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Central District of California
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Attorneys for UMB Bank, N.A., as Master Indenture
Trustee and Wells Fargo Bank, National Association,
as Indenture Trustee for the 2005 Bonds

CHANGES MADE BY COURT

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

In re

VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al.*,

Debtors and Debtors In Possession.

☒ Affects All Debtors

☐ Affects O'Connor Hospital

☐ Affects Saint Louise Regional Hospital

☐ Affects St. Francis Medical Center

☐ Affects St. Vincent Medical Center

☐ Affects Seton Medical Center

☐ Affects O'Connor Hospital Foundation

☐ Affects Saint Louise Regional Hospital
Foundation

☐ Affects St. Francis Medical Center of Lynwood
Foundation

☐ Affects St. Vincent Foundation

☐ Affects St. Vincent Dialysis Center, Inc.

☐ Affects Seton Medical Center Foundation

☐ Affects Verity Business Services

☐ Affects Verity Medical Foundation

☐ Affects Verity Holdings, LLC

☐ Affects De Paul Ventures, LLC

☐ Affects De Paul Ventures - San Jose Dialysis,
LLC

Debtors and Debtors In Possession.

Lead Case No. 2:18-bk-20151-ER

Jointly administered with:

Case No. 2:18-bk-20162-ER;

Case No. 2:18-bk-20163-ER;

Case No. 2:18-bk-20164-ER;

Case No. 2:18-bk-20165-ER;

Case No. 2:18-bk-20167-ER;

Case No. 2:18-bk-20168-ER;

Case No. 2:18-bk-20169-ER;

Case No. 2:18-bk-20171-ER;

Case No. 2:18-bk-20172-ER;

Case No. 2:18-bk-20173-ER;

Case No. 2:18-bk-20175-ER;

Case No. 2:18-bk-20176-ER;

Case No. 2:18-bk-20178-ER;

Case No. 2:18-bk-20179-ER;

Case No. 2:18-bk-20180-ER;

Case No. 2:18-bk-20181-ER;

Chapter 11 Cases

Hon. Judge Ernest M. Robles

**ORDER GRANTING JOINT MOTION FOR AN
ORDER APPROVING: (I) PROPOSED
DISCLOSURE STATEMENT; (II) SOLICITATION
AND VOTING PROCEDURES; (III) NOTICE AND
OBJECTION PROCEDURES FOR
CONFIRMATION OF AMENDED JOINT PLAN;
(IV) SETTING ADMINISTRATIVE CLAIMS BAR
DATE; AND (V) GRANTING RELATED RELIEF**

Hearing Date and Time:

Date: July 2, 2020

Time: 10:00 a.m. (Pacific Time)

Location: Courtroom 1568

255 E. Temple Street

Los Angeles, CA 90012

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1 This matter came before the Court on the *Joint Motion for an Order Approving: (I)*
2 *Proposed Disclosure Statement; (II) Solicitation And Voting Procedures; (III) Notice And*
3 *Objection Procedures for Confirmation Of Amended Joint Plan; (IV) Setting Administrative*
4 *Claims Bar Date; and (V) Granting Related Relief* (the “Motion”)¹ filed by Verity Health System
5 of California, Inc. (“VHS”) and the affiliated debtors, the debtors and debtors in possession in the
6 above-captioned chapter 11 bankruptcy cases (collectively, the “Debtors”), and UMB Bank, N.A.,
7 as Master Indenture Trustee and Wells Fargo Bank, National Association, as Indenture Trustee for
8 the 2005 Bonds (the “Trustees,” and together with the Debtors, the “Movants”). After filing the
9 Motion the Debtors, the Prepetition Secured Creditors, and the Committee (collectively, the “Plan
10 Proponents”) filed the *Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020)*
11 *of the Debtors, the Prepetition Secured Creditors, and the Committee* [Docket No. 4993] (the
12 “Plan”) and the related disclosure statement [Docket No. 4994] (the “Disclosure Statement”).

13 The Court, having reviewed the Motion, the *Amended Joint Chapter 11 Plan of*
14 *Liquidation (Dated June 16, 2020) of the Debtors, the Prepetition Secured Creditors, and the*
15 *Committee* [Docket No. 4879] and the related disclosure statement [Docket No. 4880], the
16 Disclosure Statement, the Plan, the *Declaration of Richard G. Adcock In Support of Emergency*
17 *First-Day Motions* [Docket No. 8]; the *Objection of Cigna Entities to Disclosure Statement*
18 *Describing Amended Joint Chapter 11 Plan of Liquidation (Dated June 16, 2020) of the Debtors,*
19 *the Prepetition Secured Creditors, and the Committee* [Docket No. 4927], *Creditor California*
20 *Department of Health Care Services’s Objections to Debtors’ Proposed Disclosure Statement and*
21 *Amended Joint Chapter 11 Plan of Liquidation* [Docket Nos. 4928], the *Objection of the United*
22 *States, on behalf of the U.S. Department of Health and Human Services and Centers for Medicare*
23 *and Medicaid Services to Disclosure Statement Describing Amended Joint Chapter 11 Plan of*
24 *Liquidation (Dated June 16, 2020) of the Debtors, the Prepetition Secured Creditors, and the*
25 *Committee* [Docket Nos. 4934], *Strategic Global Management, Inc.’s Reservation of Rights*
26 *Regarding Disclosure Statement Describing Amended Joint Chapter 11 Plan of Liquidation*

27
28 ¹ Unless otherwise defined herein, capitalized terms have the definitions set forth in the Motion.

