UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES—GENERAL

Case No. **CV 19-133-DMG** Date February 4, 2019

Title ***In re Verity Health System of California, et al.*** Page 1 of 2

Present: The Honorable DOLLY M. GEE, UNITED STATES DISTRICT JUDGE

KANE TIEN	NOT REPORTED
Deputy Clerk	Court Reporter
Attorneys Present for Plaintiff(s)	Attorneys Present for Defendant(s)
None Present	None Present

Proceedings: IN CHAMBERS - ORDER RE MEET AND CONFER RE MEDIATION

On August 31, 2018 Verity Health Systems of California ("VHS") and various subsidiaries (collectively "Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. [Doc. # 10 at Tentative Ruling at 2.] As a part of the bankruptcy proceedings, the Honorable Ernest Robles held a hearing on the Debtors' Motion for Authorization to Sell Saint Louise Regional Hospital and O'Connor Hospital to Santa Clara County. *Id.* at 3. Shortly thereafter, Judge Robles authorized the sale "free and clear of various conditions imposed by the Attorney General in connection with a 2015 restructuring transaction" ("Sale Order"). *Id.* According to the Bankruptcy Court, the sale is "currently projected to close on March 4, 2019." *Id.* The Attorney General, on the other hand, argues that the sale is "scheduled to be closed by February 28, 2019."

The Attorney General appealed the Sale Order to this Court on January 7, 2019 and filed a Motion for the Bankruptcy Court to Stay the Sale on January 9, 2019. *Id.* The Bankruptcy Court declined to hear the Motion on an expedited basis and, on January 30, 2019, issued a Tentative Ruling denying the Motion. *Id.* at 1, 3.

Then, on February 1, 2019, the Attorney General filed an "Emergency Motion" to Stay the Sale Pending the Appeal. [Doc. # 6 ("Emergency Motion").] The Emergency Motion was not styled as an *ex parte* application for a temporary restraining order, but stated that "the Attorney General brings this motion under . . . Local Rule 7-19," which governs *ex parte* applications in the Central District. *Id.* at 1. It did not, however, comply with Rule 65-1's procedures for seeking a temporary restraining order or preliminary injunction. Nor did it notice a hearing date. The Court, therefore, cannot be entirely sure whether the Attorney General intends to move on an *ex parte* basis for a temporary restraining order (as opposed to, for example, noticing a hearing for a preliminary injunction pursuant to the Court's normal hearing schedule or requesting expedited briefing on a regular motion to stay a particular aspect of the proceedings).

VHS filed an "Intent to Oppose" the Emergency Motion, on February 2, 2019, which did not substantively oppose the Emergency Motion, but stated that "the Attorney General did not serve the Debtors . . . with the" Emergency Motion. [Doc. # 10 ("Intent to Oppose") at 2.] VHS claims to have, instead, learned of the Emergency Motion from "the County and the Official Committee of Unsecured Creditors in the Cases." *Id.* Indeed, the Emergency Motion is devoid of any representation that the Attorney General made VHS aware of their filing.

The Court's Initial Standing Order states that parties moving for relief under Local Rule 7-19 must both serve the opposing party and notify that party that "opposing papers must be filed no later than twenty-four (24) hours following service." [Doc. # 5 at 10.] More than 24 hours have elapsed since VHS filed its Intent to Oppose, yet the Court has received no opposition.

Because the sale is not projected to close for at least another 24 days, the Court does not agree with the Attorney General that the situation is currently an emergency. Moreover, because the Attorney General did not comply with its obligation to inform VHS of the 24-hour opposition timeframe, the Court sees no prejudice in construing the Attorney General's Emergency Motion as a normally-noticed Motion to Stay the Sale Order Pending the Appeal. In recognition that the sale will likely close before the Court's usual briefing schedule will elapse, however, the Court treats the Emergency Motion as the Attorney General's opening brief and sets the following expedited briefing schedule: VHS shall file its Opposition no later than 12:00 p.m. on February 11, 2019, and the Attorney General shall file his Reply no later than 12:00 p.m. on February 15, 2019. A hearing on the Motion is hereby set for February 22, 2019 at 9:30 a.m. Should a more urgent need for immediate relief arise, the Attorney General may file for a temporary restraining order according to the procedure set forth in the Local Rules and this Court's Initial Standing Order.

IT IS SO ORDERED.