2	5,227
SLRH - Gross Revenue	XXXXXX3905	746	0	-	30,451	(31,182)	-	-	-	-	15	196
SLRH - AP	XXXXXX6421	3,047	1	(15,388)	31,182	-	-	-	24,153	(42,645)	350	2,941
SLRH - Payroll	XXXXXX5755	128	-	(21,421)	-	-	-	-	21,473	-	180	1,113
SLRH - FSA	XXXXXX2307	33	-	-	-	-	-	-	-	(33)	-	1
SLRH - Santa Clara Sale Proceeds ⁴	XXXXXX9563	-	57,245	-	-	-	-	-	103	-	57,348	8
SFMC - Lockbox	XXXXXX2940	357	516,463	-	-	(516,590)	-	-	-	-	229	4,993
SFMC - Gross Revenue	XXXXXX3924	903	-	-	205,256	(206,099)	-	-	-	-	60	195
SFMC - AP	XXXXXX6407	7,314	4	(128,548)	206,099	-	-	-	275,173	(358,511)	1,532	7,989
SFMC - Payroll	XXXXXX3012	589	-	(155,668)	-	-	-	-	156,064	-	985	4,357
SFMC - FSA	XXXXXX2487	198	-	-	-	-	-	-	-	(198)	-	1
SFMC - Cafeteria Deposits	XXXXXX1057	312	362	(0)	-	(196)	-	-	-	(475)	2	533
SFMC - Capitation (AppleCare)	XXXXXX1371	128	-	(38,349)	-	-	-	-	39,623	-	1,402	3,674
SFMC - Capitation (Conifer)	XXXXXX1357	156	2	(7,684)	-	-	-	-	8,051	-	525	3,615
SFMC - Capitation AC	XXXXXX1845	10	-	(199)	-	-	-	-	214	-	26	212
SFMC - Capitation HCLA	XXXXXX1840	75	5	(2,953)	-	-	-	-	3,374	-	501	1,234
SFMC - Career College	XXXXXX2162	37	12	(2)	-	-	-	-	-	-	47	97
SFMC - Sale Proceeds ⁴	XXXXXX0090	-	12,512	(12,512)	-	-	-	-	-	-	0	8
SVMC - Lockbox	XXXXXX2964	13	175,345	-	-	(175,181)	-	-	-	-	177	6,257
SVMC - Gross Revenue	XXXXXX3929	672	2	-	74,217	(74,855)	-	-	-	-	35	197
SVMC - AP	XXXXXX6426	6,943	-	(99,626)	74,855	-	-	-	148,975	(129,522)	1,625	6,206
SVMC - Payroll	XXXXXX3017	116	0	(78,550)	-	-	-	-	78,536	-	101	1,895
SVMC - FSA	XXXXXX2062	52	-	-	-	-	-	-	-	(52)	-	1
SVMC - Capitation (CHP)	XXXXXX0553	493	-	(161)	-	-	-	-	-	-	332	20
SVMC - Capitation (Conifer)	XXXXXX3695	417	4	(4,038)	-	-	-	-	4,262	-	646	1,151
SVMC - Restricted Cash ³	XXXXXX0989	1,230	19	-	-	-	-	-	-	-	1,248	12
SVMC - Sale Proceeds ⁴	XXXXXX0076	-	7,509	(7,509)	-	-	-	-	-	-	0	8
SMC - Lockbox	XXXXXX2902	14	201,914	-	-	(201,850)	-	-	-	-	78	7,277
SMC - Gross Revenue	XXXXXX3887	370	-	-	86,744	(87,109)	-	-	-	-	5	195
SMC - AP	XXXXXX6365	2,911	-	(70,668)	87,109	-	-	-	149,272	(167,313)	1,311	7,336
SMC - Payroll	XXXXXX3001	1,212	-	(104,841)	-	-	-	-	106,059	(1,000)	1,430	2,271
SMC - FSA	XXXXXX2289	117	1	-	-	-	-	-	-	(117)	-	2
SMCC - Lockbox	XXXXXX02907	2	2,620	-	-	(2,598)	-	-	-	-	24	971
SMCC - Gross Revenue	XXXXXX3882	54	-	-	1,163	(1,177)	-	-	-	-	40	195
SMCC - AP	XXXXXX6384	1,160	-	(1,702)	1,177	-	-	-	219	(688)	167	1,118
SMCC - FSA	XXXXXX2302	19	-	-	-	-	-	-	-	(19)	-	1
SMCC - Patient Trust	XXXXXX12907	-	36	(33)	-	-	-	-	25	-	27	52

Verity Bank Account Cumulative Summary

For the eleven months ending 7/31/2019 (including 8/31/2018 activity)
\$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows ²	DIP Outflows ²	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
OCH Foundation ³	XXXXXX3433	1,473	96	-	-	-	-	-	-	(224)	1,344	38
OCH Foundation - Investment ³	XXXXX2-037	242	2	(0)	-	-	-	-	-	-	243	23
SLRH Foundation ³	XXXXXX2521	720	52	(2)	-	-	-	-	-	(450)	320	45
SFMC of Lynwood Foundation ³	XXXXXX2809	780	3,033	(0)	-	-	-	-	-	(3,674)	139	76
SVMC Foundation ³	XXXXXX3025	844	1,060	-	-	-	-	-	772	(1,201)	1,475	50
SVMC Foundation - EWB ³	XXXXXX1162	769	3	-	-	-	-	-	-	(772)	-	11
St. Vincent Dialysis Center	XXXXXX8921	332	4,802	(7)	-	(3,802)	-	-	-	(1,325)	-	266
SMC Foundation ²	XXXXXX2260	5,660	109	(3)	-	-	-	-	117	(740)	5,143	56
SMC Foundation - SVCS ³	XXXXXX0089	451	75	(97)	-	-	-	-	-	-	430	329
VBS - AP	XXXXXX6402	962	4	(13,492)	-	-	-	-	29,996	(17,038)	432	880
VBS - Payroll	XXXXXX2982	15	-	(17,050)	-	-	-	-	17,038	-	4	335
VBS - FSA	XXXXXX3192	26	-	-	-	-	-	-	-	(26)	-	1
VMF - Checking	XXXXXX9996	4,493	53,899	(88,333)	-	-	-	-	113,464	(80,754)	2,769	25,493
VMF - Payroll ZBA	XXXXXX0010	-	21	(21)	-	-	-	-	-	-	-	6
VMF - Sale Proceeds ⁴	XXXXXX2810	-	2,046	-	-	-	-	-	25	-	2,071	12
VH - AP	XXXXXX1597	1,106	1	(8,623)	-	-	-	-	11,783	(4,005)	262	888
VH - MOB	XXXXXX1248	1,108	5,627	(10)	-	(3,410)	-	-	8	(3,304)	18	357
VH - Operating	XXXXXX1970	8,321	-	(991)	-	-	-	-	3,645	(10,975)	-	14
VH - Savings	XXXXXX1975	2,243	1	(0)	-	-	-	-	0	(2,244)	-	10
VH - Santa Clara Sale Proceeds ⁴	XXXXXX9568	-	15,809	-	-	-	-	-	26	-	15,835	8
De Paul Ventures – San Jose Dialysis, LLC	XXXXXX2797	-	87	-	-	-	-	-	-	-	87	5
SMCC - Patient Trust - TCB	XXXXXX3611	24	0	-	-	-	-	-	-	(24)	-	2
SMC Foundation - TCB ³	XXXXXX8521	117	0	-	-	-	-	-	-	(117)	-	3
Subtotal		\$ 76,048	\$ 1,435,999	\$ (1,298,967)	\$ 1,623,570	\$ (1,623,570)	\$ 841,000	\$ (802,978)	\$ 2,024,272	\$ (2,024,272)	\$ 251,102	121,279

Notes

- 1) Sweep inflows and outflows reflect sweeps between lockbox, gross revenue and AP accounts of the same debtor and between lockbox and the VHS - DIP Concentration Account. In addition, VMF – Checking receipts that are swept to the VHS – DIP Concentration Account are reflected in I/C Outflows for the VMF – Checking account.
- 2) Pursuant to the terms of the DIP loan agreement, Verity submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. Commencing in November 2018, when there was no DIP balance outstanding, funds flowed to Ally Bank from the VHS – DIP Concentration Account and were returned by Ally to the new VHS – DIP Loan Proceeds account. Prior to the implementation of this cash management process, funds flowed to/ from Ally Bank through the VHS – AP account and such activity netted to zero to the extent funds were sent to and received from Ally Bank in the same month. In the month of January, certain funds continued to flow to Ally Bank through the VHS – AP account. The aggregate of the DIP Inflows and DIP Outflows columns above represent cumulative DIP borrowings and DIP repayments, respectively, for the period presented.
- 3) This bank account contains certain funds that are donor restricted, and therefore, are not available for the debtor's general operating activities. Please refer to the attached restricted funds schedule for additional restricted funds recorded by the debtors that are not included in the Verity bank account summary as they are not part of the cash management program.
- 4) The Final DIP Order provides that the Sale Proceeds, including any deposits, shall be held in escrow in one or more deposit accounts subject to a deposit account control agreement in favor of the DIP Agent (the "Escrow Deposit Account"). Any funds held in the Escrow Deposit Account shall not be commingled with any other funds of the selling Debtor, the Sale Proceeds of any other Debtor or otherwise.

Verity Health System of California, Inc.
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	VHS - AP / Self Insurance	VHS - Payroll	VHS - DIP Concentration Account	VHS - DIP Loan Proceeds	VHS - Santa Clara Sale Proceeds	VHS - Non Santa Clara Sale Proceeds	Debtor Total
	6440 / 9250	1785	2889	4358	9087	9100	
Balance Per Bank	\$ 2,035	\$ 350	\$ 1,757	\$ 2,900	\$ 723	\$ 30,315	\$ 38,080
Additive Items:							-
Deposits in Transit							-
Other Additive Items							-
Subtractive Items:							-
Outstanding Checks	(1,476)	(38)					(1,514)
Other Subtractive Items							-
Reclassifications							-
Negative book balance reclassified to AP							-
Petty Cash							-
Adjusted Bank Balance	558	312	1,757	2,900	723	30,315	36,566
GL Balance	\$ 558	\$ 312	\$ 1,757	\$ 2,900	\$ 723	\$ 30,315	\$ 36,566
							-
Number of Outstanding Checks	45	5					50

O'Connor Hospital
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	OCH-Santa Clara Sale						Debtor Total
	OCH - AP	OCH - Payroll	OCH - Lockbox/GR	OCH - Patient Trust	Proceeds	Petty Cash Total	
	6389	3007	2945 / 3900	2662	9549	N/A	
Balance Per Bank	\$ 487	\$ 312	\$ 47	\$ 6	\$ 111,146		\$ 111,999
Additive Items:							-
Deposits in Transit							-
Other Additive Items							-
Subtractive Items:							-
Outstanding Checks	(257)	(71)					(328)
Other Subtractive Items			(1)				(1)
Reclassifications							-
Reconciling item							-
Petty Cash							-
Adjusted Bank Balance	230	242	46	6	111,146	-	111,670
GL Balance	\$ 230	\$ 242	\$ 46	\$ 6	\$ 111,146	\$ -	\$ 111,671
Number of Outstanding Checks	223	74					297

