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16 **UNITED STATES BANKRUPTCY COURT**
17 **FOR THE CENTRAL DISTRICT OF CALIFORNIA -**
18 **LOS ANGELES DIVISION**

19 In re
20 VERITY HEALTH SYSTEM OF CALIFORNIA,
21 INC., *et al.*,

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

23 Jointly Administered With:

- 24 CASE NO.: 2:18-bk-20162-ER
- 25 CASE NO.: 2:18-bk-20163-ER
- 26 CASE NO.: 2:18-bk-20164-ER
- 27 CASE NO.: 2:18-bk-20165-ER
- 28 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

29 Debtors and Debtors In Possession.

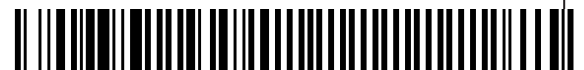
- 30 Affects All Debtors
- 31 Affects Verity Health System of California, Inc.
- 32 Affects O'Connor Hospital
- 33 Affects Saint Louise Regional Hospital
- 34 Affects St. Francis Medical Center
- 35 Affects St. Vincent Medical Center
- 36 Affects Seton Medical Center
- 37 Affects O'Connor Hospital Foundation
- 38 Affects Saint Louise Regional Hospital Foundation
- 39 Affects St. Francis Medical Center of Lynwood
40 Foundation
- 41 Affects St. Vincent Foundation
- 42 Affects St. Vincent Dialysis Center, Inc.
- 43 Affects Seton Medical Center Foundation
- 44 Affects Verity Business Services
- 45 Affects Verity Medical Foundation
- 46 Affects Verity Holdings, LLC
- 47 Affects De Paul Ventures, LLC
- 48 Affects De Paul Ventures - San Jose ASC, LLC

49 Chapter 11 Cases

50 Hon. Judge Ernest M. Robles

51 **ORDER APPROVING STIPULATION**
52 **RESOLVING PRIME HEALTHCARE SERVICES,**
53 **INC.'S MOTION TO ENFORCE PROVISIONS OF**
54 **THE ASSET PURCHASE AGREEMENT**
55 **PERTAINING TO ACCOUNTS RECEIVABLE**
56 **ADJUSTMENT**

57 Debtors and Debtors In Possession.



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1 The Court, having reviewed the *Stipulation Resolving Prime Healthcare Services, Inc.’s*
2 *Motion to Enforce Provisions of the Asset Purchase Agreement Pertaining to Accounts Receivable*
3 *Adjustment* (the “Stipulation”), filed as Docket No. 6718, entered between Verity Health System
4 of California, Inc., Saint Francis Medical Center and certain affiliated debtors (collectively, prior
5 to the effective date of the Joint Plan (defined below), the “Debtors” and after the effective date,
6 the “Post-Effective Date Debtors”) and the Liquidating Trustee (the “Liquidating Trustee”) of the
7 VHS Liquidating Trust (the “Trust”), established pursuant to the *Modified Second Amended Joint*
8 *Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured*
9 *Creditors, and the Official Committee of Unsecured Creditors* [Docket No. 5466] (the “Joint Plan”)
10 confirmed by the order [Docket No. 5504] entered August 14, 2020, and that certain Liquidating
11 Trust Agreement, dated as of September 5, 2020 [Docket No. 6043], in the above-captioned chapter
12 11 bankruptcy cases (the “Cases”), on the one hand, and Prime Healthcare Services, Inc. (“Prime”),
13 on the other hand, and good cause appearing,

14 HEREBY ORDERS AS FOLLOWS:

- 15 1. The Stipulation is approved.
- 16 2. The A/R Dispute and the Motion, as these terms are defined in the Stipulation, are
17 hereby resolved.
- 18 3. Prime’s claim for \$28,263,312 under the Accounts Receivable Reconciliation
19 process set forth in the APA is reduced by \$150,000 such that Prime shall be authorized
20 immediately to offset \$28,113,312 in QAF VI Seller Net Payments. Accordingly, within ten days,
21 Prime shall remit \$150,000 in QAF VI Seller Net Payments to the Trust and thereafter shall remit
22 QAF VI Seller Net Payments in excess of \$28,113,312 to the Trust in accordance with the APA.
- 23 4. The Post-Effective Date Debtors and the Liquidating Trustee shall withdraw the
24 Appeal.
- 25 5. The Parties waive any rights to attorneys’ fees as the prevailing party under section
26 12.12 of the APA in connection with the Motion.
- 27 6. The December 8, 2021 hearing is hereby taken off the calendar.
- 28 7. The Parties fully, finally, unconditionally, irrevocably and completely release and

1 forever discharge each other and each of their predecessors, successors, assigns, affiliates,
2 subsidiaries, parents, partners, constituents, officers, directors, employees, attorneys and agents
3 (past, present or future) and each of their respective heirs, successors, and assigns, of and from any
4 and all claims, causes of action, litigation claims, and any other debts, obligations, rights, suits,
5 damages, actions, remedies, judgments and liabilities whatsoever, whether known or unknown,
6 foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured,
7 existing, in law or at equity, whether for tort, contract or otherwise, based in whole or in part upon
8 any act or omission, transaction, event or other occurrence or circumstance related to the Motion
9 and sections 1.1(a)(i) and 1.12 of the APA. For the avoidance of doubt, this paragraph shall
10 constitute a mutual release of all claims under sections 1.1(a)(i) and 1.12 of the APA.

11 8. With regard to the mutual release in paragraph 7 above, the Parties expressly
12 waive all rights under Section 1542 of the California Civil Code as well as under any other
13 statutes or common law principles of similar effect.

14 **IT IS SO ORDERED.**

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24 Date: December 1, 2021


Ernest M. Robles
United States Bankruptcy Judge