Docket #0008 Date Filed: 2/11/2019

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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.	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. Ernest M. Robles Adversary No. 2:19-ap-01042-ER **SUMMONS SERVICE EXECUTED**
☐ 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.	

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VERITY HEALTH SYSTEM OF CALIFORNIA, INC., a California nonprofit public benefit corporation, ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation and ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation,

Plaintiffs,

v.

HERITAGE PROVIDER NETWORK, INC., a California corporation,

Defendant.

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address	FOR COURT USE ONLY
Steven J Kahn PACHULSKI STANG ZIEHL & JONES LLP 10100 Santa Monica Blvd Ste 13th Flr Los Angeles, CA 90067−4003 310−277−6910 *Plaintiff or Attorney for Plaintiff*	

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA − LOS ANGELES

In re: Verity Health System of California, Inc. Debtor(s).	CASE NO.: 2:18−bk−20151−ER CHAPTER: 11 ADVERSARY NUMBER: 2:19−ap−01042−ER
VERITY HEALTH SYSTEM OF CALIFORNIA, INC., a California nonprofit public benefit corporation **(See Attachment A for names of additional plaintiffs)** Plaintiff(s) Versus HERITAGE PROVIDER NETWORK, INC., a California corporation Defendant(s)	**SUMMONS AND NOTICE OF STATUS CONFERENCE IN ADVERSARY PROCEEDING [LBR 7004−1]**

TO THE DEFENDANT(S): A Complaint has been filed by the Plaintiff against you. If you wish to defend against the Complaint, you must file with the court a written pleading in response to the Complaint. You must also serve a copy of your written response on the party shown in the upper left−hand corner of this page. The deadline to file and serve a written response is **03/11/2019.** If you do not timely file and serve the response, the court may enter a judgment by default against you for the relief demanded in the Complaint.

A status conference in the adversary proceeding commenced by the Complaint has been set for:

Date:	**May 14, 2019**
Time:	**10:00 AM**
Hearing Judge:	**Ernest M. Robles**
Location:	**255 E Temple St., Crtrm 1568, Los Angeles, CA 90012**

You must comply with LBR 7016−1, which requires you to file a joint status report and to appear at a status conference. All parties must read and comply with the rule, even if you are representing yourself. You must cooperate with the other parties in the case and file a joint status report with the court and serve it on the appropriate parties at least 14 days before a status conference. A court−approved joint status report form is available on the court's website (LBR form F 7016−1.STATUS.REPORT) with an attachment for additional parties if necessary (LBR form F 7016−1.STATUS.REPORT.ATTACH). If the other parties do not cooperate in filing a joint status report, you still must file with the court a unilateral status report and the accompanying required declaration instead of a joint status report 7 days before the status conference. **The court may fine you or impose other sanctions if you do not file a status report. The court may also fine you or impose other sanctions if you fail to appear at a status conference.**

KATHLEEN J. CAMPBELL
CLERK OF COURT

Date of Issuance of Summons and Notice of Status Conference in Adversary Proceeding: February 8, 2019

By: "s/" Maria Evangelista
Deputy Clerk

ATTACHMENT A
Names of plaintiffs and defendants

Plaintiff(s):	**Defendant(s):**
VERITY HEALTH SYSTEM OF CALIFORNIA, INC., a California nonprofit public benefit corporation ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation	HERITAGE PROVIDER NETWORK, INC., a California corporation

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:

A true and correct copy of the foregoing document entitled: **SUMMONS AND NOTICE OF STATUS CONFERENCE IN ADVERSARY PROCEEDING [LBR 7004−1]** and (2) the accompanying pleading(s) entitled:

_____

_____

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 (*date*) _____, 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:

☐ 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 (*date*) _____, 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.

☐ 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.

_____ _____ _____

Date *Printed Name* *Signature*

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Co-Counsel to Chapter 11 Debtors and
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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.
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☐ 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;
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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. Ernest M. Robles

Adversary No. _____

COMPLAINT FOR [redacted] TURNOVER, UNJUST ENRICHMENT, DAMAGES FOR VIOLATION OF THE AUTOMATIC STAY AND INJUNCTIVE RELIEF

[REDACTED—UNREDACTED VERSION TO BE FILED UNDER SEAL]

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LOS ANGELES, CALIFORNIA

VERITY HEALTH SYSTEM OF CALIFORNIA, INC., a California nonprofit public benefit corporation, ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation and ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation,

Plaintiffs,

v.

HERITAGE PROVIDER NETWORK, INC., a California corporation,

Defendant.

Plaintiffs Verity Health System of California, Inc., St. Vincent Medical Center and St. Francis Medical Center, for their Complaint against Heritage Provider Network, Inc., allege as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this adversary proceeding (the "Action") pursuant to 28 U.S.C. §§ 157 and 1334.

2. The Action is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. Venue is proper pursuant to 28 U.S.C. § 1409 because the Action arises in, and is related to, the bankruptcy cases encaptioned above pending in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.

4. Plaintiffs consent to the entry of final orders or judgments by the Bankruptcy Court even if it is determined that, absent consent of the parties, the Bankruptcy Court cannot enter final orders or judgments in this proceeding.

THE PARTIES

5. Debtor and Plaintiff Verity Health System of California, Inc. ("VHS") is a California nonprofit public benefit corporation and the sole corporate member of St. Vincent Medical Center and St. Francis Medical Center.

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6. Debtor and Plaintiff St. Vincent Medical Center ("St. Vincent") is a California nonprofit public benefit corporation doing business in the County of Los Angeles providing hospital and ancillary medical services on an inpatient and outpatient basis.