Saint Louise Regional Hospital
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

Bank Account No. (last 4 digits)	SLRH-Santa Clara Sale					Debtor Total
	SLRH - AP	SLRH - Payroll	SLRH - Lockbox/GR	Proceeds	Petty Cash Total	
	6421	7575	2926 / 3905	9563	N/A	
Balance Per Bank	\$ 350	\$ 180	\$ 17	\$ 57,348		\$ 57,895
Additive Items:						
Deposits in Transit		8				8
Other Additive Items						
Subtractive Items:						
Outstanding Checks	(113)	(14)				(126)
Other Subtractive Items			(8)			(8)
Reclassifications						
Negative book balance reclassified to AP						
Petty Cash						
Adjusted Bank Balance	237	174	9	57,348	-	57,768
GL Balance	\$ 237	\$ 174	\$ 9	\$ 57,348	\$ -	\$ 57,768
Number of Outstanding Checks	170	20				190

St. Francis Medical Center
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	SFMC - AP	SFMC - Payroll	SFMC - Lockbox/GR	SFMC - Capitation (Conifer)	SFMC - Capitation (AppleCare)	SFMC - Capitation HCLA / AC	SFMC - Career College	SFMC - Sale Proceeds	Petty Cash Total	Debtor Total
	6407	3012	2940 / 3924 / 1057	1357	1371	1840 / 1845	2162	0090	N/A	
Balance Per Bank	\$ 1,532	\$ 985	\$ 292	\$ 525	\$ 1,402	\$ 527	\$ 47	\$ 0		\$ 5,309
Additive Items:										
Deposits in Transit			12			11				23
Other Additive Items										-
Subtractive Items:										
Outstanding Checks	(459)	(271)		(1,699)	(3,182)	(506)				(6,116)
Other Subtractive Items		(198)	(72)			(21)				(291)
Reclassifications										
Negative book balance reclassified to AP				1,174	1,780					2,953
Petty Cash									3	3
Adjusted Bank Balance	1,073	516	232	0	-	10	47	0	3	1,882
GL Balance	\$ 1,073	\$ 516	\$ 232	\$ -	\$ -	\$ 10	\$ 47	\$ 0	\$ 3	\$ 1,882
Number of Outstanding Checks	161	840		741	275	131				2,148

St Vincent Medical Center
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

Bank Account No. (last 4 digits)	SVMC - AP	SVMC - Payroll	SVMC - Lockbox/GR	SVMC - Capitation (Conifer)	SVMC - Capitation (CHP)	SVMC - Restricted Cash	SVMC- Sale Proceeds	Petty Cash Total	Debtor Total
	6426	3017	2964 / 3929	3695	0553	0989	0076	N/A	
Balance Per Bank	\$ 1,625	\$ 101	\$ 212	\$ 646	\$ 332	\$ 1,248	\$ 0		\$ 4,164
Additive Items:									
Deposits in Transit									-
Other Additive Items									-
Subtractive Items:									
Outstanding Checks	(975)	(38)		(96)	(186)				(1,295)
Other Subtractive Items			(1)						(1)
Reclassifications									
Negative book balance reclassified to AP									-
Petty Cash								4	4
Adjusted Bank Balance	650	63	211	550	146	1,248	0	4	2,872
GL Balance	\$ 650	\$ 63	\$ 211	\$ 550	\$ 146	\$ 1,248	\$ 0	\$ 4	\$ 2,872
Number of Outstanding Checks	203	30		46	68				347

Seton Medical Center
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	SMC - Sale Proceeds					Debtor Total
	AP Disbursement	Payroll	Lockbox/GR	Petty Cash Total		
	6365	3001	2902 / 3887	0071	N/A	
Balance Per Bank	\$ 1,311	\$ 1,430	\$ 83	\$ -		\$ 2,824
Additive Items:						
Deposits in Transit						-
Other Additive Items	0	11	6			17
Subtractive Items:						
Outstanding Checks	(899)	(74)				(973)
Other Subtractive Items						-
Reclassifications						
Negative book balance reclassified to AP						-
Petty Cash					4	4
Adjusted Bank Balance	413	1,367	89	-	4	1,872
GL Balance	\$ 413	\$ 1,367	\$ 89	\$ -	\$ 4	\$ 1,872
Number of Outstanding Checks	352	64				416

Seton Medical Center Coastside
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

Bank Account No. (last 4 digits)	SMCC -			Debtor Total
	AP Disbursement	Lockbox/GR	Patient Trust	
	6834	02907 / 3882	12907	
Balance Per Bank	\$ 167	\$ 64	\$ 27	\$ 258
Additive Items:				-
Deposits in Transit				-
Other Additive Items				-
Subtractive Items:				-
Outstanding Checks	(24)		(2)	(26)
Other Subtractive Items			(5)	(5)
Reclassifications				-
Negative book balance reclassified to AP				-
Petty Cash				-
Adjusted Bank Balance	143	64	20	227
GL Balance	\$ 143	\$ 64	\$ 20	\$ 227
Number of Outstanding Checks	34		7	41

O'Connor Hospital Foundation
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	OCH Foundation	OCH Foundation - Investment	Debtor Total
	3433	2-037	
Balance Per Bank	\$ 1,344	\$ 243	\$ 1,587
Additive Items:			
Deposits in Transit			-
Other Additive Items			-
Subtractive Items:			
Outstanding Checks			-
Other Subtractive Items	(0)		(0)
Reclassifications			
Negative book balance reclassified to AP			-
Petty Cash			-
Adjusted Bank Balance	1,343	243	1,587
GL Balance	\$ 1,343	\$ 243	\$ 1,587
Number of Outstanding Checks			-

Saint Louise Regional Hospital Foundation
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

	Debtor Total
Bank Account No. (last 4 digits)	2521
Balance Per Bank	\$ 320
Additive Items:	
Deposits in Transit	
Other Additive Items	
Subtractive Items:	
Outstanding Checks	
Other Subtractive Items	
Reclassifications	
Negative book balance reclassified to AP	
Petty Cash	
Adjusted Bank Balance	320
GL Balance	\$ 320
Number of Outstanding Checks	

St. Francis Medical Center of Lynwood Foundation
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

	Debtor Total
Bank Account No. (last 4 digits)	2809
Balance Per Bank	\$ 139
Additive Items:	
Deposits in Transit	4
Other Additive Items	
Subtractive Items:	
Outstanding Checks	
Other Subtractive Items	
Reclassifications	
Negative book balance reclassified to AP	
Petty Cash	
Adjusted Bank Balance	142
GL Balance	\$ 142
Number of Outstanding Checks	

St Vincent Medical Center Foundation
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

	Debtor Total
Bank Account No. (last 4 digits)	3025
Balance Per Bank	\$ 1,475
Additive Items:	
Deposits in Transit	
Other Additive Items	
Subtractive Items:	
Outstanding Checks	
Other Subtractive Items	
Reclassifications	
Negative book balance reclassified to AP	
Petty Cash	
Adjusted Bank Balance	1,475
GL Balance	\$ 1,475
Number of Outstanding Checks	

St. Vincent Dialysis Center, Inc.
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

Bank Account No. (last 4 digits)	Debtor Total
	8921
Balance Per Bank	\$ -
Additive Items:	
Deposits in Transit	
Other Additive Items	
Subtractive Items:	
Outstanding Checks	
Other Subtractive Items	
Reclassifications	
Negative book balance reclassified to AP	
Petty Cash	
Adjusted Bank Balance	-
GL Balance	\$ -
Number of Outstanding Checks	

Seton Medical Center Foundation
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	SMC Foundation		Debtor
	2260	SMC Foundation - SVCS 0089	Total
Balance Per Bank	\$ 5,143	\$ 430	\$ 5,573
Additive Items:			
Deposits in Transit			-
Other Additive Items			-
Subtractive Items:			
Outstanding Checks			-
Other Subtractive Items		(430)	(430)
Reclassifications			
Negative book balance reclassified to AP			-
Petty Cash			-
Adjusted Bank Balance	5,143	-	5,143
GL Balance	\$ 5,143	\$ -	\$ 5,143
Number of Outstanding Checks			-

Verity Business Services
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	AP Disbursement		Payroll		Debtor Total	
	6402		2982			
Balance Per Bank	\$	432	\$	4	\$	436
Additive Items:						-
Deposits in Transit						-
Other Additive Items				2		2
Subtractive Items:						-
Outstanding Checks		(88)		(6)		(94)
Other Subtractive Items						-
Reclassifications						-
Negative book balance reclassified to AP						-
Petty Cash						-
Adjusted Bank Balance		344		(0)		344
GL Balance	\$	344	\$	-	\$	344
Number of Outstanding Checks		9		5		14

Verity Medical Foundation
Bank Reconciliation Summary
July 31, 2019
\$ in 000's

Bank Account No. (last 4 digits)	VMF - Sale		Petty Cash	Debtor Total
	VMF - Checking 9996	Proceeds 2810		
Balance Per Bank	\$ 2,769	\$ 2,071		\$ 4,840
Additive Items:				-
Deposits in Transit				-
Other Additive Items	51			51
Subtractive Items:				-
Outstanding Checks	(245)			(245)
Other Subtractive Items				-
Reclassifications				-
Negative book balance reclassified to AP				-
Petty Cash			4	4
Adjusted Bank Balance	2,575	2,071	4	4,649
GL Balance	\$ 2,575	\$ 2,071	\$ 4	\$ 4,649
Number of Outstanding Checks	415			415

Verity Holdings, LLC
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

Bank Account No. (last 4 digits)	VH- Santa Clara				Debtor Total
	AP Disbursement	MOB	Sale Proceeds	VH-Sale Proceeds	
	1597	1248	9568	0151	
Balance Per Bank	\$ 262	\$ 18	\$ 15,835	\$ -	\$ 16,116
Additive Items:					
Deposits in Transit					-
Other Additive Items		3			3
Subtractive Items:					
Outstanding Checks	(5)				(5)
Other Subtractive Items					-
Reclassifications					
Negative book balance reclassified to AP					-
Petty Cash					-
Adjusted Bank Balance	258	22	15,835	-	16,115
GL Balance	\$ 258	\$ 22	\$ 15,835	\$ -	\$ 16,115
Number of Outstanding Checks	4				4

De Paul Ventures - San Jose Dialysis, LLC
 Bank Reconciliation Summary
 July 31, 2019
 \$ in 000's

	De Paul Ventures – San Jose Dialysis, LLC
Bank Account No. (last 4 digits)	2797
Balance Per Bank	\$ 87
Additive Items:	
Deposits in Transit	
Other Additive Items	
Subtractive Items:	
Outstanding Checks	
Other Subtractive Items	
Reclassifications	
Negative book balance reclassified to AP	
Petty Cash	
Adjusted Bank Balance	87
GL Balance	\$ 87
Number of Outstanding Checks	

Verity Health System, Inc.
Notes on Bank Reconciliations
July 31, 2019

- DePaul Ventures, LLC has no bank accounts. Therefore, there is no bank activity reported on the Verity Bank Account Summary or on the Verity Bank Account Cumulative Summary, and accordingly no bank reconciliations.
- The following bank accounts were closed prior to July 1, 2019, and are not reported on the Bank Reconciliation Summary.

