GARY E. KLAUSNER (SBN 69077)
gek@lnbyb.com
JEFFREY S. KWONG (SBN 288239)
jsk@lnbyb.com
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
Los Angeles, CA 90067
Telephone: (310) 229-1234

KEVIN D. RISING (SBN 211663)
kevin.rising@btlaw.com
L. RACHEL LERMAN (SBN 193080)
rachel.lerman@btlaw.com
JOEL R. MEYER (SBN 247620)
joel.meyer@btlaw.com
BARNES &THORNBURG LLP.
2029 Century Park East Suite 300
Los Angeles, CA 90067-2904
Telephone: (310) 284-3871

Attorneys for Defendants and Appellant
Strategic Global Management, Inc.,
and Defendants Kali P. Chaudhuri, M.D.,
KPC Healthcare Holdings, Inc.,
KPC Health Plan Holdings, Inc.,
KPC Healthcare, Inc., and
KPC Global Management, LLC

**Case No.: 2:20−cv−00613**

**UNITED STATES DISTRICT COURT**
**CENTRAL DISTRICT OF CALIFORNIA**

| | |
|---|---|
| In re:<br>VERITY HEALTH SYSTEM OF CALIFORNIA, INC., *et al.*,[1] | (Bankr. Lead Case No.: 2:18-bk-20151-ER)<br>**DEFENDANT/APPELLANT SGM'S** |

[1] The other Debtors in the chapter 11 cases, being jointly administered under Lead Case No. 2:18-bk-20151-ER, are O'Connor Hospital 2:18-bk-20168-ER, Saint Louise Regional Hospital 2:18-bk-20162-ER, St. Francis Medical Center 2:18-cv-



1820151200309000000000010

| | |
|---|---|
| Debtors and Debtors in Possession. | **REQUEST FOR AN INTERIM STATUS CONFERENCE** |
| STRATEGIC GLOBAL MANAGEMENT, INC.,<br><br>Appellant,<br><br>v.<br><br>STATE OF CALIFORNIA; VERITY HEALTH SYSTEM OF CALIFORNIA, INC., *et al*.<br><br>Appellees. | Date: TBD<br>Time: TBD<br>Judge: Hon. Dale S. Fischer<br>Place: Courtroom 7D, 350 W. First Street, Los Angeles, CA 90012 |

Defendant and Appellant Strategic Global Management, Inc. ("SGM") and Non-SGM Defendants Kali P. Chaudhuri, M.D., KPC Healthcare Holdings, Inc., KPC Health Plan Holdings, Inc., KPC Healthcare, Inc., and KPC Global Management, LLC, (collectively, "Defendants") hereby request a brief status conference to discuss scheduling matters in view of this Court's Order of March 5, 2020, granting SGM's Motion to Withdraw the Reference.

Defendants are aware of the status conference scheduled this morning for April 20, 2020, but wish to apprise this Court of relevant proceedings in the Bankruptcy Court since the filing of the Complaint against SGM and others by Debtors Verity Health System of California, Inc., *et al*. ("Verity" or "Debtors"). These proceedings are in addition to the consolidated appeal by the same name that

---

20165-ER, St. Vincent Medical Center 2:18-bk-20164-ER, Seton Medical Center 2:18-cv-20167-ER, O'Connor Hospital Foundation 2:18-bk-20179-ER, Saint Louise Regional Hospital Foundation 2:18-cv-20172-ER, St. Francis Medical Center of Lynwood Foundation 2:18-cv-20178-ER, St. Vincent Foundation 2:18-cv- 20180-ER, St. Vincent Dialysis Center, Inc. 2:18-cv-20171- ER Seton Medical Center Foundation 12:8-cv-20175-ER, Verity Business Services 2:18-cv-20173-ER, Verity Medical Foundation 2:18-cv-20169-ER, Verity Holdings, LLC 2:18-cv-20163-ER, DePaul Ventures, LLC 2:18-cv-20176-ER, and DePaul Ventures – San Jose Dialysis, LLC 2:18-cv-20181-ER.

is already pending in this Court, Case No. 2:19−cv−10352. (Appellant filed its opening brief February 14, 2020; the answering brief is due March 16, 2020, and the reply brief is due March 30, 2020.)

On January 22, 2020, while SGM's Motion to Withdraw the Reference was pending, SGM moved the Bankruptcy Court to stay the action on the Adversary Proceeding pending a final decision on the consolidated Appeals that are presently before this Court, on the ground the Bankruptcy Court lacks jurisdiction to adjudicate the Adversary Proceeding until the Appeals are resolved. The Bankruptcy Court disagreed and denied SGM's stay request on February 14, 2020. SGM filed a notice of appeal from that decision on February 28, 2020, but, as ordered by the Bankruptcy Court, all Defendants have responded to the Complaint

To date, the parties have filed the following motions and responsive briefs in connection with Debtors' Complaint in the Bankruptcy Court:

- Defendants' Motion to Dismiss [Fed. R. Civ. Proc. 12(b)(1) & 12(b)(6)], filed February 19, 2020.
- Defendants' Anti-SLAPP motion, filed February 19, 2020.
- Plaintiff'/Debtors' Opposition to Motion to Dismiss, filed March 4, 2020.
- Plaintiffs/Debtors' Opposition to Anti-SLAPP motion, filed March 4, 2020.

Defendants' Anti-SLAPP motion and Motion to Dismiss were set to be heard in the Bankruptcy Court on March 18, 2020. These motions will now need to be scheduled to be heard in this Court. Defendants assume that all upcoming deadlines and events scheduled in the Bankruptcy Court in connection with Debtors' Complaint are nullified by this Court's decision to withdraw the reference. Defendants will nevertheless, in an abundance of caution, proceed to file their Reply briefs in support of the above motions on March 11, 2020 (the Bankruptcy Court deadline) unless the Court confirms before then that the motions

have been taken off calendar or rescheduled the hearing for a later date.

The Court and parties also can discuss ADR options and SGM's January 8, 2020 Motion for an Order Requiring the Parties to Comply with General Order No. 11-10, § 5, and District Court Local Rule 16-15, and Participate in the ADR Process. Verity has opposed that Motion, which has yet to be ruled on.

Respectfully submitted,

Dated: March 6, 2020

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

By: */s/ Gary E. Klausner*
Gary E. Klausner

Dated: March 6, 2020

BARNES & THORNBURG LLP

By: */s/ Kevin D. Rising*
Kevin D. Rising
L. Rachel Lerman
Joel R. Meyer

Counsel for Strategic Global Management, Inc., Appellant.

**SIGNATURE ATTESTATION**

Pursuant to Local Rule 5-4.3.4(a)(2)(i), I, Kevin D. Rising, attest that all other signatories listed, and on whose behalf this filing is submitted, concur in the filing's content and have authorized the filing.

Dated: March 6, 2020

*/s/ Kevin D. Rising*
Kevin D. Rising