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(Dated June 16, 2020) of the Debtors, the Pre-Petition Secured Creditors and the Committee [Docket No. 4937], the *Objection to Approval of Disclosure Statement* filed by the Medical Staff of Seton Medical Center [Docket No. 4939] (collectively, the “Objections”), and any withdrawals or settlements thereof, including, but not limited to, the *Withdrawal of Objection to Approval of Disclosure Statement* filed by the Medical Staff of Seton Medical Center [Docket No. 4979]; the *Omnibus Reply in Support of Joint Motion for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation And Voting Procedures; (III) Notice And Objection Procedures for Confirmation Of Amended Joint Plan; (IV) Setting Administrative Claims Bar Date; and (V) Granting Related Relief* [Docket No. 4976] (the “Reply”) and the *Supplemental Notice re Joint Motion for an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation And Voting Procedures; (III) Notice And Objection Procedures for Confirmation Of Amended Joint Plan; (IV) Setting Administrative Claims Bar Date; and (V) Granting Related Relief* [Docket No. 4995] (the “Supplement”); the entire record of these cases; the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; for the reasons set forth in the Court’s tentative ruling issued on July 1, 2020 [Docket No. 4991], which the Court adopts as its final ruling (the “Ruling”) and which is incorporated herein by this reference; all objections to the Motion having been withdrawn, continued, overruled, or settled by stipulation approved by the Court; and after due deliberation and sufficient good cause appearing therefor:

THE COURT HEREBY FINDS AND CONCLUDES THAT:²

A. Jurisdiction and Venue. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28

² The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Rule 7052, made applicable to this proceeding pursuant to Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such

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1 U.S.C. § 157(b) (2) (A), (B), (L), and (O). Venue of these cases is proper in this District and in
2 this Court, pursuant to 28 U.S.C. §§ 1408 and 1409.

3 B. Notice. As evidenced by the declarations of service previously filed with the
4 Court, the Plan Proponents have provided proper, timely, adequate and sufficient notice with
5 respect to the Motion and the relief sought therein, including, but not limited to, (i) approving the
6 Disclosure Statement as containing “adequate information,” as that term is defined in §
7 1125(a)(1);³ (ii) establishing procedures for solicitation and tabulation of votes to accept or reject
8 the Plan, including (a) approving the form and manner of the solicitation packages, (b) approving
9 the form and manner of notice of the hearing to confirm the Plan, (c) establishing a voting record
10 date and approving procedures for distributing the solicitation packages, (d) approving the forms
11 of ballots, (e) establishing the deadline for the receipt of ballots, and (f) approving procedures for
12 tabulating acceptances and rejections of the Plan; (iii) establishing procedures with respect to, and
13 the deadline for filing objections to, the confirmation of the Plan; (iv) fixing July 29, 2020 (the
14 “Administrative Claims Bar Date”) as the deadline for holders of Administrative Claims to file
15 requests for payment of Administrative Claims arising, or anticipated to arise, between the Initial
16 Administrative Claims Bar Date and August 12, 2020 (the “Administrative Claim Period”), and
17 (v) granting related relief.

18 C. Adequate Information. The Disclosure Statement contains “adequate information”
19 within the meaning of § 1125.

20 D. Objections. All objections, responses to, and statements and comments, including,
21 but not limited to, the Objections, in opposition to the Motion or approval of the Disclosure
22 Statement, other than those withdrawn with prejudice or resolved in their entirety, shall be, and
23 hereby are, overruled in their entirety for the reasons set forth in the Ruling and, notwithstanding
24 the foregoing, no objection shall be considered an objection to confirmation of the Plan unless
25

26 ³ Unless specified otherwise, all chapter and section references are to the “Bankruptcy Code,” 11
27 U.S.C. §§ 101-1532, all “Rule” references are to the Federal Rules of Bankruptcy Procedure, and
28 all “LBR” references are to the Local Bankruptcy Rules for the United States Bankruptcy Court
for the Central District of California.

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1 such objection is interposed in accordance with the procedures for objecting to confirmation of the
2 Plan set forth herein.

3 E. Approval of Forms of Notice. The notices substantially in the form attached to the
4 Reply as **Exhibit A** (the “Confirmation Hearing Notice”), **Exhibit B** (the “Notice of Non-Voting
5 Accepting Status and Confirmation Hearing”), **Exhibit C** (the “Notice of Non-Voting Rejecting
6 Status and Confirmation Hearing”), and the procedures set forth below for providing such notice
7 to all creditors and interest holders of the time, date, and place of the hearing to consider
8 confirmation of the Plan (the “Confirmation Hearing”) are hereby APPROVED. ~~and~~

9 F. Approval of Forms of Ballot. The forms of Ballot attached to the Supplement as
10 **Exhibit A** are sufficiently consistent with Official Form No. B314 and adequately address the
11 particular needs of these Chapter 11 Cases and are appropriate for each of the respective classes of
12 claims that is entitled to vote to accept or reject the Plan.