Account name	Last four of account #
SMC Foundation - TCB	#XXXXXX8521
SMCC - Patient Trust - TCB	#XXXXXX3611
OCH - FSA	#XXXXX12284
SLRH - FSA	#XXXXX12307
SMC - FSA	#XXXXX12289
SMCC - FSA	#XXXXX12302
SFMC - FSA	#XXXXX12487
SVMC - FSA	#XXXXX12062
VBS - FSA	#XXXXX13192
VH - Operating	#XXXXX11970
VH - Savings	#XXXXX11975
VMF - Payroll ZBA - Wells Fargo	#XXXXX20010
SVMC Foundation - EWB	#XXXXXX1162

- The following bank accounts have had no activity and therefore bank and book balances were both zero at the end of July. These accounts are not reported on the Verity Bank Account Summary or on the Verity Bank Account Cumulative Summary.

Account name	Last four of account #
VH – Sale Proceeds	#XXXXXX0151
SMC – Sale Proceeds	#XXXXXX0071

Verity Health System, Inc.
Notes on Bank Reconciliations
July 31, 2019

4. On February 28, 2019 (the “Closing Date”), the Debtors’ asset sale to Santa Clara County (the “Santa Clara Sale Transaction”) closed and Santa Clara County wired the sale proceeds to Chicago Title Insurance Company (“Chicago Title”). As part of that transaction, operating disbursements were made by Chicago Title directly to third parties, on behalf of the Debtors that are party to the Santa Clara Sale Transaction (the “Chicago Title Disbursements”). In order to provide a full accounting of operating disbursements made by or on behalf of the Debtors in the July 2019 Monthly Operating Report, the Chicago Title Disbursements are added to the operating disbursements reported in the Verity Bank Account Summary for the eleven months ending July 31, 2019 and reported in the table below (\$ 000):

	Operating Disbursements for the eleven months ending 7/31/19		
	Chicago Title Disb.	Op. Disb. From page 5	Total
O'Connor Hospital	\$ 21,573	\$ 112,345	\$ 133,918
St. Louise Regional Hospital	5,528	36,809	42,337
Verity Holdings, LLC	269	9,624	9,893
Verity Health System of California, Inc.	88	308,140	308,228

5. Per the Santa Clara County asset purchase agreement (the “APA”) § 1.2 and 1.1.2, \$23.5 million of sale proceeds transferred by Santa Clara County were escrowed with Chicago Title as escrow agent, subject to reductions related to post-closing obligations and damages as described in APA § 15.2 (as reduced in accordance with APA § 15.2 , the “Escrow Amount”) . The APA provides that the Escrow Amount is security for the satisfaction of Sellers’ post-closing obligations and to offset Damages incurred by Santa Clara County as described in Section 15.2 of the APA. The APA provides that the Escrow Agent shall hold the Escrow Amount for a period of twelve months following the Closing Date, and the Escrow Agent shall disburse the same (along with any interest accrued thereon, as further described in the Escrow Agreement) upon the expiration of such twelve month period (subject to valid escrow claims) in accordance with the terms of the Escrow Agreement. The Debtors that are party to the Santa Clara Sales Transaction report the Escrow Amount as a receivable in the Consolidating Balance Sheet – Unaudited as of July 31, 2019.

Verity Status of Payments to Secured Creditors, Lessors, And Other Parties to Executory Contracts

For the month ending 07/31/2019

\$ in 000's

#	Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-petition Payments Not Made (Number) ^(A)	Total Due Not Paid According to Postpetition Terms
Secured Debt Holders					
1	Ally Bank ^(B)	Various	\$93,283	-	-
2	Wells Fargo - 2005 Bonds	Monthly	1,226	-	-
3	US Bank 2015 Notes	Monthly	1,044	-	-
4	Verity MOB Financing, LLC	Monthly	402	-	-
5	US Bank 2017 Notes	Monthly	254	-	-
	Subtotal		\$96,209	-	-
Top 20 Vendors					
1	Department of Health Care Services (DHCS)	Various	\$12,094	-	-
2	Healthnow Administrative Services	Various	4,480	-	-
3	Transamerica	Various	3,902	-	-
4	Cardinal Health	Various	1,991	-	-
5	Sodexo, Inc & Affiliates	Various	1,301	-	-
6	Applecare Medical Group	Various	1,277	-	-
7	Medline Industries, Inc.	Various	1,205	-	-
8	Marillac Ltd.	Various	1,181	-	-
9	Verity Medical Group	Various	856	-	-
10	The Northern Trust Company	Various	703	-	-
11	Agility	Various	638	-	-
12	Rightsourcing Inc	Various	626	-	-
13	Los Angeles Department Of Water And Power	Various	425	-	-
14	Nantworks LLC	Various	420	-	-
15	Boston Scientific Corp	Various	370	-	-
16	GE Healthcare Financial Services Inc	Various	361	-	-
17	Onelegacy	Various	336	-	-
18	Medtronic USA Inc	Various	314	-	-
19	Delta Dental CA	Various	313	-	-
20	Shiftwise	Various	308	-	-
	Subtotal		\$33,100	-	-

Notes

- A) See Notes after XI. Questionnaire.
- B) In addition to the above payments to Ally Bank, Verity also submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. To the extent funds are sent to and received from Ally Bank in the same month in the case of a zero DIP balance, the transfers will net out to zero.

Debtor	Account Used	Aggregate Insider Compensation Paid
Verity Health System of California, Inc.	XXXXXX1785	\$ 404,716
O'Connor Hospital	XXXXXX3007	\$ -
Saint Louise Regional Hospital	XXXXXX7575	\$ -
St. Francis Medical Center	XXXXXX3012	\$ 40,070
St. Vincent Medical Center	XXXXXX3017	\$ 89,451
Seton Medical Center	XXXXXX3001	\$ 118,806
O'Connor Hospital Foundation		-
Saint Louise Regional Hospital Foundation		-
St. Francis Medical Center of Lynwood Foundation		-
St. Vincent Foundation		-
St. Vincent Dialysis Center, Inc.		-
Seton Medical Center Foundation		-
Verity Business Services		-
Verity Medical Foundation	XXXXXX9996	\$ -
Verity Holdings, LLC		-
DePaul Ventures, LLC		-
DePaul Ventures - San Jose Dialysis, LLC		-
		\$ 653,043

VIII SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Debtor	Account Used	Aggregate Insider Other Amounts Paid (a)
Verity Health System of California, Inc.	XXXXXX6440	\$ 1,767
O'Connor Hospital	XXXXXX6389	\$ -
Saint Louise Regional Hospital	XXXXXX6421	\$ -
St. Francis Medical Center	XXXXXX6407	\$ 29,250
St. Vincent Medical Center	XXXXXX6426	\$ 10,215
Seton Medical Center	XXXXXX6365	\$ 10,500
O'Connor Hospital Foundation		\$ -
Saint Louise Regional Hospital Foundation		\$ -
St. Francis Medical Center of Lynwood Foundation		\$ -
St. Vincent Foundation		\$ -
St. Vincent Dialysis Center, Inc.		\$ -
Seton Medical Center Foundation		\$ -
Verity Business Services		\$ -
Verity Medical Foundation		\$ -
Verity Holdings, LLC		\$ -
DePaul Ventures, LLC		\$ -
DePaul Ventures - San Jose Dialysis, LLC		\$ -
		\$ 51,732

(a) For the Hospital Debtors, amounts represent payments made by the Hospitals to physician board members associated with medical directorships and on-call coverage provided. Such payments are not associated with services provided as a board member.

	O'Connor Hospital	Saint Louise Regional Hospital	St. Francis Medical Center	St. Vincent Medical Center	Seton Medical Center	Seton Medical Center Coastside (Seton Medical Center)	System Office (Verity Health System of CA, Inc.)	System Elimination - Obligated Group	Obligated Group Subtotal	Non-Debtor A	Verity Business Services	DePaul Ventures (Includes DePaul Ventures - San Jose Dialysis, LLC)
ASSETS												
Current Assets:												
Cash and cash equivalents	\$ 525	\$ 421	\$ 1,882	\$ 1,624	\$ 1,872	\$ 227	\$ 5,528	\$ -	\$ 12,079	\$ 12,474	\$ 344	\$ 87
Net patient accounts receivable	9,171	2,885	60,298	30,392	34,391	4,480	-	-	141,617	-	-	-
Due from government agencies	1,074	179	3,491	4,728	1,995	-	-	-	11,467	-	-	-
Due from related organizations	13,434	4,868	468,663	13,905	17,324	48	643,369	(1,077,201)	84,410	-	58,329	3,474
Other current assets	29,865	10,628	38,962	20,276	13,231	363	8,830	-	122,155	7,827	220	-
Other restricted assets	111,146	57,348	-	-	-	-	31,039	-	199,533	-	-	-
Total Current Assets	165,215	76,329	573,296	70,925	68,813	5,118	688,766	(1,077,201)	571,261	20,301	58,893	3,561
Assets Limited As To Use:												
Other investments	-	-	-	3,107	-	-	20	-	3,127	39,645	-	-
Under bond indenture agreements	-	-	-	-	34,893	-	24,856	-	59,749	-	-	-
Total Assets Limited As To Use	-	-	-	3,107	34,893	-	24,876	-	62,876	39,645	-	-
Property And Equipment, Net	-	-	85,470	44,182	41,063	635	24,031	-	195,381	-	1,501	-
Other Long-Term Assets	-	-	137	1	63	-	2,638	-	2,839	-	-	50
Total Assets	\$ 165,215	\$ 76,329	\$ 658,903	\$ 118,215	\$ 144,832	\$ 5,753	\$ 740,311	\$ (1,077,201)	\$ 832,357	\$ 59,946	\$ 60,394	\$ 3,611
LIABILITIES AND NET (DEFICIT) ASSETS												
Current Liabilities:												
Accounts payable	\$ 15,596	\$ 3,793	\$ 18,117	\$ 24,395	\$ 14,851	\$ 462	\$ 17,460	\$ -	\$ 94,674	\$ 34	\$ 5,743	\$ -
Current portion of long-term debt, net of debt issuance costs	774	469	4,076	867	1,801	-	196,793	-	204,780	-	-	-
Due to government agencies	382	48	2,774	1,605	335	-	-	-	5,144	-	-	-
Accrued expenses and other current liabilities	15,641	5,284	88,867	31,090	41,914	1,800	160,061	-	344,657	16,280	3,170	-
Due to related organizations	268,632	73,280	16,426	344,480	224,046	27,228	283,800	(1,077,201)	160,691	-	49,757	2
Total Current Liabilities	301,025	82,874	130,260	402,437	282,947	29,490	658,114	(1,077,201)	809,946	16,314	58,670	2
Other Liabilities												
Pension and other long-term liabilities	48,788	5,689	95,983	74,096	2,546	26	48,681	-	275,809	32,844	-	-
Total Other Liabilities	48,788	5,689	95,983	74,096	2,546	26	48,681	-	275,809	32,844	-	-
Long-Term Debt, Net Of Current Portion And Debt Issuance Costs												
	47,507	28,776	63,436	53,181	96,136	-	44,025	-	333,061	-	-	-
Total Liabilities	397,320	117,339	289,679	529,714	381,629	29,516	750,820	(1,077,201)	1,418,816	49,158	58,670	2
NET (DEFICIT) ASSETS:												
Unrestricted	(232,105)	(41,010)	369,224	(414,814)	(236,797)	(23,763)	(10,509)	-	(589,774)	10,788	1,724	3,609
Temporarily restricted	-	-	-	523	-	-	-	-	523	-	-	-
Permanently restricted	-	-	-	2,792	-	-	-	-	2,792	-	-	-
Total Net (Deficit) Assets	(232,105)	(41,010)	369,224	(411,499)	(236,797)	(23,763)	(10,509)	-	(586,459)	10,788	1,724	3,609
Total Liabilities And Net (Deficit) Assets	\$ 165,215	\$ 76,329	\$ 658,903	\$ 118,215	\$ 144,832	\$ 5,753	\$ 740,311	\$ (1,077,201)	\$ 832,357	\$ 59,946	\$ 60,394	\$ 3,611

