

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#1.00 Hearing

RE: **[6218]** Application for Compensation Final Application of **DENTONS US LLP**, as Debtors Counsel, for Fees and Expense Reimbursement, Including for the Period May 1, 2020 through September 4, 2020; Declaration of John A. Moe, II for Dentons US LLP, Debtor's Attorney, Period: 8/31/2018 to 9/4/2020, Fee: \$21213257.14, Expenses: \$391189.62.

Docket 6218

***** VACATED *** REASON: AMENDED MOTION FILED 11-6-20
[D.E. 6238]**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
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Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

- #1.10 Hearing RE: **[6238] Amended** Final Application Of **DENTONS US LLP** , As Debtors Counsel, For Fees And Expense Reimbursement, Including For The Period May 1, 2020 Through September 4, 2020; Declaration Of John A. Moe, II for Dentons US LLP, Debtor's Attorney, Period: 8/18/2018 to 9/4/2020, Fee: \$22032930.86, Expenses: \$391189.62.

Docket 6238

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On September 28, 2018, the Court entered an order approving the Debtors' application to employ Dentons US LLP ("Dentons") as the Debtors' general bankruptcy counsel. *See* Doc. No. 712.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

Dentons seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Sixth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. Nos. 6218 and 6238 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Peter Chadwick [Doc. No. 6275] in support thereof, the Court approves as final the fees and expenses requested in connection with the Sixth Interim Period, and confirms as final all fees and expenses previously

**United States Bankruptcy Court
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Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

awarded on an interim basis, as follows:

Fees: \$22,032,930.86 (consisting of \$17,934,607.27 in previous interim awards and \$4,098,323.59 awarded in connection with the Sixth Interim Period)

Expenses: \$391,189.62 (consisting of \$304,763.28 in previous interim awards and \$86,426.34 awarded in connection with the Sixth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

**United States Bankruptcy Court
Central District of California
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Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Nicholas C Brown

Anna Kordas

Chapter 11

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#2.00 Hearing

RE: [6214] Application for Compensation Berkeley Research Group, LLC's Sixth Interim And Final Fee Application For Allowance And Payment Of Interim And Final Compensation And Reimbursement Of Expenses For The Period August 31, 2018 and September 4, 2020 for Berkeley Research Group LLC, Financial Advisor, Period: 8/31/2018 to 9/4/2020, Fee: \$22,904,609.1, Expenses: \$1,441,594.63.

Docket 6214

Tentative Ruling:

12/15/2020

See Cal. No. 2.10, below, incorporated in full by reference.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigitte G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

- #2.10 Hearing RE: **[6237]** Application for Compensation **BERKELEY RESEARCH GROUP**, LLC's First Supplemental Twenty-Fourth Monthly, Sixth Interim And Final Fee Application For Allowance And Payment Of Interim And Final Compensation And Reimbursement Of Expenses For The Period August 31, 2018 Through September 4, 2020 for Berkeley Research Group LLC, Financial Advisor, Period: 8/31/2018 to 9/4/2020, Fee: \$22,935,294.1, Expenses: \$1,441,594.63.

Docket 6237

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On November 7, 2018, the Court entered an order approving the Debtors' application to employ Berkeley Research Group, LLC ("BRG") as the Debtors' financial and restructuring advisor. *See* Doc. No. 785.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

BRG seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Sixth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. Nos. 6214 and 6237 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Peter Chadwick [Doc. No. 6214] in support thereof, the Court approves as final the fees and expenses requested in connection

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc. Chapter 11

with the Sixth Interim Period, and confirms as final all fees and expenses previously awarded on an interim basis, as follows:

Fees: \$22,935,294.14 (consisting of \$19,246,238.64 in previous interim awards and \$3,689,055.50 awarded in connection with the Sixth Interim Period)

Expenses: \$1,441,594.63 (consisting of \$1,354,534.35 in previous interim awards and \$87,060.28 awarded in connection with the Sixth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigitte G McGrath

**United States Bankruptcy Court
Central District of California
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Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Gary D Underdahl
Nicholas C Brown
Anna Kordas

Chapter 11

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#3.00 HearingRE: **[6219]** Application for Compensation for **NELSON HARDIMAN** LLP, Special Counsel, Period: 8/31/2018 to 9/4/2020, Fee: \$3457988.38, Expenses: \$40478.43.