13 G. The Solicitation Package and Procedures. The content and proposed distribution of
14 the Solicitation Packages complies with the Rule 3017(d). The contents of the Solicitation
15 Packages comply with Rules 2002 and 3017, and service of such materials as set forth herein
16 constitutes sufficient notice to all interested parties. Ballots need not be provided to holders of the
17 Administrative Claims, Professional Claims, Statutory Fee Claims, Priority Tax Claims, or claims
18 in Class 1A (Priority Non-Tax Claims) or Class 1B (Secured PACE Tax Financing Claims) (each
19 as defined in the Plan, and, collectively, the “Unclassified/Unimpaired Claimholders”), because
20 such holders are either unclassified pursuant to § 1123(a)(1) or deemed to accept the Plan pursuant
21 to § 1126(f). Ballots need not be provided to holders of the claims in Class 11 (Subordinated
22 General Unsecured Claims) and Interests (Class 12), because the holders of Class 11 Claims and
23 Class 12 Interests are deemed to reject the Plan pursuant to § 1126(g).

24 H. The Solicitation Procedures. The procedures for solicitation of acceptances of the
25 Plan (the “Solicitation Procedures”) and tabulation of votes to accept or reject the plan (as more
26 fully set forth in the Motion and below) provide for a fair and equitable voting process and are
27 consistent with § 1126. The period, set forth below, during which the Plan Proponents may solicit
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1 acceptances to the Plan is a reasonable and adequate period of time under the circumstances for
2 creditors to make an informed decision to accept or reject the Plan.

3 I. Form of Administrative Claims Bar Date Notice and Procedures. The form of
4 Administrative Claims Bar Date Notice attached to the Reply as **Exhibit D** and the procedures
5 related thereto are adequate to provide notice of the Administrative Claims Bar Date to potential
6 holders of Administrative Claims.

7 **IT IS HEREBY ORDERED, AND NOTICE IS HEREBY GIVEN, THAT:**

8 1. The Motion is GRANTED and all remaining objections to the Motion or approval
9 of the Disclosure Statement, if any, are OVERRULED on their merits and DENIED.

10 2. The Disclosure Statement is APPROVED.

11 3. The record date for purposes of determining the claimholders that are entitled to
12 vote (subject to the voting procedures set forth below) on the Plan or, in the case of non-voting
13 classes, for purposes of determining the claimholders to receive certain Plan-related materials
14 approved by this Order shall be July 2, 2020 (the “Voting Record Date”).

15 4. Kurtzman Carson Consultants LLC (“KCC”) will serve as the Plan Proponents’
16 Solicitation Agent (the “Solicitation Agent”) and provide access to Solicitation Packages, among
17 other things. Solicitation Packages (except for Ballots) shall be available (i) for download at
18 <https://www.kccllc.net/verityhealth>, (ii) by email request to verityinfo@kccllc.com, and (iii) by
19 written request via standard overnight or hand delivery to: Verity Ballot Processing Center, c/o
20 KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245.

21 5. The Confirmation Hearing Notice, Notice of Non-Voting Accepting Status and
22 Confirmation Hearing, and Notice of Non-Voting Rejecting Status and Confirmation Hearing are
23 APPROVED, subject to the modifications set forth in the Ruling.

24 6. The Plan Proponents are authorized and empowered to commence distribution of
25 the Confirmation Hearing Notice and Solicitation Package to the Voting Classes by July 7, 2020
26 (the “Solicitation Commencement Date”) and shall serve the same via First Class Mail by no later
27 than July 9, 2020.

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7. On or before July 9, 2020, the Plan Proponents shall serve Solicitation Packages on holders of record of the 2005 Series A, G and H Revenue Bonds and the 2015 Revenue Notes (the “Bond and Note Claimants”), including Nominees, as reflected on security position reports provided by The Depository Trust Company. Additionally, the Plan Proponents are authorized and empowered to distribute “Master Ballots” and “Beneficial Holder Ballots” to Nominees under separate cover from the Solicitation Packages delivered to all other holders of record. Each Nominee must complete and return a Master Ballot in accordance with the procedures set forth herein no later than the Voting Deadline, which the Plan Proponents will tabulate for purposes of determining votes for Class 3 and Class 4.

8. To the extent the Plan Proponents are required to distribute copies of the Plan and/or Disclosure Statement, the Plan Proponents, through their Solicitation Agent, may distribute either paper copies or electronic copies in “pdf” format on CD-ROM or USB Flash Drive, at their sole discretion; provided, that, the Plan Proponents shall make paper copies available in the manner specified in paragraph 4, above.

9. By the Solicitation Commencement Date, the Plan Proponents shall commence or cause to be distributed electronically this Order, the Confirmation Hearing Notice, the Disclosure Statement (together with the Plan and other exhibits attached thereto), and such other materials as the Court may direct (excluding a Ballot) to, among other parties (to the extent such parties did not otherwise receive the Solicitation Package):

- a. the U.S. Trustee;
- b. the Internal Revenue Service;
- c. the California Attorney General; and
- d. all persons and entities that have filed a request for service of filings in the Debtors’ Cases pursuant to Rule 2002.

10. The Ballots, substantially in the form attached to the Supplement as **Exhibit A** are APPROVED.

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1 11. Solicitation Packages, which shall include individual Ballots, shall be distributed to
2 the Voting Classes, which classes are designated under the Plan as entitled to vote to accept or
3 reject the Plan.

4 12. Only a Notice of Non-Voting Accepting Status and Confirmation Hearing shall be
5 distributed to the Unclassified/Unimpaired Claimholders, which are either unclassified or
6 conclusively deemed to accept the Plan. The notices shall be served on the
7 Unclassified/Unimpaired Claimholders by First Class Mail no later than July 9, 2020. The Plan
8 Proponents are not required to distribute copies of the Plan, Disclosure Statement, or this Order to
9 any Unclassified/Unimpaired Claimholder, unless such holder makes a specific request in writing
10 for the same.