	St. Vincent Dialysis Center Inc.	Verity Medical Foundation	O'Connor Hospital Foundation	Seton Medical Center Foundation	St. Francis Medical Center of Lynwood Foundation	Saint Louise Regional Hospital Foundation	St. Vincent Foundation	Verity Holdings, LLC	Non-Debtor B	System Elimination - Non Obligated Group	Verity Total
ASSETS											
Current Assets:											
Cash and cash equivalents	\$ -	\$ 2,578	\$ 345	\$ 152	\$ 31	\$ 19	\$ 123	\$ 279	\$ 15	\$ -	\$ 28,526
Net patient accounts receivable	662	998	-	-	-	-	-	-	-	-	143,277
Due from government agencies	-	-	-	-	-	-	-	-	-	-	11,467
Due from related organizations	7,356	3,440	1	7	4	5	12,517	75,558	-	(245,101)	-
Other current assets	56	3,099	-	59	1,146	-	979	1,904	-	(6,895)	130,550
Other restricted assets	-	2,071	-	-	-	-	-	15,835	-	-	217,439
Total Current Assets	8,074	12,186	346	218	1,181	24	13,619	93,576	15	(251,996)	531,259
Assets Limited As To Use:											
Other investments	-	-	1,242	4,991	112	301	4,047	-	-	-	53,465
Under bond indenture agreements	-	-	-	-	-	-	-	-	-	-	59,749
Total Assets Limited As To Use	-	-	1,242	4,991	112	301	4,047	-	-	-	113,214
Property And Equipment, Net	187	483	-	-	-	-	-	13,658	-	-	211,210
Other Long-Term Assets	-	850	-	-	-	-	957	910	-	(1,527)	4,079
Total Assets	\$ 8,261	\$ 13,519	\$ 1,588	\$ 5,209	\$ 1,293	\$ 325	\$ 18,623	\$ 108,144	\$ 15	\$ (253,523)	\$ 859,762
LIABILITIES AND NET (DEFICIT) ASSETS											
Current Liabilities:											
Accounts payable	\$ -	\$ 462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625	\$ -	\$ -	101,538
Current portion of long-term debt, net of debt issuance costs	-	-	-	-	-	-	-	-	-	-	204,780
Due to government agencies	-	-	-	-	-	-	-	-	-	-	5,144
Accrued expenses and other current liabilities	76	10,410	-	6	8	8	8	1,442	-	(8,422)	367,635
Due to related organizations	12,474	-	7,343	782	8,701	5,094	886	(629)	-	(245,101)	-
Total Current Liabilities	12,550	10,872	7,343	788	8,709	5,094	894	1,438	-	(253,523)	679,097
Other Liabilities											
Pension and other long-term liabilities	-	7,800	71	-	-	-	104	18,844	-	-	335,472
Total Other Liabilities	-	7,800	71	-	-	-	104	18,844	-	-	335,472
Long-Term Debt, Net Of Current Portion And Debt Issuance Costs	-	-	-	-	-	-	-	105,686	-	-	438,747
Total Liabilities	12,550	18,672	7,414	788	8,709	5,094	998	125,968	-	(253,523)	1,453,316
NET (DEFICIT) ASSETS:											
Unrestricted	(4,289)	(5,153)	(6,996)	(570)	(8,612)	(5,070)	11,579	(17,824)	15	-	(610,573)
Temporarily restricted	-	-	835	2,273	1,196	301	3,594	-	-	-	8,722
Permanently restricted	-	-	335	2,718	-	-	2,452	-	-	-	8,297
Total Net (Deficit) Assets	(4,289)	(5,153)	(5,826)	4,421	(7,416)	(4,769)	17,625	(17,824)	15	-	(593,554)
Total Liabilities And Net (Deficit) Assets	\$ 8,261	\$ 13,519	\$ 1,588	\$ 5,209	\$ 1,293	\$ 325	\$ 18,623	\$ 108,144	\$ 15	\$ (253,523)	\$ 859,762

	O'Connor Hospital	Saint Louise Regional Hospital	St. Francis Medical Center	St. Vincent Medical Center	Seton Medical Center	Seton Medical Center Coastside (Seton Medical Center)	System Office (Verity Health System of CA, Inc.)	System Elimination - Obligated Group	Obligated Group Subtotal	Non-Debtor A	Verity Business Services	DePaul Ventures (Includes DePaul Ventures - San Jose Dialysis, LLC)
UNRESTRICTED REVENUES AND OTHER SUPPORT:												
Net patient service revenue	\$ 50	\$ (574)	\$ 24,250	\$ 13,278	\$ 16,659	\$ 1,685	\$ -	\$ (1,285)	\$ 54,063	\$ -	\$ -	\$ -
Provision for doubtful accounts	(293)	88	(811)	(781)	(1,053)	(55)	-	(2,905)	-	-	-	-
Net patient service revenue less provision for doubtful accounts	(243)	(486)	23,439	12,497	15,606	1,630	-	(1,285)	51,158	-	-	-
Premium revenue	-	-	8,968	1,114	-	-	-	(96)	9,986	-	-	-
Other revenue	42	7	130	76	88	42	11,709	(10,592)	1,502	943	2,660	-
Contributions	-	-	451	-	18	-	-	-	469	-	-	-
Total Unrestricted Revenues And Other Support	(201)	(479)	32,988	13,687	15,712	1,672	11,709	(11,973)	63,115	943	2,660	-
EXPENSES:												
Salaries and benefits	662	217	19,773	9,481	13,110	1,541	3,092	(1,285)	46,591	-	2,132	-
Supplies	(62)	(59)	3,728	3,525	2,160	192	3	-	9,487	-	6	-
Purchased services, medical claims and other	144	(11)	15,157	6,898	4,887	364	3,543	(7,428)	23,554	827	474	-
Depreciation and amortization	-	-	667	524	421	11	45	-	1,668	-	22	-
Interest, net	229	139	317	228	442	-	2,055	-	3,410	-	1	-
Total Expenses	973	286	39,642	20,656	21,020	2,108	8,738	(8,713)	84,710	827	2,635	-
Operating (Loss) Income	(1,174)	(765)	(6,654)	(6,969)	(5,308)	(436)	2,971	(3,260)	(21,595)	116	25	-
Investment Income (Loss)	188	97	-	-	61	-	289	-	635	27	-	-
Gain (Loss) on Hospital Sales	(47)	3	-	-	-	-	-	-	(44)	-	-	-
Reorganization Items	13	(1)	1,620	922	912	81	3,260	(3,260)	3,548	-	25	-
Excess (Deficit) Of Revenues Over Expenses	\$ (1,046)	\$ (664)	\$ (8,274)	\$ (7,891)	\$ (6,159)	\$ (517)	\$ -	\$ -	(24,552)	\$ 143	\$ -	\$ -

	St. Vincent Dialysis Center Inc.	Verity Medical Foundation	O'Connor Hospital Foundation	Seton Medical Center Foundation	St. Francis Medical Center of Lynwood Foundation	Saint Louise Regional Hospital Foundation	St. Vincent Foundation	Verity Holdings, LLC	Non-Debtor B	System Elimination - Non Obligated Group	Verity Total
UNRESTRICTED REVENUES AND OTHER SUPPORT:											
Net patient service revenue	\$ 487	\$ 215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(302)	\$ 54,463
Provision for doubtful accounts	(14)	-	-	-	-	-	-	-	-	-	(2,919)
Net patient service revenue less provision for doubtful accounts	473	215	-	-	-	-	-	-	-	(302)	51,544
Premium revenue	-	-	-	-	-	-	-	-	-	-	9,986
Other revenue	-	466	-	-	-	-	-	919	-	(4,632)	1,858
Contributions	-	-	-	-	6	-	-	-	-	-	475
Total Unrestricted Revenues And Other Support	473	681	-	-	6	-	-	919	-	(4,934)	63,863
EXPENSES:											
Salaries and benefits	270	962	-	2	21	-	3	-	-	(818)	49,163
Supplies	97	14	-	-	-	-	-	3	-	-	9,607
Purchased services, medical claims and other	33	538	-	-	-	-	6	878	-	(4,091)	22,219
Depreciation and amortization	2	18	-	1	1	-	1	37	-	-	1,750
Interest, net	-	-	-	-	-	-	-	700	-	-	4,111
Total Expenses	402	1,532	-	3	22	-	10	1,618	-	(4,909)	86,849
Operating (Loss) Income	71	(851)	-	(3)	(16)	-	(10)	(699)	-	(25)	(22,986)
Investment Income (Loss)	-	-	2	6	1	1	3	27	-	-	702
Gain (Loss) on Hospital Sales	-	(221)	-	-	-	-	-	-	-	-	(265)
Reorganization Items	-	12	-	-	-	-	-	10	-	(25)	3,571
Excess (Deficit) Of Revenues Over Expenses	\$ 71	\$ (1,084)	\$ 2	\$ 3	\$ (15)	\$ 1	\$ (7)	\$ (682)	\$ -	\$ -	(26,120)