Docket 6219

Tentative Ruling:

12/15/2020

See Cal. No. 3.10, below, incorporated in full by reference.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
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Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#3.10 Hearing re **[6231]** Supplement To Final Application of **NELSON HARDIMAN, LLP**
For Allowance And Payment of Compensation And Reimbursement Of Expenses

Docket 0

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On October 30, 2018, the Court entered an order approving the Debtors' application to employ Nelson Hardiman, LLP ("Nelson Hardiman") as the Debtors' special healthcare regulatory counsel. *See* Doc. No. 713.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

Nelson Hardiman seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Sixth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. No. 6231 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Peter Chadwick [Doc. No. 6245] in support thereof, the Court approves as final the fees and expenses requested in connection with the Sixth Interim Period, and confirms as final all fees and expenses previously awarded on an interim basis, as follows:

Fees: \$3,417,509.95 (consisting of \$3,163,905.75 in previous interim awards, \$230,831.00 awarded in connection with the Sixth Interim Period, and \$22,773.20 awarded for the cost of preparing the Application)

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Expenses: \$42,135.88 (consisting of \$39,571.98 in previous interim awards and \$2,563.90 awarded in connection with the Sixth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
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Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#4.00 Hearing

RE: **[6203]** Application for Compensation [Final] for **PACHULSKI STANG ZIEHL & JONES LLP**, Debtor's Attorney, Period: 9/1/2018 to 9/4/2020, Fee: \$3,414,124.74, Expenses: \$46,687.44.

Docket 6203

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On November 14, 2018, the Court entered an order approving the Debtors' application to employ Pachulski Stang Ziehl & Jones, LLP ("PSZJ") as the Debtors' conflicts counsel. *See* Doc. No. 818.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

PSZJ seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Sixth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. Nos. 6203 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Hope Levy-Biehl [Doc. No. 6203] in support thereof, the Court approves as final the fees and expenses requested in connection with the Sixth Interim Period, and confirms as final all fees and expenses previously awarded on an interim basis, as follows:

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Fees: \$3,414,124.74 (consisting of \$2,563,268.37 in previous interim awards and \$850,856.37 awarded in connection with the Sixth Interim Period)

Expenses: \$46,687.44 (consisting of \$41,343.12 in previous interim awards and \$5,344.32 awarded in connection with the Sixth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#5.00 Hearing RE: **[6192]** Application for Compensation **BARTKO ZANKEL BUNZEL & MILLER's** Second and Final Application for Allowance and Payment of Compensation and Reimbursement of Expenses for (I) the Interim Fee Period (May 1, 2020 - Sept. 4, 2020), and (II) the Final Fee Period (Jan. 9, 2020 - Sept. 4, 2020); Decl. of An Nguyen Ruda in Support Thereof for Kerry L Duffy, Debtor's Attorney, Period: 5/1/2020 to 9/4/2020, Fee: \$962,738.00, Expenses: \$11,512.69.

Docket 6192

*** VACATED *** REASON: AMENDED MOTION FILED 11-9-20 [DE 6248]

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#5.10 Hearing

RE: **[6248]** Application for Compensation Amendment to **BARTKO ZANKEL BUNZEL & MILLER'S** Second and Final Application for Allowance and Payment of Compensation and Reimbursement of Expenses for (I) the Second Interim Fee Period (May 1, 2020 - Sept. 4, 2020), and (II) the Final Fee Period (Jan. 9, 2020 - Sept. 4, 2020) [Docket No. 6192] for Kerry L Duffy, Debtor's Attorney, Period: 1/9/2020 to 9/4/2020, Fee: \$1,602,270.00, Expenses: \$21,226.70.

Docket 6248

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On February 27, 2020, the Court entered an order approving the Debtors' application to employ Bartko Zankel Bunzel & Miller ("BZBM") as the Debtors' special labor and employment counsel. *See* Doc. No. 4182.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

BZBM seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Second Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. Nos. 6192 and 6248 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Peter Chadwick [Doc. No. 6247] in support thereof, the Court approves as final the fees and expenses requested in connection

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

with the Sixth Interim Period, and confirms as final all fees and expenses previously awarded on an interim basis, as follows:

Fees: \$1,602,270.00 (consisting of \$630,052.00 in previous interim awards, \$962,738.00 awarded in connection with the Second Interim Period, and \$9,480.00 awarded for the cost of preparing the Application)

Expenses: \$21,226.70 (consisting of \$9,714.01 in previous interim awards and \$11,512.69 awarded in connection with the Second Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

**United States Bankruptcy Court
Central District of California
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Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Chapter 11

Brigette G McGrath
Gary D Underdahl
Nicholas C Brown
Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc. and NCMB No.3,

Chapter 11

#6.00 Hearing RE: [6180] Application for Compensation **JEFFER MANGELS BUTLER & MITCHELL LLP' s** Final Application for Allowance and Payment of Compensation and Reimbursement of Expenses; Declaration of Thomas M. Geher for Jeffer Mangels Butler & Mitchell LLP, Special Counsel, Period: 6/1/2019 to 9/4/2020, Fee: \$1,216,744.50, Expenses: \$58,855.55. (Geher, Thomas)

Docket 6180

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On August 7, 2019, the Court entered an order approving the Debtors' application to employ Jeffer Mangels Butler & Mitchell LLP ("JMBM") as the Debtors' special labor and employment counsel. *See* Doc. No. 2862.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

JMBM seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Fourth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. No. 6180 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Peter Chadwick [Doc. No. 6184] in support thereof, the Court approves as final the fees and expenses requested in connection with the Sixth Interim Period, and confirms as final all fees and expenses previously

**United States Bankruptcy Court
Central District of California
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Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc. and NCMB No.3,

Chapter 11

awarded on an interim basis, as follows:

Fees: \$1,216,744.50 (consisting of \$1,192,099.50 in previous interim awards and \$24,645.00 awarded in connection with the Fourth Interim Period)

Expenses: \$58,855.55 (consisting of \$58,113.03 in previous interim awards and \$742.52 awarded in connection with the Fourth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

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Shirley Cho

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Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

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Hearing Room 1568

10:00 AM

CONT...

