

SAMUEL R. MAIZEL (SBN 189301)
samuel.maizel@dentons.com
TANIA M. MOYRON (SBN 235736)
tania.moyron@dentons.com
DENTONS US LLP
601 South Figueroa Street, Suite 2500
Los Angeles, California 90017-5704
Tel: 213 623 9300 / Fax: 213 623 9924

*Attorneys for the Post-Effective Date Debtors
and Special Counsel to the Liquidating Trustee*

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

In re

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

Debtors and Debtors In Possession.

- ☒ Affects All Debtors
- ☐ Affects Verity Health System of California, Inc.
- ☐ Affects O'Connor Hospital
- ☐ Affects Saint Louise Regional Hospital
- ☐ Affects St. Francis Medical Center
- ☐ Affects St. Vincent Medical Center
- ☐ Affects Seton Medical Center
- ☐ Affects O'Connor Hospital Foundation
- ☐ Affects Saint Louise Regional Hospital Foundation
- ☐ Affects St. Francis Medical Center of Lynwood Foundation
- ☐ Affects St. Vincent Foundation
- ☐ Affects St. Vincent Dialysis Center, Inc.
- ☐ Affects Seton Medical Center Foundation
- ☐ Affects Verity Business Services
- ☐ Affects Verity Medical Foundation
- ☐ Affects Verity Holdings, LLC
- ☐ Affects De Paul Ventures, LLC
- ☐ Affects De Paul Ventures - San Jose ASC, LLC

Debtors and Debtors In Possession.

Lead Bankruptcy 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 Sheri Bluebond

**SUBMISSION OF LIQUIDATING
TRUSTEE'S SIGNATURE PAGE RE
DECLARATION OF HOWARD
GROBSTEIN IN SUPPORT OF MOTION
FOR AUTHORITY TO USE RESTRICTED
FUNDS**

[RELATED TO DOCKET NO. 6817]

DENTONS US LLP
601 SOUTH FIGUEROA STREET, SUITE 2500
LOS ANGELES, CALIFORNIA 90017-5704
213 623 9300



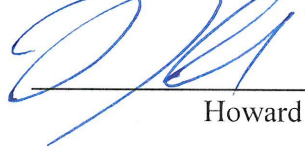
1 11. An internal audit report of the Debtors dated June 11, 2004, conducted by Chan
2 Healthcare Auditors (the “2004 Audit Report,” attached hereto as **Exhibit A**), however, notes that
3 “SVF and SVMC have applied an overly conservative interpretation when recording donations that
4 carry very limited restrictions and misapplied guidance regarding which of the organizations should
5 report contributions as revenue. As a result, the contribution revenue of SVF has been significantly
6 understated.” Audit Report, p. 3. Thus, given that SVF historically was overly conservative in its
7 recording and labeling of donations as restricted, together with the fact that the bankruptcy cases
8 were later filed and new management was then onboarded, leads me to believe that accurate journal
9 entries were not made to reflect the unrestricted status of the Funds.

10 12. Accordingly, I do not believe that clear and convincing evidence exists to establish
11 that the Funds should be held in trust as Charitable Restricted Funds.

12
13 I declare under penalty of perjury that, to the best of my knowledge and after reasonable
14 inquiry, the foregoing is true and correct.

15 Executed this 11th day of December, 2024, in Woodland Hills, California.

16 

17 

Howard Grobstein

DENTONS US LLP
601 SOUTH FIGUEROA STREET, SUITE 2500
LOS ANGELES, CALIFORNIA 90017-5704
213 623 9300