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6 Debtors In Possession

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

9 In re
10 VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al.*,
11
12 Debtors and Debtors In Possession.

Lead Case No. 18-20151

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-20171-ER

- 13 Affects All Debtors
- 14 Affects Verity Health System of California, Inc.
- 15 Affects O'Connor Hospital
- 16 Affects Saint Louise Regional Hospital
- 17 Affects St. Francis Medical Center
- 18 Affects St. Vincent Medical Center
- 19 Affects Seton Medical Center
- 20 Affects O'Connor Hospital Foundation
- 21 Affects Saint Louise Regional Hospital Foundation
- 22 Affects St. Francis Medical Center of Lynwood Foundation
- 23 Affects St. Vincent Foundation
- 24 Affects St. Vincent Dialysis Center, Inc.
- 25 Affects Seton Medical Center Foundation
- 26 Affects Verity Business Services
- 27 Affects Verity Medical Foundation
- 28 Affects Verity Holdings, LLC
- Affects De Paul Ventures, LLC
- Affects De Paul Ventures - San Jose Dialysis, LLC

Chapter 11 Cases

Hon. Ernest M. Robles

REPLY TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' OBJECTION TO DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING DEBTORS TO HONOR PREPETITION OBLIGATIONS TO CRITICAL VENDORS [RELATED PLEADINGS NO. 29, 123, 314]

Hearing:
Date: October 3, 2018
Time: 10:00 am Pacific
Location: Courtroom 1568



1 Verity Health System of California, Inc. ("VHS"), a California nonprofit public benefit
2 corporation, and the above-referenced affiliated debtors, debtors and debtors in possession (the
3 "Debtors"), hereby file this reply to the objection (the "Objection") [Docket No. 314] by the
4 Official Committee of Unsecured Creditors (the "Committee") to the Debtors' *Emergency Motion*
5 *for Entry of an Order Authorizing Debtors to Honor Prepetition Obligations to Critical Vendors*
6 (the "Critical Vendor Motion") [Docket. No. 29], and respectfully state as follows:

7 **I. DISCUSSION**

8 In the Committee's Objection, the Committee has requested that the following language
9 be added to any order approving the Critical Vendor Motion:

- 10 a. List of Critical Vendors: the Debtors have made their list of potential Critical
11 Vendors available to the Committee's advisors.
- 12 b. Weekly Reporting: the Debtors shall provide the Committee with weekly reporting
13 as to Critical Vendor payments; and
- 14 c. Notice of Large Payments: the Debtors shall provide the Committee with three (3)
15 business days' notice regarding any proposed payments in excess of \$250,000 in
16 the aggregate to vendors not on the initial Critical Vendor list.

17 (the "Accountability Requirements").

18 The Debtors do not object to the aforementioned relief.

19 **II. CONCLUSION**

20 WHEREFORE, the Debtors respectfully request that the Court enter an order: (i) granting
21 the Motion, including the Accountability Requirements to the Committee; and (ii) granting to the
22 Debtors such other and further relief as the Court may deem proper.

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Dated: October 1, 2018

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By /s/ Tania M. Moyron
Tania M. Moyron

Proposed Attorneys for the Chapter 11
Debtors and Debtors In Possession