7. Debtor and Plaintiff St. Francis Medical Center ("St. Francis," and together with St. Vincent, the "Plaintiff Hospitals") is a California nonprofit public benefit corporation doing business in the County of Los Angeles providing hospital and ancillary medical services on an inpatient and outpatient basis.

8. Defendant Heritage Provider Network, Inc. ("Heritage") is a California corporation doing business in the County of Los Angeles as a limited Knox-Keene licensee providing health services under contractual arrangements with Knox-Keene HealthCare Services Plans, such as the Health Net Medi-Cal HMO and plans under the Covered California Exchange Program ("HCSPs"), for enrollees or members of such HCSPs by contracting for medical services with hospitals, physicians, and other health care providers.

BANKRUPTCY BACKGROUND

9. On August 31, 2018 ("Petition Date"), each of the above encaptioned debtors (each a "Debtor" and collectively the "Debtors") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").[1] The cases are currently being jointly administered before the Bankruptcy Court [Docket No. 17]. Since the commencement of these cases, the Debtors have been operating their businesses as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

10. VHS and its affiliated entities (collectively, the "Verity Health System") operate as an integrated nonprofit health care system, with approximately 1,680 inpatient beds, six active emergency rooms, a trauma center, eleven medical office buildings, and a host of medical specialties, including tertiary and quaternary care.

11. On September 14, 2018, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors in these cases.

[1] All references to "§" or "section" herein are to the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.*, as amended.

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[redacted]

12. The claims set forth herein relate to [redacted]

13. On or about July 1, 2016, [redacted] A true and correct copy of the [redacted] is attached hereto and incorporated herein by reference as **Exhibit "A"**

14. On or about June 1, 2017, [redacted] A true and correct copy of the Capitation Agreement is attached hereto and incorporated herein by reference as **Exhibit "B"**

15. [redacted] health care services.

16. Pursuant to [redacted] In the event of [redacted]

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17. Pursuant to

18. This Action stems from Heritage's

all to the direct and significant harm of the Plaintiff Hospitals.

FIRST CLAIM FOR RELIEF

(For Against Defendant)

19. Plaintiffs refer to and incorporate herein by reference each and every allegation contained in Paragraphs 1 through 18, above, as though fully set forth herein.

20. Heritage to provide

21. Heritage

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during 2018.

22. By reason of Heritage's

23. Pursuant to

24. Heritage has further

25. Rather, Heritage

26. No

27. Plaintiffs have

28. By reason of the aforesaid Plaintiffs have been damaged in a sum according to proof, but including the amount of the and the additional losses caused by reason of Heritage's plus interest thereon at the legal rate and attorneys' fees according to proof.

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SECOND CLAIM FOR RELIEF

(For [redacted] Against Defendant)

29. Plaintiffs refer to and incorporate herein by reference each and every allegation contained in Paragraphs 1 through 28, above, as though fully set forth herein.

30. Pursuant to [redacted]

31. Heritage is required [redacted]

32. No [redacted]

33. Indeed, [redacted]

34. Despite these prohibitions and [redacted] on August 15, 2018 and August 22, 2018, Heritage improperly [redacted]

35. Thereafter, on September 17, 2018, Heritage improperly [redacted] (the Post-

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Petition Offsets")

36. Heritage has further indicated an intent to

37. Plaintiffs have

38. By reason of Heritage's Plaintiffs have been damaged in the sum of $4,102,810, plus the amount of any other interest thereon at the legal rate and attorneys' fees according to proof.

THIRD CLAIM FOR RELIEF

(For Turnover Against Defendant)

39. Plaintiffs refer to and incorporate herein by reference each and every allegation contained in Paragraphs 1 through 38, above, as though fully set forth herein.

40. Pursuant to § 541 of the Bankruptcy Code,

41. Section 542 of the Bankruptcy Code requires that any entity in possession, custody, or control of property that the debtor may use, sell or lease under § 363 of the Bankruptcy Code shall deliver such property or the value of same to the debtor.

42. Pursuant to § 542(b) of the Bankruptcy Code, an entity that owes a matured debt that is property of the bankruptcy estate, shall pay such debt to the debtor.

43. Plaintiffs made demand on Heritage to turnover the amounts owed to

44. Despite such demand, Defendant has failed and continues to fail and refuse to turnover the sums owed to the Plaintiff Hospitals

45. Plaintiff is entitled to an order directing Heritage to immediately pay the amounts and owing to the Plaintiff Hospitals, plus interest at the legal rate from

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[redacted] through the date of judgment, plus interest thereon at the legal rate, according to proof.

FOURTH CLAIM FOR RELIEF

(For Unjust Enrichment Against Defendant)

46. Plaintiffs refer to and incorporate herein by reference each and every allegation contained in Paragraphs 1 through 45, above, as though fully set forth herein.

47. The Plaintiff Hospitals [redacted]

48. The Plaintiff Hospitals [redacted]

49. Heritage has obtained the benefit [redacted] and has been unjustly enriched thereby to the detriment of Plaintiffs.

50. By reason thereof, Plaintiffs are entitled to an order directing Heritage to disgorge not less than $4,102,810, plus [redacted] interest thereon at the legal rate and attorneys' fees according to proof.

FIFTH CLAIM FOR RELIEF

(For Damages for Violation of the Automatic Stay Against Defendant)

51. Plaintiffs refer to and incorporate herein by reference each and every allegation contained in Paragraphs 1 through 50, above, as though fully set forth herein.