	O'Connor Hospital	Saint Louise Regional Hospital	St. Francis Medical Center	St. Vincent Medical Center	Seton Medical Center	Seton Medical Center Coastsides (Seton Medical Center)	System Office (Verity Health System of CA, Inc.)	System Elimination - Obligated Group	Obligated Group Subtotal	Non-Debtor A	Verity Business Services	DePaul Ventures (Includes DePaul Ventures - San Jose Dialysis, LLC)
UNRESTRICTED REVENUES AND OTHER SUPPORT:												
Net patient service revenue	\$ 125,058	\$ 39,538	\$ 385,711	\$ 162,346	\$ 191,472	\$ 19,867	\$ -	\$ (15,942)	\$ 908,050	\$ -	\$ -	\$ -
Provision for doubtful accounts	(3,601)	(1,236)	(2,681)	(1,994)	(10,149)	(667)	-	-	(20,328)	-	-	-
Net patient service revenue less provision for doubtful accounts	121,457	38,302	383,030	160,352	181,323	19,200	-	(15,942)	887,722	-	-	-
Premium revenue	-	-	95,363	14,518	-	-	-	(1,140)	108,741	-	-	-
Other revenue	2,273	99	1,770	1,312	1,086	490	141,116	(135,297)	12,849	11,552	34,269	-
Contributions	62	32	3,665	920	91	-	-	-	4,770	-	-	-
Total Unrestricted Revenues And Other Support	123,792	38,433	483,828	177,102	182,500	19,690	141,116	(152,379)	1,014,082	11,552	34,269	-
EXPENSES:												
Salaries and benefits	85,411	30,483	212,766	105,286	138,667	16,066	44,695	(15,942)	617,432	-	25,192	-
Supplies	18,317	3,969	39,226	37,416	24,884	1,796	117	-	125,725	-	199	-
Purchased services, medical claims and other	48,472	15,294	190,269	89,364	62,370	4,277	31,085	(91,639)	349,491	10,808	8,326	(75)
Depreciation and amortization	3,005	868	7,622	5,404	4,640	114	448	-	22,101	-	251	-
Interest, net	2,299	1,516	3,472	2,459	4,947	-	22,771	-	37,464	-	1	-
Total Expenses	157,504	52,130	453,355	239,929	235,508	22,263	99,116	(107,581)	1,152,213	10,808	33,969	(75)
Operating (Loss) Income	(33,712)	(13,697)	30,473	(62,827)	(53,008)	(2,563)	42,000	(44,798)	(138,131)	744	300	75
Investment Income (Loss)	932	482	-	-	308	-	2,798	-	4,520	525	-	-
Gain (Loss) on Hospital Sales	109,109	51,632	-	-	-	-	674	-	161,415	-	-	-
Reorganization Items	5,980	2,052	18,303	11,492	10,330	961	44,798	(44,798)	49,119	-	300	1
Excess (Deficit) Of Revenues Over Expenses	\$ 70,349	\$ 36,365	\$ 12,170	\$ (74,319)	\$ (63,030)	\$ (3,524)	\$ 674	\$ -	(21,315)	\$ 1,269	\$ -	\$ 74

	St. Vincent Dialysis Center Inc.	Verity Medical Foundation	O'Connor Hospital Foundation	Seton Medical Center Foundation	St. Francis Medical Center of Lynwood Foundation	Saint Louise Regional Hospital Foundation	St. Vincent Foundation	Verity Holdings, LLC	Non-Debtor B	System Elimination - Non Obligated Group	Verity Total
UNRESTRICTED REVENUES AND OTHER SUPPORT:											
Net patient service revenue	\$ 4,650	\$ 31,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,382)	\$ 942,981
Provision for doubtful accounts	(280)	(1,609)	-	-	-	-	-	-	-	-	(22,217)
Net patient service revenue less provision for doubtful accounts	4,370	30,054	-	-	-	-	-	-	-	(1,382)	920,764
Premium revenue	-	10,764	-	-	-	-	-	-	-	-	119,505
Other revenue	-	9,213	-	-	-	-	-	12,572	-	(60,178)	20,277
Contributions	-	-	5	43	130	(1)	141	1,800	-	-	6,888
Total Unrestricted Revenues And Other Support	4,370	50,031	5	43	130	(1)	141	14,372	-	(61,560)	1,067,434
EXPENSES:											
Salaries and benefits	2,873	25,624	94	140	381	69	191	(9)	-	(7,479)	664,508
Supplies	1,455	10,595	-	(5)	-	-	-	52	-	-	138,021
Purchased services, medical claims and other	473	59,375	6	(7)	41	28	37	10,062	-	(53,786)	384,779
Depreciation and amortization	22	1,544	-	5	5	-	5	642	-	-	24,575
Interest, net	-	11	-	-	-	-	-	7,797	-	-	45,273
Total Expenses	4,823	97,149	100	133	427	97	233	18,544	-	(61,265)	1,257,156
Operating (Loss) Income	(453)	(47,118)	(95)	(90)	(297)	(98)	(92)	(4,172)	-	(295)	(189,722)
Investment Income (Loss)	3	-	19	61	11	8	23	626	-	-	5,796
Gain (Loss) on Hospital Sales	-	(252)	-	-	-	-	-	13,170	-	-	174,333
Reorganization Items	-	601	3	4	3	3	3	105	-	(298)	49,844
Excess (Deficit) Of Revenues Over Expenses	\$ (450)	\$ (47,971)	\$ (79)	\$ (33)	\$ (289)	\$ (93)	\$ (72)	\$ 9,519	\$ -	\$ 3	\$ (59,437)

XI. QUESTIONNAIRE

- | | | |
|---|--------------|---------------|
| 1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: | No | Yes |
| | <u> x </u> | <u> </u> |
| <hr/> | | |
| 2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: | No | Yes |
| | <u> x </u> | <u> </u> |
| <hr/> | | |
| 3. State what progress was made during the reporting period toward filing a plan of reorganization
On May 2, 2019, the Court entered the <i>Order (A) Authorizing The Sale Of Certain Of The Debtors' Assets To Strategic Global Management, Inc. ["SGM"] Free And Clear Of Liens, Claims, Encumbrances, And Other Interests; (B) Approving The Assumption And Assignment Of An Unexpired Lease Related Thereto; And (C) Granting Related Relief</i> [Docket No. 2306] (the "Sale Order"). Since the entry of the Sale Order, the Debtors and SGM continue to work together on numerous matters related to the sale, including the submission of the application to the Attorney General on May 13, 2019 [as noticed at Docket No. 2379]. Also, during the Report Period, the Debtors (i) continued to work with counterparties to executory contracts and unexpired leases with respect to the resolution of cure costs and other issues, and (ii) met with several unions with respect to their collective bargaining agreements. Once the sale of the Debtors' four remaining hospitals closes, the Debtors will be able to adequately formulate a plan of reorganization. During the reporting period, the Debtors also filed the <i>Motion to Approve Terms of a Private Sale of Clinics to Union Square Hearing, Inc. In Accordance with Sections 363(b) and (f)</i> [Docket No. 2500]. The Debtors also continued to work closely and collaboratively with the Official Committee of Unsecured Creditors and secured creditors on issues related to, among other things, the sale of their assets and resolution of pending disputes with creditors, vendors, doctors, employees and other parties in interest. | | |
| <hr/> | | |
| 4. Describe potential future developments which may have a significant impact on the case:
The closing of the sale of the Debtors' remaining Hospitals and other assets will have a significant impact on these cases, particularly the Attorney General review of the sale of the remaining Hospitals. | | |
| <hr/> | | |
| 5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.
Attached. | | |
| <hr/> | | |
| 6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. | No | Yes |
| | <u> x </u> | <u> </u> |
| <hr/> | | |
| I, Anita Chou, declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge. | | |

8/29/19
 Date


 Principal for debtor-in-possession

Notes

Creditor, Lessor, Etc. Not Paid According to Postpetition Terms	Frequency of Payments (Mo/Qtr)	Post-Petition payments not made (Number)	Total Due not paid according to postpetition terms	Explanation
None	n/a	-	-	n/a
TOTAL DUE:			0.00	

VI. UNITED STATES TRUSTEE QUARTERLY FEES
(TOTAL PAYMENTS - QUARTERLY PERIOD)

Quarterly Period Ending (Date)	Debtor	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
30-Jun-2019	Verity Health System of California, Inc.	\$ 82,232,760.73	\$ 250,000.00	31-Jul-2019	\$ 250,000.00	\$ -
30-Jun-2019	O'Connor Hospital	3,968,862.76	39,648.64	31-Jul-2019	39,648.64	-
30-Jun-2019	St. Louise Regional Hospital	757,170.42	4,875.00	31-Jul-2019	4,875.00	-
30-Jun-2019	St. Francis Medical Center	107,086,279.99	250,000.00	31-Jul-2019	250,000.00	-
30-Jun-2019	St. Vincent Medical Center	60,926,745.54	249,960.07	31-Jul-2019	249,960.07	-
30-Jun-2019	Seton Medical Center	47,836,905.48	250,000.00	31-Jul-2019	250,000.00	-
30-Jun-2019	O'Connor Hospital Foundation	-	325.00	31-Jul-2019	325.00	-
30-Jun-2019	St. Louise Regional Hospital Foundation	463.80	325.00	31-Jul-2019	325.00	-
30-Jun-2019	St. Francis Medical Center of Lynwood Foundation	-	325.00	31-Jul-2019	325.00	-
30-Jun-2019	St. Vincent Medical Center Foundation	-	325.00	31-Jul-2019	325.00	-
30-Jun-2019	St. Vincent Dialysis Center, Inc.	-	325.00	31-Jul-2019	325.00	-
30-Jun-2019	Seton Medical Center Foundation	22,978.63	650.00	31-Jul-2019	650.00	-
30-Jun-2019	Verity Business Services	7,618,153.94	76,181.54	31-Jul-2019	76,181.54	-
30-Jun-2019	Verity Medical Foundation	14,366,480.76	143,664.81	31-Jul-2019	143,664.81	-
30-Jun-2019	Verity Holdings, LLC	3,064,824.33	30,648.24	31-Jul-2019	30,648.24	-
30-Jun-2019	De Paul Ventures, LLC	-	325.00	31-Jul-2019	325.00	-
30-Jun-2019	De Paul Ventures - San Jose Dialysis, LLC	-	325.00	31-Jul-2019	325.00	-
		\$327,881,626.38	\$ 1,297,903.30		\$ 1,297,903.30	\$ -



