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<b>UNITED STATES DEPARTMENT OF                  JUSTICE OFFICE OF THE UNITED STATES                  TRUSTEE CENTRAL DISTRICT OF                  CALIFORNIA</b>	<b>ATTACH TO THE FRONT OF THE                  MONTHLY OPERATING REPORT AND                  SUBMIT TO UNITED STATES TRUSTEE</b>
In re:  VERITY HEALTH SYSTEM OF CALIFORNIA, INC, <i>et al.</i> ,   Debtors.	Case Number: 18-20151-ER (See Below)  <b>MONTHLY OPERATING REPORT                  DISBURSEMENT SUMMARY</b>  <b>MOR NO. 2                  FOR MONTH                  ENDING: October 2018</b>

1. Total number of Debtor in Possession Bank Accounts for all Debtors.	65
2. TOTAL THIRD PARTY DISBURSEMENTS THIS PERIOD FROM ALL DEBTOR IN POSSESSION ACCOUNTS FOR ALL ENTITIES WITH BANK ACCOUNTS	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;">                     \$126,601,022.75                 </div>

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



**Verity Bank Account Summary**  
 For month ending 10/31/2018  
 \$ in 000's

Debtor Name <sup>1</sup>	Debtor Case #	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows <sup>2</sup>	DIP Outflows <sup>2</sup>	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
Verity Health System of California, Inc.	18-20151	\$ 24,043	\$ 206	\$ (36,445)	\$ -	\$ -	\$ -	\$ -	\$ 33,005	\$ (8,005)	\$ 12,804	357
O'Connor Hospital	18-20168	10,918	21,326	(18,327)	42,273	(42,273)	-	-	13,121	(15,121)	11,917	1,855
St. Louise Regional Hospital	18-20162	3,458	6,917	(5,936)	13,552	(13,552)	-	-	4,450	(4,450)	4,439	1,174
St. Francis Medical Center	18-20165	24,232	49,639	(22,171)	118,970	(118,970)	-	-	14,178	(40,178)	25,700	1,995
St. Vincent Medical Center	18-20164	9,296	17,004	(16,091)	33,504	(33,504)	-	-	9,558	(9,558)	10,208	1,405
Seton Medical Center	18-20167	8,188	17,362	(13,900)	36,401	(36,401)	-	-	9,157	(9,157)	11,650	1,884
O'Connor Hospital Foundation	18-20179	1,716	5	-	-	-	-	-	-	-	1,722	8
St. Louise Regional Hospital Foundation	18-20172	725	2	(0)	-	-	-	-	-	-	727	5
St. Francis Medical Center of Lynwood Foundation	18-20178	975	287	-	-	-	-	-	-	-	1,262	6
St. Vincent Medical Center Foundation	18-20180	1,732	2	-	-	-	-	-	1,734	-	1,734	6
St. Vincent Dialysis Center, Inc.	18-20171	724	454	-	-	-	-	-	-	-	1,178	17
Seton Medical Center Foundation	18-20175	6,228	12	(26)	-	-	-	-	117	(117)	6,213	24
Verity Business Services	18-20173	1,151	-	(2,766)	-	-	-	-	4,628	(1,628)	1,385	97
Verity Medical Foundation	18-20169	8,023	7,703	(10,246)	-	-	-	-	2,000	-	7,480	3,011
Verity Holdings, LLC	18-20163	9,763	539	(693)	-	-	-	-	300	(2,300)	7,608	84
<b>Subtotal</b>		<b>\$ 111,171</b>	<b>\$ 121,456</b>	<b>\$ (126,601)</b>	<b>\$ 244,700</b>	<b>\$ (244,700)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,514</b>	<b>\$ (90,514)</b>	<b>\$ 106,026</b>	<b>11,925</b>

**Notes**

1) In our monthly submissions De Paul Ventures, LLC and De Paul Ventures - San Jose Dialysis, LLC are not included above because they do not have bank accounts.  
 2) In addition to the above DIP inflows and outflows activity illustrated, Verity also submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. To the extent funds are sent to and received from Ally Bank in the same month in the case of a zero DIP balance, the transfers will net out to zero.

**Verity Bank Account Summary**  
 For month ending 10/31/2018  
 \$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows <sup>2</sup>	DIP Outflows <sup>2</sup>	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
VHS - AP	XXXXXX6440	\$ 23,796	179	\$(32,017)	\$ -	\$ -	\$ -	\$ -	28,000	\$(8,005)	\$ 11,953	329
VHS - Self Insurance	XXXXXX9250	16	27	(4,428)	-	-	-	-	5,005	-	43	1
VHS - Payroll	XXXXXX1785	231	-	-	-	-	-	-	-	-	808	27
VHS - DIP Concentration Account	XXXXXX2889	-	-	-	-	-	-	-	-	-	-	-
VHS - DIP Loan Proceeds	XXXXXX4358	-	-	-	-	-	-	-	-	-	-	-
OCH - Lockbox	XXXXXX2945	189	21,325	-	-	(21,438)	-	-	-	-	76	890
OCH - Gross Revenue	XXXXXX3900	836	-	-	21,438	(20,835)	-	-	2	-	1,441	45
OCH - AP	XXXXXX6389	9,499	-	\$(5,394)	20,835	(20,835)	-	-	-	(15,119)	9,822	686
OCH - Payroll	XXXXXX3007	267	-	\$(12,933)	-	-	-	-	13,119	-	453	232
OCH - FSA	XXXXXX2284	125	-	-	-	-	-	-	-	-	125	-
OCH - Patient Trust	XXXXXX2662	1	1	-	-	-	-	-	-	(2)	0	2
SLRH - Lockbox	XXXXXX2926	31	6,917	-	-	(6,882)	-	-	-	-	65	728
SLRH - Gross Revenue	XXXXXX3905	209	-	-	6,882	(6,669)	-	-	-	-	422	44
SLRH - AP	XXXXXX6421	3,030	-	\$(1,537)	6,669	-	-	-	-	(4,450)	3,712	304
SLRH - Payroll	XXXXXX7575	156	-	\$(4,398)	-	-	-	-	4,450	-	207	48
SLRH - FSA	XXXXXX2307	33	-	-	-	-	-	-	-	-	33	3
SFMC - Lockbox	XXXXXX2940	10,784	49,596	-	-	(59,894)	-	-	-	-	486	48
SFMC - Gross Revenue	XXXXXX3924	637	-	-	59,894	(59,076)	-	-	-	-	1,455	688
SFMC - AP	XXXXXX6407	11,242	4	\$(8,050)	59,076	-	-	-	-	(40,178)	22,094	3
SFMC - Payroll	XXXXXX3012	650	-	\$(12,738)	-	-	-	-	12,674	-	587	19
SFMC - FSA	XXXXXX2487	198	-	-	-	-	-	-	-	-	198	5
SFMC - Cafeteria Deposits	XXXXXX1057	347	38	-	-	-	-	-	-	-	385	2
SFMC - Capitation (AppleCare)	XXXXXX1371	100	-	\$(1,148)	-	-	-	-	1,127	-	79	1
SFMC - Capitation (Conifer)	XXXXXX1357	156	-	\$(216)	-	-	-	-	359	-	300	202
SFMC - Capitation AC	XXXXXX1845	8	-	(0)	-	-	-	-	0	-	8	5
SFMC - Capitation HCLA	XXXXXX1840	69	-	\$(18)	-	-	-	-	18	-	69	3
SFMC - Career College	XXXXXX2162	39	1	(0)	-	-	-	-	-	-	39	1
SFMC - Lockbox	XXXXXX2964	210	17,003	-	-	(16,998)	-	-	-	-	215	6
SFMC - Gross Revenue	XXXXXX3929	667	-	-	16,998	(16,507)	-	-	-	-	1,158	5
SFMC - AP	XXXXXX6426	6,329	-	\$(6,676)	16,507	-	-	-	-	(9,558)	6,602	5
SFMC - Payroll	XXXXXX3017	126	-	\$(9,333)	-	-	-	-	9,428	-	221	1
SFMC - FSA	XXXXXX2062	52	-	-	-	-	-	-	-	-	52	4
SFMC - Capitation (CHP)	XXXXXX0553	333	-	(1)	-	-	-	-	-	-	332	4
SFMC - Capitation (Conifer)	XXXXXX3695	348	-	\$(82)	-	-	-	-	130	-	396	48
SFMC - Restricted Cash <sup>3</sup>	XXXXXX0989	1,231	1	-	-	-	-	-	-	-	1,232	1
SMC - Lockbox	XXXXXX2902	112	17,154	-	-	(16,987)	-	-	-	-	279	728
SMC - Gross Revenue	XXXXXX3887	3,049	-	-	16,987	(18,887)	-	-	-	-	1,148	44
SMC - AP	XXXXXX6365	2,185	-	\$(4,505)	18,887	-	-	-	-	(9,157)	7,410	626
SMC - Payroll	XXXXXX3001	1,333	-	\$(9,253)	-	-	-	-	9,157	-	1,238	242
SMC - FSA	XXXXXX2289	117	-	-	-	-	-	-	-	-	117	1
SMCC - Lockbox	XXXXXX02907	49	205	-	-	(252)	-	-	-	-	2	97
SMCC - Gross Revenue	XXXXXX3882	65	-	-	252	(276)	-	-	-	-	40	44
SMCC - AP	XXXXXX6384	1,237	-	\$(139)	276	-	-	-	-	-	1,374	98
SMCC - FSA	XXXXXX2302	19	-	-	-	-	-	-	-	-	19	19
SMCC - Patient Trust	XXXXXX12907	22	3	\$(3)	-	-	-	-	-	-	22	5

**Verity Bank Account Summary**  
 For month ending 10/31/2018  
 \$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows <sup>2</sup>	DIP Outflows <sup>2</sup>	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
OCH Foundation <sup>3</sup>	XXXXXX3433	1,474	5	-	-	-	-	-	-	-	1,480	6
OCH Foundation - Investment <sup>3</sup>	XXXXX2-037	242	0	-	-	-	-	-	-	-	242	2
SLRH Foundation <sup>3</sup>	XXXXXX2521	725	2	(0)	-	-	-	-	-	-	727	5
SFMC of Lynwood Foundation <sup>3</sup>	XXXXXX2809	975	287	-	-	-	-	-	-	-	1,262	6
SVMC Foundation <sup>3</sup>	XXXXXX3025	962	1	-	-	-	-	-	-	-	964	5
SVMC Foundation - EWB <sup>3</sup>	XXXXXX1162	770	0	-	-	-	-	-	-	-	770	1
St. Vincent Dialysis Center	XXXXXX8921	724	454	-	-	-	-	-	-	-	1,178	17
SMC Foundation <sup>3</sup>	XXXXXX2260	5,666	11	(1)	-	-	-	-	117	-	5,793	6
SMC Foundation - SVCS <sup>3</sup>	XXXXXX0089	444	1	(25)	-	-	-	-	-	-	420	17
VBS - AP	XXXXXX6402	1,099	-	(1,127)	-	-	-	-	3,000	(1,628)	1,344	68
VBS - Payroll	XXXXXX2982	26	-	(1,638)	-	-	-	-	1,628	-	16	29
VBS - FSA	XXXXXX3192	26	-	-	-	-	-	-	-	-	26	-
VMF - Checking	XXXXXX9996	8,023	7,696	(10,238)	-	-	-	-	2,000	-	7,480	3,009
VMF - Payroll ZBA	XXXXXX0010	-	7	(7)	-	-	-	-	-	-	-	-
VH - AP	XXXXXX1597	993	-	(304)	-	-	-	-	300	-	989	-
VH - MOB	XXXXXX1248	258	539	-	-	-	-	-	-	(300)	496	-
VH - Operating	XXXXXX1970	8,512	-	(390)	-	-	-	-	0	(2,000)	6,123	-
VH - Savings	XXXXXX1975	0	0	(0)	-	-	-	-	-	(0)	(0)	-
SMCC - Patient Trust - TCB	XXXXXX3611	-	-	-	-	-	-	-	-	-	-	-
SMC Foundation - TCB <sup>3</sup>	XXXXXX8521	117	-	-	-	-	-	-	-	(117)	-	-
<b>Subtotal</b>		<b>\$ 111,171</b>	<b>\$ 121,456</b>	<b>\$ (126,601)</b>	<b>\$ 244,700</b>	<b>\$ (244,700)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,514</b>	<b>\$ (90,514)</b>	<b>\$ 106,026</b>	<b>11,988</b>

**Notes**

- 1) Sweep inflows and outflows reflect sweeps between lockbox, gross revenue and AP accounts of the same debtor.
- 2) In addition to the above DIP inflows and outflows activity illustrated, Verity also submits its cash inflows to the Debtors' DIP Lender, Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. To the extent funds are sent to and received from Ally Bank in the same month in the case of a zero DIP balance, the transfers will net out to zero.
- 3) This bank account contains certain funds that are donor restricted, and therefore, are not available for the Debtor's general operating activities. Please refer to the attached restricted funds schedule for additional restricted funds recorded by the Debtors that are not included in the Verity bank account summary as they are not part of the cash management program.

**Verity Bank Account Cumulative Summary**  
 For the two months ending 10/31/2018 (including 8/31/2018 activity)  
 \$ in 000's

Debtor Name <sup>1</sup>	Debtor Case #	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows <sup>2</sup>	DIP Outflows <sup>2</sup>	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
Verity Health System of California, Inc.	18-20151	\$ 7,529	\$ 385	\$(58,610)	\$ -	\$ -	\$ 40,000	\$ (40,000)	\$ 78,264	\$ (14,764)	\$ 12,804	563
O'Connor Hospital	18-20168	8,981	43,828	(29,812)	88,399	(88,399)	-	-	22,013	(33,094)	11,917	3,019
St. Louise Regional Hospital	18-20162	3,978	13,495	(9,777)	27,228	(27,228)	-	-	7,412	(10,668)	4,439	2,037
St. Francis Medical Center	18-20165	10,077	102,065	(39,789)	203,158	(203,158)	-	-	27,193	(73,847)	25,700	3,188
St. Vincent Medical Center	18-20164	9,936	32,829	(27,529)	64,753	(64,753)	-	-	16,154	(21,180)	10,208	2,426
Seton Medical Center	18-20167	5,884	36,040	(25,368)	70,776	(70,776)	-	-	20,019	(24,925)	11,650	3,186
O'Connor Hospital Foundation	18-20179	1,714	7	-	-	-	-	-	-	-	1,722	13
St. Louise Regional Hospital Foundation	18-20172	720	7	(1)	-	-	-	-	-	-	727	12
St. Francis Medical Center of Lynwood Foundation	18-20178	780	482	-	-	-	-	-	-	-	1,262	13
St. Vincent Medical Center Foundation	18-20180	1,613	121	-	-	-	-	-	-	-	1,734	14
St. Vincent Dialysis Center, Inc.	18-20171	332	853	(7)	-	-	-	-	-	-	1,178	35
Seton Medical Center Foundation	18-20175	6,229	19	(35)	-	-	-	-	117	(117)	6,213	93
Verity Business Services	18-20173	1,003	-	(4,718)	-	-	-	-	8,375	(3,275)	1,385	150
Verity Medical Foundation	18-20169	4,493	14,769	(19,367)	-	-	-	-	7,586	-	7,480	5,281
Verity Holdings, LLC	18-20163	12,778	1,091	(999)	-	-	-	-	3,945	(9,207)	7,608	129
<b>Subtotal</b>		<b>\$ 76,048</b>	<b>\$ 245,991</b>	<b>\$(216,012)</b>	<b>\$ 454,315</b>	<b>\$(454,315)</b>	<b>\$ 40,000</b>	<b>\$(40,000)</b>	<b>\$ 191,078</b>	<b>\$(191,078)</b>	<b>\$ 106,026</b>	<b>20,155</b>

**Notes**

1) In our monthly submissions, De Paul Ventures, LLC and De Paul Ventures - San Jose Dialysis, LLC are not included above because they do not have bank accounts.  
 2) In addition to the above DIP inflows and outflows activity illustrated, Verity also submits its cash inflows to the Debtors' DIP Lender Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. To the extent funds are sent to and received from Ally Bank in the same month in the case of a zero DIP balance, the transfers will net out to zero.