11 13. Only a Notice of Non-Voting Rejecting Status and Confirmation Hearing shall be
12 distributed to the holders of Class 11 Claims or Class 12 Interests, which are conclusively deemed
13 to reject the Plan. The notices shall be served on the holders of Class 11 Claims or Class 12
14 Interests by First Class Mail no later than July 9, 2020. The Plan Proponents are not required to
15 distribute copies of the Plan, Disclosure Statement, or this Order to any holder of a Class 11 Claim
16 or Class 12 Interest, unless such holder makes a specific request in writing for the same.

17 14. The Plan Proponents are excused from distributing Solicitation Packages to those
18 addresses from which one or more prior notices served in these Chapter 11 Cases were returned as
19 undeliverable or from which mailings made pursuant to this Order are returned as undeliverable
20 unless the Plan Proponents are provided with updated addresses for such entities before the
21 Solicitation Commencement Date. The Plan Proponents are excused from any obligation to re-
22 deliver Solicitation Packages to entities with addresses that are deemed undeliverable and are not
23 provided with a forwarding or more updated address.

24 15. All Ballots must be properly executed, completed, and delivered to the Solicitation
25 Agent so as to be received by the Solicitation Agent no later than **4:00 p.m. (Pacific Time) on**
26 **July 30, 2020** (the “Voting Deadline”) as set forth below. Except as provided below, Ballots must
27 be submitted to the Solicitation Agent at the following address in accordance with the voting
28 procedures set forth below:

Verity Ballot Processing Center
c/o Kurtzman Carson Consultants LLC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245
(888) 249-2741(domestic)
(310) 751-2635 (international)

16. Master Ballots submitted by Nominees with respect to the votes of the Bond and Note Claimants must be delivered to the Solicitation Agent at:

Verity Ballot Processing Center
c/o Kurtzman Carson Consultants LLC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245
(877) 499-4509 (domestic)
(917) 281-4800 (international)

17. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery, the Solicitation Agent is authorized to accept Ballots via electronic, online transmissions, solely through a customized online balloting portal on the Debtors' case website. Parties entitled to vote may cast an electronic Ballot and electronically sign and submit a Ballot instantly by utilizing the online balloting portal (which allows a holder to submit an electronic signature). Instructions for electronic, online transmission of Ballots shall be set forth on the forms of Ballots. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective and shall be deemed to contain an original signature.

18. BALLOTS TRANSMITTED TO THE DEBTORS BY FACSIMILE, ELECTRONIC MAIL, OR OTHER MEANS NOT SPECIFICALLY APPROVED BY THIS ORDER MAY BE ACCEPTED BY THE PLAN PROPONENTS ON A CASE-BY-CASE BASIS.

19. For purposes of voting on the Plan, the amount of a claim used to tabulate acceptance or rejection of the Plan shall be determined pursuant to the following guidelines:

- a. The amount of the claim listed in the Debtors' schedules of assets and liabilities (the "Schedules"); provided that (i) such claim is not scheduled as any of contingent, unliquidated, undetermined, disputed, or in a zero dollar

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1 amount, and (ii) no proof of claim has been timely filed (or otherwise
2 deemed timely filed by the Court under applicable law) with respect to such
claim.

3 b. The non-contingent and liquidated amount specified in a proof of claim
4 timely filed with the Court (or otherwise deemed timely filed by the Court
5 under applicable law) to the extent the proof of claim is not the subject of an
6 objection filed by **July 23, 2020** (the “Voting Objection Deadline”) (or, if
7 such claim has been resolved for allowance and/or voting purposes pursuant
to a stipulation or order entered by the Court, or otherwise resolved by the
Court, the amount set forth in such stipulation or order).

8 c. If a proof of claim has been timely filed prior to the applicable bar date and
9 such claim is asserted in the amount of \$0.00, such claim shall not be
entitled to vote.

10 d. Notwithstanding anything to the contrary in these tabulation rules, the
11 holder of any claim that has been indefeasibly paid, in full or in part, shall
12 only be permitted to vote the unpaid amount of such claim, if any, to accept
or reject the Plan.

13 e. The amount temporarily allowed or estimated by the Court for voting
14 purposes, pursuant to Rule 3018(a), subject to notice consistent with the
15 procedures set forth herein, the Bankruptcy Code, the Rules and the LBRs
shall be the amount of the claim for voting purposes.

16 f. If a claim for which a proof of claim has been timely filed for unknown or
17 undetermined amounts (as determined on the face of the claim or after a
18 reasonable review of the supporting documentation by the Plan Proponents)
and such claim has not been allowed, such Claim shall be temporarily
19 allowed for voting purposes only, and not for purposes of allowance or
distribution, at \$1.00.

20 g. If a claim is listed on a timely filed proof of claim as either wholly or
21 partially contingent or unliquidated, such claim is temporarily allowed in
the amount that is the greater of (i) the liquidated and non-contingent
22 amount and (ii) \$1.00, for voting purposes only, and not for purposes of
allowance or distribution.

23 h. If a claim is deemed allowed under the Plan, such claim is allowed for
24 voting purposes in the deemed allowed amount set forth in the Plan.