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
1	Storage Tank Liability	ACE American Insurance Company (Chubb)	O'Connor Hospital	6/30/2018-2/28/2022	G24668538 010	\$1,000,000 Per Storage Tank Incident \$2,000,000 Aggregate for ASTs \$2,000,000 Aggregate for USTs \$4,000,000 Aggregate Limit of Liability for All Storage Tank Incidents \$2,000,000 Aggregate Limit of Liability for Legal Defense Expenses \$6,000,000 Policy Aggregate	2/28/2022
2	Commercial Property	American Guarantee and Liability Insurance Company (Zurich)	Verity Health System of California, Inc.	7/1/2019-7/1/2020	ZMD7067455-01	\$1,000,000,000 Loss Limit	7/1/2020
3	Workers' Compensation and Employers Liability	Old Republic Insurance Company	Verity Health System of California, Inc.	7/1/2019-1/1/2020	MWC 313800-19	Workers' Compensation - Statutory Employers Liability - \$1,000,000 BI Each Accident \$1,000,000 BI Disease Each Employee \$1,000,000 BI Disease Policy Limit	1/1/2020
4	Storage Tank Liability (Consolidated)	ACE American Insurance Company (Chubb)	St. Vincent Medical Center Seton Medical Center; Verity Holdings, LLC	10/1/2018-10/1/2019	UST G71182654 001	\$1,000,000 Per Storage Tank Incident \$1,000,000 Aggregate for ASTs \$1,000,000 Aggregate for USTs \$2,000,000 Aggregate Limit of Liability for All Storage Tank Incidents \$1,000,000 Aggregate Limit of Liability for Legal Defense Expenses \$3,000,000 Policy Aggregate	10/1/2019
5	Commercial Automobile	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	Verity Health System of California, Inc.	10/1/2018-10/1/2019	CA 087 15 98	\$1,000,000 Combined Single Limit	10/1/2019
6	Helipad Liability & Non-Owned Aircraft Liability	ACE Property and Casualty Insurance Company (Chubb)	Verity Health System of California, Inc.	10/1/2018-10/1/2019	AAP N17935550 001	\$10,000,000 Each Occurrence \$10,000,000 Products-Completed Operations Aggregate \$10,000,000 Personal Injury and Advertising Injury Aggregate \$10,000,000 Hangarkeepers Any One Occurrence \$10,000,000 Hangarkeepers Any One Aircraft \$10,000,000 Non-Owned Aircraft Liability Any One Occurrence	10/1/2019
7	Sexual Misconduct and Molestation Liability	Lloyds of London (Beazley Syndicates #2623/#623)	St. Francis Medical Center (Children's Counseling Center Agreement)	10/1/2018-10/1/2019	GLOPR1801815	\$2,000,000 Any One Victim and in the Aggregate	10/1/2019
8	D&O Liability, Employment Practices Liability, Fiduciary Liability, Crime <i>Primary Layer</i>	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	Verity Health System of California, Inc.	10/1/2017-10/1/2018 (Extended to 10/1/2019)	02-359-65-60	\$10,000,000 D&O Liability and EPL (Shared) \$10,000,000 Fiduciary Liability \$10,000,000 Crime \$20,000,000 Policy Aggregate	10/1/2019
9	D&O Liability and Employment Practices Liability <i>1st Excess Layer</i>	Endurance Risk Solutions Assurance Company	Verity Health System of California, Inc.	10/1/2017-10/1/2018 (Extended to 10/1/2019)	BLX10008286901	\$10,000,000 Excess of \$10,000,000	10/1/2019
10	D&O Liability Only <i>2nd Excess Layer</i>	Argonaut Insurance Company (ARGO Group)	Verity Health System of California, Inc.	10/1/2017-10/1/2018 (Extended to 10/1/2019)	MLX 7602088-01	\$10,000,000 Excess of \$20,000,000 (D&O Liability Only)	10/1/2019
11	Excess Side A D&O Liability	National Union Fire Insurance Company of Pittsburgh, PA	Verity Health System of California, Inc.	10/1/2018-10/1/2019	02-306-61-90	\$2,000,000 Excess of \$30,000,000	10/1/2019



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
12	Punitive Damages Wrap <i>Primary Layer</i>	American International Reinsurance Company, Ltd.	Verity Health System of California, Inc.	10/1/2017-10/1/2018 (Extended to 10/1/2019)	24542026	\$10,000,000 Each Occurrence \$10,000,000 Aggregate	10/1/2019
13	Punitive Damages Wrap <i>1st Excess Layer</i>	Magna Carta Insurance, Ltd.	Verity Health System of California, Inc.	10/1/2017-10/1/2018 (Extended to 10/1/2019)	MCEN204155	\$10,000,000 Excess of \$10,000,000	10/1/2019
14	Storage Tank Liability	Tokio Marine Specialty Insurance Company (Philadelphia)	St. Francis Medical Center	12/05/2018-12/05/2019	STEP011394-01	\$1,000,000 Remediation Expense \$1,000,000 Bodily Injury and Property Damage Resulting from Contamination \$1,000,000 Defense Expense \$1,000,000 Defense Expense Aggregate \$2,000,000 Total Policy Aggregate	12/5/2019
15	Cyber/Network Liability	AXIS Insurance Company	Verity Health System of California, Inc.	2/4/2019-2/4/2020	P-001-000076217-01	\$2,000,000 per claim in excess of \$500,000	2/4/2020
16	General Liability	Chubb	St. Francis Medical Center (Lynwood Parking Agreement)	3/31/2019-3/31/2020	HPL G2181684A 012	\$1,000,000 Each Occurrence \$1,000,000 Personal Injury & Advertising Injury \$1,000,000 Products/Completed Operations Aggregate \$3,000,000 General Aggregate	3/31/2020
Physicians Professional Liability							
17	Professional Liability	NORCAL Mutual Insurance Company	The Contracted Physicians of O'Connor Hospital	1/1/2019-1/1/2020	728814N	Per Scheduled Provider \$1,000,000 Each Claim; \$3,000,000 Aggregate	9/30/2019
18	Professional Liability	NORCAL Mutual Insurance Company	The Contracted Physicians of St. Francis Medical Center	1/1/2019-1/1/2020	728812N	Per Scheduled Provider \$1,000,000 Each Claim; \$3,000,000 Aggregate \$2,000,000 Each Claim; \$4,000,000 Aggregate	9/30/2019
Captive							
19	Professional and General Liability	Marillac Insurance Company, Ltd.	Verity Health System of California, Inc.	3/31/2019-3/31/2020	DOC PLGL-26000-019	Professional Liability \$5,000,000 Each Claim and No Aggregate General Liability \$2,000,000 Each Occurrence and No Aggregate	10/31/2019
20	Excess Professional and Umbrella Liability (See Reinsurance Below)	Marillac Insurance Company, Ltd.	Verity Health System of California, Inc.	3/31/2019-3/31/2020	DOC PLGL-26000-019	Excess Professional Liability \$80,000,000 Each Occurrence \$80,000,000 Aggregate All Other Liability \$80,000,000 Each Claim \$80,000,000 Aggregate	3/31/2020
21	Workers Compensation Deductible Liability Protection	Marillac Insurance Company, Ltd.	Verity Health System of California, Inc.	7/1/2019-1/1/2020	DED.WC-07.01.19-20	Workers' Compensation \$500,000 Each Occurrence Employers Liability \$500,000 Each Occurrence	10/1/2019
Reinsurance							
22	Lead Excess Layer	ACE American Insurance Company (Chubb)	Verity Health System of California, Inc.	3/31/2019-3/31/2020	RBN G21816838 012	\$15,000,000 Each Professional Liability Loss Event \$15,000,000 Aggregate Professional Liability \$15,000,000 Aggregate General Liability of Ceding Company Limits	3/31/2020

#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
23	2nd Excess Layer	Continental Casualty Company (CNA)	Verity Health System of California, Inc.	3/31/2019-3/31/2020	HMU 2097462209-11	\$10,000,000 Each Professional Liability Claim \$10,000,000 Aggregate Professional Liability \$10,000,000 Each General Liability Occurrence \$10,000,000 Aggregate General Liability Excess of Chubb Underlying Above	3/31/2020
24	3rd Excess Layer	Berkshire Hathaway Specialty Insurance Company	Verity Health System of California, Inc.	3/31/2019-3/31/2020	47-RHC-304968-02	\$10,000,000 Each Professional Liability Claim \$10,000,000 Aggregate Professional Liability \$10,000,000 Each General Liability Occurrence \$10,000,000 Aggregate General Liability Excess of Chubb and CNA Underlying Above	3/31/2020
25	4th Excess Layer	Zurich American Insurance Company	Verity Health System of California, Inc.	3/31/2019-3/31/2020	HPC 0239123-01	\$10,000,000 Each Professional Liability Claim \$10,000,000 Aggregate Professional Liability \$10,000,000 Each General Liability Occurrence \$10,000,000 Aggregate General Liability Excess of Chubb, CNA and Berkshire Underlying Above	3/31/2020
26	5th Excess Layer	The Doctors Company Group	Verity Health System of California, Inc.	3/31/2019-3/31/2020	FRX-00015-19-00	\$15,000,000 Each Professional Liability Claim \$15,000,000 Aggregate Professional Liability \$15,000,000 Aggregate General Liability Excess of Chubb, CNA, Berkshire and Zurich Underlying Above	3/31/2020
27	6th Excess Layer	The Medical Protective Company	Verity Health System of California, Inc.	3/31/2019-3/31/2020	XOL2019-018	\$20,000,000 Each Professional Liability Claim \$20,000,000 Aggregate Professional Liability \$20,000,000 Each General Liability Occurrence \$20,000,000 Aggregate General Liability Excess of Chubb, CNA, Berkshire, Zurich and TDC Underlying Above	3/31/2020
Surety Bonds							
28	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	Seton Medical Center Coastside	12/1/2001-12/1/2019	83BSBBF7598	\$75,000 Bond Amount	12/1/2019
29	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	St. Francis Medical Center	12/1/2001-12/1/2019	83BSBBF7621	\$5,000 Bond Amount	12/1/2019
30	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	St. Vincent Medical Center	12/1/2001-12/1/2019	83BSBBF7625	\$2,000 Bond Amount	12/1/2019
31	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	Saint Louise Regional Hospital	12/1/2001-12/1/2019	83BSBBF7637	\$10,000 Bond Amount	12/1/2019
32	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	O'Connor Hospital	12/1/2001-12/1/2019	83BSBBF7648	\$50,000 Bond Amount	12/1/2019
33	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	Seton Medical Center	12/1/2001-12/1/2019	83BSBBF7661	\$35,000 Bond Amount	12/1/2019



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)	
Provider Capitation Stop Loss (Managed Care Excess Loss)								
34	Provider Capitation Stop Loss (Applicable to St. Vincent Medical Center and St. Francis Medical Center)	PartnerRe America Insurance Company	Verity Health System of California, Inc.	1/1/2019-1/1/2020	P0312544006	\$1,000,000 Maximum Benefit Per Covered Person 90% Payable in Excess of Specific Deductible If Complete Claim is Received by 2/1/20 50% Payable in Excess of Specific Deductible If Complete Claim is Not Received by 2/1/20 Transplant Services - 50% by a Non-Approved Transplant Network Provider	8/30/2019	(A)
Self-Insured Medical and Pharmacy Stop Loss								
35	Self-Insured Medical and Pharmacy Stop Loss	Reliastar Life Insurance Company (Voya)	Verity Health System of California, Inc.	1/1/19-12/31/19	70037-7	\$375,000 per Individual Coverage Period - Incurred in 12 months 1/1/19 - 12/31/19 and paid in 24 months 1/1/19 - 12/31/20	8/1/2019	(A)

(A) Premium is paid monthly.