**Verity Bank Account Cumulative Summary**

For the two months ending 10/31/2018 (including 8/31/2018 activity)

\$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows <sup>2</sup>	DIP Outflows <sup>2</sup>	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
VHS - AP	XXXXXX6440	\$ 7,083	\$ 341	\$ (51,109)	\$ -	\$ -	\$ 40,000	\$ (40,000)	\$ 70,200	\$ (14,563)	\$ 11,953	520
VHS - Self Insurance	XXXXXX9250	200	43	-	-	-	-	-	-	(200)	43	3
VHS - Payroll	XXXXXX1785	246	-	(7,501)	-	-	-	-	8,063	-	808	40
VHS - DIP Concentration Account	XXXXXX2889	-	-	-	-	-	-	-	-	-	-	-
VHS - DIP Loan Proceeds	XXXXXX4358	-	-	-	-	-	-	-	-	-	-	-
OCH - Lockbox	XXXXXX2945	188	43,826	-	-	(43,938)	-	-	-	-	76	1,626
OCH - Gross Revenue	XXXXXX3900	1,962	-	-	43,938	(44,461)	-	-	2	-	1,441	81
OCH - AP	XXXXXX6389	6,499	-	(8,047)	44,461	-	-	-	-	(33,092)	9,822	890
OCH - Payroll	XXXXXX3007	207	-	(21,765)	-	-	-	-	22,011	-	453	419
OCH - FSA	XXXXXX2284	125	-	-	-	-	-	-	-	-	125	-
OCH - Patient Trust	XXXXXX2662	-	2	-	-	-	-	-	-	(2)	0	3
SLRH - Lockbox	XXXXXX2926	24	13,493	-	-	(13,452)	-	-	-	-	65	1,300
SLRH - Gross Revenue	XXXXXX3905	746	0	-	13,452	(13,776)	-	-	-	-	422	81
SLRH - AP	XXXXXX6421	3,047	1	(2,444)	13,776	-	-	(10,668)	-	-	3,712	453
SLRH - Payroll	XXXXXX7575	128	-	(7,333)	-	-	-	-	7,412	-	207	226
SLRH - FSA	XXXXXX2307	33	-	-	-	-	-	-	-	-	33	-
SFMC - Lockbox	XXXXXX2940	357	101,984	-	-	(101,855)	-	-	-	-	486	881
SFMC - Gross Revenue	XXXXXX3924	903	-	(12,680)	101,855	(101,303)	-	-	-	-	1,455	968
SFMC - AP	XXXXXX6407	7,314	4	(25,582)	101,303	-	-	(73,847)	-	-	22,094	721
SFMC - Payroll	XXXXXX3012	589	-	-	-	-	-	-	25,580	-	587	721
SFMC - FSA	XXXXXX2487	198	-	-	-	-	-	-	-	-	198	-
SFMC - Cafeteria Deposits	XXXXXX1057	312	73	-	-	-	-	-	-	-	385	81
SFMC - Capitation (AppleCare)	XXXXXX1371	128	-	(1,282)	-	-	-	-	1,233	-	79	221
SFMC - Capitation (Conifer)	XXXXXX1357	156	-	(218)	-	-	-	-	362	-	300	204
SFMC - Capitation AC	XXXXXX1845	10	-	(2)	-	-	-	-	0	-	8	12
SFMC - Capitation HCLA	XXXXXX1840	75	0	(24)	-	-	-	-	18	-	69	39
SFMC - Career College	XXXXXX2162	37	3	(1)	-	-	-	-	-	-	215	39
SFMC - Lockbox	XXXXXX2964	13	32,821	-	-	(32,619)	-	-	-	-	1,158	1,488
SFMC - Gross Revenue	XXXXXX3929	672	2	-	32,619	(32,134)	-	-	-	-	6,602	721
SFMC - AP	XXXXXX6426	6,943	-	(11,294)	32,134	-	-	(21,180)	16,020	-	221	331
SFMC - Payroll	XXXXXX3017	116	-	(15,914)	-	-	-	-	-	-	52	79
SFMC - FSA	XXXXXX2062	52	-	-	-	-	-	-	-	-	332	-
SFMC - Capitation (CHP)	XXXXXX0553	493	-	(161)	-	-	-	-	-	-	396	-
SFMC - Capitation (Conifer)	XXXXXX3695	417	4	(159)	-	-	-	-	134	-	1,232	56
SFMC - Restricted Cash <sup>3</sup>	XXXXXX0989	1,230	2	-	-	-	-	-	-	-	279	3
SMC - Lockbox	XXXXXX2902	14	35,559	-	-	(35,295)	-	-	-	-	1,148	1,361
SMC - Gross Revenue	XXXXXX3887	370	-	-	35,295	(34,517)	-	-	-	-	7,410	80
SMC - AP	XXXXXX6365	2,911	-	(7,116)	34,517	-	-	(24,901)	2,000	-	1,238	865
SMC - Payroll	XXXXXX3001	1,212	-	(17,969)	-	-	-	-	17,995	-	117	451
SMC - FSA	XXXXXX2289	117	1	-	-	-	-	-	-	-	117	1
SMCC - Lockbox	XXXXXX02907	2	475	-	-	(476)	-	-	-	-	2	178
SMCC - Gross Revenue	XXXXXX3882	54	-	-	476	(489)	-	-	-	-	40	80
SMCC - AP	XXXXXX6384	1,160	-	(276)	489	-	-	-	-	-	1,374	154
SMCC - FSA	XXXXXX2302	19	-	-	-	-	-	-	-	-	19	-
SMCC - Patient Trust	XXXXXX12907	-	5	(7)	-	-	-	-	24	-	22	14

**Verity Bank Account Cumulative Summary**  
 For the two months ending 10/31/2018 (including 8/31/2018 activity)  
 \$ in 000's

Bank Account Name	Bank Account Number	Beg Balance	Total Receipts	Operating Disbursements	Sweep Inflows	Sweep Outflows	DIP Inflows <sup>2</sup>	DIP Outflows <sup>2</sup>	I/C Inflows	I/C Outflows	Ending Bank Balance	Total Transaction Count
OCH Foundation <sup>3</sup>	XXXXXXXX3433	1,473	7	-	-	-	-	-	-	-	1,480	9
OCH Foundation - Investment <sup>3</sup>	XXXXX2-037	242	0	-	-	-	-	-	-	-	242	4
SLRH Foundation <sup>3</sup>	XXXXXXXX2521	720	7	(1)	-	-	-	-	-	-	727	12
SFMC of Lynwood Foundation <sup>3</sup>	XXXXXXXX2809	780	482	-	-	-	-	-	-	-	1,262	13
SVMC Foundation <sup>3</sup>	XXXXXXXX3025	844	120	-	-	-	-	-	-	-	964	11
SVMC Foundation - EWB <sup>3</sup>	XXXXXXXX1162	769	1	-	-	-	-	-	-	-	770	3
St. Vincent Dialysis Center	XXXXXXXX8921	332	853	(7)	-	-	-	-	-	-	1,178	35
SMC Foundation <sup>3</sup>	XXXXXXXX2260	5,660	17	(2)	-	-	-	-	117	-	5,793	13
SMC Foundation - SVCS <sup>3</sup>	XXXXXXXX0089	451	2	(33)	-	-	-	-	-	-	420	77
VBS - AP	XXXXXXXX6402	962	-	(1,444)	-	-	-	-	5,100	(3,275)	1,344	99
VBS - Payroll	XXXXXXXX2982	15	-	(3,275)	-	-	-	-	3,275	-	16	51
VBS - FSA	XXXXXXXX3192	26	-	-	-	-	-	-	-	-	26	-
VMF - Checking	XXXXXXXX9996	4,493	14,755	(19,353)	-	-	-	-	7,586	-	7,480	5,277
VMF - Payroll ZBA	XXXXXXXX0010	-	14	(14)	-	-	-	-	-	-	-	-
VH - AP	XXXXXXXX1597	1,106	-	(417)	-	-	-	-	300	-	989	-
VH - MOB	XXXXXXXX1248	1,108	1,090	-	-	-	-	-	-	(1,701)	496	-
VH - Operating	XXXXXXXX1970	8,321	-	(582)	-	-	-	-	3,645	(5,262)	6,123	-
VH - Savings	XXXXXXXX1975	2,243	1	(0)	-	-	-	-	-	(2,244)	(0)	-
SMCC - Patient Trust - TCB	XXXXXXXX3611	24	0	-	-	-	-	-	-	(24)	-	-
SMC Foundation - TCB <sup>3</sup>	XXXXXXXX8521	117	0	-	-	-	-	-	-	(117)	-	-
<b>Subtotal</b>		<b>\$ 76,048</b>	<b>\$ 245,991</b>	<b>\$ (216,012)</b>	<b>\$ 454,315</b>	<b>\$ (454,315)</b>	<b>\$ 40,000</b>	<b>\$ (40,000)</b>	<b>\$ 191,078</b>	<b>\$ (191,078)</b>	<b>\$ 106,026</b>	<b>20,193</b>

**Notes**

- 1) Sweep inflows and outflows reflect sweeps between lockbox, gross revenue and AP accounts of the same debtor.
- 2) In addition to the above DIP inflows and outflows activity illustrated, Verity also submits its cash inflows to the Debtors' DIP Lender, Ally Bank on a daily basis even when there is no DIP balance outstanding. When this occurs, Ally Bank returns the funds to Verity. To the extent funds are sent to and received from Ally Bank in the same month in the case of a zero DIP balance, the transfers will net out to zero.
- 3) This bank account contains certain funds that are donor restricted, and therefore, are not available for the Debtor's general operating activities. Please refer to the attached restricted funds schedule for additional restricted funds recorded by the Debtors that are not included in the Verity bank account summary as they are not part of the cash management program.

Verity Health System of California, Inc.  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

	VHS - AP / Self Insurance 6440 / 9250	VHS - Payroll 1785	VHS - DIP Concentration Account 2889	VHS - DIP Loan Proceeds 4358	Debtor Total
<b>Bank Account No. (last 4 digits)</b>					
<b>Balance Per Bank</b>	\$ 11,996	\$ 808	\$ -	\$ -	12,804
<b>Additive Items:</b>					
Deposits in Transit					-
Other Additive Items					-
<b>Subtractive Items:</b>					
Outstanding Checks	(1,122)	(578)			(1,700)
Other Subtractive Items		(13)			(13)
<b>Reclassifications</b>					
Negative book balance reclassified to AP					-
<b>Petty Cash</b>					
<b>Adjusted Bank Balance</b>	<b>10,874</b>	<b>217</b>	<b>-</b>	<b>-</b>	<b>11,091</b>
GL Balance	\$ 10,874	\$ 217	\$ -	\$ -	11,091
<b>Number of Outstanding Checks</b>	<b>56</b>	<b>4</b>			<b>60</b>



O'Connor Hospital  
Bank Reconciliation Summary  
October 31, 2018  
\$ in 000's

	OCH - AP 6389	OCH - Payroll 3007	OCH - Lockbox/GR 2945 / 3900	OCH - Patient Trust 2662	OCH - FSA 2284	Petty Cash Total	Debtor Total
<b>Bank Account No. (last 4 digits)</b>						N/A	
<b>Balance Per Bank</b>	\$ 9,822	\$ 453	\$ 1,517	\$ -	\$ 125		\$ 11,917
<b>Additive Items:</b>							
Deposits in Transit							
Other Additive Items							
<b>Subtractive Items:</b>							
Outstanding Checks	(642)	(290)	(131)				(932)
Other Subtractive Items							(131)
<b>Reclassifications</b>							
Reconciling item							
<b>Petty Cash</b>						3	3
<b>Adjusted Bank Balance</b>	<b>9,179</b>	<b>163</b>	<b>1,386</b>	<b>-</b>	<b>125</b>	<b>3</b>	<b>10,857</b>
GL Balance	\$ 9,179	\$ 163	\$ 1,386	\$ -	\$ 125	\$ 3	\$ 10,857
<b>Number of Outstanding Checks</b>	<b>152</b>	<b>167</b>					<b>319</b>

Saint Louise Regional Hospital  
Bank Reconciliation Summary  
October 31, 2018  
\$ in 000's

	SLRH - AP 6421	SLRH - Payroll 7575	SLRH - Lockbox/GR 2926 / 3905	SLRH - FSA 2307	Petty Cash Total N/A	Debtor Total
<b>Bank Account No. (last 4 digits)</b>						
<b>Balance Per Bank</b>	\$ 3,712	\$ 207	\$ 487	\$ 33		\$ 4,439
<b>Additive Items:</b>						
Deposits in Transit						
Other Additive Items	6		54			60
<b>Subtractive Items:</b>						
Outstanding Checks	(458)	(84)				(542)
Other Subtractive Items						
<b>Reclassifications</b>						
Negative book balance reclassified to AP						
<b>Petty Cash</b>					3	3
<b>Adjusted Bank Balance</b>	<b>3,259</b>	<b>124</b>	<b>542</b>	<b>33</b>	<b>3</b>	<b>3,960</b>
GL Balance	\$ 3,259	\$ 124	\$ 542	\$ 33	\$ 3	\$ 3,960
<b>Number of Outstanding Checks</b>	<b>95</b>	<b>49</b>				<b>144</b>

St. Francis Medical Center  
Bank Reconciliation Summary  
October 31, 2018  
\$ in 000's

	SFMC - AP 6407	SFMC - Payroll 3012	SFMC - Lockbox/GR 2940 / 3924 / 1057	SFMC - FSA 2487	SFMC - Capitation (Conifer) 1357	SFMC - Capitation (AppleCare) 1371	SFMC - Capitation HCLA / AC 1840 / 1845	SFMC - Career College 2162	Petty Cash Total N/A	Debtor Total
<b>Balance Per Bank</b>	\$ 22,094	\$ 587	\$ 2,326	\$ 198	\$ 300	\$ 79	\$ 77	\$ 39		\$ 25,700
<b>Additive Items:</b>										
Deposits in Transit						155	40			195
Other Additive Items		199					97	5		307
<b>Subtractive Items:</b>										
Outstanding Checks	(1,026)	(372)	(219)		(1,493)	(2,403)	(99)			(5,393)
Other Subtractive Items	(4)				(155)					(378)
<b>Reclassifications</b>										
Negative book balance reclassified to AP					1,348	2,169				3,517
<b>Petty Cash</b>									3	3
<b>Adjusted Bank Balance</b>	<b>21,064</b>	<b>414</b>	<b>2,107</b>	<b>198</b>	<b>(0)</b>	<b>(0)</b>	<b>115</b>	<b>44</b>	<b>3</b>	<b>22,944</b>
GL Balance	21,064	414	2,107	198	-	-	115	44	3	22,944
<b>Number of Outstanding Checks</b>	<b>148</b>	<b>430</b>			<b>630</b>	<b>235</b>	<b>45</b>			<b>1,088</b>

St Vincent Medical Center  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

	SVMC - AP	SVMC - Payroll	SVMC - Lockbox/GR	SVMC - Capitation (Conifer)	SVMC - Capitation (CHP)	SVMC - FSA	SVMC - Restricted Cash	Petty Cash Total	Debtor Total
Bank Account No. (last 4 digits)	6426	3017	2964 / 3929	3695	0553	2062	0989	N/A	
<b>Balance Per Bank</b>	\$ 6,602	\$ 221	\$ 1,373	\$ 396	\$ 332	\$ 52	\$ 1,232		\$ 10,208
<b>Additive Items:</b>			72						
Deposits in Transit									
Other Additive Items									
<b>Subtractive Items:</b>	(723)	(161)		(52)	(186)				(1,123)
Outstanding Checks									
Other Subtractive Items									
<b>Reclassifications</b>									
Negative book balance reclassified to AP									
<b>Petty Cash</b>								4	
<b>Adjusted Bank Balance</b>	\$ 5,879	\$ 59	\$ 1,445	\$ 344	\$ 146	\$ 52	\$ 1,232	\$ 4	\$ 10,208
GL Balance	\$ 5,879	\$ 59	\$ 1,445	\$ 344	\$ 146	\$ 52	\$ 1,232	\$ 4	\$ 10,208
<b>Number of Outstanding Checks</b>	84	101		178	68				411