**Verity Health System of California, Inc. and NCMB No.3,
Nicholas C Brown
Anna Kordas**

Chapter 11

**United States Bankruptcy Court
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Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

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2:18-20151 Verity Health System of California, Inc.

Chapter 11

#7.00 Hearing

RE: **[6213]** Application for Compensation for Final Fee Application and Declaration of Hope Levy-Biehl for **DAVIS WRIGHT TREMAINE**, LLP, Special Counsel, Period: 2/14/2020 to 9/4/2020, Fee: \$1,024,543.50, Expenses: \$2,967.69. (Haas, Mary)

Docket 6213

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On June 3, 2020, the Court entered an order authorizing the Debtors to employ Davis Wright Tremaine LLP ("DWT") as the Debtors' special healthcare regulatory counsel. *See* Doc. No. 4668.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

DWT seeks the final allowance of fees and expenses for the period between February 14, 2020 and September 4, 2020 (the "Application Period"). *See* Doc. No. 6213 (the "Application"). The Court has not previously awarded any interim fees and expenses to DWT.

No objections to the Application have been filed. Having reviewed the Application and the declaration of Peter Chadwick [Doc. No. 6267] in support thereof, the Court approves as final the fees and expenses requested, as follows:

Fees: \$1,024,543.50 (consisting of \$1,011,878.25 incurred during the Application

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Period plus \$12,665.25 incurred in connection with the preparation of the Application)

Expenses: \$2,967.69

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#8.00 Hearing

RE: **[6221]** Application for Compensation /First and Final Fee Application for **CAIN BROTHERS** a division of KeyBanc Capital Markets, Financial Advisor, Period: 8/31/2018 to 9/4/2020, Fee: \$8,242,327.9, Expenses: \$0.00.

Docket 6221

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On November 5, 2018, the Court entered an order authorizing the Debtors to employ Cain Brothers, a division of KeyBanc Capital Markets Inc. ("Cain Brothers") as the Debtors' investment banker. *See* Doc. No. 767 (the "Employment Order"). The Court approved Cain Brothers' employment pursuant to § 328, in accordance with the terms of an Engagement Letter entered into between the Debtors and Cain Brothers. Pursuant to the Employment Order, Cain Brothers is entitled to compensation pursuant to a fee structure (the "Fee Structure") set forth in the Engagement Letter.

Cain Brothers seeks the final allowance of fees consistent with the Fee Structure approved by the Employment Order. *See* Doc. No. 6221 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of James Moloney [Doc. No. 6221] in support thereof, the Court approves as final the fees requested in the Application, as follows:

Fees: \$8,242,327.98

Expenses: \$0.00

To the extent not previously paid, the fees and expenses set forth above may be paid

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#9.00 Hearing

RE: **[6204]** Application for Compensation Sixth and Final Application of Milbank LLP for Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for **MILBANK, TWEED, HADLEY & MCCLOY**, Creditor Comm. Atty, Period: 9/14/2018 to 9/4/2020, Fee: \$11243178.99, Expenses: \$203,020.06.

Docket 6204

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On November 6, 2018, the Court entered an order authorizing the employment of Milbank LLP ("Milbank") as counsel to the Official Committee of Unsecured Creditors (the "Committee"). *See* Doc. No. 778.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

Milbank seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Sixth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. No. 6204 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Michael Strollo [Doc. No. 6210] in support thereof, the Court approves as final the fees and expenses requested in connection with the Sixth Interim Period, and confirms as final all fees and expenses previously awarded

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

on an interim basis, as follows:

Fees: \$11,243,178.99 (consisting of \$9,776,877.49 in previous interim awards and \$1,466,301.50 awarded in connection with the Sixth Interim Period)

Expenses: \$203,020.06 (consisting of \$177,377.00 in previous interim awards and \$25,643.06 awarded in connection with the Sixth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Nicholas C Brown

Anna Kordas

Chapter 11

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#10.00 Hearing

RE: **[6209]** Application for Compensation Third Interim and Final Application of **ARENT FOX LLP** for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al., Creditor Comm. Atty, Period: 1/1/2019 to 9/18/2020, Fee: \$162,227.50, Expenses: \$163.43.