52. Defendant had actual notice of the bankruptcy filings by the Debtors and of the imposition of the automatic stay by virtue of the *Notice of Case Commencement of Chapter 11 Cases and Meeting of Creditors Pursuant to Section 341 of the Bankruptcy Code* that was served on Defendant. [Docket No.185; 271] On August 31, 2018, Defendant was also sent an email informing Lloyd B. Wilensky, whom Plaintiffs are informed and believe to be Vice President of [redacted] of Defendant, of the Debtors' bankruptcy filings. A copy of that email is attached hereto as **Exhibit "C"**.

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53. Notwithstanding its knowledge of the bankruptcy filings, Defendant made the [redacted] and unauthorized Post-Petition Offsets for amounts [redacted]

54. Pursuant to § 541 of the Bankruptcy Code, [redacted] constitute property of the Plaintiffs' estates.

55. The Post-Petition Offsets were not authorized under the Bankruptcy Code or applicable non-bankruptcy law and no prior approval was received from the Court by Defendant prior to effectuating the Post-Petition Offsets.

56. By effectuating the Post-Petition Offsets, Defendant violated the automatic stay provisions in at least the following ways: (i) exercising control over property of the Plaintiff Hospitals' estates within the meaning of § 362(a)(3) of the Bankruptcy Code; (ii) [redacted] within the meaning of § 362(a)(6) of the Bankruptcy Code; and (iii) setting off a debt [redacted] within the meaning of § 362(a)(7) of the Bankruptcy Code.

57. Plaintiffs are entitled to a determination that Heritage's acts of effectuating the Post-Petition Offsets violate the automatic stay and that the Plaintiff Hospitals are entitled to return of not less than $1,387,885 and any other amounts [redacted] and for other compensatory damages according to proof.

SIXTH CLAIM FOR RELIEF

(For Injunctive Relief Against Defendant)

58. Plaintiffs refer to and incorporate herein by reference each and every allegation contained in Paragraphs 1 through 57, above, as though fully set forth herein.

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59. Plaintiffs are entitled to an order pursuant to §§ 105(a) and 362 of the Bankruptcy Code enjoining the Defendant from engaging in any further setoffs [redacted]

60. To the extent Heritage continues to setoff sums [redacted] Plaintiffs reserve the right to amend this Complaint to seek punitive damages for intentional violation of the automatic stay.

PRAYER

WHEREFORE, Plaintiffs pray for entry of judgment against Defendant as follows:

On the First Claim for Relief:

a. For damages according to proof;

b. For interest thereon at the legal rate until paid in full;

c. For attorneys' fees and costs according to proof; and

d. For such further and other relief the Court deems just and proper.

On the Second Claim for Relief:

a. For damages in the sum of not less than $4,102,810, plus the amount of any other unauthorized Post-Petition Offsets taken after September 17, 2018;

b. For interest thereon at the legal rate [redacted] until paid in full;

c. For attorneys' fees and costs according to proof; and

d. For such further and other relief the Court deems just and proper.

On the Third Claim for Relief:

a. For disgorgement of the sum of not less than $4,102,810;

b. For interest thereon at the legal rate [redacted] until paid in full;

c. For attorneys' fees and costs according to proof; and

d. For such further and other relief the Court deems just and proper.

On the Fourth Claim for Relief:

a. For disgorgement of the sum of not less than $4,102,810, plus the amount of any other unauthorized Post-Petition Offsets taken after September 17, 2018;

b. For interest thereon at the legal rate from [redacted] until paid in full;

c. For attorneys' fees and costs according to proof; and

d. For such further and other relief the Court deems just and proper.

On the Fifth Claim for Relief:

a. For a determination that Defendant's [redacted] violated the automatic stay, and for an award of not less than $1,387,885 plus the amount of any other unauthorized [redacted] taken after September 17, 2018, and other compensatory damages, according to proof;

b. For attorneys' fees and costs according to proof; and

c. For such further and other relief the Court deems just and proper.

On the Sixth Claim for Relief:

a. For injunctive relief pursuant to Bankruptcy Code §§ 105(a) and 362 prohibiting Defendant from effectuating any further setoffs [redacted] in violation of the automatic stay;

b. For attorneys' fees and costs according to proof; and

c. For such further and other relief the Court deems just and proper.

PACHULSKI STANG ZIEHL & JONES LLP

Dated: February 5, 2019

/s/ Steven J. Kahn
Steven J. Kahn
Co-Counsel to Chapter 11 Debtors and Debtors in Possession

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

EXHIBIT A

REDACTED—UNREDACTED COPY

TO BE FILED UNDER SEAL

EXHIBIT B

REDACTED—UNREDACTED COPY

TO BE FILED UNDER SEAL

EXHIBIT C

REDACTED—UNREDACTED COPY

TO BE FILED UNDER SEAL

B1040 (FORM 1040) (12/15)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)	**ADVERSARY PROCEEDING NUMBER** (Court Use Only)

PLAINTIFFS	**DEFENDANTS**
VERITY HEALTH SYSTEM OF CALIFORNIA, INC., a California nonprofit public benefit corporation, ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation and ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation,	HERITAGE PROVIDER NETWORK, INC., a California corporation,
ATTORNEYS (Firm Name, Address, and Telephone No.) Steven J. Kahn PACHULSKI STANG ZIEHL & JONES LLP 10100 Santa Monica Blvd., 13th Floor Los Angeles, California 90067 Telephone: 310/277-6910	**ATTORNEYS** (If Known) Leslie A. Cohen Leslie Cohen Law PC 506 Santa Monica Blvd., Suite 200 Santa Monica, CA 90402
PARTY (Check One Box Only) ☒ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☐ Creditor ☐ Other ☐ Trustee	**PARTY** (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☒ Creditor ☐ Other ☐ Trustee

CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)
COMPLAINT FOR DAMAGES, TURNOVER, UNJUST ENRICHMENT, FOR VIOLATION OF THE AUTOMATIC STAY AND INJUNCTIVE RELIEF

NATURE OF SUIT

(Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)

FRBP 70 01(1) – Recovery of Money/Property
- ☒ 11-Recovery of money/propert y - §542 turnover of property
- ☐ 12-Recovery of money/property - §547 preference
- ☐ 13-Recovery of money/property - §548 fraudulent transfer
- ☐ 14-Recovery of money/property - other

FRBP 70 01 (2) – Validity, Priority or Extent of Lien
- ☐ 21-Validity, priority or extent of lien or other interest in property

FRBP 7001(3) – Approval of Sale of Property
- ☐ 31-Approval of sale of property of estate and of a co-owner - §363(h)

FRBP 7001(4) – Objection/ Revocation of Discharge
- ☐ 41-Objection/re vocation of discharge - §727(c),(d),(e)

FRBP 7001(5) – Revocation of Confirmation
- ☐ 51-Revocation of confirmation

FRBP 7001(6) – Dischargeability
- ☐ 6 6 -Dischargeability - §523(a)(1),(14),(14A) priority tax claims
- ☐ 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud
- ☐ 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny

(continued next column)

FRBP 70 01(6) – Dischargeability (continued)
- ☐ 61 -Dischargeability- §523(a)(5), domestic support
- ☐ 68-Dischargeability - §523(a)(6), willful and malicious injury
- ☐ 63-Dischargeability - §523(a)(8), student loan
- ☐ 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support)
- ☐ 6 5 -Dischargeability - other

FRBP 70 01(7) – Injunctive Relief
- ☒ 71 -Injunctive relief- imposition of stay
- ☐ 72-Injunctive relief - other

FRBP 70 01(8) Subordination of Claim or Interest
- ☐ 81 -Subordination of claim or interest

FRBP 70 01(9) Declaratory Judgment
- ☐ 91 -Declaratory judgment

FRBP 70 01(10) Deter mi nation of Remove d Act ion
- ☐ 01 -Determination of removed claim or cause

Other
- ☐ SS-SIPA Case - 15 U.S.C. §§78aaa *et.seq.*
- ☐ 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

☒ Check if this case involves a substantive issue of state law	☐ Check if this is asserted to be a class action under FRCP 23
☐ Check if a jury trial is demanded in complaint	☒ Demand $ 4,102,810 +

Other Relief Sought
Other damages according to proof and injunction.

American LegalNet, Inc.
www.FormsWorkFlow.com

B1040 (FORM 1040) (12/15)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR VERITY HEALTH SYSTEM OF CALIFORNIA, INC., *et al.*,	BANKRUPTCY CASE NO. 2:18-bk-20151-ER (Jointly administered)	
DISTRICT IN WHICH CASE IS PENDING CENTRAL DISTRICT	DIVISION OFFICE LOS ANGELES DIVISION	NAME OF JUDGE HON. ERNEST M. ROBLES
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) */s/ Steven J. Kahn*		
DATE February 5, 2019	PRINT NAME OF ATTORNEY (OR PLAINTIFF) STEVEN J. KAHN	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and **Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

American LegalNet, Inc.
www.FormsWorkFlow.com

Steven J. Kahn (CA Bar No. 76933)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, California 90067
Telephone: 310/277-6910
Facsimile: 310/201-0760
E-mail: skahn@pszjlaw.com

Co-Counsel to Chapter 11 Debtors and
Debtors In Possession

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 Cases Hon. Ernest M. Robles Adversary No. _____ **NOTICE OF REQUIRED COMPLIANCE WITH LOCAL BANKRUPTCY RULE 7026-1**

Plaintiff hereby provides this notice of the requirement of Local Bankruptcy Rule 7026-1 ("LBR 7026-1") and Federal Rule of Bankruptcy Procedure 7026 (collectively, the "Rules") that the parties meet and confer as required by and for the purposes set forth in those Rules. The text of LBR 7026-1 is attached hereto as **Exhibit A**.

PACHULSKI STANG ZIEHL & JONES LLP

Dated: February 5, 2019

/s/ Steven J. Kahn
Steven J. Kahn
Co-Counsel to Chapter 11 Debtors and
Debtors in Possession

Complaint Page 20 of 22

EXHIBIT A

EXHIBIT A

NOTICE OF REQUIRED COMPLIANCE UNDER LBR 7026-1 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE

LBR 7026-1. DISCOVERY

(a) **General**. Compliance with FRBP 7026 and this rule is required in all adversary proceedings.

(1) Notice. The plaintiff must serve with the summons and complaint a notice that compliance with FRBP 7026 and this rule is required.

(2) Proof of Service. The plaintiff must file a proof of service of this notice together with the proof of service of the summons and complaint.

(b) **Discovery Conference and Disclosures**.

(1) Conference of Parties. Unless all defendants default, the parties must conduct the meeting and exchange the information required by FRBP 7026 within the time limits set forth therein.

(2) Joint Status Report. Within 7 days after such meeting, the parties must prepare a joint status report containing the information set forth in LBR 7016-1(a)(2). The joint status report will serve as the written report of the meeting required by FRBP 7026.