**Seton Medical Center**  
**Bank Reconciliation Summary**  
**October 31, 2018**  
**\$ in 000's**

	AP Disbursement	Payroll	Lockbox/GR	FSA	Petty Cash Total	Debtor Total
<b>Bank Account No. (last 4 digits)</b>	6365	3001	2902 / 3887	2289	N/A	
<b>Balance Per Bank</b>	\$ 7,410	\$ 1,238	\$ 1,427	\$ 117		\$ 10,192
<b>Additive Items:</b>						
Deposits in Transit		7	205			
Other Additive Items						
<b>Subtractive Items:</b>						
Outstanding Checks	(676)	(136)	(384)			
Other Subtractive Items						
<b>Reclassifications</b>						
Negative book balance reclassified to AP						
<b>Petty Cash</b>					4	
<b>Adjusted Bank Balance</b>	<b>6,735</b>	<b>1,109</b>	<b>1,247</b>	<b>117</b>	<b>4</b>	<b>9,212</b>
GL Balance	\$ 6,735	\$ 1,109	\$ 1,247	\$ 117	\$ 4	\$ 9,212
<b>Number of Outstanding Checks</b>	<b>177</b>	<b>112</b>				<b>389</b>

Seton Medical Center Coastside  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

	AP Disbursement 6834	SMCC - Lockbox/GR 02907 / 3882	Patient Trust 12907	SMCC - Patient Trust - TCB 3611	FSA	Debtor Total
<b>Bank Account No. (last 4 digits)</b>						
<b>Balance Per Bank</b>	\$ 1,374	\$ 42	\$ 22	\$ -	\$ 19	\$ 1,458
<b>Additive Items:</b>						
Deposits in Transit						-
Other Additive Items		1				1
<b>Subtractive Items:</b>						
Outstanding Checks	(24)		(4)			(28)
Other Subtractive Items						-
<b>Reclassifications</b>						
Negative book balance reclassified to AP						-
<b>Petty Cash</b>						
<b>Adjusted Bank Balance</b>	<b>1,350</b>	<b>43</b>	<b>18</b>	<b>-</b>	<b>19</b>	<b>1,430</b>
GL Balance	\$ 1,350	\$ 43	\$ 18	\$ -	\$ 19	\$ 1,430
<b>Number of Outstanding Checks</b>	<b>21</b>		<b>5</b>			<b>26</b>

O'Connor Hospital Foundation  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

Bank Account No. (last 4 digits)	OCH Foundation 3433	OCH Foundation - Investment 2-037	Debtor Total
<b>Balance Per Bank</b>	1,480 \$	242 \$	1,722 \$
<b>Additive Items:</b>			
Deposits in Transit			
Other Additive Items			
<b>Subtractive Items:</b>			
Outstanding Checks			
Other Subtractive Items	(0)		(0)
<b>Reclassifications</b>			
Negative book balance reclassified to AP			
<b>Petty Cash</b>			
<b>Adjusted Bank Balance</b>	1,479	242	1,721
GL Balance	1,480 \$	242 \$	1,722
<b>Number of Outstanding Checks</b>			-

Saint Louise Regional Hospital Foundation  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

Bank Account No. (last 4 digits)	Debtor Total
<b>Balance Per Bank</b>	2521
<b>Additive Items:</b>	
Deposits in Transit	727
Other Additive Items	4
<b>Subtractive Items:</b>	
Outstanding Checks	
Other Subtractive Items	
<b>Reclassifications</b>	
Negative book balance reclassified to AP	
<b>Petty Cash</b>	
<b>Adjusted Bank Balance</b>	731
GL Balance	731
<b>Number of Outstanding Checks</b>	



St. Francis Medical Center of Lynwood Foundation  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

Bank Account No. (last 4 digits)		Debtor Total 2809
<b>Balance Per Bank</b>	\$ 1,262	
<b>Additive Items:</b>		
Deposits in Transit		
Other Additive Items		
<b>Subtractive Items:</b>		
Outstanding Checks		
Other Subtractive Items		(23)
<b>Reclassifications</b>		
Negative book balance reclassified to AP		
<b>Petty Cash</b>		
<b>Adjusted Bank Balance</b>	<b>1,239</b>	
GL Balance	\$ 1,239	
<b>Number of Outstanding Checks</b>		

St Vincent Medical Center Foundation  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

		Debtor Total
Bank Account No. (last 4 digits)		3025 / 1162
<b>Balance Per Bank</b>		1,734
<b>Additive Items:</b>		
Deposits in Transit		
Other Additive Items		49
<b>Subtractive Items:</b>		
Outstanding Checks		
Other Subtractive Items		
<b>Reclassifications</b>		
Negative book balance reclassified to AP		
<b>Petty Cash</b>		
<b>Adjusted Bank Balance</b>		1,783
GL Balance		1,783
<b>Number of Outstanding Checks</b>		

St. Vincent Dialysis Center, Inc.  
 Bank Reconciliation Summary  
 October 31, 2018

\$ in 000's

Bank Account No. (last 4 digits)	Debtor Total
	8921
<b>Balance Per Bank</b>	1,178
<b>Additive Items:</b>	
Deposits in Transit	
Other Additive Items	
<b>Subtractive Items:</b>	
Outstanding Checks	
Other Subtractive Items	(0)
<b>Reclassifications</b>	
Negative book balance reclassified to AP	
<b>Petty Cash</b>	
<b>Adjusted Bank Balance</b>	1,177
GL Balance	1,177
<b>Number of Outstanding Checks</b>	

Seton Medical Center Foundation  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

	SMC Foundation 2260	SMC Foundation - TCB 8521	SMC Foundation - SVCS 0089	Debtor Total
<b>Bank Account No. (last 4 digits)</b>				
<b>Balance Per Bank</b>	5,793 \$	- \$	420 \$	6,213
<b>Additive Items:</b>				
Deposits in Transit	327	117		327
Other Additive Items				117
<b>Subtractive Items:</b>				
Outstanding Checks				-
Other Subtractive Items	(117)		(420)	(537)
<b>Reclassifications</b>				
Negative book balance reclassified to AP				-
<b>Petty Cash</b>				-
<b>Adjusted Bank Balance</b>	6,003	117	-	6,120
GL Balance	6,003 \$	117 \$	- \$	6,120
<b>Number of Outstanding Checks</b>				-

Verity Business Services  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

Bank Account No. (last 4 digits)	AP Disbursement		Payroll	FSA	Debtor Total
	6402	2982	3192		
<b>Balance Per Bank</b>	\$ 1,344	\$ 16	\$ 26	\$ 26	\$ 1,385
<b>Additive Items:</b>					
Deposits in Transit					-
Other Additive Items		15			15
<b>Subtractive Items:</b>					
Outstanding Checks	(188)	(5)			(193)
Other Subtractive Items					-
<b>Reclassifications</b>					
Negative book balance reclassified to AP					-
<b>Petty Cash</b>					-
<b>Adjusted Bank Balance</b>	<b>1,155</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>1,207</b>
GL Balance	\$ 1,155	\$ 26	\$ 26	\$ 26	\$ 1,207
<b>Number of Outstanding Checks</b>	<b>15</b>	<b>3</b>			<b>18</b>

Verity Medical Foundation  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

Bank Account No. (last 4 digits)	VMF - Checking 9996	VMF - Payroll ZBA 0010	Petty Cash Total	Debtor Total
<b>Balance Per Bank</b>	\$ 7,480	\$ -		\$ 7,480
<b>Additive Items:</b>				
Deposits in Transit				-
Other Additive Items				-
<b>Subtractive Items:</b>				
Outstanding Checks	(141)			(141)
Other Subtractive Items				-
<b>Reclassifications</b>				
Negative book balance reclassified to AP				-
<b>Petty Cash</b>			4	4
<b>Adjusted Bank Balance</b>	<b>7,339</b>	<b>-</b>	<b>4</b>	<b>7,343</b>
GL Balance	\$ 7,339	\$ -	\$ 4	\$ 7,343
<b>Number of Outstanding Checks</b>	<b>170</b>			<b>170</b>

Verity Holdings, LLC  
 Bank Reconciliation Summary  
 October 31, 2018  
 \$ in 000's

	AP Disbursement 1597	MOB 1248	Operating 1970	Saving 1975	Debtor Total
Bank Account No. (last 4 digits)					
<b>Balance Per Bank</b>	\$ 989	\$ 496	\$ 6,123	\$ -	\$ 7,608
<b>Additive Items:</b>					
Deposits in Transit					-
Other Additive Items	5				5
<b>Subtractive Items:</b>					
Outstanding Checks	(112)				(112)
Other Subtractive Items		(4)			(4)
<b>Reclassifications</b>					
Negative book balance reclassified to AP					-
<b>Petty Cash</b>					-
<b>Adjusted Bank Balance</b>	882	492	6,123	-	7,497
GL Balance	\$ 882	\$ 493	\$ 6,123	\$ -	\$ 7,498
<b>Number of Outstanding Checks</b>	11				11

**Verity Health System, Inc.  
Notes on Bank Reconciliations  
October 31, 2018**

1. De Paul Ventures, LLC and De Paul Ventures – San Jose Dialysis, LLC have no bank accounts. Therefore, there is no bank activity reported on the Verity Bank Account Summary or on the Verity Bank Account Cumulative Summary, and accordingly no bank reconciliations.
2. In October 2018, the Debtors opened the VHS – DIP Loan Proceeds bank account at Bank of America (last four digits of the account number are 4358). In October 2018, there was no activity in this account, therefore bank and book balances were both zero.
3. Included in the Bank Reconciliation Summary are two bank accounts that were closed in September and October, respectively: (i) Seton Medical Center Coastside SMCC – Patient Trust – TCB (Bank Account No. (last 4 digits) 3611); and (ii) Seton Medical Center Foundation – SMC Foundation – TCB (Bank Account No. (last 4 digits) 8521). These closed accounts are included in the bank reconciliation summaries for consistency with the Verity Bank Account Cumulative Summary, which shows each account had a balance at the petition date and activity thereafter reflecting closure of the account.



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

For the month ending 10/31/2018

\$ in 000's

#	Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-petition Payments Not Made (Number) <sup>(A)</sup>	Total Due Not Paid According to Postpetition Terms
<b>Secured Debt Holders</b>					
1	Wells Fargo - 2005 Bonds	Monthly	\$1,226	-	-
2	US Bank 2015 Notes	Monthly	1,044	-	-
3	Ally Bank <sup>(B)</sup>	Various	771	-	-
4	Verity MOB Financing, LLC	Monthly	390	-	-
5	US Bank 2017 Notes	Monthly	254	-	-
	<b>Subtotal</b>		<b>\$3,685</b>	-	-
<b>Top 20 Vendors</b>					
1	Healthnow Administrative Services	Various	\$6,744	-	-
2	Transamerica	Various	5,121	-	-
3	Cardinal Health	Various	3,466	-	-
4	Medline Industries, Inc.	Various	2,961	-	-
5	Mckesson Specialty Care Distribution	Various	2,216	-	-
6	Verity Medical Group	Various	1,868	-	-
7	Lockton Companies LLC	Various	1,840	-	-
8	San Jose Medical Clinic, Inc	Various	1,688	-	-
9	Marillac Ltd.	Various	1,547	-	-
10	Medtronic USA, Inc.	Various	1,173	-	-
11	Sports, Orthopedic & Rehabilitation Associates	Various	1,100	-	-
12	Boston Scientific Corp	Various	958	-	-
13	Sodexo, Inc & Affiliates	Various	893	-	-
14	Nantworks LLC	Various	772	-	-
15	American Red Cross	Various	702	-	-
16	Quadramed Corporation	Various	695	-	-
17	Zimmer USA	Various	668	-	-
18	Rightsourcing Inc	Various	528	-	-
19	Sagewell Healthcare Benefits Trust	Various	439	-	-
20	Delta Dental CA	Various	438	-	-
	<b>Subtotal</b>		<b>\$35,815</b>	-	-

**Notes**

A) See Notes after XI. Questionnaire.

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



	*Accounts Payable Post-Petition	Patient Receivables Combined Pre and Post Petition
30 days or less	\$ 8,120	\$ 100,757
31 - 60 days	628	27,568
61 - 90 days	333	18,075
91 - 120 days	-	13,828
Over 120 days	-	42,465
<b>TOTAL:</b>	<b>\$ 9,081</b>	<b>\$ 202,693</b>

V. INSURANCE COVERAGE

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability				
Worker's Compensation	<b>See Schedule Attached</b>			
Casualty				
Vehicle				
Others:				

VI. UNITED STATES TRUSTEE QUARTERLY FEES - \$ in 000's  
 (TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
30-Sep-2018	\$ 89,411	\$ 898	31-Oct-2018	\$ 898	\$ 0
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
		\$ 898		\$ 898	\$ 0

See Notes after Section XI., Questionnaire.

Debtor	Account Used	Aggregate Insider Compensation Paid
Verity Health System of California, Inc.	XXXXXX1785	\$ 266,556
O'Connor Hospital	XXXXXX3007	63,190
Saint Louise Regional Hospital	XXXXXX7575	10,848
St. Francis Medical Center	XXXXXX3012	47,817
St. Vincent Medical Center	XXXXXX3017	58,967
Seton Medical Center	XXXXXX3001	67,327
O'Connor Hospital Foundation		-
Saint Louise Regional Hospital Foundation		-
St. Francis Medical Center of Lynwood Foundation		-
St. Vincent Foundation		-
St. Vincent Dialysis Center, Inc.		-
Seton Medical Center Foundation		-
Verity Business Services		-
Verity Medical Foundation	XXXXXX9996	36,324
Verity Holdings, LLC		-
DePaul Ventures, LLC		-
DePaul Ventures - San Jose Dialysis, LLC		-
		\$ 551,029

VIII SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Debtor	Account Used	Aggregate Insider Other Amounts Paid (a)
Verity Health System of California, Inc.		\$ -
O'Connor Hospital	XXXXXX6389	12,377
Saint Louise Regional Hospital	XXXXXX6421	15,000
St. Francis Medical Center	XXXXXX6407	46,468
St. Vincent Medical Center	XXXXXX6426	11,904
Seton Medical Center	XXXXXX6365	26,130
O'Connor Hospital Foundation		-
Saint Louise Regional Hospital Foundation		-
St. Francis Medical Center of Lynwood Foundation		-
St. Vincent Foundation		-
St. Vincent Dialysis Center, Inc.		-
Seton Medical Center Foundation		-
Verity Business Services		-
Verity Medical Foundation		-
Verity Holdings, LLC		-
DePaul Ventures, LLC		-
DePaul Ventures - San Jose Dialysis, LLC		-
		\$ 111,879

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

VERITY HEALTH SYSTEM  
CONSOLIDATING BALANCE SHEET - UNAUDITED  
AS OF OCTOBER 31, 2018  
(In thousands)

