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Debtors In Possession

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

10
11 In re
12 VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al.*,¹
13
14 Debtor and Debtor In Possession.

Case No. 2:18-bk-20151
Chapter 11 Case
(Voluntary Petition Filed August 31, 2018)
**DEBTOR'S EX PARTE EMERGENCY
MOTION FOR ENTRY OF AN ORDER
FOR JOINT ADMINISTRATION OF
CASES¹; MEMORANDUM OF POINTS
AND AUTHORITIES; DECLARATION OF
RICHARD G. ADCOCK**
[No Notice and No Hearing Required Pursuant
To Local Bankruptcy Rule 1015-1(b)(1)]
Judge: Hon. Ernest M. Robles

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28 ¹ This Motion seeks to administratively consolidate, each of the 17 cases filed on August 31, 2018.



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EMERGENCY MOTION

Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) and Rules 1015-1(b) and 9013-1(q)(1) of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California (the “LBR”), Verity Health System of California, Inc. (“VHS”), a California nonprofit public benefit corporation, debtor and debtor-in-possession in the above-captioned chapter 11 bankruptcy case, moves *ex parte* for the emergency entry of an Order authorizing the joint administration of the cases filed by VHS and its Affiliates: O’Connor Hospital, St. Louise Regional Hospital, St. Francis Medical Center, St. Vincent Medical Center, Seton Medical Center, O’Connor Hospital Foundation, St. Louise Regional Hospital Foundation, St. Francis Medical Center of Lynwood Foundation, St. Vincent Foundation, Seton Medical Center Foundation, St. Vincent Dialysis Center, Inc., Verity Medical Foundation, Verity Business Services, Verity Holdings, LLC, De Paul Ventures, LLC and De Paul Ventures – San Jose Dialysis, LLC.

SUMMARY OF REQUESTED RELIEF

The Debtors (each of whom is filing an identical Motion in each of their respective cases) request entry of an Order on an emergency basis directing joint administration of these cases for procedural purposes only, pursuant to Bankruptcy Rule 1015(b), and that the Court maintain one file and one Docket for all of the Chapter 11 cases under the lead case: In re Verity Health System of California, Inc. This will ensure that the 17 cases filed on August 31, 2018, can be dealt with in an efficient and economical manner, for the benefit of the estates, the Court, the Office of the United States Trustee and Creditors, thus avoiding the need to file dozens of repetitive, similar Motions and other pleadings in the seventeen different bankruptcy cases.

As set forth in LBR 1015-1(b)(1), the Court can consider and grant this Motion without notice and without a hearing.

More specifically, the Debtors respectfully request the joint administration of the Debtors’ Estates to include:

- (a) The use of a single pleadings Docket for administrative matters, and the filing, lodging and docketing of pleadings and Orders, where appropriate;

- 1 (b) The use of a single pleading caption;
- 2 (c) The combining of notices to creditors and other parties-in-interest, where
- 3 appropriate;
- 4 (d) The combined scheduling of hearings, where appropriate;
- 5 (e) Consolidated billing by professionals employed by the Estates, subject to review
- 6 and apportionment of billing should the need arise;
- 7 (f) Joint and several liability of the Debtors' Estates for general administrative
- 8 expenses that equally benefit all the Estates; and
- 9 (g) The joint handling of other administrative matters that may aid in the expeditious
- 10 and economical administration of the Debtors' Estates.

11 The Debtors propose:

- 12 • To use the case caption that is set forth at page 16 of this Motion;
- 13 • For entry of an Order -- identical to that being uploaded utilizing this Court's required
- 14 Form pursuant to LBR 1015-1(b)(2) - - approving this Motion.
- 15 • To give notice in accordance with the Notice - - identical to that attached as
- 16 Exhibit "A" utilizing the Court required form pursuant to LBR 1015-1(b)(3) - - to all
- 17 known creditors and interested parties advising them of the joint administration;
- 18 • To file the Notice attached as Exhibit "A" in each of the Debtors' Cases;
- 19 • That the Court direct the Clerk of the Court to place the following notation in the
- 20 Docket maintained for each of the Debtors' cases to reflect that the cases are being
- 21 jointly administered:

22 An Order has been entered in this case directing the procedural

23 consolidation and joint administration of the Chapter 11 cases of:

24 Verity Health System of California, Inc., O'Connor Hospital, St.

25 Louise Regional Hospital, St. Francis Medical Center, St. Vincent

26 Medical Center, Seton Medical Center, O'Connor Hospital

27 Foundation, St. Louise Regional Hospital Foundation, St. Francis

28 Medical Center of Lynwood Foundation, St. Vincent Foundation,

Seton Medical Center Foundation, St. Vincent Dialysis Center, Inc.,
Verity Medical Foundation, Verity Business Services, Verity
Holdings, LLC, De Paul Ventures, LLC and De Paul Ventures –
San Jose Dialysis, LLC.

1 Consult the Docket in Case No. _____ for all matters affecting
2 these cases.

3 **ADDITIONAL INFORMATION**

4 This *Ex Parte* Emergency Motion is based on the information contained in this Motion,
5 the attached Memorandum Of Points And Authorities, the attached Declaration Of Richard G.
6 Adcock and, if there is a hearing,² the arguments of counsel and other admissible evidence
7 properly brought before the Court at or before the hearing on this Motion. In addition, the
8 Debtors request that the Court take judicial notice of all documents filed with the Court in this
9 case.

10 Despite LBR 1015-1(b), Counsel to the Debtors will serve this Motion, the attached
11 Memorandum of Points and Authorities, the Adcock Declaration and the Notice of First Day
12 Motions on: (i) the Office of the United States Trustee; (ii) the Lenders; (iii) the fifty (50) largest
13 general unsecured creditors appearing on the consolidated list filed in accordance with
14 Bankruptcy Rule 1007(d); (iv) the United States of America, and the State of California; and
15 (vi) parties that file with the Court and serve upon the Debtors requests for notice of all matters in
16 accordance with Bankruptcy Rule 2002(i).

17 In the event that the Court grants the relief requested by the Motion, the Debtors shall
18 provide notice of the entry of the order granting such relief upon each of the foregoing parties and
19 any other parties in interest as the Court directs. The Debtors submit that such notice is sufficient
20 and that no other or further notice be given.

21 WHEREFORE, the Debtors respectfully request that this Court enter an Order:

22 (i) Granting this *ex parte* emergency Motion directing the joint administration of the
23 Debtors' Chapter 11 cases as requested herein; and

24 (ii) Granting such other and further relief as is just and proper under the circumstances.
25
26

27 ² The Debtors in all 17 cases request entry of an Order without notice and a hearing -- as
28 permitted by LBR 1015-1(b)(1) -- so that the cases can proceed expeditiously and efficiently
immediately after the filing date.