25 i. If a claim is not listed in the Schedules or is listed in the Schedules as
26 contingent, unliquidated, or disputed (or in a zero amount) and a proof of
claim was not (i) filed by the applicable bar date for the filing of proofs of
27 claim established by the Court or (ii) deemed timely filed by an order of the
Court prior to the Voting Deadline, such claim shall be disallowed for
28 voting purposes.

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j. If a proof of claim has been amended by a later proof of claim that is filed on or prior to the Voting Record Date, the later filed amending claim shall be entitled to vote in a manner consistent with these tabulation rules, and the earlier filed claim shall be disallowed for voting purposes, regardless of whether the Debtors have objected to such amended claim. Except as otherwise ordered by the Court, any amendments to proofs of claim after the Voting Record Date shall not be considered for purposes of these tabulation rules.

20. The temporary allowance of claims for voting purposes does not constitute an allowance of claims for purposes of distribution under the Plan and is without prejudice to the rights of the Debtors or any other party-in-interest in any other context to contest the amount or validity of any claim for purposes of allowance under the Plan.

21. Additionally, the Debtors (or the Committee, if permitted by the Debtors) may object to any Claim (as defined in § 101(5)) solely for Plan voting purposes by filing a determination motion (the “Determination Motion”), no later than the Voting Objection Deadline. If an objection to a Claim (made by way of a Determination Motion or otherwise) is filed by the Debtors, or the Committee pursuant to a grant of permission from the Debtors to file a Determination Motion or a Stipulation and Order granting the Committee standing to object to such Claim (if otherwise required), on or before the Voting Objection Deadline requesting that such Claim be reduced or reclassified, such claimant’s Ballot shall, subject to such claimant’s right to file a responsive pleading (including, but not limited to, a Claims Estimation Motion (as defined below)) as set forth herein, be counted in such reduced amount or as falling into the reclassified category, unless otherwise ordered by the Court. Further, if a creditor casts a Ballot and has timely filed a proof of claim (or has otherwise had a proof of claim deemed timely filed by the Bankruptcy Court under applicable law), but the creditor’s claim is the subject of an objection (made by way of a Determination Motion or otherwise) filed no later than the Voting Objection Deadline, in accordance with Bankruptcy Rule 3018, that creditor’s Ballot shall not be counted to the extent it is challenged by the objection, unless such claim is temporarily allowed by the Court

1 for voting purposes pursuant to Bankruptcy Rule 3018(a) after the creditor files a motion for such
2 temporary allowance (the “Claims Estimation Motion”).⁴

3 22. If a creditor seeks to have its claim temporarily allowed for purposes of voting to
4 accept or reject the Plan pursuant to Rule 3018(a) (including in response to a Determination
5 Motion filed by the Debtors or any other party granted standing), such creditor shall file a Claims
6 Estimation Motion for such temporary allowance by the later of (i) the Voting Objection Deadline
7 or (ii) if such claim is the subject of an objection or a Determination Motion, seven (7) days after
8 the filing of the applicable objection or Determination Motion.

9 23. In the event that a Determination Motion or Claims Estimation Motion is filed, the
10 non-moving party shall file a reply to such motion by the later of (i) the Voting Objection
11 Deadline, or (ii) seven (7) days after the filing of the applicable motion (the “Voting Objection
12 Reply Deadline”). Subject to the Court’s availability, a hearing will be scheduled on such motion
13 within seven (7) days of the Voting Objection Reply Deadline but in no event later than the
14 Confirmation Hearing (as defined below). The ruling by the Court on any Determination Motion
15 or Claims Estimation Motion shall be considered a ruling with respect to the allowance of the
16 claim(s) under Rule 3018 and such claim(s) shall be counted, for voting purposes only, in the
17 amount determined by the Court.

18 24. In the event a claimant reaches an agreement with the Plan Proponents, as to the
19 treatment of its claim for voting purposes, the claim may be treated in such manner.

20 25. The following voting procedures and standard assumptions **shall** be used in
21 tabulating the Ballots:

- 22 a. For purposes of the numerosity requirement of § 1126(c) and based on the
23 reasonable efforts of the Plan Proponents, separate claims held by a single
24 creditor in a particular class will be aggregated as if such creditor held one
25 claim against the Debtors in such class, and the votes related to such claims
26 will be treated as a single vote to accept or reject the Plan.

27 ⁴ This proposed procedure is consistent with § 1126, which provides that a plan may be accepted
28 or rejected by the holder of a claim allowed under § 502. In turn, § 502(a) provides that a filed
proof of claim is deemed allowed “unless a party in interest . . . objects.” 11 U.S.C. § 502(a).