	O'Connor Hospital	Saint Louis Regional Hospital	St. Francis Medical Center	St. Vincent Medical Center	Seton Medical Center	Seton Medical Center Coastsides (Seton Medical Center)	System Office (Verity Health System of CA, Inc.)	System Elimination - Obligated Group	Obligated Group Subtotal	Non-Debt A	Verity Business Services	DePaul Ventures (Includes DePaul Ventures - Saratoga Jose Dialysis LLC)
<b>ASSETS</b>												
<b>CURRENT ASSETS:</b>												
Cash and cash equivalents	10,860	\$3,960	\$23,945	\$7,929	\$9,221	\$1,431	\$11,216	\$-	\$68,562	\$10,703	\$1,208	
Net patient accounts receivable	45,817	16,064	56,244	32,262	39,896	5,191	-	-	195,474	-	-	
Due from government agencies	1,066	280	10,283	3,819	1,700	-	-	-	17,148	-	-	
Due from related organizations	13,154	5,118	401,529	17,899	17,899	48	544,331	(939,236)	52,773	-	32,850	3,070
Other current assets	12,917	4,581	26,012	18,872	8,370	437	11,894	-	83,083	7,702	189	503
Other restricted assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>83,814</b>	<b>30,003</b>	<b>518,013</b>	<b>72,812</b>	<b>77,086</b>	<b>7,107</b>	<b>567,441</b>	<b>(939,236)</b>	<b>417,040</b>	<b>18,405</b>	<b>34,247</b>	<b>3,516</b>
<b>ASSETS LIMITED AS TO USE:</b>												
Other investments	-	-	-	3,094	-	-	-	-	3,094	35,750	-	-
Under bond indenture agreements	-	-	-	-	35,272	-	24,485	-	59,757	-	-	-
<b>Total assets limited as to use</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,094</b>	<b>35,272</b>	<b>-</b>	<b>24,485</b>	<b>-</b>	<b>62,851</b>	<b>35,750</b>	<b>-</b>	<b>-</b>
<b>PROPERTY AND EQUIPMENT, Net</b>	<b>30,225</b>	<b>13,950</b>	<b>90,423</b>	<b>47,323</b>	<b>43,273</b>	<b>689</b>	<b>25,969</b>	<b>-</b>	<b>251,852</b>	<b>-</b>	<b>1,644</b>	<b>-</b>
<b>OTHER LONG-TERM ASSETS</b>	<b>570</b>	<b>7</b>	<b>189</b>	<b>34</b>	<b>233</b>	<b>-</b>	<b>4,474</b>	<b>-</b>	<b>5,507</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 114,609</b>	<b>\$ 43,960</b>	<b>\$ 608,625</b>	<b>\$ 123,263</b>	<b>\$ 155,864</b>	<b>\$ 7,796</b>	<b>\$ 622,369</b>	<b>\$ (939,236)</b>	<b>\$ 737,250</b>	<b>\$ 54,155</b>	<b>\$ 35,891</b>	<b>\$ 3,516</b>
<b>LIABILITIES AND NET (DEFICIT) ASSETS</b>												
<b>CURRENT LIABILITIES:</b>												
Accounts payable	24,554	5,234	19,334	24,536	15,779	421	16,762	-	106,620	10	5,424	-
Current portion of long-term debt, net of debt issuance costs	774	469	4,076	867	1,552	-	159,126	-	166,864	-	-	-
Due to government agencies	161	2	2,574	1,728	245	-	245	-	4,710	-	-	-
Accrued expenses and other current liabilities	21,741	7,169	65,141	41,125	41,841	2,393	125,730	-	305,140	16,950	6,894	-
Due to related organizations	283,960	77,528	2,258	280,398	185,261	25,516	211,820	(939,236)	127,505	-	21,640	-
<b>Total current liabilities</b>	<b>331,190</b>	<b>90,402</b>	<b>93,383</b>	<b>348,654</b>	<b>244,678</b>	<b>28,330</b>	<b>513,438</b>	<b>(939,236)</b>	<b>710,839</b>	<b>16,960</b>	<b>33,958</b>	<b>-</b>
<b>OTHER LIABILITIES</b>												
Pension and other long-term liabilities	41,565	4,563	78,439	59,748	2,482	25	46,829	-	233,651	32,365	-	-
<b>Total other liabilities</b>	<b>41,565</b>	<b>4,563</b>	<b>78,439</b>	<b>59,748</b>	<b>2,482</b>	<b>25</b>	<b>46,829</b>	<b>-</b>	<b>233,651</b>	<b>32,365</b>	<b>-</b>	<b>-</b>
<b>LONG-TERM DEBT, Net of current portion and debt issuance costs</b>	<b>47,507</b>	<b>28,776</b>	<b>63,436</b>	<b>53,181</b>	<b>96,351</b>	<b>-</b>	<b>39,572</b>	<b>-</b>	<b>328,823</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>420,262</b>	<b>123,741</b>	<b>235,258</b>	<b>461,583</b>	<b>343,511</b>	<b>28,355</b>	<b>599,839</b>	<b>(939,236)</b>	<b>1,273,313</b>	<b>49,325</b>	<b>33,958</b>	<b>-</b>
<b>NET (DEFICIT) ASSETS:</b>												
Unrestricted	(305,653)	(79,781)	373,297	(341,638)	(187,647)	(20,559)	22,530	-	(539,451)	4,830	1,933	3,516
Temporarily restricted	-	-	70	523	-	-	-	-	583	-	-	-
Permanently restricted	-	-	-	2,795	-	-	-	-	2,795	-	-	-
<b>Total net (deficit) assets</b>	<b>(305,653)</b>	<b>(79,781)</b>	<b>373,367</b>	<b>(338,320)</b>	<b>(187,647)</b>	<b>(20,559)</b>	<b>22,530</b>	<b>-</b>	<b>(536,063)</b>	<b>4,830</b>	<b>1,933</b>	<b>3,516</b>
<b>TOTAL LIABILITIES AND NET (DEFICIT) ASSETS</b>	<b>\$ 114,609</b>	<b>\$ 43,960</b>	<b>\$ 608,625</b>	<b>\$ 123,263</b>	<b>\$ 155,864</b>	<b>\$ 7,796</b>	<b>\$ 622,369</b>	<b>\$ (939,236)</b>	<b>\$ 737,250</b>	<b>\$ 54,155</b>	<b>\$ 35,891</b>	<b>\$ 3,516</b>

VERITY HEALTH SYSTEM  
CONSOLIDATING BALANCE SHEET - UNAUDITED  
AS OF OCTOBER 31, 2018  
(In thousands)

ASSETS	St. Vincent Dialysis Center Inc.	Verity Medical Foundation	O'Connor Hospital Foundation	Seton Medical Center Foundation	St. Francis Medical Center of Lynwood Foundation	Saint Louise Regional Hospital Foundation	St. Vincent Foundation	Verity Holdings, LLC	Non-Debtor B	System Elimination - Non Obligated Group	Verity Total
<b>CURRENT ASSETS:</b>											
Cash and cash equivalents	\$1,177	7,343	233	556	208	168	190	8,328	15	-	98,692
Net patient accounts receivable	919	6,301	-	-	-	-	-	-	-	-	202,694
Due from government agencies	-	-	-	-	-	-	-	-	-	-	17,148
Due from related organizations	2,230	3,738	2	7	4	5	12,501	72,238	-	(179,359)	-
Other current assets	30	3,406	12	106	3,351	39	1,838	477	-	(7,742)	92,994
Other restricted assets	-	-	-	-	-	-	-	1,439	-	-	1,439
<b>Total current assets</b>	<b>4,356</b>	<b>20,788</b>	<b>247</b>	<b>669</b>	<b>3,563</b>	<b>212</b>	<b>14,529</b>	<b>82,482</b>	<b>15</b>	<b>(187,101)</b>	<b>412,967</b>
<b>ASSETS LIMITED AS TO USE:</b>											
Other investments	-	-	1,488	5,565	1,031	563	4,195	-	-	-	51,686
Under bond indenture agreements	-	-	-	-	-	-	-	-	-	-	59,757
<b>Total assets limited as to use</b>	<b>-</b>	<b>-</b>	<b>1,488</b>	<b>5,565</b>	<b>1,031</b>	<b>563</b>	<b>4,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,443</b>
<b>PROPERTY AND EQUIPMENT, Net</b>	<b>206</b>	<b>5,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,274</b>	<b>-</b>	<b>-</b>	<b>281,344</b>
<b>OTHER LONG-TERM ASSETS</b>	<b>-</b>	<b>2,295</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>948</b>	<b>722</b>	<b>-</b>	<b>(1,188)</b>	<b>8,305</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,562</b>	<b>\$ 28,451</b>	<b>\$ 1,735</b>	<b>\$ 6,234</b>	<b>\$ 4,594</b>	<b>\$ 775</b>	<b>\$ 19,672</b>	<b>\$ 105,478</b>	<b>\$ 15</b>	<b>\$ (188,289)</b>	<b>\$ 814,059</b>
<b>LIABILITIES AND NET (DEFICIT) ASSETS</b>											
<b>CURRENT LIABILITIES:</b>											
Accounts payable	-	6,385	-	-	-	-	-	1,410	-	-	119,849
Current portion of long-term debt, net of debt issuance costs	-	-	-	-	-	-	-	116	-	-	166,980
Due to government agencies	-	-	-	-	-	-	-	-	-	-	4,710
Accrued expenses and other current liabilities	88	14,456	-	-	-	5	-	3,705	-	(8,911)	338,327
Due to related organizations	8,478	-	7,283	1,026	8,856	5,119	750	(1,300)	-	(179,359)	-
<b>Total current liabilities</b>	<b>8,566</b>	<b>20,841</b>	<b>7,283</b>	<b>1,026</b>	<b>8,856</b>	<b>5,124</b>	<b>750</b>	<b>3,931</b>	<b>-</b>	<b>(188,270)</b>	<b>629,866</b>
<b>OTHER LIABILITIES</b>											
Pension and other long-term liabilities	-	2,669	69	-	-	-	95	16,651	-	(19)	285,481
<b>Total other liabilities</b>	<b>-</b>	<b>2,669</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>16,651</b>	<b>-</b>	<b>(19)</b>	<b>285,481</b>
<b>LONG-TERM DEBT, Net of current portion and debt issuance costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,145</b>	<b>-</b>	<b>-</b>	<b>439,988</b>
<b>Total liabilities</b>	<b>8,566</b>	<b>23,510</b>	<b>7,352</b>	<b>1,026</b>	<b>8,856</b>	<b>5,124</b>	<b>845</b>	<b>131,727</b>	<b>-</b>	<b>(188,289)</b>	<b>1,355,315</b>
<b>NET (DEFICIT) ASSETS:</b>											
Unrestricted	(4,004)	4,941	(6,871)	(280)	(8,334)	(4,863)	11,968	(27,688)	15	-	(664,270)
Temporarily restricted	-	-	919	2,770	4,072	514	4,422	1,439	-	-	14,729
Permanently restricted	-	-	335	2,718	-	-	-	8,285	-	-	8,285
<b>Total net (deficit) assets</b>	<b>(4,004)</b>	<b>4,941</b>	<b>(5,617)</b>	<b>5,208</b>	<b>(4,262)</b>	<b>(4,349)</b>	<b>18,327</b>	<b>(26,249)</b>	<b>15</b>	<b>-</b>	<b>(641,256)</b>
<b>TOTAL LIABILITIES AND NET (DEFICIT) ASSETS</b>	<b>\$ 4,562</b>	<b>\$ 28,451</b>	<b>\$ 1,735</b>	<b>\$ 6,234</b>	<b>\$ 4,594</b>	<b>\$ 775</b>	<b>\$ 19,672</b>	<b>\$ 105,478</b>	<b>\$ 15</b>	<b>\$ (188,289)</b>	<b>\$ 814,059</b>

VERITY HEALTH SYSTEM  
STATEMENT OF OPERATIONS - UNAUDITED  
FOR THE MONTH ENDED October 31, 2018  
(In thousands)

	O'Connor Hospital	Saint Louise Regional Hospital	St. Francis Medical Center	St. Vincent Medical Center	Seton Medical Center	Seton Medical Center Coastsides (Seton Medical Center)	System Office (Verity Health System of CA, Inc.)	System Elimination - Obligated Group	Obligated Group Subtotal	Non-Debtor A	Verity Business Services	DePaul Ventures (Includes DePaul Ventures - Saratoga Jose Dialysis LLC)
\$	21,920	7,189	34,480	14,856	16,170	2,045	-	(1,501)	95,159	-	-	-
	(567)	(361)	(1,649)	(1,407)	(921)	(79)	-	-	(4,984)	-	-	-
	<b>21,353</b>	<b>6,828</b>	<b>32,831</b>	<b>13,449</b>	<b>15,249</b>	<b>1,966</b>	-	<b>(1,501)</b>	<b>90,175</b>	-	-	-
	416	27	8,903	2,798	-	-	-	(28)	11,673	-	-	-
	-	160	185	187	13,459	49	13,459	(13,454)	1,029	1,115	4,072	-
	-	4	298	22	-	-	-	-	324	-	-	-
	<b>21,769</b>	<b>6,859</b>	<b>42,192</b>	<b>16,454</b>	<b>15,436</b>	<b>2,015</b>	<b>13,459</b>	<b>(14,983)</b>	<b>103,201</b>	<b>1,115</b>	<b>4,072</b>	<b>-</b>
	13,605	4,867	18,606	9,172	12,985	1,534	4,805	(1,501)	64,073	-	2,325	-
	3,150	717	3,777	3,709	2,496	164	21	-	14,034	-	30	-
	8,189	2,646	17,167	9,457	6,235	536	7,100	(13,482)	37,848	1,189	1,695	-
	518	140	719	499	425	10	40	-	2,351	-	22	-
	187	135	315	220	431	1,739	-	-	3,027	-	-	-
	<b>25,649</b>	<b>8,505</b>	<b>40,584</b>	<b>23,057</b>	<b>22,572</b>	<b>2,244</b>	<b>13,705</b>	<b>(14,983)</b>	<b>121,333</b>	<b>1,189</b>	<b>4,072</b>	<b>-</b>
	(3,880)	(1,646)	1,609	(6,602)	(7,136)	(230)	(247)	-	(18,132)	(74)	-	-
	-	-	-	-	-	-	247	-	247	46	-	-
	<b>(3,880)</b>	<b>(1,646)</b>	<b>1,609</b>	<b>(6,602)</b>	<b>(7,136)</b>	<b>(230)</b>	<b>-</b>	<b>-</b>	<b>(17,865)</b>	<b>(28)</b>	<b>-</b>	<b>-</b>

**UNRESTRICTED REVENUES AND OTHER SUPPORT:**  
 Net patient service revenue  
 Provision for doubtful accounts  
 Net patient service revenue less provision for doubtful accounts  
 Premium revenue  
 Other revenue  
 Contributions  
**Total unrestricted revenues and other support**

**EXPENSES:**  
 Salaries and benefits  
 Supplies  
 Purchased services, medical claims and other  
 Depreciation and amortization  
 Interest, net  
**Total expenses**

**OPERATING (LOSS) INCOME**  
 INVESTMENT INCOME (LOSS)

**EXCESS (DEFICIT) OF REVENUES OVER EXPENSES**

VERITY HEALTH SYSTEM  
STATEMENT OF OPERATIONS - UNAUDITED  
FOR THE MONTH ENDED October 31, 2018  
(In thousands)

	St. Vincent Dialysis Center Inc.	Verity Medical Foundation	O'Connor Hospital Foundation	Seton Medical Center Foundation	St. Francis Medical Center of Lynwood Foundation	Saint Louise Regional Hospital Foundation	St. Vincent Foundation	Verity Holdings, LLC	Non-Debtor B	System Elimination - Non Obligated Group	Verity Total
\$	422	4,605	-	-	-	-	-	-	-	(105)	100,081
	13	(86)	-	-	-	-	-	-	-	-	(5,057)
	<b>435</b>	<b>4,519</b>	-	-	-	-	-	-	-	<b>(105)</b>	<b>95,024</b>
	-	1,596	-	-	-	-	-	-	-	-	13,269
	-	1,026	-	-	-	-	1,187	-	-	(6,763)	1,666
	-	-	2	10	-	-	49	180	-	-	565
	<b>435</b>	<b>7,141</b>	<b>2</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>1,367</b>	<b>-</b>	<b>(6,868)</b>	<b>110,524</b>
	251	3,700	17	13	36	13	18	12	-	(658)	69,800
	165	2,096	-	-	-	-	-	10	-	-	16,335
	50	8,197	2	-	2	3	2	1,348	-	(6,210)	44,128
	2	123	-	-	-	-	-	81	-	-	2,579
	-	3	-	-	-	-	-	703	-	-	3,733
	<b>468</b>	<b>14,119</b>	<b>19</b>	<b>13</b>	<b>38</b>	<b>16</b>	<b>20</b>	<b>2,154</b>	<b>-</b>	<b>(6,868)</b>	<b>136,575</b>
	(33)	(6,979)	(18)	(3)	(38)	(16)	28	(785)	-	-	(26,052)
	1	-	1	5	1	1	1	540	-	-	843
	<b>(32)</b>	<b>(6,979)</b>	<b>(17)</b>	<b>2</b>	<b>(37)</b>	<b>(15)</b>	<b>29</b>	<b>(245)</b>	<b>-</b>	<b>-</b>	<b>(25,209)</b>

UNRESTRICTED REVENUES AND OTHER SUPPORT:

Net patient service revenue  
Provision for doubtful accounts  
Net patient service revenue less provision for doubtful accounts  
Premium revenue  
Other revenue  
Contributions  
Total unrestricted revenues and other support

EXPENSES:

Salaries and benefits  
Supplies  
Purchased services, medical claims and other  
Depreciation and amortization  
Interest, net  
Total expenses

OPERATING (LOSS) INCOME

INVESTMENT INCOME (LOSS)

EXCESS (DEFICIT) OF REVENUES OVER EXPENSES



VERITY HEALTH SYSTEM  
STATEMENT OF OPERATIONS - UNAUDITED  
FOR THE TWO MONTHS ENDED OCTOBER 31, 2018  
(In thousands)