Docket 6209

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On March 5, 2019, the Court entered an order authorizing the Official Committee of Unsecured Creditors to employ Arent Fox LLP ("Arent Fox") as its special health and regulatory counsel. *See* Doc. No. 1703.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

Arent Fox seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 18, 2020 (the "Third Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. No. 6209 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Michael Strollo [Doc. No. 6210] in support thereof, the Court approves as final the fees and expenses requested in connection with the Third Interim Period, and confirms as final all fees and expenses previously awarded

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

on an interim basis, as follows:

Fees: \$162,227.50 (consisting of \$147,690.50 in previous interim awards and \$14,537.00 awarded in connection with the Third Interim Period)

Expenses: \$163.43 (consisting of \$82.43 in previous interim awards and \$81.00 awarded in connection with the Third Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Nicholas C Brown

Anna Kordas

Chapter 11

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#11.00 Hearing

RE: **[6205]** Application for Compensation Sixth Interim and Final Application of, **FTI CONSULTING Inc.** for Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for FTI Consulting, Inc., Financial Advisor, Period: 9/14/2018 to 9/4/2020, Fee: \$4,464,135.00, Expenses: \$26,057.13.

Docket 6205

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On November 14, 2018, the Court entered an order authorizing the employment of FTI Consulting, Inc. ("FTI") as financial advisor to the Official Committee of Unsecured Creditors. *See* Doc. No. 822.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

FTI seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Sixth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. No. 6205 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of Michael Strollo [Doc. No. 6210] in support thereof, the Court approves as final the fees and expenses requested in connection with the Sixth Interim Period, and confirms as final all fees and expenses previously awarded

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

on an interim basis, as follows:

Fees: \$4,464,135.00 (consisting of \$3,779,904.00 in previous interim awards and \$684,231.00 awarded in connection with the Sixth Interim Period)

Expenses: \$26,057.13 (consisting of \$24,512.83 in previous interim awards and \$1,544.30 awarded in connection with the Sixth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Nicholas C Brown

Anna Kordas

Chapter 11

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#12.00 Hearing

RE: **[6198]** Application for Compensation -[Application for Payment of Final Fees and Expenses (POS Attached)]- for **LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.**, Ombudsman Health, Period: 10/1/2018 to 8/31/2020, Fee: \$213,519.00, Expenses: \$3,542.06.

Docket 6198

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On October 9, 2018, the Court entered an order appointing Jacob Nathan Rubin, MD as the patient care ombudsman (the "PCO") in these cases. *See* Doc. No. 430. On November 2, 2018, the Court approved the PCO's application to employ Levene, Neale, Bender, Yoo & Brill, LLP ("LNBYB") as his counsel. *See* Doc. No. 751.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

LNBYB seeks the final allowance of fees and expenses for the period between May 1, 2020 and September 4, 2020 (the "Fourth Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. Nos. 6198 (the "Application").

No objections to the Application have been filed. Having reviewed the Application and the declaration of the PCO [Doc. No. 6198] in support thereof, the Court approves as final the fees and expenses requested in connection with the Fourth Interim Period, and confirms as final all fees and expenses previously awarded on an

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

interim basis, as follows:

Fees: \$218,519.00 (consisting of \$185,993.00 in previous interim awards, \$27,526.00 awarded in connection with the Fourth Interim Period, and \$5,000.00 awarded for preparing the Application)

Expenses: \$3,976.31 (consisting of \$3,542.06 in previous interim awards and \$434.25 awarded in connection with the Fourth Interim Period)

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Gary D Underdahl
Nicholas C Brown
Anna Kordas

Chapter 11

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#13.00 Hearing

RE: **[6197]** Application for Compensation -[Application for Payment of Final Fees and Expenses (POS Attached)]- for **JACOB NATHAN RUBIN**, Ombudsman Health, Period: 10/1/2018 to 8/31/2020, Fee: \$1,612,505.00, Expenses: \$3,414.97.

Docket 6197

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

On September 25, 2018, the Court entered an order directing the United States Trustee (the "UST") to appoint a Patient Care Ombudsman (the "PCO"). Doc. No. 283. On October 9, 2018, the Court entered an order approving the UST's appointment of Dr. Jacob Nathan Rubin, MD, FACC, as the PCO. *See* Doc. No. 430. On November 2, 2018, the Court authorized Dr. Rubin to employ Dr. Tim Stacy, DNP, ACNP-BC as a consultant to assist him with the discharge of his duties. *See* Doc. No. 753.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). *See* Doc. No. 5504. The Plan provides that professional fees awarded by the Court subsequent to the Plan's Effective Date shall be paid from the Effective Date Professional Claim Reserve.

The PCO and Dr. Stacy seek the final allowance of fees and expenses for the period between May 1, 2020 and August 31, 2020 (the "Third Interim Period"), as well as the final allowance of fees and expenses previously awarded on an interim basis. *See* Doc. No. 6197 (the "Application").