(c) **Failure to Make Disclosures or Cooperate in Discovery.**

(1) General. Unless excused from complying with this rule by order of the court for good cause shown, a party must seek to resolve any dispute arising under FRBP 7026-7037 or FRBP 2004 in accordance with this rule.

(2) Meeting of Counsel. Prior to the filing of any motion relating to discovery, counsel for the parties must meet in person or by telephone in a good faith effort to resolve a discovery dispute. It is the responsibility of counsel for the moving party to arrange the conference. Unless altered by agreement of the parties or by order of the court for cause shown, counsel for the opposing party must meet with counsel for the moving party within 7 days of service upon counsel of a letter requesting such meeting and specifying the terms of the discovery order to be sought.

(3) Moving Papers. If counsel are unable to resolve the dispute, the party seeking discovery must file and serve a notice of motion together with a written stipulation by the parties.

(A) The stipulation must be contained in 1 document and must identify, separately and with particularity, each disputed issue that remains to be determined at the hearing and the contentions and points and authorities of each party as to each issue.

(B) The stipulation must not simply refer the court to the document containing the discovery request forming the basis of the dispute. For example, if the sufficiency of an answer to an interrogatory is in issue, the stipulation must contain, verbatim, both the interrogatory and the allegedly insufficient answer, followed by each party's contentions, separately stated.

(C) In the absence of such stipulation or a declaration of counsel of noncooperation by the opposing party, the court will not consider the discovery motion.

(4) Cooperation of Counsel; Sanctions. The failure of any counsel either to cooperate in this procedure, to attend the meeting of counsel, or to provide the moving party the information necessary to prepare the stipulation required by this rule within 7 days of the meeting of counsel will result in the imposition of sanctions, including the sanctions authorized by FRBP 7037 and LBR 9011-3.

(5) Contempt. LBR 9020-1 governing contempt proceedings applies to a discovery motion to compel a non-party to comply with a deposition subpoena for testimony and/or documents under FRBP 7030 and 7034.

FILED & ENTERED

FEB 08 2019

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY evangeli DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re **Verity Health System of California, Inc.,** Debtor. **Verity Health System of California, Inc., a California nonprofit public benefit corporation, St. Vincent Medical Center, a California nonprofit public benefit corporation and St. Francis Medical Center, a California nonprofit public benefit corporation,** Plaintiffs, v. **Heritage Provider Network, Inc., a California corporation** Defendant.	Case No. 2:18-20151-ER Adv. No. 2:19-ap-01042-ER Chapter 11 SCHEDULING ORDER

This adversary proceeding having been assigned to the undersigned judge, IT IS HEREBY ORDERED:

1) The following dates shall apply to this proceeding:

a) A status conference is set for **05/14/2019** at 10:00 a.m. A Joint Status Report must be submitted by no later than fourteen days prior to the hearing.

b) The last day to amend pleadings and/or join other parties is **06/13/2019.**

c) The last day to disclose expert witnesses and expert witness reports is **10/29/2019.**

d) The last day to disclose rebuttal expert witnesses and rebuttal expert witness reports is **11/28/2019**.

e) The last date to complete discovery relating to expert witnesses (e.g., depositions of expert witnesses), including hearings on motions related to expert discovery, is **11/12/2019.**[1]

f) The last day for dispositive motions to be heard is **11/19/2019**.[2]

g) The last day to complete discovery (except as to experts), including hearings on discovery motions, is **12/28/2019**.[3]

h) A Pretrial Conference is set for **12/10/2019** at 11:00 a.m. By no later than fourteen days prior to the Pretrial Conference, the parties must submit a Joint Pretrial Stipulation via the Court's Lodged Order Upload (LOU) system. Submission via LOU allows the Court to edit the Joint Pretrial Stipulation, if necessary. Parties should consult the Court Manual, section 4, for information about LOU.

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[1] For contemplated hearings on motions related to expert discovery, it is counsel's responsibility to check the Judge's self-calendaring dates, posted on the Court's website. If the expert discovery cutoff date falls on a date when the court is closed or that is not available for self-calendaring, the deadline for hearings on expert discovery motions is the next closest date which is available for self-calendaring.

[2] If the motion cutoff date is not available for self-calendaring, the deadline for dispositive motions to be heard is the next closest date which is available for self-calendaring. See footnote 1.

[3] If the non-expert discovery cutoff date is not available for self-calendaring, the deadline for non-expert discovery motions to be heard is the next closest date which is available for self-calendaring. See footnote 1.

i) Trial is set for the week of **1/27/2020** The trial day commences at 9:00 a.m. The Court's courtroom deputy will contact counsel 2–3 weeks prior and advise counsel which day of the week the matter will be tried. Consult the Court's website for the Judge's requirements regarding exhibit binders and trial briefs.

2) Unless otherwise ordered, the status conference and pretrial shall be conducted by telephone conference. All requests to conduct the status conference and/or pretrial in person shall be made in a written application filed with the court and served upon the parties not later than 5 court days prior to the status conference and pretrial.

3) This order applies to counsel for all parties and persons not represented by counsel. ALL COUNSEL AND PARTIES MUST COMPLY WITH LOCAL RULES 7016-1(a)(2)& (3) WHICH REQUIRE THE FILING OF A JOINT STATUS REPORT AT LEAST FOURTEEN DAYS BEFORE THE STATUS CONFERENCE OR UNILATERAL STATUS REPORTS AT LEAST SEVEN DAYS BEFORE THE STATUS CONFERENCE. IF NOT SO SERVED, OR SERVED LATE, THE COURT MAY SUA SPONTE ISSUE SANCTIONS AS SET FORTH IN LOCAL RULE 7016-1(f), INCLUDING, BUT NOT LIMITED TO, THE IMPOSITION OF MONETARY SANCTIONS OR ENTERING JUDGMENT AGAINST THE NON-COMPLYING PARTY.