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- b. Any creditor who holds duplicate claims within the same class (against one Debtor or across multiple Debtors) shall be provided with only one Solicitation Package and one Ballot for voting a single claim in such class, regardless of whether the Debtors have objected to such duplicate claims.
- c. Creditors must vote all of their claims within a particular class either to accept or reject the Plan and may not split their vote. Accordingly, a Ballot (or multiple Ballots with respect to multiple claims within a single class) that partially rejects and partially accepts the Plan will not be counted.
- d. Ballots that fail to indicate an acceptance or rejection of the Plan or that indicate both acceptance and rejection of the Plan, but which are otherwise properly executed and received prior to the Voting Deadline, will not be counted.
- e. Only Ballots that are timely received with signatures will be counted. Unsigned Ballots will not be counted.
- f. Ballots sent by mail or overnight delivery that are postmarked prior to the Voting Deadline, but received after the Voting Deadline, will not be counted.
- g. Ballots that are illegible, or contain insufficient information to permit the identification of the creditor, will not be counted.
- h. Ballots transmitted to the Solicitation Agent by facsimile, electronic mail, or other means not specifically approved by the Court may be accepted by the Plan Proponents on a case-by-case basis.
- i. Whenever a creditor casts more than one Ballot voting the same claim prior to the Voting Deadline, the last valid Ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and supersede any prior received Ballots.
- j. If a creditor simultaneously casts inconsistent duplicate Ballots with respect to the same claim, such Ballots shall not be counted.
- k. Each creditor shall be deemed to have voted the full amount of its claim in a class. Unless otherwise ordered by the Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots shall be determined by the Debtors, which determination shall be final and binding.
- l. Any Ballot containing a vote that the Court determines, after notice and a hearing, was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code shall not be counted.
- m. Any Ballot cast by a person or entity that does not hold a Claim in a class that is entitled to vote to accept or reject the Plan shall not be counted.

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- n. Notwithstanding anything contained herein to the contrary, the Plan Proponents may contact parties that submitted Ballots to cure any defects in the Ballots, and the Plan Proponents and the Solicitation Agent may contact the Bond and Note Claimants directly so as to enable Master Ballots to be delivered to the Solicitation Agent in a timely and accurate manner as required herein.
- o. Any class that does not contain any claim eligible to vote to accept or reject the Plan (by reason of temporary allowance by the Court or otherwise) as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such class pursuant to § 1129(a)(8).
- p. If a class contains claims eligible to vote and no holders of claims eligible to vote in such class vote to accept or reject the Plan, the Plan shall be deemed accepted by the holders of such claims in such class.
- q. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Plan Proponents or the Court determines. Neither the Plan Proponents nor any other person or entity shall be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor shall any incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots shall not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) shall not be counted.
- r. The Plan Proponents, and subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the Voting Deadline and without notice, and any such waivers shall be documented in the voting results filed with the Court.
- s. Except as provided below, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Plan Proponents may reject such Ballot as invalid, and therefore, decline to utilize it in connection with confirmation of the Plan by the Court; provided, however, that such invalid Ballots shall be documented in the voting results filed with the Court.
- t. Subject to contrary order of the Court, the Plan Proponents reserve the absolute right to reject any and all Ballots not proper in form, the acceptance of which would, in the opinion of the Plan Proponents, not be in accordance with the provisions of the Bankruptcy Code; provided, however, that such invalid Ballots shall be documented in the voting results filed with the Court.

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26. In addition to the foregoing, as applicable, the Movants request that the following voting procedures and standard assumptions be used in tabulating Master Ballots:

- a. Votes cast by the Bond and Notes Claimants holding through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date.
- b. If conflicting votes or “over-votes” are submitted by or on behalf of a Nominee, the Solicitation Agent shall use reasonable efforts to reconcile discrepancies with such Nominee. The submission of a Master Ballot reflecting an aggregate amount of any Class of Claims held by Bond and Notes Claimants that exceeds the Voting Record Date position is referred to herein as an “overvote.”
- c. If overvotes are submitted by a Nominee which are not reconciled prior to the preparation of the certification of vote results, the votes to accept and to reject the Plan shall be counted in the same proportion as the votes to accept and to reject the Plan submitted by the Nominee, but only to the extent of the Nominee’s Voting Record Date position.
- d. If the Plan Proponents or the Solicitation Agent determine that any Bond and Notes Claimant has not received a Ballot from its Nominee in a timely manner, the Solicitation Agent may deliver a Ballot directly to such Bond and Notes Claimant.
- e. If the Plan Proponents or the Solicitation Agent determine that a Nominee has received votes to be cast by one or more Bond and Notes Claimants but such Nominee may not be able to timely submit a Master Ballot to the Solicitation Agent reflecting such votes, the Plan Proponents and the Solicitation Agent may accept such votes directly from such Bond and Notes Claimants.

27. The Court shall hold a hearing on confirmation of the Plan (the “Confirmation Hearing”) on **August 12, 2020 at 10:00 a.m. (Pacific Time)**. The Plan Proponents shall serve the Confirmation Hearing Notice as set forth herein. In addition to serving the Confirmation Hearing Notice, the Plan Proponents shall publish the Confirmation Hearing Notice once, as soon as reasonably practical after the entry of this Order, in the following newspapers: *Los Angeles Times*, *San Francisco Chronicle*, *San Jose Mercury News*, and *USA Today*.

28. Pursuant to Rule 3020(b)(1), objections to the confirmation of the Plan or proposed modifications to the Plan (a “Confirmation Objection”), if any, must:

- a. be in writing;
- b. comply with the Rules and the LBRs;

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- c. set forth the name of the objector and the nature and amount of any Claim asserted by the objector against or in the Debtors;
- d. state with particularity the legal and factual bases for the objection and, if practicable, a proposed modification to the Plan that would resolve such objection; and
- e. be filed with the Court, together with proof of service, and served so that they are actually received by the Notice Parties (as defined below) no later than **July 30, 2020** which deadline may be extended by the Debtors (the "Confirmation Objection Deadline").