	O'Connor Hospital	Saint Louise Regional Hospital	St. Francis Medical Center	St. Vincent Medical Center	Seton Medical Center	Seton Medical Center Coastside (Seton Medical Center)	System Office (Verity Health System of CA, Inc.)	System Elimination - Obligated Group	Obligated Group Subtotal	Non-Debtor A	Verity Business Services	DePaul Ventures (Includes DePaul Ventures - Saratoga Jose Dialysis LLC)
\$	40,657	13,615	64,958	29,386	30,789	3,962	-	(2,729)	180,638	-	-	-
	(1,353)	(630)	(2,545)	(2,748)	(1,316)	(123)	-	-	(8,715)	-	-	-
	<b>39,304</b>	<b>12,985</b>	<b>62,413</b>	<b>26,638</b>	<b>29,473</b>	<b>3,839</b>	-	<b>(2,729)</b>	<b>171,923</b>	-	-	-
	-	-	15,960	5,673	-	-	-	(99)	21,534	-	-	-
	731	38	285	244	226	102	24,983	(24,976)	1,633	2,194	8,340	-
	3	5	503	23	2	-	-	-	536	-	-	-
	<b>40,038</b>	<b>13,028</b>	<b>79,161</b>	<b>32,578</b>	<b>29,701</b>	<b>3,941</b>	<b>24,983</b>	<b>(27,804)</b>	<b>195,626</b>	<b>2,194</b>	<b>8,340</b>	<b>-</b>
	26,410	9,484	37,275	18,261	24,864	2,937	9,140	(2,729)	125,642	-	4,992	-
	5,989	1,224	6,305	6,820	4,471	287	34	-	25,130	-	54	-
	15,409	4,892	33,923	19,325	11,816	1,014	13,056	(25,075)	74,360	2,706	3,307	-
	1,073	279	1,437	1,002	845	20	80	-	4,736	-	47	-
	378	271	626	440	863	3,328	3,328	-	5,906	-	-	-
	<b>49,259</b>	<b>16,150</b>	<b>79,566</b>	<b>45,848</b>	<b>42,859</b>	<b>4,258</b>	<b>25,638</b>	<b>(27,804)</b>	<b>235,774</b>	<b>2,706</b>	<b>8,340</b>	<b>-</b>
	(9,221)	(3,122)	(405)	(13,270)	(13,158)	(317)	(655)	-	(40,148)	(512)	-	-
	-	-	-	-	-	-	656	-	656	77	-	-
	<b>(9,221)</b>	<b>(3,122)</b>	<b>(405)</b>	<b>(13,270)</b>	<b>(13,158)</b>	<b>(317)</b>	<b>1</b>	<b>-</b>	<b>(39,492)</b>	<b>(435)</b>	<b>-</b>	<b>-</b>

**UNRESTRICTED REVENUES AND OTHER SUPPORT:**  
 Net patient service revenue  
 Provision for doubtful accounts  
 Net patient service revenue less provision for doubtful accounts  
 Premium revenue  
 Other revenue  
 Contributions  
**Total unrestricted revenues and other support**

**EXPENSES:**  
 Salaries and benefits  
 Supplies  
 Purchased services, medical claims and other  
 Depreciation and amortization  
 Interest, net  
**Total expenses**

**OPERATING (LOSS) INCOME**  
 INVESTMENT INCOME (LOSS)

**EXCESS (DEFICIT) OF REVENUES OVER EXPENSES**

VERITY HEALTH SYSTEM  
STATEMENT OF OPERATIONS - UNAUDITED  
FOR THE TWO MONTHS ENDED OCTOBER 31, 2018  
(In thousands)

	St. Vincent Dialysis Center Inc.	Verity Medical Foundation	O'Connor Hospital Foundation	Seton Medical Center Foundation	St. Francis Medical Center of Lynwood Foundation	Saint Louise Regional Hospital Foundation	St. Vincent Foundation	Verity Holdings, LLC	Non-Debtor B	System Elimination - Non Obligated Group	Verity Total
\$	781 \$	8,792 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(226) \$	189,985 (9,000)
	(101)	(184)	-	-	-	-	-	-	-	(226)	180,985
	680	8,608	-	-	-	-	-	-	-	-	24,763
	-	3,229	-	-	-	-	-	-	-	-	2,744
	-	1,809	-	-	-	-	2,196	-	-	(13,428)	1,038
	-	-	2	6	-	134	360	-	-	-	209,530
	680	13,646	2	6	-	134	2,556	-	-	(13,654)	
	503	6,682	33	25	71	24	34	25	-	(1,335)	136,636
	249	3,514	-	(5)	-	-	-	18	-	-	28,960
	93	14,888	5	3	5	5	5	2,354	-	(12,320)	85,413
	4	579	-	-	-	-	-	162	-	-	5,528
	-	6	-	-	-	-	1,410	-	-	-	7,322
	849	25,669	38	23	76	29	39	3,969	-	(13,655)	263,859
	(169)	(12,023)	(36)	(17)	(76)	(29)	95	(1,413)	-	1	(54,329)
	1	-	2	9	2	1	3	492	-	-	1,243
\$	(168) \$	(12,023) \$	(34) \$	(8) \$	(74) \$	(28) \$	98 \$	(921) \$	- \$	1 \$	(53,086)

UNRESTRICTED REVENUES AND OTHER SUPPORT:

Net patient service revenue  
Provision for doubtful accounts  
Net patient service revenue less provision for doubtful accounts  
Premium revenue  
Other revenue  
Contributions  
Total unrestricted revenues and other support

EXPENSES:

Salaries and benefits  
Supplies  
Purchased services, medical claims and other  
Depreciation and amortization  
Interest, net  
Total expenses

OPERATING (LOSS) INCOME

INVESTMENT INCOME (LOSS)

EXCESS (DEFICIT) OF REVENUES OVER EXPENSES

XI. QUESTIONNAIRE

- |   |                     |              |
|---|---------------------|--------------|
| <p>1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below:</p> <hr/>  | <p>No</p>           | <p>Yes</p>   |
|   | <p><u>  x  </u></p> | <p>_____</p> |
| <p>2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below:</p> <hr/>   | <p>No</p>           | <p>Yes</p>   |
|   | <p><u>  x  </u></p> | <p>_____</p> |
| <p>3. State what progress was made during the reporting period toward filing a plan of reorganization<br/>The Debtors continue to work closely and collaboratively with the Official Committee of Unsecured Creditors and secured creditors on issues related to the sale of their assets and resolution of pending disputes with creditors, vendors, doctors, employees and other parties in interest. Once the sale of the Debtors' assets is more fully progressed, the Debtors will be able to adequately formulate a plan of reorganization.</p> <hr/> |                     |              |
| <p>4. Describe potential future developments which may have a significant impact on the case:</p> <p>The Debtors have obtained an order [Docket No. 724] authorizing an auction in December 2018 of its assets in Santa Clara County. Depending on the identity of the winning bidder, the sale could close as early as January 2019. The Debtors anticipate filing a bid procedures motion or motions for its remaining assets in December 2018 with the goal of conducting auctions in early 2019.</p> <hr/>  |                     |              |
| <p>5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.<br/>Copies attached.</p> <hr/>   |                     |              |
| <p>6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below.</p> <hr/>   | <p>No</p>           | <p>Yes</p>   |
|   | <p><u>  x  </u></p> | <p>_____</p> |
| <p>I, Anita Chou, declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.</p>  |                     |              |

11/29/18  
Date

  
Principal for debtor-in-possession

**Notes**

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

VI. UNITED STATES TRUSTEE QUARTERLY FEES  
(TOTAL PAYMENTS - 1st QUARTERLY PERIOD)

Quarterly Period Ending (Date)	Debtor	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
30-Sep-2018	Verity Health System of California, Inc.	\$22,164,716.26	\$ 221,647.16	31-Oct-2018	\$ 221,647.16	\$ -
30-Sep-2018	O'Connor Hospital	11,484,806.12	114,848.06	31-Oct-2018	114,848.06	-
30-Sep-2018	St. Louise Regional Hospital	3,841,238.39	38,412.38	31-Oct-2018	38,412.38	-
30-Sep-2018	St. Francis Medical Center	17,618,234.29	176,182.34	31-Oct-2018	176,182.34	-
30-Sep-2018	St. Vincent Medical Center	11,437,965.98	114,379.66	31-Oct-2018	114,379.66	-
30-Sep-2018	Seton Medical Center	11,468,334.91	114,683.35	31-Oct-2018	114,683.35	-
30-Sep-2018	O'Connor Hospital Foundation	-	325.00	31-Oct-2018	325.00	-
30-Sep-2018	St. Louise Regional Hospital Foundation	251.77	325.00	31-Oct-2018	325.00	-
30-Sep-2018	St. Francis Medical Center of Lynwood Foundation	-	325.00	31-Oct-2018	325.00	-
30-Sep-2018	St. Vincent Medical Center Foundation	-	325.00	31-Oct-2018	325.00	-
30-Sep-2018	St. Vincent Dialysis Center, Inc.	7,208.50	325.00	31-Oct-2018	325.00	-
30-Sep-2018	Seton Medical Center Foundation	8,918.63	325.00	31-Oct-2018	325.00	-
30-Sep-2018	Verity Business Services	1,952,459.79	19,524.60	31-Oct-2018	19,524.60	-
30-Sep-2018	Verity Medical Foundation	9,121,383.45	91,213.83	31-Oct-2018	91,213.83	-
30-Sep-2018	Verity Holdings, LLC	305,848.09	4,875.00	31-Oct-2018	4,875.00	-
30-Sep-2018	De Paul Ventures, LLC	-	325.00	31-Oct-2018	325.00	-
30-Sep-2018	De Paul Ventures - San Jose Dialysis, LLC	-	325.00	31-Oct-2018	-	325.00 (A)
		<b>\$89,411,366.18</b>	<b>\$ 898,366.39</b>		<b>\$ 898,041.39</b>	<b>\$ 325.00</b>

(A) The Debtors' did not initially receive an invoice from the U.S. Trustee for quarterly fees for De Paul Ventures – San Jose Dialysis, LLC. The Debtors have now received the invoice and have made the payment.

**Verity Health System of California, Inc.  
Summary of Insurance  
As of 11/1/18**



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
1	Storage Tank Liability	ACE American Insurance Company (Chubb)	O'Connor Hospital	6/30/18-6/30/19	G24668538 010	\$1,000,000 Per Storage Tank Incident \$2,000,000 Aggregate for ASTs \$2,000,000 Aggregate for USTs \$4,000,000 Aggregate Limit of Liability for All Storage Tank Incidents \$2,000,000 Aggregate Limit of Liability for Legal Defense Expenses \$6,000,000 Policy Aggregate	6/30/2019
2	Commercial Property	American Guarantee and Liability Insurance Company (Zurich)	Verity Health System of California, Inc.	7/1/18-7/1/19	ZMD7067455-00	\$1,000,000,000 Loss Limit	6/30/2019
3	Workers' Compensation and Employers Liability	Old Republic Insurance Company	Verity Health System of California, Inc.	7/1/18-7/1/19	MWC 313800-00	Workers' Compensation - Statutory Employers Liability - \$1,000,000 BI Each Accident \$1,000,000 BI Disease Each Employee \$1,000,000 BI Disease Policy Limit	12/31/2018
4	Storage Tank Liability	ACE American Insurance Company (Chubb)	St. Vincent Medical Center; Saint Louise Regional Hospital; Seton Medical Center	10/1/18-10/1/19	UST G71182654 001	\$1,000,000 Per Storage Tank Incident \$1,000,000 Aggregate for ASTs \$1,000,000 Aggregate for USTs \$2,000,000 Aggregate Limit of Liability for All Storage Tank Incidents \$1,000,000 Aggregate Limit of Liability for Legal Defense Expenses \$3,000,000 Policy Aggregate	10/1/2019
5	Commercial Automobile	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	Verity Health System of California, Inc.	10/1/18-10/1/19	087-15-98	\$1,000,000 Combined Single Limit	10/1/2019
6	Helpaid Liability & Non-Owned Aircraft Liability	ACE Property and Casualty Insurance Company (Chubb)	Verity Health System of California, Inc.	10/1/18-10/1/19	AAP N17935550 001	\$10,000,000 Each Occurrence \$10,000,000 Products-Completed Operations Aggregate \$10,000,000 Personal Injury and Advertising Injury Aggregate \$10,000,000 Hangarkeepers Any One Occurrence \$10,000,000 Hangarkeepers Any One Aircraft \$10,000,000 Non-Owned Aircraft Liability Any One Occurrence	10/1/2019
7	Sexual Misconduct and Molestation Liability	Lloyds of London (Beazley Syndicates #2623/#623)	St. Francis Medical Center (Children's Counseling Center Agreement)	10/1/18-10/1/19	GLOPR180815	\$2,000,000 Any One Victim and in the Aggregate	10/1/2019
8	D&O Liability, Employment Practices Liability, Fiduciary Liability, Crime <i>Primary Layer</i>	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	Verity Health System of California, Inc.	10/1/17-10/1/18 (Extended to 10/1/19)	02-359-65-60	\$10,000,000 D&O Liability and EPL (Shared) \$10,000,000 Fiduciary Liability \$10,000,000 Crime \$20,000,000 Policy Aggregate	10/1/2019
9	D&O Liability and Employment Practices Liability <i>1st Excess Layer</i>	Endurance Risk Solutions Assurance Company	Verity Health System of California, Inc.	10/1/17-10/1/18 (Extended to 10/1/19)	BLX10008286901	\$10,000,000 Excess of \$10,000,000	10/1/2019

**Verity Health System of California, Inc.**  
**Summary of Insurance**  
**As of 11/1/18**



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
10	D&O Liability Only <i>2nd Excess Layer</i>	Argonaut Insurance Company (ARGO Group)	Verity Health System of California, Inc.	10/1/17-10/1/18 <i>(Extended to 10/1/19)</i>	MLX 7602088-01	\$10,000,000 Excess of \$20,000,000 (D&O Liability Only)	10/1/2019
11	D&O Liability - Excess Side A Only	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	Verity Health System of California, Inc.	10/1/18-19	02-306-61-90	\$2,000,000 Excess of \$30,000,000	10/1/2019
12	Punitive Damages Wrap <i>Primary Layer</i>	American International Reinsurance Company, Ltd.	Verity Health System of California, Inc.	10/1/17-10/1/18 <i>(Extended to 10/1/19)</i>	24542026	\$10,000,000 Each Occurrence \$10,000,000 Aggregate	10/1/2019
13	Punitive Damages Wrap <i>1st Excess Layer</i>	Magna Carta Insurance, Ltd.	Verity Health System of California, Inc.	10/1/17-10/1/18 <i>(Extended to 10/1/19)</i>	MCEN204155	\$10,000,000 Excess of \$10,000,000	10/1/2019
14	Storage Tank Liability	ACE American Insurance Company (Chubb)	Saint Louise Regional Hospital/De Paul Health Center	12/02/17-12/02/18	GZ4776062 005	\$1,000,000 Per Storage Tank Incident \$1,000,000 Aggregate Limit of Liability for All Storage Tank Incidents \$1,000,000 Aggregate Limit of Liability for Legal Defense Expenses \$2,000,000 Policy Aggregate	12/2/2018
15	Storage Tank Liability	Tokio Marine Specialty Insurance Company (Philadelphia)	St. Francis Medical Center	12/05/17-12/05/18	STEP011394-00	\$1,000,000 Remediation Expense \$1,000,000 Bodily Injury and Property Damage Resulting from Contamination \$1,000,000 Defense Expense \$1,000,000 Defense Expense Aggregate \$2,000,000 Total Policy Aggregate	12/5/2018
16	General Liability	Illinois Union Insurance Company (Chubb)	St. Francis Medical Center (Lynwood Parking Agreement)	3/31/18-3/31/19	HPL G2181684A 011	\$1,000,000 Each Occurrence \$1,000,000 Personal Injury & Advertising Injury \$1,000,000 Products/Completed Operations Aggregate \$3,000,000 General Aggregate	3/31/2019
17	Physicians Professional Liability	NORCAL Mutual Insurance Company	The Contracted Physicians of O'Connor Hospital	1/1/18-1/1/19	728814N	Per Scheduled Provider \$1,000,000 Each Claim; \$3,000,000 Aggregate	1/1/2019
18	Professional Liability	NORCAL Mutual Insurance Company	The Contracted Physicians of St. Francis Medical Center	1/1/18-1/1/19	728812N	Per Scheduled Provider \$1,000,000 Each Claim; \$3,000,000 Aggregate \$2,000,000 Each Claim; \$4,000,000 Aggregate	1/1/2019
19	Professional and General Liability	Marillac Insurance Company, Ltd.	Verity Health System of California, Inc.	3/31/18-3/31/19	DOC PGL-26000-018	Professional Liability \$2,000,000 Each Claim and Aggregate Buffer Layer xs of \$3,000,000 Each Claim \$10,000,000 Aggregate General Liability \$2,000,000 Each Occurrence \$10,000,000 Aggregate	12/31/2018