4) Unless otherwise ordered, all applicable Local Bankruptcy Rules continue to apply as set forth in the EARLY MEETING OF COUNSEL, JOINT STATUS CONFERENCE INSTRUCTIONS, which is attached and incorporated herein by this reference. In particular, all parties shall review the Third Amended General Order No. 95-01 ("Adoption of Mediation Program for Bankruptcy Cases and Adversary Proceedings"), located on the Court's website.

5) Plaintiff shall serve a copy of this order as well as the EARLY MEETING OF COUNSEL, JOINT STATUS CONFERENCE INSTRUCTIONS on all parties along with the summons and complaint. PROOF OF SERVICE OF THE SUMMONS AND COMPLAINT MUST INDICATE THAT SUCH COPIES WERE SERVED IN ACCORDANCE WITH THIS ORDER.

6) Any party contesting this Court's authority to enter a final order or judgment in this matter must file and serve a written objection no later than ten days prior to the date set for the first status conference. *See Wellness Int'l Network, Ltd. v. Sharif*, 135 S. Ct. 1932 (2015). Failure to raise the issue in accordance with the requirements set forth above will be deemed consent to this court's authority to enter a final order or judgment. If an objection is filed and served the Court may set a hearing date and a briefing schedule. Alternatively, the Court may rule on the objection without a hearing.

###

Date: February 8, 2019

Ernest M. Robles
United States Bankruptcy Judge

REVISED EARLY MEETING OF COUNSEL, JOINT STATUS CONFERENCE INSTRUCTIONS

1. *A COPY OF THESE INSTRUCTIONS MUST BE ATTACHED TO THE COPY OF THE COMPLAINT SERVED UPON EACH PARTY, AND THE PROOF OF SERVICE OF THE SUMMONS AND COMPLAINT MUST INDICATE THAT SUCH COPY WAS SERVED THEREWITH.*

2. These instructions apply only to parties represented by counsel. If you do not have an attorney you must appear at the status conference in person.

3. This status conference will be conducted **by telephone** at the date and time shown on the summons. Telephone appearances for status conference will be arranged through ***Court Call***™ pursuant to the attached Instructions for Telephonic Appearances. Court Call is an independent conference call company that arranges conference calls on a national and international basis for business. It has no business connection with this court.

4. If the proceeding involves money or property exceeding $10,000.00 or if the plaintiff believes trial time will be four hours or more, plaintiff must serve, with the summons and complaint, a notice that compliance with **Local Rule 7026-1** is required. Plaintiff must also file proof of service of the notice with proof of service of the summons and complaint.

5. If **Local Rule 7026-1** applies, counsel for the parties **MUST TIMELY MEET TO DISCUSS SETTLEMENT AND TO EXCHANGE DOCUMENTS, OTHER EVIDENCE, AND LISTS OF WITNESSES AND PRELIMINARY DISCOVERY SCHEDULES AS PROVIDED IN SAID RULE.**

6. Unless all defendants have defaulted, the parties shall file a Form F7016.1.1 Joint Status Report pursuant to **Local Rule 7016-1(a)(2)** at least 14 days before the date of the status conference. If **Local Rule 7026-1** applies, the parties must include in the Joint Status Report a statement that they have met to discuss settlement and have exchanged documents, other evidence, lists of witnesses and preliminary discovery schedules. If the parties request dates for discovery cut-off, pre-trial or trial other than those ordered herein, this request shall be made in the Joint Status Report.

7. If no response to the complaint is timely filed, plaintiff may request entry of default by the clerk or by the court. Plaintiff may also request entry of a default judgment by filing and serving an appropriate motion, see **FRBP Rule 7055 and Local Rule 7055.**

8. If the parties dispute whether the adversary proceeding is **"core" or "non-core,"** they shall file points and authorities in support of their positions. Any party that contends the proceeding is **"non-core"** shall file and serve its points and authorities at least **14 days** before the status conference. Any response must be filed and served at least seven days before the status conference.

9. Failure to comply with these instructions including the failure to timely file a joint status report will subject the responsible party to monetary **sanctions**, without a further hearing.

10. Failure of counsel for any party to appear at a status conference or pre-trial conference may be considered an abandonment or failure to prosecute or defend diligently and the proceeding may be dismissed or judgment entered against the defaulting party without a further hearing.

11. Plaintiffs demanding trial by jury in the bankruptcy court shall file a demand with their complaint. All other parties stipulating to trial by jury in the bankruptcy court should file their stipulation not later than the date of the status conference.

HON. ERNEST M. ROBLES
United States Bankruptcy Judge

AMENDED ORDER RE TELEPHONIC STATUS CONFERENCE IN ADVERSARY PROCEEDINGS

This proceeding having been assigned to Judge Ernest M. Robles, **IT IS HEREBY ORDERED:**

1. Unless otherwise ordered all status conferences and continued status conferences ("Conferences") in this proceeding shall be conducted by telephone. However, any party or counsel may appear in person if they wish. As set forth in paragraph six below, if you do not have counsel you must appear in person at the status conference.

2. Plaintiff shall serve a copy of this order on all defendants, together with the summons and complaint. The return proof of service shall indicate such service. In continued status conferences and pre-trials, plaintiff shall serve a copy of this order together with plaintiff's notice of continued hearing.