29. Any Confirmation Objection must be served on the following parties (collectively, the "Notice Parties"): (i) counsel to the Debtors: Dentons US LLP, 601 South Figueroa Street, Suite 2500, Los Angeles, CA 90017 (Attn: Tania M. Moyron (tania.moyron@dentons.com)); (ii) counsel to the Committee: Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, CA 90067 (Attn: Mark Shinderman (mshinderman@milbank.com)); (iii) counsel to the Master Trustee and Series 2005 Bond Trustee: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111 (Attn: Daniel S. Bleck and Paul Ricotta (dsbleck@mintz.com, pricotta@mintz.com)); (iv) counsel to the Series 2015 Notes Trustee: McDermott Will & Emery LLP, 444 West Lake Street, Suite 4000, Chicago, IL 60606 (Attn: Nathan F. Coco and Megan Preusker (ncoco@mwe.com; mpreusker@mwe.com)); (v) counsel to the Series 2017 Notes Trustee: Maslon, LLP, 3300 Wells Fargo Center, 90 South Seventh Street, Minneapolis, MN 55402 (Attn: Clark Whitmore (clark.whitmore@maslon.com)); (vi) counsel to the MOB Lenders: Jones Day, 250 Vesey Street, New York, NY 10281 (Attn: Bruce Bennett, Benjamin Rosenblum, and Peter Saba (bbennett@jonesday.com, brosenblum@jonesday.com, psaba@jonesday.com)); and (vii) counsel to the U.S. Trustee, Office of the United States Trustee, 915 Wilshire Boulevard, Suite 1850, Los Angeles, California 90017 (Attn: Hatty K. Yip (hatty.yip@usdoj.gov)).

30. Confirmation Objections that are not timely filed and served in the manner set forth above shall not be considered by the Court and shall be overruled.

31. No later than **August 5, 2020**, the Plan Proponents shall file with the Court (a) a tabulation report for Plan voting, (b) a memorandum of law in support of confirmation of the Plan

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1 addressing the requirements of § 1129, and any evidence in support thereof, (c) any responses to
2 objections to confirmation of the Plan, and (d) a proposed form of confirmation order.

3 32. The Plan Proponents are authorized to take or refrain from taking any action
4 necessary or appropriate to implement the terms of, and the relief granted in, this Order without
5 seeking further order of the Court, including, but not limited to, the making of any payments
6 reasonably necessary to perform the actions and distributions contemplated herein.

7 33. The Plan Proponents are authorized to make nonsubstantive changes or
8 modifications to the Disclosure Statement, Plan, Ballot, Confirmation Hearing Notice, Notice of
9 Non-Voting Accepting Status and Confirmation Hearing, Notice of Non-Voting Rejecting Status
10 and Confirmation, and related documents without further order of the Court, including, but not
11 limited to, changes to correct typographical and grammatical errors and to make conforming
12 changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation
13 Package prior to their distribution.

14 34. Nothing contained in this Order or the Disclosure Statement shall modify or amend
15 paragraph 38 of the SFMC Sale Order or paragraph 35 of the Seton Sale Order, each of which
16 remain in full force and effect.

17 35. Notwithstanding anything to the contrary in this Order or the Disclosure Statement,
18 NantWorks, LLC's and its affiliates' rights with respect to the terms of the Plan and confirmation
19 of the Plan are expressly reserved.

20 36. The deadline for filing Administrative Claims arising, or anticipated to arise,
21 between October 8, 2019, and August 12, 2020 (the "Administrative Claim Period") is hereby
22 fixed as **July 29, 2020** (the "Administrative Claims Bar Date").

23 37. The Administrative Claims Bar Date Notice substantially in the form attached to
24 the Reply as **Exhibit D** is hereby APPROVED.

25 38. Each person or entity (including, without limitation, each individual, partnership,
26 joint venture, limited liability company, corporation, estate, trust or governmental unit) asserting a
27 claim as defined in § 101(5) against the Debtors that constitutes an Administrative Claim for the
28 Administrative Claim Period (other than holders of Excluded Claims) is required to file a pleading

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1 with the Court on or before the Administrative Claims Bar Date, in which the creditor indicates
2 the amount of its asserted Administrative Claim and attaches as an exhibit all documentary
3 evidence in support of its asserted Administrative Claim and serve that pleading on counsel for the
4 Debtors. The creditor is not required to set the matter for hearing.

5 39. The Administrative Claims Bar Date shall not apply to the following holders of
6 Administrative Claims ("Excluded Claims"):

- 7 a. Administrative Claims based upon liabilities that the Debtors incur in the
8 ordinary course of their business to providers of goods and services;
- 9 b. Professional Claims subject to allowance under § 330;
- 10 c. Professional Claims for professionals employed by the Prepetition Secured
11 Creditors under paragraph 5(b) of the Final DIP Order;
- 12 d. Claims relating to the assumption and cure of an executory contract under §
13 365(b);
- 14 e. Administrative Claims arising out of the employment by one or more of the
15 Debtors of an individual from and after the Petition Date, but only to the
16 extent that such Administrative Claim is solely for outstanding wages,
commissions, or reimbursement of business expenses; and
- 17 f. U.S. Trustee fees.