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers	
1	Obligated Group	VHS - Santa Clara Sale Proceeds	Verity Health System of California, Inc.	Bank of America	XXXXXX9087	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(C)
2	Obligated Group	VHS - Non-Santa Clara Sale Proceeds	Verity Health System of California, Inc.	Bank of America	XXXXXX9100	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(C)
3	Obligated Group	VHS - AP	Verity Health System of California, Inc.	Bank of America	XXXXXX6440	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
4	Obligated Group	VHS - Self Insurance	Verity Health System of California, Inc.	Bank of America	XXXXXX9250	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
5	Obligated Group	VHS - Payroll	Verity Health System of California, Inc.	Bank of America	XXXXXX1785	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
6	Obligated Group	VHS - DIP Concentration Account (formerly named Construction Escrow)	Verity Health System of California, Inc.	Bank of America	XXXXXX2889	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
7	Obligated Group	VHS - DIP Loan Proceeds	Verity Health System of California, Inc.	Bank of America	XXXXXX4358	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
8	Obligated Group	OCH - Santa Clara Sale Proceeds	O'Connor Hospital	Bank of America	XXXXXX9549	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(C)
9	Obligated Group	OCH - Lockbox	O'Connor Hospital	Bank of America	XXXXXX2945	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
10	Obligated Group	OCH - Gross Revenue	O'Connor Hospital	Bank of America	XXXXXX3900	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
11	Obligated Group	OCH - AP	O'Connor Hospital	Bank of America	XXXXXX6389	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
12	Obligated Group	OCH - Payroll	O'Connor Hospital	Bank of America	XXXXXX3007	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
13	Obligated Group	OCH - Patient Trust	O'Connor Hospital	Bank of America	XXXXXX2662	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
14	Obligated Group	SLRH - Santa Clara Sale Proceeds	St. Louise Regional Hospital	Bank of America	XXXXXX9563	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (C)
15	Obligated Group	SLRH - Lockbox	St. Louise Regional Hospital	Bank of America	XXXXXX2926	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
16	Obligated Group	SLRH - Gross Revenue	St. Louise Regional Hospital	Bank of America	XXXXXX3905	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
17	Obligated Group	SLRH - AP	St. Louise Regional Hospital	Bank of America	XXXXXX6421	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
18	Obligated Group	SLRH - Payroll	St. Louise Regional Hospital	Bank of America	XXXXXX7575	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
19	Obligated Group	SFMC - Sale Proceeds	St. Francis Medical Center	Bank of America	XXXXXX0090	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (C)
20	Obligated Group	SFMC - Lockbox	St. Francis Medical Center	Bank of America	XXXXXX2940	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
21	Obligated Group	SFMC - Gross Revenue	St. Francis Medical Center	Bank of America	XXXXXX3924	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
22	Obligated Group	SFMC - AP	St. Francis Medical Center	Bank of America	XXXXXX6407	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

<u>Number</u>	<u>Group</u>	<u>Bank Account Name</u>	<u>Company</u>	<u>Financial Institution</u>	<u>Account Number</u>	<u>Authorized Signers</u>
23	Obligated Group	SFMC - Payroll	St. Francis Medical Center	Bank of America	XXXXXX3012	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
24	Obligated Group	SFMC - Cafeteria Deposits	St. Francis Medical Center	Bank of America	XXXXXX1057	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
25	Obligated Group	SFMC - Capitation (AppleCare)	St. Francis Medical Center	Bank of America	XXXXXX1371	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer; Eleanor Ramirez, SFMC CEO
26	Obligated Group	SFMC - Capitation (Conifer)	St. Francis Medical Center	Bank of America	XXXXXX1357	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer; Eleanor Ramirez, SFMC CEO
27	Obligated Group	SFMC - Capitation AC	St. Francis Medical Center	Bank of America	XXXXXX1845	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer; Eleanor Ramirez, SFMC CEO
28	Obligated Group	SFMC - Capitation HCLA	St. Francis Medical Center	Bank of America	XXXXXX1840	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer; Eleanor Ramirez, SFMC CEO
29	Obligated Group	SFMC - Career College	St. Francis Medical Center	U S Bank	XXXXXX2162	Anita Chou, CFO; and Ty Conner, Treasurer
30	Obligated Group	SVMC - Sale Proceeds	St. Vincent Medical Center	Bank of America	XXXXXX0076	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (C)
31	Obligated Group	SVMC - Lockbox	St. Vincent Medical Center	Bank of America	XXXXXX2964	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
32	Obligated Group	SVMC - Gross Revenue	St. Vincent Medical Center	Bank of America	XXXXXX3929	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
33	Obligated Group	SVMC - AP	St. Vincent Medical Center	Bank of America	XXXXXX6426	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

<u>Number</u>	<u>Group</u>	<u>Bank Account Name</u>	<u>Company</u>	<u>Financial Institution</u>	<u>Account Number</u>	<u>Authorized Signers</u>
34	Obligated Group	SVMC - Payroll	St. Vincent Medical Center	Bank of America	XXXXXX3017	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
35	Obligated Group	SVMC - Capitation (CHP)	St. Vincent Medical Center	Bank of America	XXXXXX0553	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer, Margaret Pfeiffer, SVMC COO
36	Obligated Group	SVMC - Capitation (Conifer)	St. Vincent Medical Center	Bank of America	XXXXXX3695	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer, Margaret Pfeiffer, SVMC COO
37	Obligated Group	SVMC - Restricted Cash	St. Vincent Medical Center	Bank of America	XXXXXX0989	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (B)
38	Obligated Group	SMC - Sale Proceeds	Seton Medical Center	Bank of America	XXXXXX0071	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (C)
39	Obligated Group	SMC - Lockbox	Seton Medical Center	Bank of America	XXXXXX2902	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
40	Obligated Group	SMC - Gross Revenue	Seton Medical Center	Bank of America	XXXXXX3887	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
41	Obligated Group	SMC - AP	Seton Medical Center	Bank of America	XXXXXX6365	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
42	Obligated Group	SMC - Payroll	Seton Medical Center	Bank of America	XXXXXX3001	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
43	Obligated Group	SMCC - Lockbox	Seton Medical Center	Bank of America	XXXXXX02907	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers	
44	Obligated Group	SMCC - Gross Revenue	Seton Medical Center	Bank of America	XXXXXX3882	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
45	Obligated Group	SMCC - AP	Seton Medical Center	Bank of America	XXXXXX6384	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
46	Obligated Group	SMCC - Patient Trust	Seton Medical Center	Bank of America	XXXXX12907	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
47	Charitable Foundation	OCH Foundation	O'Connor Hospital Foundation	Bank of America	XXXXXX3433	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(B)
48	Charitable Foundation	OCH Foundation - Investment	O'Connor Hospital Foundation	Morgan Stanley	XXXXX2-037	Ty Conner, Treasurer	(B)
49	Charitable Foundation	SLRH Foundation	St. Louise Regional Hospital Foundation	Bank of America	XXXXXX2521	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(B)
50	Charitable Foundation	SFMC of Lynwood Foundation	St. Francis Medical Center Foundation	Bank of America	XXXXXX2809	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(B)
51	Charitable Foundation	SVMC Foundation	St. Vincent Medical Center Foundation	Bank of America	XXXXXX3025	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(B)
52	Non-Obligated Group	St. Vincent Dialysis Center	St. Vincent Dialysis Center	Bank of America	XXXXXX8921	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	
53	Charitable Foundation	SMC Foundation	Seton Medical Center Foundation	Bank of America	XXXXXX2260	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	(B)
54	Charitable Foundation	SMC Foundation - SVCS	Healy, James T/U/A	Wells Fargo	XXXXX60089	Need to Update Signers	(A) (B)
55	Non-Obligated Group	VBS - AP	Verity Business Services	Bank of America	XXXXXX6402	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer	

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
56	Non-Obligated Group	VBS - Payroll	Verity Business Services	Bank of America	XXXXXX2982	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
57	Physician Foundation	VMF - Checking	Verity Medical Foundation	Wells Fargo	XXXXXX9996	Steve Campbell, CEO; Randall Roisman, CFO; and Fariba Shahbazi, Tony Armada
58	Physician Foundation	VMF - Sale Proceeds	Verity Medical Foundation	Bank of America	XXXXXX2810	Steve Campbell, CEO; Randall Roisman, CFO; and Fariba Shahbazi, Tony Armada (C)
59	Non-Obligated Group	De Paul Ventures - San Jose Dialysis, LLC	De Paul Ventures - San Jose Dialysis, LLC	Bank of America	XXXXXX2797	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
60	Non-Obligated Group	VH - Santa Clara Sale Proceeds	Verity Holdings LLC	Bank of America	XXXXXX9568	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (C)
61	Non-Obligated Group	VH - Sale Proceeds	Verity Holdings LLC	Bank of America	XXXXXX0151	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer (C)
62	Non-Obligated Group	VH - AP	Verity Holdings LLC	Bank of America	XXXXXX1597	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
63	Non-Obligated Group	VH - MOB	Verity Holdings LLC	Bank of America	XXXXXX1248	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
Bank Account Closed Since the Petition Date						
64	Obligated Group	SMCC - Patient Trust - TCB	Seton Medical Center	Tri Counties Bank	XXXXXX3611	Not applicable
65	Obligated Group	OCH - FSA	O'Connor Hospital	Bank of America	XXXXXX2284	Not applicable
66	Obligated Group	SLRH - FSA	St. Louise Regional Hospital	Bank of America	XXXXXX2307	Not applicable
67	Obligated Group	SFMC - FSA	St. Francis Medical Center	Bank of America	XXXXXX2487	Not applicable

**Verity Health System
Debtor Bank Accounts
As of 07/31/19**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
68	Obligated Group	SVMC - FSA	St. Vincent Medical Center	Bank of America	XXXXXX2062	Not applicable
69	Charitable Foundation	SVMC Foundation - EWB	St. Vincent Medical Center Foundation	EastWest Bank	XXXXXX1162	Not applicable
70	Obligated Group	SMC - FSA	Seton Medical Center	Bank of America	XXXXXX2289	Not applicable
71	Obligated Group	SMCC - FSA	Seton Medical Center	Bank of America	XXXXXX2302	Not applicable
72	Non-Obligated Group	VBS - FSA	Verity Business Services	Bank of America	XXXXXX3192	Not applicable
73	Non-Obligated Group	VH - Operating	Verity Holdings LLC	Bank of America	XXXXXX1970	Not applicable
74	Non-Obligated Group	VH - Savings	Verity Holdings LLC	Bank of America	XXXXXX1975	Not applicable
75	Physician Foundation	VMF - Payroll ZBA	Verity Medical Foundation	Wells Fargo	XXXXXX0010	Not applicable

Bank Account Identified After the Petition Date (Closed 10/4/18)

76		SMC Foundation - TCB	Seton Medical Center Foundation	Tri Counties Bank	XXXXXX8521	Not applicable
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(A) Authorized signors are to be updated to current signors on the other Debtor accounts.

(B) This bank account contains certain funds that are donor restricted or restricted per an asset purchase agreement, and therefore, are not available for the Debtor's general operating activities. Please refer to the attached Restricted Funds schedule for additional restricted funds recorded by the Debtors that are not included in this schedule of Debtor Bank Accounts as they are not part of the cash management program.

(C) The Final DIP Order provides that the Sale Proceeds, including any deposits, shall be held in escrow in one or more deposit accounts subject to a deposit account control agreement in favor of the DIP Agent (the "Escrow Deposit Account"). Any funds held in the Escrow Deposit Account shall not be commingled with any other funds of the selling Debtor, the Sale Proceeds of any other Debtor or otherwise.