1 Dated: August 31, 2018

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SAMUEL R. MAIZEL
JOHN A. MOE, II
TANIA M. MOYRON

By: /s/John A. Moe, II
JOHN A. MOE, II
(Proposed) Attorneys for the Chapter 11
Debtors

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **INTRODUCTION**

4 Verity Health System of California, Inc. (“VHS”) and the above-referenced sixteen
5 affiliated debtors, debtors and debtors in possession, hereby move on an *ex parte* basis for the
6 emergency entry of an Order permitting joint administration of the seventeen cases pursuant to
7 Bankruptcy Rule 1015(b), and LBR 1015-1(b) and LBR 9013-1(q)(1).

8 **II.**

9 **JURISDICTION**

10 On August 31, 2018 (“Petition Date”), the Debtors each filed a Voluntary Petition for
11 relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to manage their
12 businesses as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.³
13 This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is
14 proper pursuant to 28 U.S.C. §§ 1408 and 1409.

15 **III.**

16 **STATEMENT OF FACTS IN SUPPORT OF THE MOTION**

17 **A. VHS Operates a Statewide Healthcare System Through Its Affiliates**

18 As set forth in the attached Declaration of Richard G. Adcock (“Adcock Decl.” or
19 “Adcock Declaration”), VHS and its sixteen affiliated Debtors operate an integrated nonprofit
20 health care system in the state of California. More specifically, Debtor VHS, a California
21 nonprofit public benefit corporation, is the sole corporate member of the following five Debtor
22 California nonprofit public benefit corporations that operate six acute care hospitals, O’Connor
23 Hospital, Saint Louise Regional Hospital, St. Francis Medical Center, St. Vincent Medical
24 Center, Seton Medical Center, and Seton Medical Center Coastside (collectively, the “Hospitals”)
25 and other facilities in the state of California. Seton Medical Center and Seton Medical Center
26 Coastside operate under one consolidated acute care license. Adcock Decl. ¶ 10

27
28 ³ All references to “§” or “section” herein are to Sections of the United States Bankruptcy Code.

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1 VHS, the Hospitals, and their affiliated entities (collectively, “Verity Health System”)
2 operate as a nonprofit health care system in the state of California, with approximately 1,680
3 inpatient beds, six active emergency rooms, a trauma center, and a host of medical specialties,
4 including tertiary and quaternary care. Adcock Decl. ¶ 12

5 The VHS affiliated entities, including the Debtors and non-debtor entities, are as follows:

- 6 • O’Connor Hospital
- 7 • Saint Louise Regional Hospital
- 8 • St. Francis Medical Center
- 9 • St. Vincent Medical Center
- 10 • Seton Medical Center
- 11 • Seton Medical Center Coastside
- 12 • Verity Business Services
- 13 • Marillac Insurance Company, Ltd.
- 14 • O’Connor Hospital Foundation
- 15 • Saint Louise Regional Hospital Foundation
- 16 • St. Francis Medical Center Foundation
- 17 • St. Vincent Medical Center Foundation
- 18 • Seton Medical Center Foundation
- 19 • St. Vincent De Paul Ethics Corporation
- 20 • St. Vincent Dialysis Center
- 21 • De Paul Ventures, LLC
- 22 • De Paul Ventures - San Jose Dialysis, LLC
- 23 • De Paul Ventures - San Jose ASC, LLC
- 24 • Verity Medical Foundation
- 25 • Verity Holdings, LLC Adcock Decl. ¶ 15

17 O’Connor Hospital Foundation, Saint Louise Regional Hospital Foundation, St. Francis of
18 Lynwood Medical Center Foundation, St. Vincent Medical Center Foundation, and Seton
19 Medical Center Foundation handle fundraising and grant-making programs for each of their
20 respective Debtor Hospitals. Adcock Decl. ¶ 12

21 Verity Medical Foundation (“VMF”), incorporated in 2011, is a medical foundation,
22 exempt from licensure under California Health & Safety Code § 1206(l). VMF contracts with
23 physicians and other healthcare professionals to provide high quality, compassionate, patient-
24 centered care to individuals and families throughout California. With more than 100 primary care
25 and specialty physicians, VMF offers medical, surgical and related healthcare services for people
26 of all ages at community-based, multi-specialty clinics conveniently located in areas served by
27 the Debtor Hospitals. VMF holds long-term professional services agreements with the following
28 medical groups: (a) Verity Medical Group; (b) All Care Medical Group, Inc.; (c) CFL Children’s

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1 Medical Associates, Inc.; (d) Hunt Spine Institute, Inc.; (e) San Jose Medical Clinic, Inc., D/B/A
2 San Jose Medical Group; and (f) Sports, Orthopedic and Rehabilitation Associates. Adcock Decl.
3 ¶ 16

4 Verity Holdings LLC (“Holdings”), a direct subsidiary of its sole member VHS, was
5 created in 2016 to hold and finance VHS’s interests in various parcels of real estate, including
6 four medical office buildings whose tenants are primarily physician and other practicing medical
7 groups and certain of the Verity Hospitals. Holdings’ real estate portfolio includes over 15
8 properties. Adcock Decl. ¶ 17

9 VHS operates Verity Business Services (“VBS”), a nonprofit public benefit corporation.
10 VBS provides support services to Verity and its affiliated hospitals including accounting, finance,
11 patient financial services, supply chain management, and purchasing services for the entire health
12 system. Adcock Decl. ¶ 18

13 The scope of the services provided by the VHS healthcare system is exemplified by the
14 fact that in 2017, VHS Hospitals provided medical services to over 50,000 inpatients and
15 approximately 480,000 outpatients. Adcock Decl. ¶ 11

16 **B. Financial Overview**

17 Each of the Debtors are exempt from federal income taxation as an organization described
18 in Section 501(c)(3) of the Internal Revenue Code of 1986, except for Verity Business Services,
19 Verity Holdings, LLC, De Paul Ventures, LLC, and De Paul Ventures - San Jose Dialysis, LLC.
20 Adcock Decl. ¶ 19

21 As explained in the Adcock Declaration, the Debtors maintain a consolidated unaudited
22 financial statement. As of May 31, 2018, the Debtors’ consolidated unaudited financial
23 statements reflected total assets of approximately \$847 million and total liabilities of
24 approximately \$1,278 billion. Adcock Decl. ¶ 20

25 The Debtors \$500 million in total unsecured debt, including disputed, unliquidated or
26 contingent claims, are comprised of claims made by vendors of goods and services, cost report
27 payables, management fees, and incurred but not reported third party claims. Adcock Decl. ¶ 21
28

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1 Many of our largest Trade Vendors provide goods and services to all of the Hospitals.
2 Adcock Decl. ¶ 22

3 **C. Each Company Is A Direct Or Indirect Affiliate of VHS**

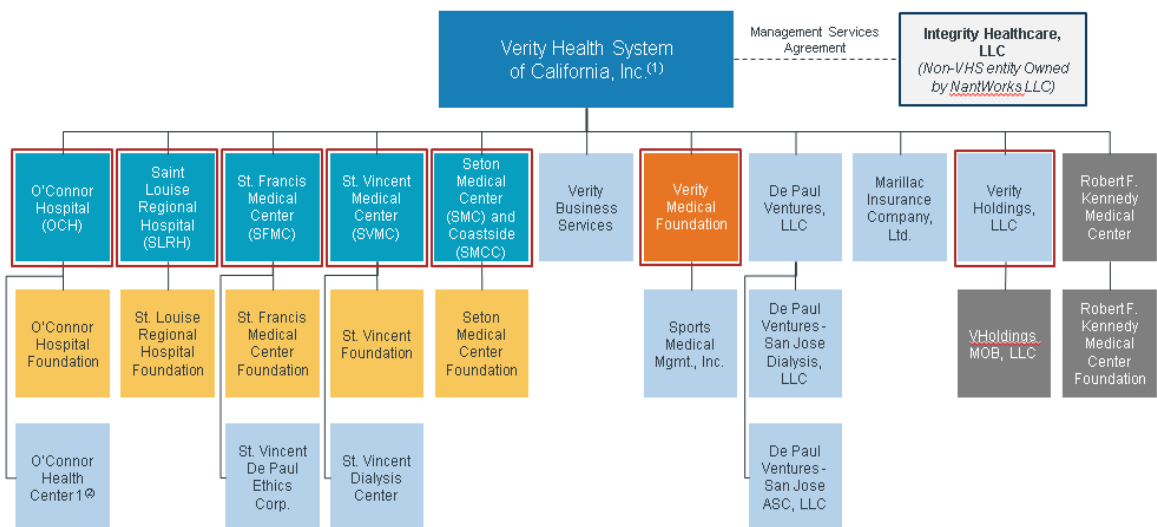
4 VHS is a California nonprofit public benefit corporation and the sole member of
5 O’Connor Hospital, St. Francis Medical Center, St. Vincent Medical Center, Seton Medical
6 Center, VBS, VMF, Holdings and DePaul Ventures, LLC. Adcock Decl. ¶ 23

7 Each Debtor Hospital is the sole member of each Hospital’s nonprofit public benefit
8 corporation that handles each Hospital’s fundraising and grant-making programs: St. Francis
9 Medical Center Foundation, St. Vincent Foundation, Seton Medical Center Foundation, Saint
10 Louise Regional Hospital Foundation and O’Connor Hospital Foundation (collectively, the
11 “Philanthropic Foundations”). Adcock Decl. ¶ 24

12 St. Vincent Medical Center is the sole Member of St. Vincent Dialysis Center, Inc.
13 Adcock Decl. ¶ 25

14 DePaul Ventures, LLC, is the sole Member of DePaul Ventures-San Jose ASC, LLC, and
15 of DePaul Ventures-San Jose Dialysis, LLC. Adcock Decl. ¶ 27

16 The following graphic depicts Verity’s prepetition organizational structure:



26 Adcock Decl. ¶ 27

27 **D. Operations Have Been And Continue To Be Systemized Under VHS**

28 As set for in the Adcock Declaration, VHS is engaged in a systemizing of operations, so

1 that functions once performed by each Debtor are being transitioned and performed by VHS and
2 being standardized, such as pharmacy operations, credentialing, IT and case management.
3 Adcock Decl. ¶ 28

4 **E. Capital Structure: Joint Obligations On Multiple Secured Obligations**

5 As for capital structure, the Debtors' most significant obligations is that VHS, VBS and
6 VHS's five acute care hospital subsidiaries, and one operating division (the "Hospitals"), are
7 jointly obligated parties on approximately \$461.4 million of outstanding secured debt consisting
8 of: (a) \$259.4 million outstanding tax exempt revenue bonds, Series 2005 A, G and H issued by
9 the California Statewide Communities Development Authority (the "2005 Bonds"), which loaned
10 the bond proceeds to VHS to provide funds for capital improvements and to refinance certain tax
11 exempt bonds previously issued in 2001 by the Daughters of Charity Health System, a religious
12 not-for-profit enterprise and VHS's reorganization predecessor; and (b) \$202.0 million
13 outstanding tax exempt revenue notes, Series 2015 A, B, C, and D and Series 2017 issued by the
14 California Public Finance Authority, which loaned the proceeds to VHS to provide working
15 capital (the "Working Capital Notes"). Adcock Decl. ¶ 30

16 As for another significant obligations, Holdings was created in 2016 to hold and finance
17 Verity's interests in four medical office buildings whose tenants are primarily physicians, health
18 care providers, medical groups and certain of the Verity Hospitals. Holdings is the borrower on
19 approximately \$66.2 million in two series of non-recourse financing secured by separate deeds
20 of trust, revenue and accounts pledges, including rents on each medical office buildings
21 (previously defined as the MOB Financing). Adcock Decl. ¶ 31

22 **F. Unions Represent Employees Across All Companies**

23 As of August 31, 2018, the Debtors have approximately 7,385 employees, of whom 4,733
24 are full-time employees. Approximately 74% of these employees are represented by collective
25 bargaining units. Specifically, 72% of the Debtors' Employees – approximately 5,331
26 Employees in total – are represented through California Nurses Associations ("CNA"), Service
27 Employees International Union ("SEIU"), National Union Healthcare Workers (NUHW) and
28

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1 United Nurses Association of California/Union of Health Care Professionals (UNAC).
2 Adcock Decl. ¶ 32

3 **G. Pension Plans Serve Employees Of Multiple Companies**

4 Multiple pension and post-retirement benefit plans are maintained in support multiple of
5 the employees of multiple debtors.

6 VHS maintains two single employer defined benefit pension plans and participates in two
7 multi-employer defined benefit pension plans. Adcock Decl. ¶ 33

8 The significant multiemployer defined benefit pension plan is the Retirement Plan for
9 Hospital Employees (“RPHE”). The VHS entities that participate in the RPHE are Seton Medical
10 Center, Seton Medical Center Coastside, O’Connor Hospital, Saint Louise Regional Hospital, and
11 Caritas Business Services. Adcock Decl. ¶ 34

12 In addition to the RPHE, Verity assumed in the Daughters of Charity restructuring certain
13 obligations under a multiemployer plan commonly referred to as Stationary Engineers Local 39
14 Pension Plan (the “Local 39 Plan”). Adcock Decl. ¶ 35

15 VHS maintains two single-employer defined benefit pension plans (the “Verity A & B
16 Plans”). VHS personnel at St. Francis Medical Center, St. Vincent Medical Center, O’Connor
17 Hospital, Saint Louise Regional Hospital, and the VHS system office are eligible to participate in
18 these plans. Adcock Decl. ¶ 36

19 VHS and VMF also maintain several active defined contribution retirement plans for
20 eligible employees; eligibility for and benefits under the defined contribution retirement plans
21 vary according to facility, union status, and employee classification/hire date. These defined
22 contribution plans include the Verity Health System Supplemental Retirement Plan (TSA), the
23 Verity Health System Supplemental Retirement Plan (401(a)), the Verity Health System
24 Retirement Account (RPA), the Verity Medical Foundation 401(k) Plan, the Verity Medical
25 Foundation Management Bargaining Unit Employees 401(k) Plan for represented employees and
26 the Verity Health System Executive Long-Term Savings Plan (457(b)) Plan for nonrepresented
27 employees. These defined contribution plans are funded from employee and/or employer
28 contributions generally on a payroll by payroll basis. In addition to the above active defined

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1 contribution plans, there are several small, frozen ancillary retirement plans. Adcock Decl. ¶ 37

2 VHS also maintains an early retiree health insurance program (the Postretirement
3 Healthcare Plan), which provides medical benefits to eligible retirees from early retirement to age
4 65 only. The postretirement health care benefits are determined based on age and years of
5 service. *Certain employees at O'Connor Hospital, St. Louise Regional Hospital, Seton Medical*
6 *Center, and Seton Medical Center Coastsides are eligible to participate in this plan.* Adcock
7 Decl. ¶ 38

8 **IV.**
9 **ARGUMENT**

10 The Debtors request that the Court approve the joint administration of the Debtors'
11 bankruptcy cases for procedural purposes only, pursuant to Bankruptcy Rule 1015(b) and that the
12 Court maintain one file and one Docket for all of the Chapter 11 cases under the lead case: In re
13 Verity Health System of California, Inc.

14 Section 1015(b) of the Bankruptcy Rules makes clear that joint administration may be
15 appropriate when two or more related debtor entities have filed for protection under the Code.
16 *See, e.g., In re Brookhollow Associates*, 435 F.Sup. 763 (D. Mass. 1990), *aff'd*, 575 F.2nd 1003
17 (1st Cir. 1986) (joint administration helps the Bankruptcy Court administer economically and
18 efficiently different estates with substantial interests in common). Requests for joint
19 administration of bankruptcy cases are routinely granted in this District. *See, e.g., In re Quigg*
20 *LA, LLC*, Nos. 23, 24 and 44, Case No. 2:16-bk-25740-ER, (Bankr. C.D. Cal. Nov. 30, 2017); *In*
21 *re Plaza Healthcare Center, LLC*, Nos. 4 and 46, Case No. 8-14-bk-11335-CB (Bankr. C.D. Cal.
22 March 4, 2014).

23 Joint administration of these estates is designed to allow for more expeditious and less
24 expensive administration of related cases. The Advisory Committee Note (1983) to Bankruptcy
25 Rule 1015 states:

26 Joint administration is distinguished from consolidation and may
27 include combining the estates by using a single Docket for the
28 Matters occurring in the administration, including the listing of
filed claims, the combining of Notices to Creditors of different
estates, and the joint handling of other purely administrative matters

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1 that may aid in expediting the cases and rendering the process less
2 costly.

3 In this regard, joint administration for procedural and administrative matters differs
4 significantly from substantive consolidation, in which the Debtors' assets and liabilities are
5 pooled and the Creditors of the separate entities jointed share pro rata in the aggregate net value
6 of the estates. *See In re Standard Brands Paints Co.*, 154 B.R. 563 (Bankr. C.D. Cal. 1993); *In re*
7 *I.R.C., Inc.*, 105 B.R. 237, 241 (Bankr. S.D.N.Y. 1989).

8 Joint administration is merely procedural, and there is no impact on the substantive rights
9 of creditors. *In re N.S. Garrott & Sons*, 63 B.R. 189, 191 (Bankr. E.D. Ark 1986). Each creditor
10 may still file its claim against a particular Debtor's estate by filing its Proof of Claim in the Estate
11 of the particular Debtor against who the Claim is asserted.

12 Joint administration also is authorized by LBR 1015-1(b)(1) which provides that

13 "If 2 or more cases are pending before the same judge, an order of
14 Joint Administration may be entered, *without further notice and an*
15 *opportunity for hearing*, upon the filing of a Motion For Joint
16 Administration pursuant to FRBP 1015 and LBR 9013-1(q),
17 supported by a Declaration establishing that the Joint
18 Administration of the case is warranted, will ease the administrative
19 burden for the Court and the Parties, and will protect creditors of
20 the different estates against potential conflicts of interest."
21 (Emphasis added).

22 The Debtors request entry of an Order without notice and hearing - - as permitted by the
23 LBR - - so that the cases can proceed expeditiously and efficiently from immediately after filing
24 date.

25 Joint administration of these Debtors' estates will maximize and preserve the estate for the
26 benefit of its creditors. Bankruptcy Rule 1001 provides, in pertinent part, "[t]hese rules shall be
27 construed to secure the just, speedy and inexpensive determination of every case and proceeding."
28 The Debtors are requesting that the Court expeditiously enter its Order to secure the just, speedy,
and inexpensive administration of these related cases.

Joint administration of the bankruptcy cases of the Debtors is warranted and appropriate
under Bankruptcy Rule 1015(b). As set forth in the attached Declaration of Richard G. Adcock,
the affairs of the Debtors are sufficiently intertwined to make joint administration of their cases

1 more efficient and economical than separate administration. For example: the Debtors are
2 “affiliates” of each other as that term is defined in the Bankruptcy Code, in as much as the sixteen
3 entities related to VHS are all either direct or indirect subsidiaries of VHS:

- 4 • VHS is the sole member of O’Connor Hospital, St. Francis Medical Center,
5 St. Vincent Medical Center, Seton Medical Center, Verity Business Services,
6 Verity Medical Foundation, Verity Holdings, LLC, and De Paul Ventures, LLC.
- 7 • Each Hospital is the sole member of each Hospital’s Foundation.
- 8 • St. Vincent Hospital is the sole member of De Paul Ventures, LLC.
- 9 • De Paul Ventures, LLC, is the sole member of De Paul Ventures - San Jose
10 Dialysis, LLC.

11 The Debtors share common creditors, many of which are identified in the consolidated list
12 of the 50 largest unsecured creditors for all of the Debtors’ cases filed in each case.

13 The Debtors maintain an unaudited consolidated balance sheet.

14 Many of the Debtors’ largest Trade Vendors provide goods and/or services to all of the
15 Hospitals.

16 The Debtors are systemizing their operations, so that functions once performed by each
17 Debtor are being transitioned and performed by VHS and being standardized, such as pharmacy
18 operations, credentialing, IT and case management.

19 As part of the capital structure, multiple Debtors are obligated on multiple obligations.

20 Employees across all five Hospitals are represented by multiple Unions.

21 Multiple pension and profit sharing plans are maintained in support of the employees of
22 multiple Debtors.

23 As set forth in the Adcock Declaration, the Debtors believe that joint administration of the
24 chapter 11 cases will provide significant administrative efficiencies without harming the
25 substantive rights of any party in interest. Many of the motions, hearings and orders that will be
26 filed in the chapter 11 cases almost certainly will affect each of the Debtors. The entry of an
27 order directing joint administration of the chapter 11 cases will reduce fees and costs by avoiding
28 duplicative filings, objections, notices, and hearings, and will allow all parties in interest to

1 monitor the chapter 11 cases with greater ease and efficiency. The relief requested in the Joint
2 Administration Motion is in the best interests of the Debtors' estates, their creditors, and all other
3 parties in interest and will enable the Debtors to continue to operate their businesses in chapter 11
4 with the least disruption. Adcock Decl. ¶ 3

5 The rights of the creditors of the respective Debtors' Estates will not be adversely affected
6 by the proposed joint administration of these cases, as the relief sought is purely procedural and is
7 not intended to affect substantive rights. The Debtors believe that there would be no material
8 prejudice to any creditor if the Debtors' cases are jointly administered. To the contrary, the
9 Debtors' creditors will benefit from a substantial reduction of administrative costs and fees and
10 will receive streamlined, appropriate notice of pertinent matters. Moreover, to the extent any
11 conflict between the estates arises, the Court may take such steps as are required in the future, to
12 modify its joint administration order to eliminate any such conflict.

13 The Clerk's Office will be relieved of the burden of having to maintain separate pleading
14 files and separate Dockets with duplicative entries, while other professionals will be relieved of
15 duplicate Noticing and excessive copying costs associated with separate service of identical
16 pleadings in each of the Debtors' cases. Creditors will only need to review a single pleading and
17 Docket to determine case status, rather than having to review pleadings and Dockets in all
18 pending cases. Supervision of the administrative aspects of the Debtors' Chapter 11 cases by the
19 Office of the United States Trustee also will be simplified.

20 In summation: entry of an Order granting this Motion will eliminate the further need for
21 the Debtors to file identical motions and orders in each of their cases when seeking relief that is
22 common to the Debtors or to more than one Debtor; joint administration will prevent the waste of
23 judicial resources related to, for example, the docketing of identical motions, declarations and
24 orders; and joint administration will permit the avoidance of substantial (and duplicative) copy
25 costs and service costs to these estates associated with the filing and serving of motions and other
26 pleadings in multiple cases. Based on the foregoing, the Debtors respectfully submit that joint
27 administration is in the best interests of creditors and these estates and that cause exists to grant
28 the Motion.

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1 In the event the Court orders joint administration of these cases, the Debtors respectfully
2 suggest that the **VHS case be used as the lead case** and that the following caption be approved:
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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re

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

Debtor and Debtor In Possession.

Lead Case No. 2:18-bk-20151

(Proposed To Be) Jointly Administered With:

- Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____; Case No. 18-_____;

Chapter 11 Cases

Judge: Hon. Ernest M. Robles

Affects All Debtors

- Affects Verity Health System of California, Inc.
 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 Medical 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.

To assist Creditors, the Debtors propose that the Clerk of the Court place the following notation in the Docket for each of the Debtors' cases:

An Order has been entered in this case directing the procedural consolidation and joint administration of the Chapter 11 cases of:

Verity Health System of California, Inc., O'Connor Hospital, St. Louise Regional Hospital, St. Francis Medical Center, St. Vincent Medical Center, Seton Medical Center, O'Connor Hospital Foundation, St. Louise Regional Hospital Foundation, St. Francis Medical Center of Lynwood Foundation, St. Vincent Foundation, Seton Medical Center Foundation, St. Vincent Dialysis Center, Inc., Verity Medical Foundation, Verity Business Services,

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1 Verity Holdings, LLC, De Paul Ventures, LLC and De Paul
2 Ventures – San Jose Dialysis, LLC.

3 Consult the Docket in Case No. 2:18-bk-20151 for all matters
4 affecting these cases.

5 The Debtors also will serve a copy of the Notice attached hereto as Exhibit “B,” upon all
6 parties in interest, notifying Creditors that the cases are being jointed administered.

7 **V.**

8 **CONCLUSION**

9 Consistent with one of the primary goals of a Chapter 11 estate to maximize the value of a
10 debtor’s estate for the benefit of its creditors, joint administration will limit unnecessary expenses
11 and costly duplicate proceedings before the Court. Joint administration of the Debtors’ estates is
12 proper and appropriate in their cases, as it will facilitate the expeditious and economical
13 administration of their estates without prejudice to creditors.

14 Accordingly, based on the foregoing, the Debtors respectfully request that the Emergency
15 Motion be granted and an Order be issued that:

- 16 (1) Authorizes the joint administration of the Debtor’s bankruptcy estates;
17 (2) Approves the form of caption suggested herein; and
18 (3) Grants such other and further relief as this Court deems just and proper under the
19 circumstances.

20 Dated: August 31, 2018

DENTONS US LLP
SAMUEL R. MAIZEL
JOHN A. MOE, II
TANIA M. MOYRON

21
22
23 By: /s/John A. Moe, II
24 JOHN A. MOE, II
25 (Proposed) Attorneys for the Chapter 11
26 Debtors
27
28

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DECLARATION OF RICHARD G. ADCOCK

I, Richard G. Adcock, hereby state and declare as follows:

1. I am the Chief Executive Officer of Verity Health System of California, Inc. (“VHS” or “Verity”). I became the Debtors’ Chief Executive Officer effective January 2018. Prior thereto, I served as VHS’s Chief Operating Officer since August 2017.

2. I make this declaration in support of the Motion of Debtors for Entry of an Order Directing the Joint Administration of their Related Chapter 11 Cases (the “Joint Administration Motion”), in which the Debtors request entry of an Order directing the joint administration of these chapter 11 cases for procedural purposes pursuant to Bankruptcy Rule 1015(b) and that the Court maintain one file and one docket for all of the chapter 11 cases under the lead case, Verity Health System of California, Inc.

3. Joint administration of the chapter 11 cases will provide significant administrative efficiencies without harming the substantive rights of any party in interest. Many of the motions, hearings and orders that will be filed in the chapter 11 cases almost certainly will affect each of the Debtors. The entry of an order directing joint administration of the chapter 11 cases will reduce fees and costs by avoiding duplicative filings, objections, notices, and hearings, and will allow all parties in interest to monitor the chapter 11 cases with greater ease and efficiency. The relief requested in the Joint Administration Motion is in the best interests of the Debtors’ estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate their businesses in chapter 11 with the least disruption.

I. MY EXPERIENCE

4. I have extensive senior-level experience in the not-for-profit healthcare arena, especially in the areas of healthcare delivery, hospital acute care services, health plan management, product management, acquisitions, integrations, population health management, budgeting, disease management and medical devices. I have meaningful experience in both the technology and healthcare industries in the areas of product development, business development, mergers and acquisitions, marketing, financing, strategic and tactical planning, human resources, and engineering.

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1 5. Prior to VHS, from 2014 until 2017, I served as Executive Vice President and
2 Chief Innovation Officer of Sanford Health, a large integrated health system headquartered in the
3 Dakotas and is dedicated to health and healing. In this role, I was responsible for leading Sanford
4 Health’s growth and innovation, in addition to direct operational oversight of the following
5 related entities: Sanford Research, Sanford Health Plan, Sanford Foundation (a philanthropic
6 fundraising foundation), Sanford Frontiers (a commercial and real estate company), Profile by
7 Sanford (a scientific weight loss program), and Sanford World Clinic (which operates clinics in
8 multiple countries).

9 6. From 2012 to 2017, I served as the President of Sanford Frontiers and was
10 responsible for starting a new entity within Sanford Health focused on innovative ventures. From
11 2008 to 2012, I served as Executive Vice President of Sanford Clinic. I was responsible both for
12 (i) working directly with the President of the Clinic to the lead team of Vice Presidents in all
13 aspects of management, and (ii) Sanford World Clinics operations, including the design, opening
14 and operation of several global clinics. From 2006 to 2008, I served as the Vice President of
15 Sanford Clinic and was responsible for leading strategic, operational and financial aspects within
16 Sanford Clinic. From 2004 to 2006, I served as Director of Clinical Operations at Sanford
17 Children’s Specialty Clinic and was responsible for leading the Pediatric Subspecialty Physician
18 program and the clinical practice through all facets of the operation.

19 7. Prior to Sanford Health, I served as the Director of Engineering and Six Sigma
20 Master Black Belt at GE Medical Systems, and before that I was the Vice President of Research
21 and Development and the Co-Owner/Founder of Micro Medical Systems. I have a bachelor of
22 science in business administration and a masters of business administration in healthcare
23 management.

24 8. On the date hereof (the “Petition Date”), VHS and certain of its subsidiaries
25 (collectively, the “Debtors” or “Verity”) filed voluntary petitions for relief under Chapter 11 of
26 Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy
27 Court for the Central District of California, Los Angeles Division (the “Bankruptcy Court”). I am
28

1 knowledgeable and familiar with the Debtors’ day-to-day operations, business and financial
2 affairs, and the circumstances leading to the commencement of these chapter 11 cases (the
3 “Chapter 11 Cases”).

4 9. Except as otherwise indicated herein, this Declaration is based upon my personal
5 knowledge, my review of relevant documents, information provided to me by employees of the
6 Debtors and Integrity Healthcare, LLC (“Integrity”) or the Debtors’ legal and financial advisors,
7 or my opinion based upon my experience, knowledge, and information concerning the Debtors’
8 operations and the healthcare industry. If called upon to testify, I would testify competently to the
9 facts set forth in this Declaration.

10 **II. OVERVIEW⁴**

11 10. VHS and its sixteen affiliated Debtors operate an integrated nonprofit health care
12 system in the state of California. More specifically, Debtor VHS, a California nonprofit public
13 benefit corporation, is the sole corporate member of the following five Debtor California
14 nonprofit public benefit corporations that operate six acute care hospitals, O’Connor Hospital,
15 Saint Louise Regional Hospital, St. Francis Medical Center, St. Vincent Medical Center, Seton
16 Medical Center, and Seton Medical Center Coastside (collectively, the “Hospitals”) and other
17 facilities in the state of California. Seton Medical Center and Seton Medical Center Coastside
18 operate under one consolidated acute care license. Adcock Decl. 9

19 11. All of the Debtors’ Hospitals are licensed as general acute care hospitals by the
20 California Department of Public Health certified to participate in Medicare and Medicaid
21 programs,, and managed by VHS.

22 12. O’Connor Hospital Foundation, Saint Louise Regional Hospital Foundation, St.
23 Francis of Lynwood Medical Center Foundation, St. Vincent Medical Center Foundation, and
24 Seton Medical Center Foundation handle fundraising and grant-making programs for each of their
25 respective Debtor Hospitals.

26
27 _____
28 ⁴ Capitalized terms used but not defined in this overview section shall have the meanings assigned to them below.

1 13. As of August 30, 2018, the Debtor’s facilities had approximately 850 patients and
2 are currently at approximately 50% occupancy. The scope of the services provided by the VHS
3 Healthcare System is exemplified by the fact that in 2017, VHS Hospitals provided medical
4 services to approximately 50,000 inpatients and approximately 480,000 outpatients.

5 14. VHS, the Hospitals, and their affiliated entities (collectively, “Verity Health
6 System”) operate as a nonprofit health care system in the state of California, with approximately
7 1,680 inpatient beds, six active emergency rooms, a trauma center, and a host of medical
8 specialties, including tertiary and quaternary care.

9 15. The VHS affiliated entities, including the Debtors, are as follows:

- 10 • O’Connor Hospital
- 11 • Saint Louise Regional Hospital
- 12 • St. Francis Medical Center
- 13 • St. Vincent Medical Center
- 14 • Seton Medical Center
- 15 • Seton Medical Center Coastside
- 16 • Verity Business Services
- 17 • Marillac Insurance Company, Ltd.
- 18 • O’Connor Hospital Foundation
- 19 • Saint Louise Regional Hospital Foundation
- 20 • St. Francis Medical Center Foundation
- 21 • St. Vincent Medical Center Foundation
- 22 • Seton Medical Center Foundation
- 23 • St. Vincent de Paul Ethics Corporation
- 24 • St. Vincent Dialysis Center
- 25 • De Paul Ventures, LLC
- 26 • De Paul Ventures San Jose Dialysis, LLC
- 27 • De Paul Ventures San Jose ASC, LLC
- 28 • Verity Medical Foundation
- Verity Holdings, LLC

21 16. Verity Medical Foundation (“VMF”) was incorporated in 2011, is a medical
22 foundation, exempt from licensure under California Health & Safety Code § 1206(l). VMF
23 contracts with physicians and other healthcare professionals to provide high quality,
24 compassionate, patient-centered care to individuals and families throughout California. With
25 more than 100 primary care and specialty physicians, VMF offers medical, surgical and related
26 healthcare services for people of all ages at community-based, multi-specialty clinics
27 conveniently located in areas served by the Debtor Hospitals. VMF holds long-term professional
28 services agreements with the following medical groups: (a) Verity Medical Group; (b) All Care

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1 Medical Group, Inc.; (c) CFL Children’s Medical Associates, Inc.; (d) Hunt Spine Institute, Inc.;
2 (e) San Jose Medical Clinic, Inc., D/B/A San Jose Medical Group; and (f) Sports, Orthopedic And
3 Rehabilitation Associates.

4 17. Verity Holdings LLC (“Holdings”), a direct subsidiary of its sole member VHS,
5 was created in 2016 to hold and finance VHS’s interests in various parcels of real estate,
6 including four medical office buildings whose tenants are primarily physician and other
7 practicing medical groups and certain of the Verity Hospitals. Holdings’ real estate portfolio
8 includes over 15 properties.

9 18. VHS operates Verity Business Services (“VBS”), a nonprofit public benefit
10 corporation. VBS provides support services to Verity and its affiliated hospitals including
11 accounting, finance, patient financial services, supply chain management, and purchasing services
12 for the entire health system.

13 **III. FINANCIAL OVERVIEW**

14 19. Each of the Debtors are exempt from federal income taxation as an organization
15 described in Section 501(c)(3) of the Internal Revenue Code of 1986, except for Verity Business
16 Services, Holdings, De Paul Ventures, LLC, and De Paul Ventures - San Jose Dialysis, LLC.

17 20. As of May 31, 2018, the Debtors’ consolidated unaudited financial statement
18 reflected total assets of approximately \$847 million and total liabilities of approximately \$1,278
19 billion.

20 21. The Debtors have approximately \$500 million in total unsecured debt, including
21 disputed, unliquidated or contingent claims, which are comprised of claims made by vendors of
22 goods and services, cost report payables, management fees, and incurred but not reported third
23 party claims.

24 22. Many of the Debtors’ largest Trade Vendors provide goods and services to most if
25 not all of the Hospitals.

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IV. CORPORATE STRUCTURE

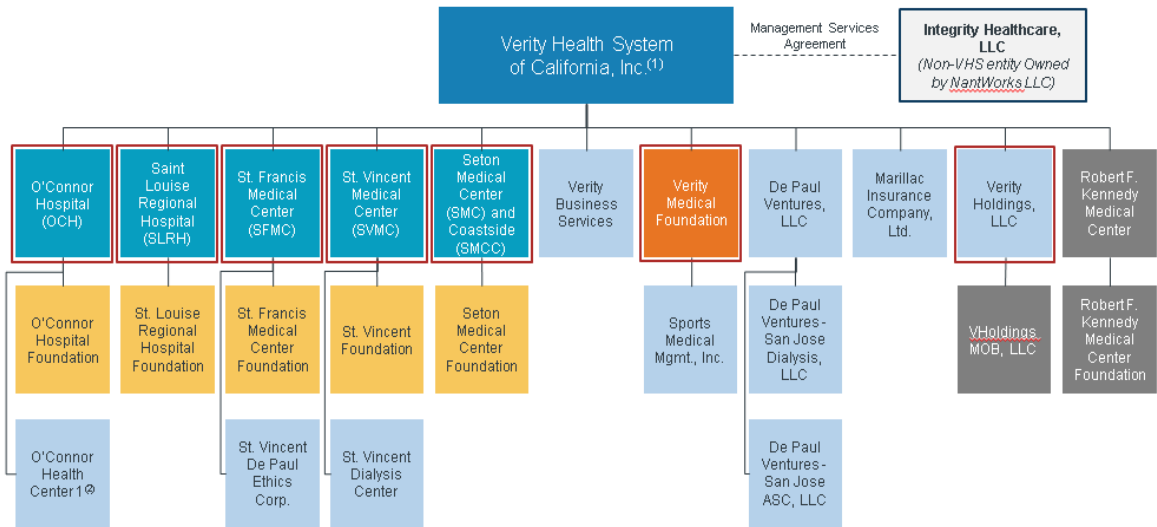
23. As set forth above, VHS is a California nonprofit public benefit corporation and the sole member of O’Connor Hospital, St. Francis Medical Center, St. Vincent Medical Center, Seton Medical Center, VBS, VMF, Holdings, and De Paul Ventures, LLC.

24. Each Debtor Hospital is the sole member of each Hospital’s nonprofit public benefit corporation that handles each Hospital’s fundraising and grant-making programs: St. Francis Medical Center Foundation, St. Vincent Foundation, Seton Medical Center Foundation, Saint Louise Regional Hospital Foundation and O’Connor Hospital Foundation (collectively, the “Philanthropic Foundations”).

25. St. Vincent Medical Center is the sole Member of St. Vincent Dialysis Center, Inc.

26. De Paul Ventures, LLC, is the sole Member of De Paul Ventures-San Jose ASC, LLC, and of De Paul Ventures-San Jose Dialysis, LLC.

27. The following graphic depicts Verity’s prepetition organizational structure:



28. Each Debtor entity has its own management and governance structure. Under the leadership of the Daughters of Charity, each Hospital operated independently except that all employees were under the same pension plans. After the transition of operations and leadership to VHS, there has been a systemizing of operations, so that functions that were being performed at each of the Debtors are being transitioned and performed by VHS and being standardized, such as pharmacy operations, credentialing, IT, case management, etc.

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1 29. VMF offers medical, surgical and related healthcare services for people of all ages
2 at community-based, multi-specialty clinics conveniently located in areas served by Verity
3 hospitals.

4 **V. CAPITAL STRUCTURE.**

5 30. As for capital structure, the Debtors' most significant obligations are that VHS,
6 VBS and VHS's five acute care hospital subsidiaries, and one operating division (the
7 "Hospitals"), are jointly obligated parties on approximately \$461.4 million of outstanding secured
8 debt consisting of: (a) \$259.4 million outstanding tax exempt revenue bonds, Series 2005 A, G
9 and H issued by the California Statewide Communities Development Authority (the "2005
10 Bonds"), which loaned the bond proceeds to VHS to provide funds for capital improvements and
11 to refinance certain tax exempt bonds previously issued in 2001 by the Daughters of Charity
12 Health System, a religious not-for-profit enterprise and VHS's reorganization predecessor; and
13 (b) \$202.0 million outstanding tax exempt revenue notes, Series 2015 A, B, C, and D and Series
14 2017 issued by the California Public Finance Authority, which loaned the proceeds to VHS to
15 provide working capital (the "Working Capital Notes").

16 31. As described above, Holdings was created in 2016 to hold and finance Verity's
17 interests in four medical office buildings whose tenants are primarily physicians, health care
18 providers, medical groups and certain of the Verity Hospitals. Holdings is the borrower on
19 approximately \$66.2 million in two series of non-recourse financing secured by separate deeds
20 of trust, revenue and accounts pledges, including lease rents on multiple medical office buildings
21 (collectively, "MOB Financing").

22 **VI. VERITY'S EMPLOYEES.**

23 32. As of August 31, 2018, the Debtors have approximately 7,385 employees, of
24 whom 4,733 are full-time employees. Approximately 74% of these employees are represented by
25 collective bargaining units. Specifically, 72% of the Debtors' Employees – approximately 5,331
26 Employees in total – are represented through California Nurses Associations ("CNA"), Service
27 Employees International Union ("SEIU"), National Union Healthcare Workers (NUHW) and
28 United Nurses Association of California/Union of Health Care Professionals (UNAC).

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1 **VII. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS.**

2 33. VHS maintains two single employer defined benefit pension plans and participates
3 in two multi-employer defined benefit pension plans.

4 34. The significant multiemployer defined benefit pension plan is the Retirement Plan
5 for Hospital Employees (“RPHE”). The VHS entities that participate in the RPHE are Seton
6 Medical Center, Seton Medical Center Coastside, O’Connor Hospital, Saint Louise Regional
7 Hospital, and Caritas Business Services. The RPHE is frozen as to these facilities, other than
8 with respect to CNA members at O’Connor Hospital, Saint Louise Regional Hospital and Seton
9 Medical Center. Benefits under the RPHE are generally based on years of service and employee
10 compensation.

11 35. In addition to the RPHE, Verity assumed in the Daughters of Charity restructuring
12 certain obligations under a multiemployer plan commonly referred to as Stationary Engineers
13 Local 39 Pension Plan (the “Local 39 Plan”). As of July 31, 2018, there were no unpaid
14 contributions due on the Local 39 Plan.

15 36. VHS maintains two single-employer defined benefit pension plans (the “Verity A
16 & B Plans”). VHS personnel at St. Francis Medical Center, St. Vincent Medical Center,
17 O’Connor Hospital, Saint Louise Regional Hospital, and the VHS system office are eligible to
18 participate in these plans. However, only CNA members continue to earn new benefits under the
19 Verity Plan A; the Verity Plan B is completely frozen with no ongoing benefit accruals.

20 37. VHS and VMF also maintain several active defined contribution retirement plans
21 for eligible employees; eligibility for and benefits under the defined contribution retirement plans
22 vary according to facility, union status, and employee classification/hire date. These defined
23 contribution plans include the Verity Health System Supplemental Retirement Plan (TSA), the
24 Verity Health System Supplemental Retirement Plan (401(a)), the Verity Health System
25 Retirement Account (RPA), the Verity Medical Foundation 401(k) Plan, the Verity Medical
26 Foundation Management Bargaining Unit Employees 401(k) Plan for represented employees and
27 the Verity Health System Executive Long-Term Savings Plan (457(b)) Plan for nonrepresented
28 employees.

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1 38. VHS also maintains an early retiree health insurance program (the Postretirement
2 Healthcare Plan), which provides medical benefits to eligible retirees from early retirement to age
3 65 only. The postretirement health care benefits are determined based on age and years of
4 service. Certain employees at O'Connor Hospital, St. Louise Regional Hospital, Seton Medical
5 Center, and Seton Medical Center Coastsides are eligible to participate in this plan.

6 I declare under penalty of perjury under the laws of the United States that, to the best of
7 my knowledge and after reasonable inquiry, the foregoing is true and correct.

8 Executed this 30th day of August, 2018.

9
10 
11 RICHARD G. ADCOCK

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EXHIBIT A

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address SAMUEL R. MAIZEL (Bar No. 189301) samuel.maizel@dentons.com JOHN A. MOE, II (Bar No. 066893) john.moe@dentons.com TANIA M. MOYRON (Bar No. 235736) tania.moyron@dentons.com DENTONS US LLP 601 South Figueroa Street, Suite 2500 Los Angeles, California 90017-5704 Tel: (213) 623-9300 / Fax: (213) 623-9924 <input type="checkbox"/> <i>Individual appearing without attorney</i> <input type="checkbox"/> <i>Proposed Attorneys for: Chapter 11 Debtors and Debtors in Possession</i>	FOR COURT USE ONLY
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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - Los Angeles Division**

In re VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al., <p style="text-align: center;">Debtor and Debtor in Possession.</p> <input checked="" type="checkbox"/> Affects All Debtors <input type="checkbox"/> Affects Verity Health System of California, Inc. <input type="checkbox"/> Affects O'Connor Hospital <input type="checkbox"/> Affects Saint Louise Regional Hospital <input type="checkbox"/> Affects St. Francis Medical Center <input type="checkbox"/> Affects St. Vincent Medical Center <input type="checkbox"/> Affects Seton Medical Center <input checked="" type="checkbox"/> See attached for additional Debtors	LEAD Case No.: 2:18-bk-20151 CHAPTER: 11 JOINTLY ADMINISTERED WITH: Case No.: Case No.: Case No.: Case No.: Case No.: <input checked="" type="checkbox"/> See attached for additional Case Numbers
Debtor(s)	<p>NOTICE OF JOINT ADMINISTRATION OF CASES AND REQUIREMENTS FOR FILING DOCUMENTS [LBR 1015-1]</p>
[No Hearing Required]	

TO: THE U.S. TRUSTEE AND ALL PARTIES IN THESE JOINTLY ADMINISTERED CASES: An order was entered on (date) _____ granting a motion to approve joint administration of cases pursuant to FRBP 1015 and LBR 1015-1, under the lead case indicated in the caption of this notice.

1. **Required Caption on Documents** – All documents filed must contain a caption in substantially the same format and content as the caption of this notice.
2. **Debtors Affected by a Filed Document** – All documents filed must indicate, by checking appropriate boxes, the debtor or debtors affected by the filed document.

This form is mandatory. It has been approved for use in the United States Bankruptcy Court, Central District of California.

3. **Filing Documents on Main Case Docket** – Unless indicated below in paragraph 4, all documents must be filed on the docket of the lead case indicated on the caption of this notice.
4. **Filing Proof of Claims on Docket of Individual Case** – Notwithstanding joint administration of these cases, creditors must file their respective proofs of claim as to the specific affected and applicable debtor using the case number and claim register for the specific affected and applicable debtor.
5. **Parties to File a Request to be Added to Courtesy NEF** – To facilitate notice and service of documents via Notice of Electronic Filing, all parties who previously electronically filed documents only in cases other than the lead case must promptly file in the lead case a Request to be Added to Courtesy Notice of Electronic Filings, using the court-approved form.
6. **Other:** – A copy of the Caption to be used in all cases is attached as Exhibit “A.”

Date: _____ By: _____
Signature

- | | |
|---|-----------------|
| <input type="checkbox"/> Affects O'Connor Hospital Foundation | Case No.: _____ |
| <input type="checkbox"/> Affects Saint Louise Regional Hospital Foundation | Case No.: _____ |
| <input type="checkbox"/> Affects St. Francis Medical Center of Lynwood Foundation | Case No.: _____ |
| <input type="checkbox"/> Affects St. Vincent Foundation | Case No.: _____ |
| <input type="checkbox"/> Affects St. Vincent Dialysis Center, Inc. | Case No.: _____ |
| <input type="checkbox"/> Affects Seton Medical Center Foundation | Case No.: _____ |
| <input type="checkbox"/> Affects Verity Business Services | Case No.: _____ |
| <input type="checkbox"/> Affects Verity Medical Foundation | Case No.: _____ |
| <input type="checkbox"/> Affects Verity Holdings, LLC | Case No.: _____ |
| <input type="checkbox"/> Affects De Paul Ventures, LLC | Case No.: _____ |
| <input type="checkbox"/> Affects De Paul Ventures - San Jose Dialysis, LLC | Case No.: _____ |

Debtors and Debtors In Possession

EXHIBIT "A"

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

In re

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

Debtor and Debtor In
Possession.

Affects All Debtors

- Affects Verity Health System of California, Inc.
- 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
Medical 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

(Proposed To Be) Jointly Administered With:

Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;
Case No. 18-_____; Case No. 18-_____;

Chapter 11 Cases