UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA - WESTERN 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

Case No. 2:20-CV-00613-DSF

Related to District Court Appeals: Case Nos.: 2:19-cv-10352-DSF; 2:19-cv-10354-DSF; and 2:19-cv-10356-DSF)

Lead Chapter 11 Bankr. Case 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

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Dialysis, LLC,

Debtors and Debtors-in-Possession.

VERITY HEALTH SYSTEM OF CALIFORNIA, INC., a California nonprofit public benefit corporation, ST. VINCENT MEDICAL CENTER, a California nonprofit public benefit corporation, ST. VINCENT DIALYSIS CENTER, INC., a California nonprofit public benefit corporation, and ST. FRANCIS MEDICAL CENTER, a California nonprofit public benefit corporation, SETON MEDICAL CENTER, a California nonprofit public benefit corporation, and VERITY HOLDINGS, LLC, a California limited liability company; and

Plaintiffs,

v.

KALI P. CHAUDHURI, M.D., an individual, STRATEGIC GLOBAL MANAGEMENT, INC., a California corporation, KPC HEALTHCARE HOLDINGS, INC., a California corporation, KPC HEALTH PLAN HOLDINGS, INC., a California corporation, KPC HEALTHCARE, INC., a Nevada corporation, KPC GLOBAL MANAGEMENT, LLC, a California Limited Liability Company, and DOES 1 through 500,

Defendants.

Adv. Case No. 2:20-ap-01001-ER

ORDER GRANTING JOINT STIPULATION FOR STAY OF ADVERSARY PROCEEDING PENDING COURT'S RESOLUTION OF PENDING APPEALS

Judge: Hon. Dale S. Fischer

The Court, having considered the Parties' Joint Stipulation for Stay of Adversary Proceeding and, good cause having been shown, **GRANTS** the Stipulation and

HEREBY ORDERS AS FOLLOWS:

1. The Adversary Proceeding is stayed until 30 days after the Court issues a ruling regarding SGM's appeals from the Bankruptcy Court's November 14, November 18, and November 27, 2019 orders. The deadline for Defendants to answer or otherwise respond to Plaintiffs' First Amended Complaint is also hereby extended from May 8, 2020 until 30 days after the Court issues the ruling regarding the appeals. If Defendants believe a stay is no longer necessary, Defendants also can terminate the stay by emailing written notice to Plaintiffs, which will terminate the stay 30 calendar days from the date of service of the notice. In addition, the Parties reserve the right to move to have the stay terminated if the appeals remain pending 120 days from the date of this Stipulation.
2. Once the Court issues a ruling regarding the appeals, the parties will further meet and confer regarding any motion to dismiss contemplated by Defendants, and any amendment to the First Amended Complaint contemplated by Plaintiffs.
3. The Parties are only agreeing to stay the Adversary Proceeding the pending the current appeals being heard by the District Court. The Parties all reserve their respective rights to seek and to oppose a further stay from the District Court sitting as a trial court in the Adversary Proceeding, or the Ninth Circuit Court of Appeals should there be any further appeals, or to seek any other relief that may be appropriate.

4. The Scheduling Conference currently set for April 20, 2020 is continued to June 22, 2020.

IT IS SO ORDERED.

DATED: April 14, 2020

Honorable Dale S. Fischer
UNITED STATES DISTRICT JUDGE