Docket #0040 Date Filed: 4/5/2019

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FOR COURT USE ONLY

UNITED STATES BANKRUPTCY COURT
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 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
Hon. Ernest M. Robles
ADVERSARY NO.: 2:19-ap-01002-ER

ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation and ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation, Plaintiff(s), vs. LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY DBA L.A. CARE HEALTH PLAN, an independent local public agency, Defendant.	**NOTICE OF LODGMENT OF ORDER OR JUDGMENT IN ADVERSARY PROCEEDING** **RE:** DEFENDANT'S MOTION FOR ENTRY OF ORDER STAYING TRIAL OF ADVERSARY PROCEEDING

PLEASE TAKE NOTE that the order or judgment titled ORDER GRANTING DEFENDANT'S MOTION FOR ENTRY OF ORDER STAYING TRIAL OF ADVERSARY PROCEEDING
was lodged on (*date*) April 5, 2019 and is attached. This order relates to the motion which is docket number 17.

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Case No. 2:18-bk-20179-ER;
Case No. 2:18-bk-20180-ER;
Case No. 2:18-bk-20181-ER

Chapter 11 Cases

Adv. Proc. No. 2:19-ap-01002-ER

ORDER GRANTING DEFENDANT'S MOTION FOR ENTRY OF ORDER DISMISSING COMPLAINT OR, IN THE ALTERNATIVE, STAYING TRIAL OF ADVERSARY PROCEEDING

Date: April 3, 2019
Time: 10:00 A.M.
Judge: Hon. Ernest M. Robles
Courtroom: 1568

ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation and ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation,

Plaintiffs,

v.

LOCAL INITIATIVE HEALTH AUTHORITY FOR LOS ANGELES COUNTY DBA L.A. CARE HEALTH PLAN, an independent local public agency,

Defendant.

Defendant Local Initiative Health Authority For Los Angeles County operating as L.A. Care Health Plan ("LA Care")'s *Motion for Entry of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order Staying Trial of Adversary Proceeding, and Memorandum of Points and Authorities in Support Thereof* [Doc. No. 17] (the "Motion"), seeking the dismissal of the *Complaint for Breach of Written Contracts, Turnover, Unjust Enrichment, Damages for Violation of the Automatic Stay, and Injunctive Relief* [Doc. No. 1] (the "Complaint"), or in the alternative, that this Court stay this adversary proceeding until the parties have completed arbitration of the claims asserted in the Complaint pursuant to the mandatory arbitration clauses in the contracts alleged in the Complaint, came for hearing before the Court on April 3, 2019.

The Court, having reviewed the Motion, the Complaint; *Notice of Motion for Entry of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order Staying Trial of Adversary Proceeding* [Doc. No. 14]; *Plaintiffs' Amended Opposition to Motion for Entry of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order Staying Trial of Adversary Proceeding* [Doc. No. 32]; *Reply Brief in Support of Motion for Entry of Order Dismissing Complaint or, in the Alternative, Motion for Entry of Order Staying Trial of Adversary Proceeding* [Doc. No. 36]; LA Care's *Motion for Entry of Protective Order, and Memorandum of Points and Authorities in Support Thereof* [Doc.

No. 20]; *Plaintiffs' Opposition to Motion for Entry of Protective Order* [Doc. No. 26]; LA Care's *Reply Brief in Support of Motion for Entry of Protective Order* [Doc. No. 35]; the parties' *Joint Status Report* [Doc. No. 18]; LA Care's *Memorandum of Points and Authorities Regarding Non-Core Designation* [Doc. No. 19]; and *Plaintiffs' Response to Defendant's Memorandum of Points and Authorities Regarding Non-Core Designation* [Doc. No. 22], and for the reasons set forth in the Court's tentative ruling (as amended by the Court after the April 3, 2019 hearing) [Doc. No. 39-1], which the Court adopts as its final ruling and which is incorporated herein by reference, and good cause having been shown,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED with respect to its alternative request for an order staying this adversary proceeding.

2. This adversary proceeding will be stayed pending the completion of arbitration of the claims for relief asserted in the Complaint.

3. Any determinations made by the arbitrator with respect to the Fourth and Eighth Claims for Relief (for purported violations of the automatic stay) and the Ninth Claim for Relief (seeking injunctive relief) shall be subject to the review and approval of this Court upon motion by any party after completion of the arbitration.

4. A Status Conference shall be held on June 19, 2019 at 10:00 a.m. No later than fourteen days prior to the hearing, the parties shall file a Status Report discussing the status of arbitration.

IT IS SO ORDERED.

###

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 425 Market Street, 26th Floor, San Francisco, California, 94105

A true and correct copy of the foregoing document entitled: **NOTICE OF LODGMENT OF ORDER OR JUDGMENT IN ADVERSARY PROCEEDING** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On April 5, 2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Steven J Kahn skahn@pszyjw.com
United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on April 5, 2019, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

OVERNIGHT MAIL
Honorable Judge Ernest M. Robles
U.S. Bankruptcy Court
Roybal Federal Building
255 E. Temple Street
Suite 1560
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 5, 2019	Landa Chappell	Landa Chappell
Date	*Printed Name*	*Signature*