No objections to the Application have been filed. Having reviewed the

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... **Verity Health System of California, Inc.**

Chapter 11

Application and the declarations of the PCO and Dr. Stacy [Doc. No. 6197] in support thereof, the Court approves as final the fees and expenses requested in connection with the Third Interim Period, and confirms as final all fees and expenses previously awarded on an interim basis, as follows:

PCO:

Fees: \$1,032,412.50 (consisting of \$733,537.50 in previous interim awards and \$298,875.00 awarded in connection with the Third Interim Period)

Expenses: \$3,414.97 (consisting of a previous interim award of \$3,414.97; no additional expenses are sought in connection with the Third Interim Period)

Dr. Stacy:

Fees: \$580,092.50 (consisting of \$425,419.00 in previous interim awards and \$154,673.50 awarded in connection with the Third Interim Period)

Expenses: \$0.00

To the extent not previously paid, the fees and expenses set forth above may be paid from the Effective Date Professional Claim Reserve in accordance with the Plan, subject to available cash on hand.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz, the Judge's Law Clerks, at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Verity Health System of California,

Represented By
Samuel R Maizel

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Chapter 11

John A Moe II
Tania M Moyron
Claude D Montgomery
Sam J Alberts
Shirley Cho
Patrick Maxcy
Steven J Kahn
Nicholas A Koffroth
Kerry L Duffy
Brigette G McGrath
Gary D Underdahl
Nicholas C Brown
Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#14.00 Hearing RE: **[6197]** Application for Compensation -[Application for Payment of Final Fees and Expenses (POS Attached)]- for **DR. TIM STACY, DNP**, Ombudsman Health, Period: 10/1/2018 to 8/31/2020, Fee: \$1,612,505.00, Expenses: \$3,414.97.

Docket 6197

Tentative Ruling:

12/15/2020

See Cal. No. 13, below, incorporated in full by reference.

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#15.00 Hearing

RE: [5367] Motion to Allow Claims filed by Creditor AppleCare Medical Management, LLC, Creditor AppleCare Medical Group, Inc., Creditor AppleCare Medical Group St. Francis, Inc., [5445] Motion to Allow Claims filed by Creditor AppleCare Medical Management, LLC, Creditor AppleCare Medical Group, Inc.

FR. 11-24-20

Docket 5367

*** VACATED *** REASON: WITHDRAWAL FILED 12-7-20

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

Adv#: 2:20-01575 St. Vincent Medical Center, a California nonprofit v. California Physicians'

#15.10 Hearing
RE: [13] Motion to Dismiss Adversary Proceeding): Blue Shield of Californias
Notice of Motion and Motion to: (1) Dismiss Claims for Turnover, Violation of the
Automatic Stay and Unjust Enrichment; and (2) Compel Arbitration and Stay
Adversary Proceeding; Memorandum of Points and Authorities (Reynolds,
Michael)

FR. 11-24-20

Docket 13

***** VACATED *** REASON: CONTINUED 1-6-21 AT 10:00 A.M.**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Defendant(s):

California Physicians' Service, a

Represented By
Michael B Reynolds

Plaintiff(s):

St. Vincent Medical Center, a

Represented By
Steven J Kahn

Seton Medical Center, a California

Represented By
Steven J Kahn

O'Connor Hospital, a California

Represented By
Steven J Kahn

Saint Louise Regional Hospital, a

Represented By
Steven J Kahn

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

Adv#: 2:20-01559 ST. VINCENT MEDICAL CENTER, a California nonprofit v. BLUE

#15.20 Hearing
RE: [12] Motion to Dismiss Adversary Proceeding Blue Shield of California Promise Health Plans Notice of Motion and Motion to: (1) Dismiss Claims for Turnover, Violation of the Automatic Stay and Unjust Enrichment; and (2) Compel Arbitration and Stay Adversary Proceeding; Memorandum of Points and Authorities (Reynolds, Michael)

FR. 11-24-20

Docket 12

***** VACATED *** REASON: CONTINUED 1-6-21 AT 10:00 A.M.**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Defendant(s):

BLUE SHIELD OF CALIFORNIA

Represented By
Michael B Reynolds

Plaintiff(s):

ST. VINCENT MEDICAL

Represented By
Steven J Kahn

Seton Medical Center, a California

Represented By
Steven J Kahn

O'Connor Hospital, a California

Represented By
Steven J Kahn

Saint Louise Regional Hospital, a

Represented By
Steven J Kahn

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#15.30 Hearing

RE: [6144] Motion for Allowance of Administrative Expense Claim and Request for Payment under 11 U.S.C. § 503(b) (Reynolds, Michael)

FR. 12-9-20

Docket 6144

***** VACATED *** REASON: CONTINUED 1-20-21 AT 10:00 A.M.**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

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**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:18-20151 Verity Health System of California, Inc.

Chapter 11

#15.40 Hearing re [6271] Motion To Approve Terms And Conditions of A Private Sale of Equity Interests In Marillac Insurance Company, Ltd. To Randall & Quilter II Holdings Limited Pursuant To § 363.

Docket 0

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

The Court will conduct an auction of Marillac, at which Randall and ACG/TCI will be permitted to bid, in accordance with the procedures set forth below.