3. **Any settlement stipulations or default judgments shall be filed with the Court at least 7 days before the status conference or pretrial. If the orders are not timely filed, all parties must appear. Parties submitting late stipulations or default judgments may be subject to Court Call's regular charges even if the hearing never takes place.**

4. Unless otherwise ordered, all applicable Local Bankruptcy Rules remain in force. In particular, all parties and counsel are encouraged to review Local Bankruptcy Rules 7026-1 (early meeting of counsel) and 7016-1 (status conferences and pre-trial hearings), and (Third Amended) General Order No. 95-01 ("Adoption of Mediation Program for Bankruptcy Cases and Adversary Proceedings").

5. Except in instances where either the plaintiff or defendant is not represented by counsel, conference calls shall be initiated by counsel for the plaintiff and Court Call™ will coordinate such conference calls. Relevant instructions are attached. Court Call™ is not affiliated with the U.S. Courts nor has the U.S. government contracted in any way with Court Call™. Payment for the conference call shall be the responsibility of the parties individually, unless the parties have agreed to other arrangements.

6. In cases where either the plaintiff or defendant are not represented by counsel the parties shall appear in person.

Ernest M. Robles
United States Bankruptcy Judge

INSTRUCTIONS FOR TELEPHONIC APPEARANCES
For Judge Ernest Robles
United States Bankruptcy Court, Los Angeles Division

Telephone appearances will be arranged through ***Court Call***™ . Court Call is an independent conference call company that arranges conference calls nationally for Courts.

It is counsel's responsibility to schedule their telephonic appearance at least 5 court days prior to the hearing date by contacting CourtCall at 866-582-6878 or via internet by registering at www.courtcall.com.

Participants automatically scheduled by the Court for the monthly ***adversary status conference or pre-trial conference calendar*** will receive a call from a CourtCall Representative to confirm their telephonic appearance prior to the date of their hearing.

Written confirmation will be provided for each separate CourtCall Appearance. If you have not received a written Confirmation, prior to the hearing date, please contact CourtCall immediately or you may be precluded from the telephone calendar.

It is the participant's responsibility to dial into to their conference by using the 800 number provided by CourtCall. **The CourtCall Operator will not dial out to connect a participant.**

Payment: CourtCall accepts 2 forms of payment:
1) Credit or Debit Card
2) CourtCall Debit Account
***Please contact CourtCall for more detailed information, not the Court.

Do not argue with Court Call or request special treatment. Court Call's function is no more than to offer you the opportunity to appear by telephone. Your election to appear by telephone constitutes your agreement for telephonic appearances.

At the time of the hearing, you will initially be placed in "Listen-only" mode and able to hear all proceedings just as if you were in the courtroom. Your line will be placed "Live" once the Judge calls your case. Each time a participant speaks to the Court, he or she must identify themselves for the record. When the Judge informs the participants that the hearing is completed, the participants may disconnect and the next case will be called. Please remain on the line if you are appearing on multiple cases on the same calendar.

Telephonic appearances are connected directly with the courtroom's public address system and electronic recording equipment so that a normal record is produced. To ensure a quality record, the use of car phones, public telephone booths, or phones in other public places is **prohibited** except in the most extreme emergencies. Participants should be able to hear all parties without difficulty or echo. The system also allows more than one speaker to be heard so that the Judge can interrupt a speaker to ask a question or redirect the discussion.

Telephonic appearances by multiple participants are only possible when there is compliance with every procedural requirement. Sanctions may be imposed when there is any deviation from the required procedures or the Court determines that a person's conduct makes telephonic appearances inappropriate. Sanctions may include dropping a matter from calendar, continuing the hearing, proceeding in the absence of an unavailable participant, a monetary sanction, or a permanent prohibition against a person appearing telephonically.

FREE LEGAL HELP

A creditor has sued you in bankruptcy court. You were served with a Summons and Complaint, and you must now file an Answer. If you do not file an Answer on time, the court may enter a default judgment against you. This means that your debt may not be discharged and you will be responsible for paying it back.

IF YOU CAN NOT AFFORD AN ATTORNEY, FREE LEGAL HELP MAY BE AVAILABLE.

For more information, call:

Public Counsel's

Debtor Assistance Project Hotline (213) 385-2977, ext. 704

Public Counsel
LAW CENTER
35TH ANNIVERSARY

THE PUBLIC INTEREST LAW OFFICE OF THE LOS ANGELES COUNTY AND BEVERLY HILLS BAR ASSOCIATIONS

AYUDA LEGAL GRATUITA

Su acreedor le ha demandado en la corte de bancarrota. Usted recibió la demanda, llamada "Summons" y "Complaint." Usted debe archivar una respuesta a la demanda en la corte. Si no archiva la respuesta a tiempo, la corte puede decidir en su contra. Si eso sucede, la deuda no se descargará en su caso de bancarrota y Usted será responsable por pagar al acreedor.

SI LE FALTAN RECURSOS PARA CONTRATAR A UN ABOGADO, LLAME A LA LINEA DE AYUDA LEGAL GRATUITA.