**Verity Health System of California, Inc.**  
**Summary of Insurance**  
**As of 11/1/18**



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
20	Excess Professional and Umbrella Liability	Marillac Insurance Company, Ltd.	Verity Health System of California, Inc.	3/31/18-3/31/19	DOC.XL.PLGL-26000-018	Excess Professional Liability \$80,000,000 Each Occurrence \$80,000,000 Aggregate All Other Liability \$80,000,000 Each Claim \$80,000,000 Aggregate	3/31/2019
21	Workers Compensation Deductible Liability Protection	Marillac Insurance Company, Ltd.	Verity Health System of California, Inc.	7/1/18-7/1/19	DED.WC-07.01.18-19	Workers' Compensation \$500,000 Each Occurrence Employers Liability \$500,000 Each Occurrence	12/31/2018
	<b>Reinsurance</b>						
22	Lead Excess Layer	ACE American Insurance Company (Chubb)	Verity Health System of California, Inc.	3/31/18-3/31/19	RBN G21816838 011	\$15,000,000 Each Loss Event \$15,000,000 Aggregate Professional Liability \$15,000,000 Aggregate General Liability of Ceding Company Limits	3/31/2019
23	2nd Excess Layer	Continental Casualty Company (CNA)	Verity Health System of California, Inc.	3/31/18-3/31/19	HMU 2097462209	\$15,000,000 Each Claim \$15,000,000 Aggregate Professional Liability \$15,000,000 Aggregate General Liability Excess of Chubb Underlying Above	3/31/2019
24	3rd Excess Layer	Berkshire Hathaway Specialty Insurance Company	Verity Health System of California, Inc.	3/31/18-3/31/19	47-RHC-304968-01	\$20,000,000 Each Claim \$20,000,000 Aggregate Professional Liability \$20,000,000 Aggregate General Liability Excess of Chubb and CNA Underlying Above	3/31/2019
25	4th Excess Layer	Zurich American Insurance Company	Verity Health System of California, Inc.	3/31/18-3/31/19	HPC 0239123-00	\$10,000,000 Each Claim \$10,000,000 Aggregate Professional Liability \$10,000,000 Aggregate General Liability Excess of Chubb, CNA and Berkshire Underlying Above	3/31/2019
26	5th Excess Layer	The Medical Protective Company	Verity Health System of California, Inc.	3/31/18-3/31/19	XOL2018-023	\$20,000,000 Each Claim \$20,000,000 Aggregate Professional Liability \$20,000,000 Aggregate General Liability Excess of Chubb, CNA, Berkshire and Zurich Underlying Above	3/31/2019
	<b>Surety Bonds</b>						
27	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	Seton Medical Center - Coastside	12/1/01-12/1/18	8385BBF7598	\$75,000 Bond Amount	12/1/2018
28	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	St. Francis Medical Center	12/1/01-12/1/18	8385BBF7621	\$5,000 Bond Amount	12/1/2018
29	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	St. Vincent Medical Center	12/1/01-12/1/18	8385BBF7625	\$2,000 Bond Amount	12/1/2018
30	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	Saint Louise Regional Hospital	12/1/01-12/1/18	8385BBF7637	\$10,000 Bond Amount	12/1/2018

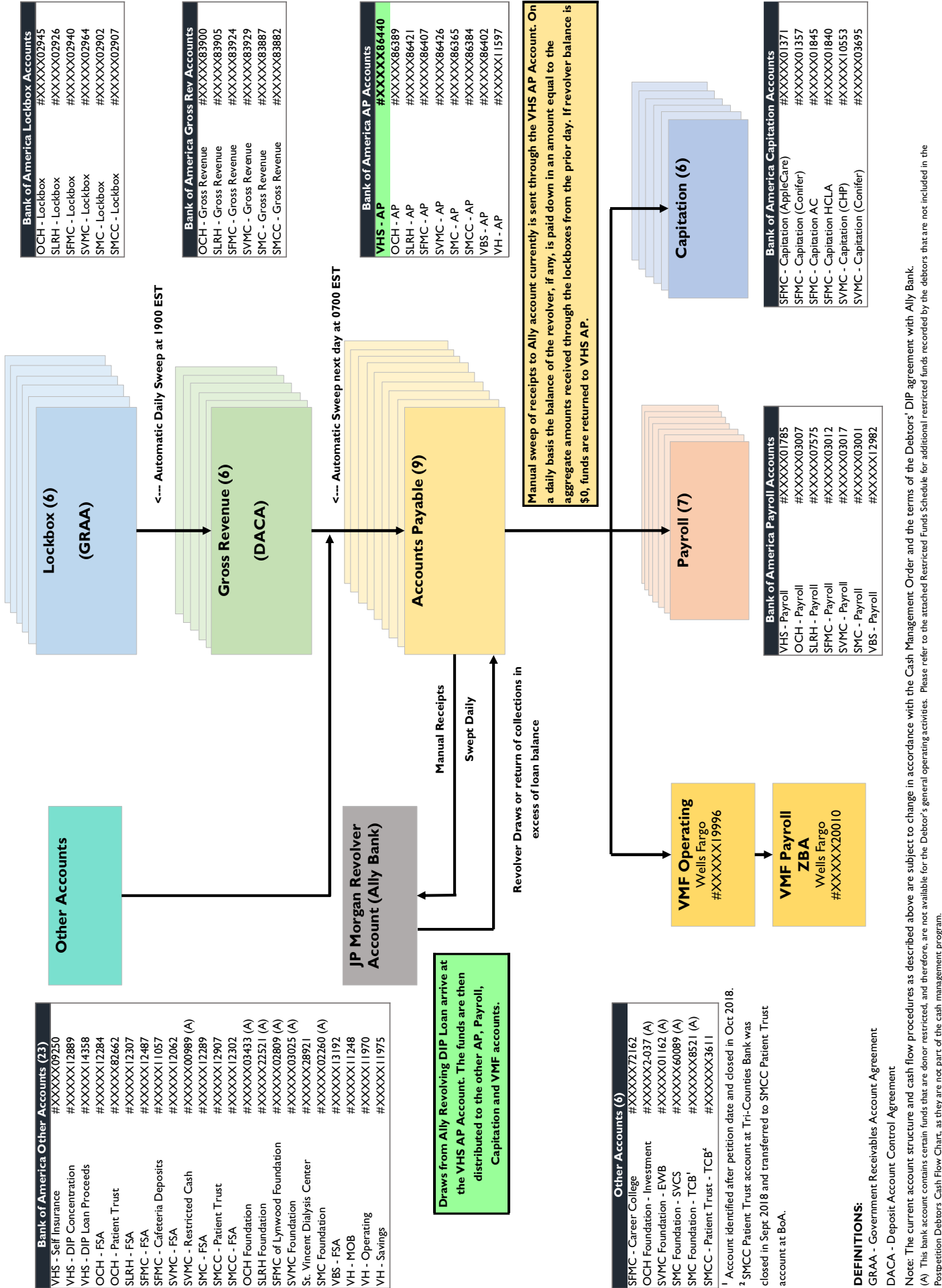
Verity Health System of California, Inc.  
 Summary of Insurance  
 As of 11/1/18



#	Insurance Coverage	Carrier	First Named Insured	Policy Period	Policy Number	Limits of Liability	Premium Paid Through (Date)
31	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	O'Connor Hospital	12/1/01-12/1/18	838SBBF7648	\$50,000 Bond Amount	12/1/2018
32	CA DHS Patient Trust Bond	Hartford Fire Insurance Company	Seton Medical Center	12/1/01-12/1/18	838SBBF7661	\$35,000 Bond Amount	12/1/2018
<b>Provider Capitation Stop Loss (Managed Care Excess Loss)</b>							
33	Provider Capitation Stop Loss (Applicable to St. Vincent Medical Center and St. Francis Medical Center)	PartneRe America Insurance Company	Verity Health System of California, Inc.	1/1/18-1/1/19	P031254005	\$1,000,000 Maximum Benefit Per Covered Person 90% Payable in Excess of Specific Deductible if Complete Claim is Received by 2/1/20 50% Payable in Excess of Specific Deductible if Complete Claim is Not Received by 2/1/20 Transplant Services - 50% by a Non-Approved Transplant Network Provider	11/1/2018



**Verity Health System - Postpetition Debtors Cash Flow Chart**  
as of 10/31/2018



**Bank of America Lockbox Accounts**

OCH - Lockbox	#XXXXXXXX2945
SLRH - Lockbox	#XXXXXXXX2926
SFMC - Lockbox	#XXXXXXXX2940
SFMC - Lockbox	#XXXXXXXX2964
SMC - Lockbox	#XXXXXXXX2902
SMCC - Lockbox	#XXXXXXXX2907

**Bank of America Gross Rev Accounts**

OCH - Gross Revenue	#XXXXXXXX3900
SLRH - Gross Revenue	#XXXXXXXX3905
SFMC - Gross Revenue	#XXXXXXXX3924
SFMC - Gross Revenue	#XXXXXXXX3929
SMC - Gross Revenue	#XXXXXXXX3887
SMCC - Gross Revenue	#XXXXXXXX3882

**Bank of America AP Accounts**

VHS - AP	#XXXXXXXX6440
OCH - AP	#XXXXXXXX86389
SLRH - AP	#XXXXXXXX86421
SFMC - AP	#XXXXXXXX86407
SFMC - AP	#XXXXXXXX86426
SMC - AP	#XXXXXXXX86365
SMCC - AP	#XXXXXXXX86384
VBS - AP	#XXXXXXXX6402
VH - AP	#XXXXXXXX11597

Manual sweep of receipts to Ally account currently is sent through the VHS AP Account. On a daily basis the balance of the revolver, if any, is paid down in an amount equal to the aggregate amounts received through the lockboxes from the prior day. If revolver balance is \$0, funds are returned to VHS AP.

**Bank of America Capitation Accounts**

SFMC - Capitation (AppleCare)	#XXXXXXXX1371
SFMC - Capitation (Conifer)	#XXXXXXXX01357
SFMC - Capitation AC	#XXXXXXXX01845
SFMC - Capitation HCLA	#XXXXXXXX01840
SFMC - Capitation (CHP)	#XXXXXXXX10553
SFMC - Capitation (Conifer)	#XXXXXXXX03695

**Bank of America Payroll Accounts**

VHS - Payroll	#XXXXXXXX0785
OCH - Payroll	#XXXXXXXX03007
SLRH - Payroll	#XXXXXXXX07575
SFMC - Payroll	#XXXXXXXX03012
SFMC - Payroll	#XXXXXXXX03017
SMC - Payroll	#XXXXXXXX03001
VBS - Payroll	#XXXXXXXX12982

**Bank of America Other Accounts (23)**

VHS - Self Insurance	#XXXXXXXX09250
VHS - DIP Concentration	#XXXXXXXX12889
VHS - DIP Loan Proceeds	#XXXXXXXX14358
OCH - FSA	#XXXXXXXX12284
OCH - Patient Trust	#XXXXXXXX82662
SLRH - FSA	#XXXXXXXX12307
SFMC - FSA	#XXXXXXXX12487
SFMC - Cafeteria Deposits	#XXXXXXXX11057
SFMC - FSA	#XXXXXXXX12062
SFMC - Restricted Cash	#XXXXXXXX00989 (A)
SMC - FSA	#XXXXXXXX12289
SMCC - Patient Trust	#XXXXXXXX12307
SMCC - FSA	#XXXXXXXX12302
OCH Foundation	#XXXXXXXX03433 (A)
SLRH Foundation	#XXXXXXXX22521 (A)
SFMC of Lynwood Foundation	#XXXXXXXX02809 (A)
SFMC Foundation	#XXXXXXXX03025 (A)
St. Vincent Dialysis Center	#XXXXXXXX28921
SMC Foundation	#XXXXXXXX02260 (A)
VBS - FSA	#XXXXXXXX13192
VH - MOB	#XXXXXXXX11248
VH - Operating	#XXXXXXXX11970
VH - Savings	#XXXXXXXX11975

Draws from Ally Revolving DIP Loan arrive at the VHS AP Account. The funds are then distributed to the other AP, Payroll, Capitation and VMF accounts.

**Other Accounts (6)**

SFMC - Career College	#XXXXXXXX7162
OCH Foundation - Investment	#XXXXXXXX2037 (A)
SFMC Foundation - EWB	#XXXXXXXX01162 (A)
SFMC Foundation - SVCS	#XXXXXXXX60089 (A)
SMC Foundation - TCB <sup>1</sup>	#XXXXXXXX8521 (A)
SMCC - Patient Trust - TCB <sup>2</sup>	#XXXXXXXX3611

<sup>1</sup> Account identified after petition date and closed in Oct 2018.  
<sup>2</sup> SMCC Patient Trust account at Tri-Counties Bank was closed in Sept 2018 and transferred to SMCC Patient Trust account at BoA.

**DEFINITIONS:**  
GRAA - Government Receivables Account Agreement  
DACA - Deposit Account Control Agreement

Note: The current account structure and cash flow procedures as described above are subject to change in accordance with the Cash Management Order and the terms of the Debtors' DIP agreement with Ally Bank. (A) This bank account contains certain funds that are donor restricted, and therefore, are not available for the Debtor's general operating activities. Please refer to the attached Restricted Funds Schedule for additional restricted funds recorded by the debtors that are not included in the Postpetition Debtors Cash Flow Chart, as they are not part of the cash management program.

**Verity Health System  
 Debtor Bank Accounts  
 As of 10/31/18**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
1	Obligated Group	VHS - AP	Verity Health System of California, Inc.	Bank of America	XXXXXX6440	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
2	Obligated Group	VHS - Self Insurance	Verity Health System of California, Inc.	Bank of America	XXXXXX9250	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
3	Obligated Group	VHS - Payroll	Verity Health System of California, Inc.	Bank of America	XXXXXX1785	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
4	Obligated Group	VHS - DIP Concentration Account (formerly named Construction Escrow)	Verity Health System of California, Inc.	Bank of America	XXXXXX2889	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
5	Obligated Group	VHS - DIP Loan Proceeds	Verity Health System of California, Inc.	Bank of America	XXXXXX4358	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
6	Obligated Group	OCH - Lockbox	O'Connor Hospital	Bank of America	XXXXXX2945	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
7	Obligated Group	OCH - Gross Revenue	O'Connor Hospital	Bank of America	XXXXXX3900	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
8	Obligated Group	OCH - AP	O'Connor Hospital	Bank of America	XXXXXX6389	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
9	Obligated Group	OCH - Payroll	O'Connor Hospital	Bank of America	XXXXXX3007	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
10	Obligated Group	OCH - FSA	O'Connor Hospital	Bank of America	XXXXXX2284	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
11	Obligated Group	OCH - Patient Trust	O'Connor Hospital	Bank of America	XXXXXX2662	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System  
 Debtor Bank Accounts  
 As of 10/31/18**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
12	Obligated Group	SLRH - Lockbox	St. Louise Regional Hospital	Bank of America	XXXXXX2926	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
13	Obligated Group	SLRH - Gross Revenue	St. Louise Regional Hospital	Bank of America	XXXXXX3905	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
14	Obligated Group	SLRH - AP	St. Louise Regional Hospital	Bank of America	XXXXXX6421	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
15	Obligated Group	SLRH - Payroll	St. Louise Regional Hospital	Bank of America	XXXXXX7575	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
16	Obligated Group	SLRH - FSA	St. Louise Regional Hospital	Bank of America	XXXXXX2307	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
17	Obligated Group	SFMC - Lockbox	St. Francis Medical Center	Bank of America	XXXXXX2940	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
18	Obligated Group	SFMC - Gross Revenue	St. Francis Medical Center	Bank of America	XXXXXX3924	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
19	Obligated Group	SFMC - AP	St. Francis Medical Center	Bank of America	XXXXXX6407	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
20	Obligated Group	SFMC - Payroll	St. Francis Medical Center	Bank of America	XXXXXX3012	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
21	Obligated Group	SFMC - FSA	St. Francis Medical Center	Bank of America	XXXXXX2487	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
22	Obligated Group	SFMC - Cafeteria Deposits	St. Francis Medical Center	Bank of America	XXXXXX1057	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System  
Debtor Bank Accounts  
As of 10/31/18**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
23	Obligated Group	SFMC - Capitation (AppleCare)	St. Francis Medical Center	Bank of America	XXXXXX1371	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer;
24	Obligated Group	SFMC - Capitation (Conifer)	St. Francis Medical Center	Bank of America	XXXXXX1357	Eleanor Ramirez, SFMC CEO Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer;
25	Obligated Group	SFMC - Capitation AC	St. Francis Medical Center	Bank of America	XXXXXX1845	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer;
26	Obligated Group	SFMC - Capitation HCLA	St. Francis Medical Center	Bank of America	XXXXXX1840	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer;
27	Obligated Group	SFMC - Career College	St. Francis Medical Center	U S Bank	XXXXXX2162	Eleanor Ramirez, SFMC CEO Need to Update Signers (A)
28	Obligated Group	SVMC - Lockbox	St. Vincent Medical Center	Bank of America	XXXXXX2964	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
29	Obligated Group	SVMC - Gross Revenue	St. Vincent Medical Center	Bank of America	XXXXXX3929	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
30	Obligated Group	SVMC - AP	St. Vincent Medical Center	Bank of America	XXXXXX6426	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
31	Obligated Group	SVMC - Payroll	St. Vincent Medical Center	Bank of America	XXXXXX3017	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
32	Obligated Group	SVMC - FSA	St. Vincent Medical Center	Bank of America	XXXXXX2062	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
33	Obligated Group	SVMC - Capitation (CHP)	St. Vincent Medical Center	Bank of America	XXXXXX0553	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer, Margaret Pfeiffer, SVMC COO