Pleadings Filed and Reviewed:

- 1) Notice and Motion to Approve Terms and Conditions of a Private Sale of Equity Interests in Marillac Insurance Company, Ltd. to Randall & Quilter II Holdings Limited Pursuant to § 363 [Doc. No. 6271] (the "Sale Motion")
 - a) Notice of Exhibit "B" to [Sale Motion] [Doc. No. 6308]
 - b) Declaration of Service by Kurtzman Carson Consultants, LLC Regarding Docket Numbers 6270 and 6271 [Doc. No. 6290]
- 2) Objection of Annapolis Consulting Group, Inc. to Debtors' [Sale Motion] [Doc. No. 6280]
- 3) Response in Support of [Sale Motion] [Doc. No. 6287]

I. Facts and Summary of Pleadings

On August 31, 2018 (the "Petition Date"), Verity Health System of California, Inc. ("VHS") and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors' cases are being jointly administered. Doc. No. 17.

Marillac Insurance Company, Ltd. ("Marillac") is the Debtors' captive insurer and

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

is organized in the Cayman Islands. VHS is the sole owner of Marillac, and the Debtors are the sole customers of Marillac. Marillac has issued insurance policies providing general and professional liability ("GLPL") coverage to the Debtors.

On August 14, 2020, the Court confirmed the *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* (the "Plan"). See Doc. No. 5504. The Plan provides that certain of the Debtors shall remain in existence subsequent to the Effective Date of the Plan for the purpose of winding up various operations (the "Post-Effective Date Debtors"). As relevant to Marillac, the Plan provides that "VHS, in its capacity as a Debtor and/or Post-Effective Date Debtor, and/or the Liquidating Trustee shall take such action as reasonably necessary and advisable to effectuate the sale, disposition, and or other administration of the issued and outstanding equity interests in, or assets of, Marillac. The net Cash proceeds of such sale, disposition, or other administration, if any, shall be used to pay Holders of Claims as set forth in this Plan or as otherwise agreed pursuant to a Creditor Settlement Agreement." Plan at § 5.7.

On November 25, 2020, the Post-Effective Date Debtors and the Liquidating Trustee (collectively, the "Movants") filed a motion to approve the private sale of Marillac to Randall & Quilter II Holdings Limited ("Randall") for the purchase price of (a) \$1 million in cash, (b) the assumption of the obligation to provide GLPL tail coverage of \$5 million per occurrence, and (c) the forgiveness of \$2.2 million of premium receivable. See Doc. No. 6271 (the "Sale Motion"). Movants request that Randall be granted an expense reimbursement of \$150,000 in the event a higher bid is approved at the hearing on the Sale Motion (the "Sale Hearing"). Movants state that Randall would not have agreed to purchase Marillac absent the requested expense reimbursement.

Annapolis Consulting Group, Inc. ("ACG") and TCI Holdings, Inc. ("TCI," and together with ACG, "ACG/TCI") filed an opposition to the Sale Motion (the "Opposition"), in which ACG/TCI state that they have submitted a bid for Marillac superior to Randall's, and that the Court should either approve the ACG/TCI bid or require an auction. ACG/TCI request that if an auction is conducted, ACG/TCI be deemed the stalking horse bidder and receive the same expense reimbursement proposed by the Movants for Randall.

In reply to the Opposition, Movants state that they are evaluating the bids of Randall and ACG/TCI and that Movants will file an update on the status of both bids and Movant's position related thereto on December 15, 2020. Movants request that

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... **Verity Health System of California, Inc.**

Chapter 11

the Court conduct an auction between Randall and ACG/TCI on the date originally noticed for the Sale Motion, as opposed to requiring a further auction process. Movants note that Marillac has been extensively marketed and that a delay in closing the sale beyond December 31, 2020 will result in losses of approximately \$175,000 (consisting of \$130,000 of lost premium refund from excess reinsurers plus \$45,000 in additional monthly fees required to be paid to a third party administrator).

II. Findings and Conclusions

Section 363(b) authorizes an estate representative to sell estate property out of the ordinary course of business, subject to court approval. "The court's obligation in § 363(b) sales is to assure that optimal value is realized by the estate under the circumstances." *Simantob v. Claims Prosecutor, LLC (In re Lahijani)*, 325 B.R. 282, 288 (B.A.P. 9th Cir. 2005).

At the Sale Hearing, the Court will conduct an auction at which Randall and ACG/TCI will be permitted to bid for Marillac. Since Marillac has been extensively marketed by the Debtors' insurance broker, the Lockton Companies, LLC ("Lockton"), the Court does not find it necessary to require the Movants to conduct a separate auction process. In fact, a separate auction would reduce the value received for Marillac since premium refunds will be forfeited if the sale does not close prior to December 31, 2020.

The Court notes that ACG/TCI and Movants devote substantial space in their papers to allegations concerning the manner in which the Debtors conducted the marketing process. According to ACG/TCI, the Debtors failed to meaningfully engage with ACG/TCI and did not give appropriate consideration to ACG/TCI's bids. Movants dispute these allegations.