18 40. Any entity that fails to file an Administrative Claim for the Administrative Claim
19 Period on or before the Administrative Claims Bar Date shall be forever barred, estopped and
20 enjoined from asserting an Administrative Claim for the Administrative Claim Period against the
21 Debtors, its estates, its successor, or its property and any holder of such Administrative Claim (i)
22 shall not be entitled to any payment on account of such alleged Administrative Claim, (ii) shall not
23 be permitted to participate in any distribution in these Chapter 11 Cases or, in the event that these
24 Chapter 11 Cases are converted, in any case under chapter 7, on account of such Administrative
25 Claim; and (iii) shall not be entitled to receive further notices regarding such Administrative
26 Claim. Furthermore, all such Administrative Claims shall be disallowed and expunged in their
entirety.

27 41. Pursuant to Rule 2002(a)(7), the Debtors shall serve copies of the Administrative
28 Claims Bar Date Notice by first class United States mail, postage prepaid, not later than **July 8,**

1 **2020**, on the following categories of potential claimants which may hold Administrative Claims
2 for the Administrative Claim Period: (i) employees employed by the Debtors postpetition, (ii)
3 vendors providing postpetition services to the Debtors, (iii) counterparties to executory contracts
4 and unexpired leases with the Debtors, and (iv) holders of postpetition causes of action.

5 42. The Debtor shall serve the Administrative Claims Bar Date Notice on (i) the
6 address reflected in the applicable party's most recent request for notice pursuant to Rule 2002 or,
7 if no such request for notice has been filed, in the most recent proof of claim filed by the
8 applicable party, or (ii) if no such request for notice or proof of claim has been filed by such
9 creditor, such creditor's address as reflected in the Matrix or, if different, in the Schedules or, if
10 such creditor is not listed in either the Matrix or the Schedules, the last known address of such
11 party as reflected in the Debtor's books and records.

12 43. The Debtors shall also publish the Administrative Claims Bar Date Notice in the
13 *Los Angeles Times*, the *San Jose Mercury News*, the *San Francisco Chronicle*, and *USA Today* not
14 later than **July 8, 2020**.

15 44. The Administrative Claims Bar Date Notice, if served as required by this Order,
16 shall constitute good, sufficient and due notice to all creditors and other entities that may have
17 Administrative Claims for the Administrative Claim Period of the Administrative Claims Bar Date
18 and the need to assert an Administrative Claim for the Administrative Claim Period by the
19 Administrative Expense Claims Bar Date in order to preserve rights and obligations in connection
20 with such Administrative Claims.

21 45. Nothing in this Order shall impair, prejudice, waive, or otherwise affect the rights
22 of the Debtors and/or any other party in interest to dispute, or assert offsets or other defenses to
23 any Administrative Claim on any basis, including as to amount, liability or characterization.

24 46. All claims against the Debtors arising prior to the Petition Date, including claims
25 arising under § 503(b)(9), are subject to the general bar date of April 1, 2019 (the "General Bar
26 Date"), established pursuant to the *Order Setting Bar Date for Filing Proofs of Claim* [Docket No.
27 1528], except for (i) governmental units, which deadline was (a) 180 days after the entry the order
28 for relief in this case, or (b) April 1, 2019, whichever is later (the "Governmental Bar Date"), (ii)

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1 2016 Data Breach Claims that are subject to the September 30, 2019 extended deadline [Docket
2 No. 2676] (the “Data Breach Bar Date”), and (iii) certain wage and hour claims that are subject to
3 the October 11, 2019 extended bar date [Docket No. 2537] (the “Extended Wage and Hour Bar
4 Date”). Nothing contained herein shall be deemed to extend, modify or otherwise impact the
5 General Bar Date, the Governmental Bar Date, the Data Breach Bar Date, or the Extended Wage
6 and Hour Bar Date.

7 47. All Administrative Claims against the Debtors that were incurred, accrued or arose
8 during the period from and after the Petition Date, which was August 31, 2018, through October 7,
9 2019, are subject to the Initial Administrative Claims Bar Date of October 7, 2019, pursuant to the
10 Court’s previous order [Docket No. 2961]. Nothing contained herein shall be deemed to extend,
11 modify or otherwise impact the Initial Administrative Claims Bar Date; provided, however, that,
12 the Administrative Claims Bar Date shall also be the deadline for the following holders of
13 Administrative Claims that were previously granted an extension of the Initial Administrative
14 Claims Bar Date: Hooper Healthcare Consulting LLC, Managed Care Support Systems, Inc.
15 (formally known as Managed Care Support Systems, LLC), and affiliates [Docket No. 3317];
16 NantWorks, LLC, NantHealth, Inc., Integrity Healthcare, LLC, Nant Capital, LLC, Verity MOB
17 Financing, LLC, Verity MOB Financing II, LLC, Mox Networks, LLC, and affiliates [Docket No.
18 3279]; 2015 and 2017 Notes Trustee [Docket No. 3280]; UMB Bank, N.A., as successor master
19 indenture trustee for the master indenture obligations and Wells Fargo Bank, National
20 Association, as indenture trustee for the series 2005 revenue bonds [Docket No. 3282]; Fresenius
21 Medical Care Holdings d/b/a Fresenius Medical Care of North America and its affiliated entities
22 [Docket No. 3318]; and Old Republic Insurance Company [Docket No. 3319].

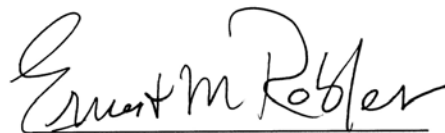
23 48. The Court shall retain jurisdiction with respect to all matters related to this Order.
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Date: July 2, 2020



Ernest M. Robles
United States Bankruptcy Judge