**Verity Health System  
 Debtor Bank Accounts  
 As of 10/31/18**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
34	Obligated Group	SVMC - Capitation (Conifer)	St. Vincent Medical Center	Bank of America	XXXXXX3695	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer, Margaret Pfeiffer, SVMC COO
35	Obligated Group	SVMC - Restricted Cash	St. Vincent Medical Center	Bank of America	XXXXXX0989	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
36	Obligated Group	SMC - Lockbox	Seton Medical Center	Bank of America	XXXXXX2902	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
37	Obligated Group	SMC - Gross Revenue	Seton Medical Center	Bank of America	XXXXXX3887	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
38	Obligated Group	SMC - AP	Seton Medical Center	Bank of America	XXXXXX6365	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
39	Obligated Group	SMC - Payroll	Seton Medical Center	Bank of America	XXXXXX3001	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
40	Obligated Group	SMC - FSA	Seton Medical Center	Bank of America	XXXXXX2289	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
41	Obligated Group	SMCC - Lockbox	Seton Medical Center	Bank of America	XXXXXX02907	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
42	Obligated Group	SMCC - Gross Revenue	Seton Medical Center	Bank of America	XXXXXX3882	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
43	Obligated Group	SMCC - AP	Seton Medical Center	Bank of America	XXXXXX6384	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System  
Debtor Bank Accounts  
As of 10/31/18**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
44	Obligated Group	SMCC - FSA	Seton Medical Center	Bank of America	XXXXXX2302	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
45	Obligated Group	SMCC - Patient Trust	Seton Medical Center	Bank of America	XXXXX12907	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
46	Charitable Foundation	OCH Foundation	O'Connor Hospital Foundation	Bank of America	XXXXXX3433	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
47	Charitable Foundation	OCH Foundation - Investment	O'Connor Hospital Foundation	Morgan Stanley	XXXXX2-037	Ty Conner, Treasurer
48	Charitable Foundation	SLRH Foundation	St. Louise Regional Hospital Foundation	Bank of America	XXXXXX2521	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
49	Charitable Foundation	SFMC of Lynwood Foundation	St. Francis Medical Center Foundation	Bank of America	XXXXXX2809	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
50	Charitable Foundation	SVMC Foundation	St. Vincent Medical Center Foundation	Bank of America	XXXXXX3025	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
51	Charitable Foundation	SVMC Foundation - EWB	St. Vincent Medical Center Foundation	EastWest Bank	XXXXXX1162	Rich Adcock, CEO; and Ty Conner, Treasurer
52	Non-Obligated Group	St. Vincent Dialysis Center	St. Vincent Dialysis Center	Bank of America	XXXXXX8921	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
53	Charitable Foundation	SMC Foundation	Seton Medical Center Foundation	Bank of America	XXXXXX2260	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
54	Charitable Foundation	SMC Foundation - SVCS	Healy, James T/U/A	Wells Fargo	XXXXXX0089	Need to Update Signers (A)
55	Non-Obligated Group	VBS - AP	Verity Business Services	Bank of America	XXXXXX6402	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Verity Health System  
Debtor Bank Accounts  
As of 10/31/18**

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
56	Non-Obligated Group	VBS - Payroll	Verity Business Services	Bank of America	XXXXXX2982	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
57	Non-Obligated Group	VBS - FSA	Verity Business Services	Bank of America	XXXXXX3192	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
58	Physician Foundation	VMF - Checking	Verity Medical Foundation	Wells Fargo	XXXXXX9996	Steve Campbell, CEO; Randall Roisman, CFO; and Fariba Shahbazi, Tony Armada
59	Physician Foundation	VMF - Payroll ZBA	Verity Medical Foundation	Wells Fargo	XXXXXX0010	Steve Campbell, CEO; Randall Roisman, CFO; and Fariba Shahbazi, Tony Armada
60	Non-Obligated Group	VH - AP	Verity Holdings LLC	Bank of America	XXXXXX1597	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
61	Non-Obligated Group	VH - MOB	Verity Holdings LLC	Bank of America	XXXXXX1248	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
62	Non-Obligated Group	VH - Operating	Verity Holdings LLC	Bank of America	XXXXXX1970	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer
63	Non-Obligated Group	VH - Savings	Verity Holdings LLC	Bank of America	XXXXXX1975	Rich Adcock, CEO; Tony Armada, COO; Anita Chou, CFO; and Ty Conner, Treasurer

**Bank Account Closed Since the Petition Date**

64	Obligated Group	SMCC - Patient Trust - TCB	Seton Medical Center	Tri Counties Bank	XXXXXX3611	Ty Conner, Treasurer
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Verity Health System  
Debtor Bank Accounts  
As of 10/31/18

Number	Group	Bank Account Name	Company	Financial Institution	Account Number	Authorized Signers
65		SMC Foundation - TCB	Seton Medical Center Foundation	Tri Counties Bank	XXXXXXXX8521	Need to Update Signers (A)

(B)

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

- (A) Authorized signors are in process of being updated to current signors on the other Debtor accounts.
- (B) This bank account contains certain funds that are donor restricted, and therefore, are not available for the Debtor's general operating activities. Please refer to the attached Restricted Funds schedule for additional restricted funds recorded by the Debtors that are not included in this schedule of Debtor Bank Accounts as they are not part of the cash management program.
- (C) New bank account opened in October 2018 to be used for DIP loan proceeds beginning in November 2018.



Verity Health System, Inc.  
 Restricted Funds Schedule  
 At September 30, 2018 and October 31, 2018  
 \$ in 000's

No.	Debtor Name	Institution Name	Type of Account	Last 4 of A/C	9/30/2018 Balance	10/31/2018 Balance	Description of Restrictions
1R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	0300	\$ 2,000	\$ 2,000	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements
2R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	8703	20,769	20,799	Debt Reserve Account - funds held in trust under bond indenture; only trustee can authorize disbursements
3R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	8803	802	803	Debt Reserve Account - funds held in trust under bond indenture; only trustee can authorize disbursements
4R	Verity Health System of California	Wells Fargo	Checking (Restricted Funds)	8903	884	885	Debt Reserve Account - funds held in trust under bond indenture; only trustee can authorize disbursements
5R	Verity Health System of California	Bank of America	Certificate of Deposit	n/a	125	125	Certificate of Deposit - Signatories are Rich Adcock, Anthony Armada, Anita Chou and Ty Connor
6R	St. Vincent Foundation	Green Oak Consulting Group	Endowment Fund (Restricted Funds)	a541a	3,174	3,174	Donor restricted funds controlled by third party; Debtor does not control disbursements from this account (A)
7R	St. Vincent Medical Center	Northern Trust	Endowment Fund (Restricted Funds)	4098	1,862	1,774	Donor restricted funds controlled by third party; Debtor does not control disbursements from this account
8R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7000	-	-	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements
9R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7001	892	892	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements
10R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7002	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
11R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7003	16,755	16,755	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
12R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7004	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
13R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7005	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
14R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7006	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
15R	Seton Medical Center	Wilmington Trust	Checking - Restricted	7007	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
16R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1000	-	-	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
17R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1001	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
18R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1002	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.

Verity Health System, Inc.  
Restricted Funds Schedule  
At September 30, 2018 and October 31, 2018  
\$ in 000's

No.	Debtor Name	Institution Name	Type of Account	Last 4 of A/C	9/30/2018 Balance	10/31/2018 Balance	Description of Restrictions
19R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1003	17,625	17,625	Escrow Account - funds held in trust under bond indenture; only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
20R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1004	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
21R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1005	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
22R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1006	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.
23R	Seton Medical Center	Wilmington Trust	Checking - Restricted	1007	-	-	Escrow Account - only trustee can authorize disbursements to pay for seismic-related expenditures for Seton Medical Center.

(A) Green Oak Consulting historically has provided statements quarterly. Despite the Debtors' requests for monthly statements, an October 31, 2018 statement has not been received. For purposes of this Monthly Operating Report, the Green Oak Consulting 10/31/2018 Balance reported is the 9/30/2018 Balance.

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Thomas J. Polis, Esq. (SBN 119326) POLIS & ASSOCIATES, APLC 19800 MacArthur Blvd., Suite 1000 Irvine, CA 92612 Tel: (949) 862-0040 Fax: (949) 862-0041 Email: tom@polis-law.com	FOR COURT USE ONLY  <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p style="color: blue; font-weight: bold; font-size: 1.2em;">FILED &amp; ENTERED</p> <div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 5px 0;"> <p style="color: red; font-weight: bold; font-size: 1.5em;">NOV 19 2018</p> </div> <p style="color: blue; font-size: 0.8em;">CLERK U.S. BANKRUPTCY COURT                      Central District of California                      BY gonzalez DEPUTY CLERK</p> </div> <p style="color: red; font-weight: bold; font-size: 1.2em; margin-top: 10px;">CHANGES MADE BY COURT</p>
<p><b>UNITED STATES BANKRUPTCY COURT</b>  <b>CENTRAL DISTRICT OF CALIFORNIA -<u>LOS ANGELES</u> DIVISION</b></p>	
In re:  Verity Health System of California, Inc.,  (Only Affects Related Debtor, St. Francis Medical Center, Inc., Case No. 2:18-bk-20165-ER)	CASE NO.: 2:18-bk-20151-ER CHAPTER: 11
Debtor(s).	<p><b>ORDER GRANTING MOTION FOR RELIEF FROM THE AUTOMATIC STAY UNDER 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)</b></p>
DATE: 11/7/2018 TIME: 10:00 a.m. COURTROOM: 1568 PLACE: US Bankruptcy Court 255 E. Temple Street Los Angeles, CA 90012	
<p><b>MOVANT:</b> MARIA ZAVALA</p>	

1. The Motion was:     Opposed     Unopposed     Settled by stipulation

2. The Motion affects the following Nonbankruptcy Action:

Name of Nonbankruptcy Action: Maria Zavala and Florencio Zabala v. St. Francis Medical Center, et al.

Docket number: BC 681825

Nonbankruptcy court or agency where the Nonbankruptcy Action is pending:


Los Angeles Superior Court – Central District

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

Pursuant to the Court's tentative on November 6, 2018 [Doc. No. 783], the Motion for Relief of Stay (action in Non-Bankruptcy Forum) is granted, however, the order granting the Motion shall not take effect until **January 15, 2019**.

###

Date: November 19, 2018



Ernest M. Robles  
United States Bankruptcy Judge

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  LIOR KATZ   CA BAR NO.: 284559 KATZ LAW, A PROFESSIONAL CORPORATION 11620 WILSHIRE BLVD., SUITE 900 LOS ANGELES, CA 90025 PHONE: (310) 775-8920 FAX: (310) 382-2110 Email: katzlawapc@gmail.com	FOR COURT USE ONLY  <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p style="color: blue; font-weight: bold; font-size: 1.2em;">FILED &amp; ENTERED</p> <div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 5px 0;"> <p style="color: red; font-weight: bold; font-size: 1.5em;">NOV 27 2018</p> </div> <p style="color: blue; font-size: 0.8em;">CLERK U.S. BANKRUPTCY COURT                      Central District of California                      BY gonzalez DEPUTY CLERK</p> </div>
<input type="checkbox"/> <i>Movant appearing without an attorney</i> <input checked="" type="checkbox"/> <i>Attorney for Movant</i>	

**UNITED STATES BANKRUPTCY COURT  
 CENTRAL DISTRICT OF CALIFORNIA –Los Angeles DIVISION**

In re:  VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al.,  <hr style="border: 0.5px solid black;"/> Affects O'Connor Hospital,   <div style="text-align: right;">Debtor(s).</div>	CASE NO.: 2:18-bk-20151-ER (jointly administered with 2:18-bk-20168-ER  CHAPTER: 11  <div style="text-align: center; border: 1px solid black; padding: 5px; font-weight: bold;">                     ORDER GRANTING MOTION FOR                      RELIEF FROM THE AUTOMATIC STAY                      UNDER 11 U.S.C. § 362                      (Action in Nonbankruptcy Forum)                 </div> DATE: November 19, 2018 TIME: 10:00 am COURTROOM: 1568 PLACE: 255 E. Temple Street Los Angeles, CA 90012
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**MOVANT:** Refugio Estrada and Livier Marquez Estrada

1. The Motion was:     Opposed     Unopposed     Settled by stipulation
2. The Motion affects the following Nonbankruptcy Action:
 

Name of Nonbankruptcy Action: Medical malpractice and negligence claims against Debtor O'Connor Hospital, arising from a medical procedure on Movant Refugio Estrada on October 4, 2017.

Docket number: A formal lawsuit has not yet been initiated.

Nonbankruptcy court or agency where the Nonbankruptcy Action is pending: N/A

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

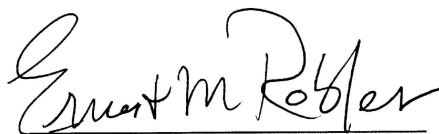
Agree as to form:

Date: November \_\_\_\_\_, 2018

\_\_\_\_\_  
John A. Moe  
Attorney for the Debtor

###

Date: November 27, 2018

  
Ernest M. Robles  
United States Bankruptcy Judge

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

Agree as to form:

Date: November 26, 2018



John A. Moe  
Attorney for the Debtor

###

**EXHIBIT "A"**



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

**Monday, November 19, 2018**

**Hearing Room 1568**

10:00 AM

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

**Chapter 11**

**#7.20** HearingRE: [704] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Medical Malpractice Claim against O'Connor Hospital.

Docket 704

**Tentative Ruling:**

11/16/2018

For the reasons set forth below, the Motion is GRANTED in its entirety.

**Pleadings Filed and Reviewed:**

- 1) Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. §362 [Doc. No. 704] (the "Motion")
- 2) Debtors' Response to Motion for Relief from the Automatic Stay Filed on Behalf of Refugio Estrada and Marquez Estrada [Doc. No. 775]
- 3) Official Committee of Unsecured Creditors' Response to Motion for Relief from Stay (Non-Bankruptcy Forum) Filed by Refugio Estrada and Livier Marquez Estrada [Doc. No. 825]

**I. Facts and Summary of Pleadings**

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

Refugio Estrada and Livier Marquez Estrada ("Movants") seek stay-relief, pursuant to §362(d)(1), for the purpose of litigating a personal injury action against Debtor O'Connor Hospital ("O'Connor"). Movants seek recovery only from applicable insurance, and waive any deficiency or other claim against the estate.

Because Movants waive any deficiency claim and seek recovery only against applicable insurance, Debtors do not oppose the Motion. The Official Committee of Unsecured Creditors does not oppose the Motion for the same reason.

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

Monday, November 19, 2018

Hearing Room 1568

10:00 AM

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

Chapter 11

**II. Findings and Conclusions**

Section 362(d)(1) provides that the Court “shall grant relief from the [automatic stay] ..., such as by terminating, annulling, modifying, or conditioning such stay for cause ....” “Because there is no clear definition of what constitutes ‘cause,’ discretionary relief from the stay must be determined on a case by case basis.” *In re Castlerock Props.*, 781 F.2d 159, 163 (9th Cir. 1986).