Para mas información, llame al:

Proyecto de Ayuda al Deudor
de
Public Counsel

(213) 385-2977, ext. 704

Public Counsel
LAW CENTER
35TH ANNIVERSARY
THE PUBLIC INTEREST LAW OFFICE OF THE LOS ANGELES COUNTY AND BEVERLY HILLS BAR ASSOCIATIONS

FILED & ENTERED

FEB 08 2019

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY evangeli DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re **Verity Health System of California, Inc.,** Debtor.	Case No. 2:18-20151-ER Adv. No. 2:19-ap-01042-ER Chapter 11
Verity Health System of California, Inc., a California nonprofit public benefit corporation, St. Vincent Medical Center, a California nonprofit public benefit corporation and St. Francis Medical Center, a California nonprofit public benefit corporation, Plaintiffs, v. **Heritage Provider Network, Inc., a California corporation**, Defendant.	ORDER RE: COURTROOM PROCEDURES

This adversary proceeding or evidentiary matter having been set for trial or evidentiary hearing for the week of 1/27/2020 at 9:00 a.m. it is hereby:

ORDERED that the following order shall apply to all matters set for trial or other proceeding in which evidence shall be taken:

1. Each party shall serve and exchange the following **not later than seven (7) court days prior to trial**: 1) a trial brief, 2) a set of proposed findings of fact and conclusions of law, 3) trial exhibits, 4) a list of trial exhibits and 5) a list of witnesses. Copies of the above must also be delivered **directly with Judge Robles' chambers not later than seven (7) court days prior to trial.** (See also paragraph 1(c)(ii) below).

a. Contents of trial brief

i. The trial brief shall contain all those items set forth in Local Bankruptcy Rule 9013-2;

ii. Unless otherwise ordered, the trial brief shall not exceed twenty (20) pages in length and shall be accompanied by a table of contents and table of authorities.

b. Contents of Proposed Findings of Fact and Conclusions of law

i. The contents of the proposed findings of fact and conclusions of law shall conform with Local Bankruptcy Rule 7052-1;

ii. The proposed findings of facts shall not contain argument or facts for which there was no evidence submitted. Each finding of fact shall be supported by a reference to an exhibit or to expected testimony.

c. Trial exhibits (the following procedures govern all exhibits except those used for purposes of impeachment):

i. There shall be sufficient copies of exhibits for the Court, all parties participating in the trial and the witness;

ii. Only the Judge's copies of the exhibits are required to be delivered seven (7) court days prior to trial. Copies for the witness and opposing counsel may be brought to court on the date set for trial.

iii. All copies of exhibits shall be pre-marked prior to lodging with the Judge's chambers and shall conform with the exhibit list. Exhibit tags are available from the courtroom deputy. The exhibit tag shall be placed on the document so that it does not obscure any portion of the document. Otherwise, it may be placed on the reverse of the document;

iv. Plaintiff's (or Movant's) exhibits shall be identified numerically commencing with "Exhibit 1." Defendant's (or Respondent's) exhibits shall be marked alphabetically commencing with "Exhibit "A" through "Exhibit Z." Subsequent exhibits for the Defendant shall be marked "AA" through "AZ", "BA through "BZ", etc. (see Local Bankruptcy Rules 1002-1(f) and 9013-2(b) and;

v. If a party has in excess of ten (10) exhibits, in addition to tagging the exhibit, that party's exhibits shall be placed in a three ring binder or binders. The exhibits shall be divided by a tab extending beyond the page on the right hand side and the tab shall bear the number or letter of the exhibit. If a party has less than ten (10) exhibits, each shall have an exhibit tag.

2. **Demonstrative Evidence:** The Court encourages the use of sketches, models, diagrams, pictures, summaries, charts, and other demonstrative evidence. Summaries may be required by the Court in actions on account, preferences, or other issues involving voluminous documentation of financial transactions.

3. **Courtroom Etiquette:** Opening statements, oral motions, questioning of witnesses and closing arguments are to be made from the podium. Permission must be obtained before approaching a witness. Counsel making an objection or addressing the court shall rise to be recognized. Following these procedures will ensure that the electronic recording equipment shall accurately record these proceedings.

4. **Counsel Tables:** Plaintiff or moving party should utilize the counsel table in front of and closest to, the witness stand. The defendant or responding party should utilize the counsel table furthest from the witness stand.

It is further ORDERED, that plaintiff (or moving party) is to serve this order on all parties appearing in the adversary or other evidentiary proceeding and

must file with the court twenty days from the date of this order a proof of service demonstrating that service has been made.

It is further ORDERED, that failure to adhere to the above may result in those sanctions set forth in Local Bankruptcy Rule 9011-1, or such other sanctions as the Court deems appropriate.

Date: February 8, 2019

Ernest M. Robles
United States Bankruptcy Judge

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:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify):* ***(1) SUMMONS AND NOTICE OF STATUS CONFERENCE IN ADVERSARY PROCEEDING*** **[DOCKET #2]*; (2) COMPLAINT*** **[DOCKET #1*; (3) SCHEDULING ORDER*** **[DOCKET #3]*; and (4) ORDER RE: COURTROOM PROCEDURES*** **[DOCKET #4]** 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 (*date*) **February 11, 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 (*date*) **February 11, 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.

VIA HAND DELIVERY
Honorable Ernest M. Robles
U.S. Bankruptcy Court
255 E. Temple Street, Suite 1560 / Courtroom 1568
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.

February 11, 2019	Mary de Leon	/s/ Mary de Leon
Date	*Printed Name*	*Signature*

MAILING INFORMATION FOR ADVERSARY CASE NO. 2:19-ap-01042-ER

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL

VIA EMAIL

Leslie Cohen Law PC
506 Santa Monica Bl., Suite 200
Santa Monica, CA 90402
Email: leslie@lesliecohenlaw.com
jaime@lesliecohenlaw.com
odalys@lesliecohenlaw.com