The sole concern of the Court is ensuring that Marillac is sold for the highest price. Since both ACG/TCI and Randall will now be participating in the auction, what previously occurred during the marketing process is no longer relevant. At this juncture, allegations concerning what the Debtors and/or Lockton did or did not do during the marketing process are of no assistance to the Court, and such allegations will not be entertained at the Sale Hearing.

The Court declines to approve the requested \$150,000 expense reimbursement for Randall. Bid protections such as an expense reimbursement are approved only if the bid protection enhances the bidding process:

[T]he dominant issue that faces a court when determining the propriety of a

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT...

Verity Health System of California, Inc.

Chapter 11

break-up fee is whether the offer made by the party seeking the fee will enhance or hinder the bidding process. If the break-up fee encourages bidding, it will be approved, if it stifles bidding, it will not be approved. A break-up fee may discourage an auction process and preclude further bidding when the fee is so large as to make competing bids too expensive. Thus, when the fee is so large that it chills the bidding process, it will not be protected by the business judgment rule.

In re Integrated Res., Inc., 135 B.R. 746, 750 (Bankr. S.D.N.Y.), *aff'd*, 147 B.R. 650 (S.D.N.Y. 1992).

Here, Movants initially sought a private sale to Randall, did not designate Randall as the stalking horse bidder, and agreed to conduct an auction only after ACG/TCI objected to the Sale Motion. [Note 1] An expense reimbursement is an oxymoron in the context of a private sale in which no auction is contemplated. Here, Randall has sought to obtain the benefit of bid protections without bearing the corresponding cost of subjecting its bid to an auction. As set forth in the Declaration of Lisa K. Wall, an Executive Vice President at Lockton, Randall's "offer is dependent on the Sale proceeding as a private sale," but is simultaneously dependent on the \$150,000 expense reimbursement. Wall Decl. at ¶ 12. The Court declines to permit Randall to benefit from bid protections where Randall has attempted to circumvent the auction process that is the very reason why bid protections are granted.

The Court also declines to designate ACG/TCI as the stalking horse bidder and award it bid protections. As noted, bid protections are approved only to facilitate the bidding process. Here, ACG/TCI and Randall have both emerged as bidders despite the fact that no auction was originally contemplated. At this point, bid protections would do nothing to encourage other bidders. In addition, it does not appear to the Court that bid protections are necessary to induce either ACG/TCI or Randall to participate in the auction.

The bids submitted by both ACG/TCI and Randall involve the forgiveness of \$2.2 million of premium receivable and the provision of \$5 million in GLPL insurance coverage. The only difference between the bids is the cash amount. The provisions regarding GLPL insurance coverage and premium forgiveness were a key aspect of the sale transaction negotiated by the Movants. Therefore, no variation to these provisions will be permitted at the auction. The auction will be conducted based only on the cash portion of the bids.

ACG/TCI's cash bid of \$1.6 million will be deemed the opening bid. The initial

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

overbid shall be \$1.7 million, with subsequent overbids to be in increments of \$100,000. The overbid increment is subject to adjustment by the Court to facilitate bidding.

As of the issuance of this tentative ruling, Movants' statement of position regarding whether ACG/TCI or Randall has submitted the best bid is not yet on file. The Court will take Movants' statement into consideration in determining whether ACG/TCI or Randall has submitted the highest and best bid. *See In re 160 Royal Palm, LLC*, 600 B.R. 119, 129 (S.D. Fla.), *aff'd*, 785 F. App'x 829 (11th Cir. 2019), *cert. denied sub nom. KK-PB Fin., LLC v. 160 Royal Palm, LLC*, No. 19-1456, 2020 WL 6037217 (U.S. Oct. 13, 2020) (emphasis in original) ("[W]hile a debtor has a duty to 'maximize the return to a bankruptcy estate,' which 'often does require [the] recommendation of the highest monetary bid, *overemphasis of this usual outcome overlooks a fundamental truism, i.e., a "highest" bid is not always the "highest and best" bid.* The inclusion of "best" in that conjunction is not mere surplusage.').

At the conclusion of the auction, the Court will take testimony from the winning bidder to determine whether that bidder is entitled to the protections of § 363(m). To facilitate a prompt closing, the order approving the sale shall be effective immediately upon entry, notwithstanding Bankruptcy Rules 6004(h) and 6006(d).