Verity Health System, Inc.
Restricted Funds Schedule
At June 30, 2019 and July 31, 2019
\$ in 000's

No.	Debtor Name	Institution Name	Type of Account	Last 4 of A/C	6/30/2019 Balance	7/31/2019 Balance	Description of Restrictions
1R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	0300	\$ 2,000	\$ 2,000	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements
2R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	8703	21,103	21,142	Debt Reserve Account - funds held in trust under bond indenture; only trustee can authorize disbursements
3R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	8803	814	816	Debt Reserve Account - funds held in trust under bond indenture; only trustee can authorize disbursements
4R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	8903	898	900	Debt Reserve Account - funds held in trust under bond indenture; only trustee can authorize disbursements
6R	St. Vincent Foundation	Green Oak Consulting Group	Endowment Fund (Restricted Funds)	a541a	3,274	3,286	Donor restricted funds controlled by third party; Debtor does not control disbursements from this account
7R	St. Vincent Medical Center	Northern Trust	Endowment Fund (Restricted Funds)	4098	1,862	1,859	Donor restricted funds controlled by third party; Debtor does not control disbursements from this account
8R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7000	252	253	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements
9R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7001	250	251	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements
10R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7002	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
11R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7003	16,852	16,881	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
12R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7004	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
13R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7005	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
14R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7006	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
15R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7007	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
16R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1000	142	142	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
17R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1001	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
18R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1002	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.

Verity Health System, Inc.
Restricted Funds Schedule
At June 30, 2019 and July 31, 2019
\$ in 000's

No.	Debtor Name	Institution Name	Type of Account	Last 4 of A/C	6/30/2019 Balance	7/31/2019 Balance	Description of Restrictions
19R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1003	17,727	17,758	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
20R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1004	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
21R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1005	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
22R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1006	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
23R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1007	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Nathaniel M. Leeds [SBN: 246138] MITCHELL LEEDS, LLP 555 California St, Ste 4925 San Francisco, CA 94104 Phone: (415) 659-1555 Fax: (415) 276-9099 nathaniel@mitchelllawsf.com	FOR COURT USE ONLY <div style="border: 2px solid black; padding: 10px; text-align: center;"> <p>FILED & ENTERED</p> <p>JUL 03 2019</p> <p>CLERK U.S. BANKRUPTCY COURT Central District of California BY gonzalez DEPUTY CLERK</p> </div>
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION	
In re: VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al., Debtor(s).	CASE NO.: 2:18-bk-20151-ER CHAPTER: 11 <div style="text-align: center; border: 1px solid black; padding: 5px;"> <p>ORDER GRANTING MOTION FOR RELIEF FROM THE AUTOMATIC STAY UNDER 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)</p> </div> DATE: June 24, 2019 TIME: 10 A.M. COURTROOM: 1568 PLACE: Edward Roybal Building 255 East Temple St Los Angeles, CA 90012-3300
MOVANT: Christopher Steele	

1. The Motion was: **Opposed** **Unopposed** Settled by stipulation

2. The Motion affects the following Nonbankruptcy Action:

Name of Nonbankruptcy Action: *Christopher Steele v. Jeremy Orvik, et al.*

Docket number: 18CV331350

Nonbankruptcy court or agency where the Nonbankruptcy Action is pending: Santa Clara Superior Court

3. The Motion is granted under 11 U.S.C. § 362(d)(1).
4. As to Movant, its successors, transferees and assigns, the stay of 11 U.S.C. § 362(a) is:
 - a. Terminated as to the Debtor and the Debtor's bankruptcy estate.
 - b. Modified or conditioned as set forth in Exhibit A to the Motion.
 - c. Annulled retroactively to the bankruptcy petition date. Any postpetition acts taken by Movant to enforce its remedies regarding the nonbankruptcy action do not constitute a violation of the stay.
5. **Limitations on Enforcement of Judgment:** Movant may proceed in the nonbankruptcy forum to final judgment (including any appeals) in accordance with applicable nonbankruptcy law. Movant is permitted to enforce its final judgment only by (*specify all that apply*):
 - a. Collecting upon any available insurance in accordance with applicable nonbankruptcy law.
 - b. Proceeding against the Debtor as to property or earnings that are not property of this bankruptcy estate.
6. This order is binding and effective despite any conversion of this bankruptcy case to a case under any other chapter of the Bankruptcy Code.
7. The co-debtor stay of 11 U.S.C. § 1201(a) or § 1301(a) is terminated, modified or annulled as to the co-debtor, on the same terms and conditions as to the Debtor.
8. The 14-day stay prescribed by FRBP 4001(a)(3) is waived.
9. ~~This order is binding and effective in any bankruptcy case commenced by or against the Debtor for a period of 180 days, so that no further automatic stay shall arise in that case as to the nonbankruptcy action.~~
10. ~~This order is binding and effective in any future bankruptcy case, no matter who the debtor may be, without further notice.~~
11. Other (*specify*): The Motion is granted for the reasons set forth in the Court's tentative ruling [Doc. No. 2601], which the Court adopts as its final ruling and which is incorporated herein by reference.

###

Date: July 3, 2019



Ernest M. Robles
United States Bankruptcy Judge

EXHIBIT A

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Monday, June 24, 2019

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#104.10 HearingRE: [2474] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Steele v. Verity Health Systems of CA, Inc., et al.. (Leeds, Nathaniel)

Docket 2474

Matter Notes:

6/24/2019

**The tentative ruling will be the order.
Party to lodge order: Movant**

POST PDF OF TENTATIVE RULING TO CIAO

Tentative Ruling:

6/20/2019

For the reasons set forth below, the Motion is GRANTED; however, the order granting the Motion shall not take effect until **September 1, 2019**.

Pleadings Filed and Reviewed:

- 1) Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 [Doc. No. 2474] (the "Motion")
- 2) Debtors' Response and Opposition to Motion for Relief from the Automatic Stay Filed on Behalf of Christopher Steele [Doc. No. 2531]
- 3) Official Committee of Unsecured Creditors' Joinder to Debtors' Response and Opposition to Motion for Relief from the Automatic Stay Filed on Behalf of Christopher Steele [Doc. No. 2534]
- 4) Creditor Christopher Steele's Reply to Debtors' Opposition to Motion for Relief from Automatic Stay to Complete Pending State Court Litigation [Doc. No. 2554]

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
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10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

I. Facts and Summary of Pleadings

On August 31, 2018 (the "Petition Date"), Verity Health Systems of California ("VHS") and certain of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On August 31, 2018, the Court entered an order granting the Debtors' motion for joint administration of the Debtors' Chapter 11 cases. Doc. No. 17.

Christopher Steele ("Movant") seeks stay relief, pursuant to § 362(d)(1), for the purpose of litigating a medical malpractice action against Debtor St. Louise Regional Hospital ("St. Louise") in the Santa Clara Superior Court (the "State Court Action"). Movant has not agreed to limit his recovery to applicable insurance.

Debtors oppose the Motion. Debtors argue that Movant has no ability to assert a claim against any of the Debtors because he failed to timely file a proof of claim. In the event the Court is inclined to grant the Motion, Debtors request that relief not take effect until after September 1, 2019, so they can retain their focus on the sale of the hospitals that was approved in April 2019. The Official Committee of Unsecured Creditors joins the Debtors' opposition.

In reply, Movant states that he did file a proof of claim. Movant requests that the stay be lifted so that discovery can begin in the State Court Action.

II. Findings and Conclusions

At the outset, the Court notes that the confusion concerning whether Movant timely filed a proof of claim resulted from Movant incorrectly filling out the proof of claim form. In the box where Movant was supposed to provide his name, Movant instead listed the address of his attorney's office. As a result of this error, Movant is not listed as a creditor on the claims register. Instead, the claims register lists the creditor associated with Movant's claim as "555 California Street, Ste. 4925" (the address of Movant's attorney's office). Movant's erroneous completion of the proof of claim form prevented the Debtors from identifying him as a claimant when searching the claims register.

Because Movant has filed a proof of claim (Proof of Claim No. 423), there is no merit to the Debtor's contention that stay relief should be denied on the ground that Movant cannot assert a claim against the estate. **[Note 1]**

As explained by the Ninth Circuit Bankruptcy Appellate Panel in *Kronemyer v. American Contractors Indemnity Co.* (*In re Kronemyer*) (internal citations omitted): "What constitutes 'cause' for granting relief from the automatic stay is decided on a case-by-case basis. Among factors appropriate to consider in determining whether

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Chapter 11

relief from the automatic stay should be granted to allow state court proceedings to continue are considerations of judicial economy and the expertise of the state court, ... as well as prejudice to the parties and whether exclusively bankruptcy issues are involved." 405 B.R. 915, 921. The factors articulated in *In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Utah 1984) and adopted by the bankruptcy court in *Truebro, Inc. v. Plumberex Specialty Prods., Inc. (In re Plumberex Specialty Prods., Inc)*, 311 B.R. 551, 559-60 (Bankr. C.D. Cal. 2004) are also "appropriate, nonexclusive factors to consider in deciding whether to grant relief from the automatic stay to allow pending litigation to continue in another forum." *Kronemyer*, 405 B.R. at 921. The *Curtis* factors are as follows:

- 1) Whether the relief will result in a partial or complete resolution of the issues;
- 2) The lack of any connection with or interference with the bankruptcy case;
- 3) Whether the foreign proceeding involves the debtor as a fiduciary;
- 4) Whether a specialized tribunal has been established to hear the particular cause of action and whether that tribunal has the expertise to hear such cases;
- 5) Whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation;
- 6) Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question;
- 7) Whether the litigation in another forum would prejudice the interests of other creditors, the creditors' committee and other interested parties;
- 8) Whether the judgment claim arising from the foreign action is subject to equitable subordination under Section 510(c);
- 9) Whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f);
- 10) The interests of judicial economy and the expeditious and economical determination of litigation for the parties;
- 11) Whether the foreign proceedings have progressed to the point where the parties are prepared for trial, and
- 12) The impact of the stay on the parties and the "balance of hurt."

Plumberex, 311 B.R. at 599.

The most important of the twelve factors is the effect of the non-bankruptcy litigation on the administration of the estate. *Curtis*, 40 B.R. at 806. The *Curtis* court held that "[e]ven slight interference with the administration may be enough to

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CONT... Verity Health System of California, Inc.

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preclude relief in the absence of a commensurate benefit.” *Id.*

Because Movant has not agreed to limit his recovery to insurance, granting stay relief at this time would require the Debtors to defend against the State Court Action. Although it would certainly be possible for the Debtors to mount a defense at this time, requiring them to do so would nonetheless interfere with the case by distracting the Debtors’ professionals from focusing upon completing the sale of their four remaining hospitals.

To enable the Debtors to retain their focus upon the sale, the Court will grant stay relief, but such relief shall not take effect until September 1, 2019. This result gives the Debtors some breathing space to achieve their objectives, while at the same time delaying Movant’s ability to proceed with the State Court Action by only approximately two months.

Within seven days of the hearing, Movant shall submit an order incorporating this tentative ruling by reference. [Note 2]

No appearance is required if submitting on the court’s tentative ruling. If you intend to submit on the tentative ruling, please contact Jessica Vogel or Daniel Koontz at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Note 1

The Court makes no determination as to the allowability of Movant's proof of claim.

Note 2

To ensure that the Debtors have the opportunity to review Movant’s proposed order as to form, Movants shall either (a) submit a *Notice of Lodgment* of the proposed order in accordance with the procedure set forth in Local Bankruptcy Rule 9021-1(b)(3)(A) or, in the alternative, shall (b) obtain Debtors’ endorsement as to the form of the proposed order pursuant to the procedure set forth in Local Bankruptcy Rule 9021-1(b)(3)(C).

Party Information

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Monday, June 24, 2019

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth