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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 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

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

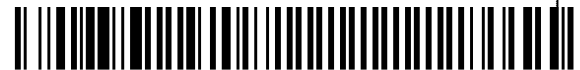
Chapter 11 Cases

Hon. Ernest M. Robles

**REPLY TO UMB BANK, N.A.'s LIMITED
OBJECTION TO DEBTORS EMERGENCY
MOTION FOR ENTRY OF AN ORDER
AUTHORIZING DEBTORS TO HONOR
PREPETITION OBLIGATIONS TO CRITICAL
VENDORS [RELATED PLEADINGS NO. 29, 123,
289]**

24 Debtors and Debtors In Possession.

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”), by and through their undersigned counsel, file this reply to the objection (the
4 “Objection”) [Docket No. 289] filed by UMB Bank, N.A, as master indenture trustee and Wells
5 Fargo Bank, National Association, as indenture trustee (together, “UMB”) to the *Debtors’*
6 *Emergency Motion for Entry of an Order Authorizing Debtors to Honor Prepetition Obligations*
7 *to Critical Vendors* (the “Critical Vendor Motion”) [Docket. No. 29], and respectfully state as
8 follows:

9 **I. DISCUSSION**

10 In its Objection, UMB requested, among other things, that UMB be provided with notice
11 of proposed payments to critical vendors and that any dispute that UMB had to a proposed
12 payment be resolved by the Court. Given the delay that this would cause and the potential impact
13 on patient care, the Debtors were not willing to grant UMB this relief. However, after the filing
14 of the Objection, UMB advised the Debtors that it would agree to the same procedures proposed
15 by the Official Committee of Unsecured Creditors. The Debtors agree to the foregoing, and will
16 ensure that the following language be added to any order approving the Critical Vendor Motion:

- 17 a. List of Critical Vendors: the Debtors shall make their list of potential Critical
18 Vendors available to UMB immediately.
- 19 b. Weekly Reporting: the Debtors shall provide UMB with weekly reporting as to
20 Critical Vendor payments; and
- 21 c. Notice of Large Payments: the Debtors shall provide UMB with three (3)
22 business days’ notice regarding any proposed payments in excess of \$250,000 in
23 the aggregate to vendors not on the initial Critical Vendor list.

24 (the “Accountability Requirements”).

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II. CONCLUSION

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

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