Docket #0026 Date Filed: 5/14/2020

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

In re Verity Health Systems of California, Inc., Debtor.	CV 19-10352 DSF CV 19-10354 DSF CV 19-10356 DSF Order DISMISSING Appeals as Moot

The orders of the Bankruptcy Court appealed from in these consolidated appeals concern the approval of, and attempted enforcement of, an agreement between the Debtor and Appellant for the purchase of several hospitals owned by the Debtor.

There is no dispute that this transaction will no longer occur both because the Debtor has abandoned its attempt at consummating the agreement and because several of the hospitals have either been sold or leased to other parties in the intervening period. Given this, Appellees argue that these appeals are moot because reversal of the Bankruptcy Court would not result in any change in the material position of the parties.

Appellant's only argument against constitutional mootness is that the Bankruptcy Court's orders are being "us[ed] as ammunition in their pursuit of tens of millions of dollars in damages from [Appellant]." Appellant's Reply at 16. The Court interprets this to mean that Appellant believes that the Bankruptcy Court's orders could later be used against it for either res judicata or collateral estoppel purposes.

The appropriate action in such a situation is to vacate the orders of the Bankruptcy Court, not to continue with an otherwise moot appeal.

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Camreta v. Greene, 563 U.S. 692, 713 (2011) ("The equitable remedy of vacatur ensures that those who have been prevented from obtaining review to which they are entitled are not treated as if there had been a review.") (quotation marks and ellipses omitted).[1] The Court does not see any reason not to vacate the appealed orders, as would be the "established practice" for a mooted appeal. Id. at 712. Nonetheless, Appellees may file an objection to the tentative decision to vacate no later than May 28, 2020. The objection is limited to five pages.

For the above given reasons, the consolidated appeals are DISMISSED AS MOOT.

IT IS SO ORDERED.

Date: May 14, 2020

Dale S. Fischer
United States District Judge

[1] See also id. at 713 ("The point of vacatur is to prevent an unreviewable decision from spawning any legal consequences, so that no party is harmed by what we have called a preliminary adjudication.") (quotation marks omitted).