The Motion is GRANTED pursuant to §362(d)(1). The State Court is best suited to adjudicate the personal injury claims which arise under non-bankruptcy law.

The automatic stay remains in effect with respect to the enforcement of any judgment against the Debtors or estate property. Movants are permitted to enforce any final judgment only by collecting upon available insurance in accordance with applicable nonbankruptcy law. Movants may not pursue any deficiency claim or any other claim against the Debtors or property of the estates.

Because there is no opposition to the Motion, the order granting the Motion shall take effect immediately upon entry, notwithstanding Federal Rule of Bankruptcy Procedure 4001(a)(3).

Movant shall submit a conforming order, incorporating this tentative ruling by reference, within seven days of the hearing. **[Note 1]**

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

**Note 1**

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

**Party Information**

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

**Monday, November 19, 2018**

**Hearing Room 1568**

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10:00 AM

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

**Chapter 11**

**Debtor(s):**

Verity Health System of California,

Represented By  
Samuel R Maizel  
John A Moe II  
Tania M Moyron  
Claude D Montgomery  
Sam J Alberts

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address ALAN I. NAHMIAS (#125140) STEPHEN F. BIEGENZAHN (#60584) SCOTT H. NOSKIN (#164923) MIRMAN, BUBMAN & NAHMIAS, LLP 21860 Burbank Boulevard, Suite 360 Woodland Hills, CA 91367 Phone: 818-451-4600 FAX: 818-451-4620 Emails: anahmias@mbnlawyers.com sbiegenzahn@mbnlawyers.com snoskin@mbnlawyers.com  <input type="checkbox"/> <i>Movant appearing without an attorney</i> <input checked="" type="checkbox"/> <i>Attorney for Movant</i>	FOR COURT USE ONLY  <div style="border: 1px solid black; padding: 10px; text-align: center;"> <span style="font-size: 1.2em; color: blue; font-weight: bold;">FILED &amp; ENTERED</span>   <span style="font-size: 1.5em; color: red; font-weight: bold;">NOV 27 2018</span>   <span style="font-size: 0.8em; color: blue;">CLERK U.S. BANKRUPTCY COURT                      Central District of California                      BY gonzalez DEPUTY CLERK</span> </div>  <span style="color: red; font-weight: bold; font-size: 1.1em;">CHANGES MADE BY COURT</span>
<b>UNITED STATES BANKRUPTCY COURT                  CENTRAL DISTRICT OF CALIFORNIA -LOS ANGELES DIVISION</b>	
In re:  VERITY HEALTH SERVICES OF CALIFORNIA, INC.         Debtor(s).	CASE NO.: 2:18-bk-20151-ER CHAPTER: 11  <div style="text-align: center; padding: 5px;"> <b>ORDER GRANTING MOTION FOR                      RELIEF FROM THE AUTOMATIC STAY                      UNDER 11 U.S.C. § 362                      (Action in Nonbankruptcy Forum)</b> </div> DATE: November 19, 2018 TIME: 10:00 AM COURTROOM: 1568 PLACE: 255 East Temple Street Los Angeles, CA 90012
<b>MOVANT:</b> JOSEFINA ROBLES, by and through her Conservator, SERGIO ROBLES	

1. The Motion was:     Opposed     Unopposed     Settled by stipulation

2. The Motion affects the following Nonbankruptcy Action:

Name of Nonbankruptcy Action:        Robles v. St. Francis Medical Center, et al., Case No. BC697012

Docket number:    696

Nonbankruptcy court or agency where the Nonbankruptcy Action is pending:

Los Angeles Superior Court, Central District

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

The stay is modified in accordance with the Court's Ruling [Docket No. 839], a copy of which is attached.

###

Date: November 27, 2018



Ernest M. Robles  
United States Bankruptcy Judge

Case 2:18-bk-20151-ER Doc 839-1 Filed 11/19/18 Entered 11/19/18 14:41:00 Desc  
Correct Image Page 1 of 6

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

**Monday, November 19, 2018**

**Hearing Room 1568**

10:00 AM

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

**Chapter 11**

**#7.10** HearingRE: [696] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Robles v. St. Francis Medical Center, Case No. BC697012 .

Docket 696

**Matter Notes:**

11/19/2018

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

Note to docket:

Effective date was changed after oral argument to January 11, 2019.

**POST PDF OF TENTATIVE RULING TO CIAO**

**Tentative Ruling:**

11/16/2018

For the reasons set forth below, the Motion is GRANTED; however, the order granting the Motion shall not take effect until **January 15, 2019**.

**Pleadings Filed and Reviewed:**

- 1) Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. §362 [Doc. No. 696] (the "Motion")
- 2) Official Committee of Unsecured Creditors' Response to Motion for Relief from Stay (Non-Bankruptcy Forum) Filed by Josefina Robles [Doc. No. 777]
- 3) Debtors' Response to Motion for Relief from the Automatic Stay Filed on Behalf of Josefina Robles By and Through Her Conservator Sergio Robles [Doc. No. 791]
- 4) Reply of Josefina Robles to: (1) Debtors' Response to Motion for Relief from

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Central District of California  
Los Angeles  
Judge Ernest Robles, Presiding  
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**CONT... Verity Health System of California, Inc. Chapter 11**

Stay; and (2) Official Committee of Unsecured Creditors' Response to Motion for Relief from Stay [Doc. No. 823]

**I. Facts and Summary of Pleadings**

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

Josefina Robles, by and through her conservator, Sergio Robles ("Movant"), seeks stay-relief, pursuant to §362(d)(1), for the purpose of litigating a personal injury action against Debtor St. Francis Medical Center ("St. Francis") in the Los Angeles Superior Court (the "State Court Action"). The State Court Action asserts claims against St. Francis and various other third-party defendants. In the State Court Action, the recovery Movant seeks is not limited to applicable insurance, and Movant is not willing to waive any deficiency claim against St. Francis.

Debtors argue that the Motion should be denied without prejudice, because it is premature and would undermine the Debtors' efforts to successfully proceed under Chapter 11. Debtors assert that allowing the State Court Action to proceed would impair their ability to pursue critical issues, such as the pending sales of two of the Debtors' hospitals. Debtors further oppose the Motion on the ground that Movant is not willing to limit her recovery to applicable insurance. The Official Committee of Unsecured Creditors (the "Committee") opposes the Motion for the same reasons.

Movant makes the following arguments in reply to the opposition of the Debtors and the Committee:

- 1) The Debtors' assertion that the granting of the Motion would interfere with the case by distracting the Debtors' professionals with personal injury litigation is disingenuous. As soon as stay-relief is granted, defense of the State Court Action will be assigned to litigation and/or coverage counsel. In e-mail communications with the Movant, Debtors have already identified the lawyer who will ultimately defend against the State Court Action.
- 2) Movant has sustained horrific injuries as a result of the negligence of the doctors and nurses at St. Francis, and should not be required to wait to seek redress.

**II. Findings and Conclusions**

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
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**CONT... Verity Health System of California, Inc.**

**Chapter 11**

As explained by the Ninth Circuit Bankruptcy Appellate Panel in *Kronemyer v. American Contractors Indemnity Co. (In re Kronemyer)* (internal citations omitted): "What constitutes 'cause' for granting relief from the automatic stay is decided on a case-by-case basis. Among factors appropriate to consider in determining whether relief from the automatic stay should be granted to allow state court proceedings to continue are considerations of judicial economy and the expertise of the state court, ... as well as prejudice to the parties and whether exclusively bankruptcy issues are involved." 405 B.R. 915, 921. The factors articulated in *In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Utah 1984) and adopted by the bankruptcy court in *Truebro, Inc. v. Plumberex Specialty Prods., Inc. (In re Plumberex Specialty Prods., Inc)*, 311 B.R. 551, 559-60 (Bankr. C.D. Cal. 2004) are also "appropriate, nonexclusive factors to consider in deciding whether to grant relief from the automatic stay to allow pending litigation to continue in another forum." *Kronemyer*, 405 B.R. at 921. The *Curtis* factors are as follows:

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



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Central District of California  
Los Angeles  
Judge Ernest Robles, Presiding  
Courtroom 1568 Calendar**

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10:00 AM

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

**Chapter 11**

*Plumberex*, 311 B.R. at 599.

The primary disagreement between Movant and the Debtors is the extent to which allowing the State Court Action to proceed would interfere with the case. Movant asserts that lifting the stay would have very little impact on the ability of the Debtors' professionals to attend to other pressing matters; the Debtors dispute this contention.

The Court finds that although it certainly would be possible for the Debtors to defend against the State Court Action at this time, requiring them to do so would nonetheless interfere with the case by distracting the Debtors' professionals from other pressing matters. The State Court Action alleges that Movant suffered extremely serious injuries as a result of the alleged malpractice of physicians employed by Debtor St. Francis. If these allegations are proven, the damages would be substantial. While it is true that primary responsibility for the Debtors' defense could be assigned to special litigation counsel, the Debtors' general bankruptcy counsel would still be required to monitor the litigation, given the seriousness of the allegations. Contrary to Movant's contention, Debtors' general bankruptcy counsel cannot simply assign the State Court Action to special litigation counsel and then forget about it.

An auction of two of the Debtors' hospitals is set to occur on December 10–11, with a hearing to approve the results of the auction set for December 19, 2018. To successfully prosecute the case for the benefit of creditors, Debtors will be required to devote substantial resources to the auction and the subsequent hearing to approve the results of the auction. Granting stay-relief at this juncture would require the Debtors to divert their attention from issues pertaining to the sale, which would be detrimental to creditors.

In view of the findings set forth above, *Curtis* factors two, five, seven, and eleven weigh against granting stay-relief at this time. However, after the December 19 auction has concluded, application of the *Curtis* factors will yield a different result. Although the relevant *Curtis* factors do not warrant stay-relief now, stay-relief will be warranted as of **January 15, 2019**.

Granting stay-relief now would interfere with the bankruptcy case by distracting the Debtors' professionals from other pressing matters (the second *Curtis* factor). With respect to factor five, the damages sought in the State Court Action are substantial; Movant has not agreed to limit her recovery to applicable insurance; and it is therefore not known whether available insurance proceeds will be sufficient to cover any judgment Movant may obtain. Factor five therefore weighs against granting immediate stay-relief. The litigation's interference with the case has the potential to reduce creditor recoveries; therefore, factor seven weighs against granting immediate

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Central District of California  
Los Angeles  
Judge Ernest Robles, Presiding  
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**CONT... Verity Health System of California, Inc.**

**Chapter 11**

stay-relief. The State Court Action has not reached the trial stage, so factor eleven also weighs against granting immediate stay-relief.

Factor twelve—the balance of the hurt—is neutral. As discussed, granting immediate stay-relief will harm the Debtors by distracting the Debtors' professionals from other pressing matters. On the other hand, Movant has sustained serious injuries and is prejudiced by the inability to pursue legal redress.

To the extent that they apply, the remaining *Curtis* factors weigh in favor of immediate stay-relief. The State Court Action will completely resolve the issues (factor one); the State Court is the tribunal best suited to hear the Movant's claims (factor three); and lifting the stay would result in a more expeditious determination of the State Court Action (factor ten). Nonetheless, these factors are outweighed by the harm that immediate stay-relief would impose upon the Debtors.

As noted, the *Curtis* factors are not the exclusive guideposts for assessing the appropriateness of stay-relief. Particularly relevant to this case is the reasoning of *Sumitomo Trust & Banking Co. v. Grand Rapids Hotel, L.P.*, 140 B.R. 643, 700 (Bankr. W.D. Mich. 1992), wherein the court held:

[I]f the relief from stay is requested at the early stages of the bankruptcy case, the

burden upon the debtor is less stringent. But, if relief from stay is requested later in the case, the debtor's showing is closely scrutinized.

*Sumitomi Trust*, 140 B.R. at 700. *See also Chrysler LLC v. Plastech Engineered Prods., Inc.*, 382 B.R. 90, 109 (Bankr. E.D. Mich. 2008) ("The longer the case goes on, the more the analysis may change and the balance of competing interests may compel a different result.").

Movant's attempts to distinguish *Sumitomi Trust* and *Plastech Engineered Prods.* are unavailing. Movant notes that *Sumitomo Trust* addressed stay-relief under §362(d)(2)(B), whereas the present Motion was filed under §362(d)(1). That is a distinction without a difference. Movant notes that the facts of *Plastech Engineered Prods.* were considerably different from the facts of this case. Those differences are immaterial. *Plastech Engineered Prods.* stands for the general proposition that at the outset of the case, a stay-relief motion should be closely scrutinized to further the Bankruptcy Code's objective of providing debtors breathing space to reorganize. That general proposition is valid regardless of the type of business that the debtor conducts.

Having considered the applicable *Curtis* factors and the principles set forth in *Sumitomo Trust* and *Plastech Engineered Prods.*, the Court finds that Movant is entitled to stay-relief, effective as of **January 15, 2019**. This result gives the Debtors

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Ernest Robles, Presiding  
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**CONT... Verity Health System of California, Inc.**

**Chapter 11**

some breathing space to achieve their objectives, while at the same time delaying Movant's ability to proceed with the State Court Action by only two months.

**III. Conclusion**

Based upon the foregoing, the Motion is GRANTED; however, the order granting the Motion shall not take effect until **January 15, 2019**. Movants shall submit an order, incorporating this tentative ruling by reference, within seven days of the hearing. **[Note 1]**

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

**Note 1**

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

**Party Information**

**Debtor(s):**

Verity Health System of California,

Represented By  
Samuel R Maizel  
John A Moe II  
Tania M Moyron  
Claude D Montgomery  
Sam J Alberts

1 Gary K. Daglian, Esq. (SBN 232717)  
Rachel C. Quimby, Esq. (SBN No. 315398)  
2 **DAGLIAN LAW GROUP, APLC**  
701 N. Brand Blvd., Suite 610  
3 Glendale, California 91203  
Telephone: (818) 545-7700  
4 Facsimile: (818) 545-3700

**FILED & ENTERED**  
**NOV 29 2018**  
CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY gonzalez DEPUTY CLERK

5 Attorneys for Movant Noble Williams  
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**CHANGES MADE BY COURT**

**UNITED STATES DISTRICT COURT**

**CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

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

13 Debtor and Debtor In Possession.

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

**~~PROPOSED~~ ORDER GRANTING MOVANT'S  
MOTION FOR RELIEF FROM THE  
AUTOMATIC STAY UNDER 11 U.S.C § 362**

**[Relates to Docket No. 582]**

Hearing:

Date: November 7, 2018

Time: 10:00 am Pacific

Place: United States Bankruptcy Court  
Courtroom 1568, 255 East Temple  
Street  
Los Angeles, CA 90012



1 The Court, having read and considered the *Movant's Motion for Relief from Stay Under 11*  
2 *U.S.C § 362* [Docket No. 582] (the "Motion"), dated October 17, 2018; it further appearing that  
3 proper notice of the Motion had been provided. The Motion [Docket No. 582] is unopposed per  
4 the *Debtors' Response to Motion for Relief from the Automatic Stay Filed on Behalf of Noble*  
5 *Williams* [Docket No. 776] and *Official Committee of Unsecured Creditors' Response to Motion*  
6 *for Relief from Stay (Non-Bankruptcy Forum) Filed by Noble Williams* [Docket No. 824].  
7

8 For the reasons set forth in the Court's tentative ruling on the Motion [~~Docket No. 582~~],  
9 which the Court adopts as its final ruling and which is incorporated herein by reference; and good  
10 cause having been shown,

11 IT IS HEREBY ORDERED:

- 12 1. The Motion is GRANTED pursuant to 11 U.S.C. §362(d)(1).  
13 2. The automatic stay remains in effect with respect to the enforcement of the  
14 judgment against the Debtors or estate property.  
15 3. Movants are permitted to enforce any final judgment only by collecting upon  
16 available insurance in accordance with applicable non-bankruptcy law. **Movants shall not pursue**  
17 **any deficiency claim or any other claim against the Debtors or property of the estates.**  
18 4. Movant's request that the order be binding and effective in any bankruptcy case  
19 commenced by or against the Debtors for a period of 180 days is DENIED.  
20 5. **Notwithstanding Federal Rule of Bankruptcy Procedure 4001(a)(3), this Order shall**  
21 **take effect immediately upon entry.**  
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24 IT IS SO ORDERED.  
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Date: November 29, 2018

A handwritten signature in black ink that reads 'Ernest M. Robles'.

Ernest M. Robles  
United States Bankruptcy Judge