The procedures proposed by Movants pertaining to the assumption and assignment of executory contracts and unexpired leases are approved. With respect to assumption/assignment issues, the following deadlines shall apply (capitalized terms have the meaning set forth in the Sale Motion):

- 1) Friday, December 18, 2020: Deadline for Movants to file the Cure Notice
- 2) Wednesday, December 30, 2020: Deadline for counterparties to Assigned Contracts to file an Assumption Objection
- 3) Wednesday, January 6, 2021: Deadline for Post-Effective Date Debtors/Liquidating Trustee to file and serve any reply to an Assumption Objection
- 4) Wednesday, January 13, 2021, at 10:00 a.m.: Assumption Objection Hearing

Note 1

Although the Sale Motion acknowledges the possibility that "the Court can consider any higher and better bid presented at the sale hearing," Sale Motion at 9, the relief requested is the approval of a private sale. *See* Sale Motion at 5 (requesting approval of "an expense reimbursement of \$150,000 if another bidder is approved by the Court despite this being proposed as a private sale").

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Verity Health System of California, Inc.

Chapter 11

Party Information

Debtor(s):

Verity Health System of California,

Represented By

Samuel R Maizel

John A Moe II

Tania M Moyron

Claude D Montgomery

Sam J Alberts

Shirley Cho

Patrick Maxcy

Steven J Kahn

Nicholas A Koffroth

Kerry L Duffy

Brigette G McGrath

Gary D Underdahl

Nicholas C Brown

Anna Kordas

Mary H Haas

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:19-25003 Blanca Olivia Corrales

Chapter 7

#16.00 APPLICANT: Peter J. Mastan, Trustee

Hearing re [33] Trustee's Final Report and Applications for Compensation

Docket 0

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

No objection has been filed in response to the Trustee's Final Report. This court approves the fees and expenses, and payment, as requested by the Trustee, as follows:

Total Trustee's Fees: \$625.00 [*see* Doc. No. 32]

Total Trustee's Expenses: \$47.45 [*see id.*]

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Daniel Koontz or Andrew Lockridge at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

The chapter 7 trustee shall submit a conforming order within seven days of the hearing.

Party Information

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... Blanca Olivia Corrales

Chapter 7

Debtor(s):

Blanca Olivia Corrales

Represented By
Jaime A Cuevas Jr.

Trustee(s):

Peter J Mastan (TR)

Pro Se

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:20-14808 SCHREINER'S FINE SAUSAGES, INC.

Chapter 11

#17.00 FINAL Hearing re [17] Motion For Authorization To Use Cash Collateral.

fr. 6-1-20; 7-15-20; 9-1-20

Docket 0

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

For the reasons set forth below, the Debtor is authorized to use cash collateral in accordance with the Budget through and including April 30, 2021. A hearing on the use of cash collateral subsequent to April 30, 2021 shall take place on **April 13, 2021, at 10:00 a.m.** The deadline for the Debtor to file a disclosure statement and plan of reorganization remains **February 28, 2021.**

The Debtor shall submit further evidence in support of the continued use of cash collateral, including an updated Budget, by no later than **March 23, 2021.** By that same date, the Debtor shall provide notice of the continued hearing and shall file a proof of service so indicating. Opposition to the continued use of cash collateral is due by **March 30, 2021**; the Debtors' reply to any opposition is due by **April 6, 2021.**

Pleadings Filed and Reviewed:

- 1) Declaration of Robert. B. Rosenstein in Support of Motion For Authorization to Use Cash Collateral And Provide Adequate Protection [Doc. No. 50] (the "Rosenstein Declaration")
- 2) Supplemental Declaration of Walter Thomas Schreiner in Support of Motion For Authorization to Use Cash Collateral And Provide Adequate Protection [Doc. No.

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... SCHREINER'S FINE SAUSAGES, INC.

Chapter 11

- 90] (the "Supplemental Schreiner Decl.")
- 3) Notice of Continued Hearing on Motion For Authorization to Use Cash Collateral And Provide Adequate Protection [Doc. No. 81] (the "Motion")
 - 4) Order Granting Emergency Motion for Authorization to Use Cash Collateral [Doc. No. 29]
 - 5) Court's Findings and Conclusions re Authorization to Use Cash Collateral [Doc. No. 27]
 - 6) Emergency Motion for Authorization to Use Cash Collateral [Doc. No. 20]
 - a) Declaration of Walter Thomas Schreiner (the "Schreiner Decl.")
 - 7) As of the preparation of this tentative ruling, no objection is on file

I. Facts and Summary of Pleadings

Debtor and debtor-in-possession, Schreiner's Fine Sausages, Inc. (the "Debtor") filed a voluntary chapter 11 petition on May 26, 2020 (the "Petition Date"). The Court previously entered an order authorizing Debtor to use cash collateral, on an interim basis, through and including July 15, 2020. *See* Doc. No. 29. On July 22, 2020, the Court authorized the extended use of cash collateral through and including August 31, 2020, and then again on September 2, 2020, through and including December 31, 2020, based on updated financial budgets submitted by the Debtor. *See* Doc. Nos. 51 & 77. The present hearing was set to determine whether the Debtor is entitled to use cash collateral subsequent to December 31, 2020. The Debtor seeks authorization to use cash collateral through and including April 31, 2021, on the terms and conditions previously approved by this Court. No opposition is on file.

The Debtor operates a family-owned wholesale and retail meat market and restaurant, conducting business as "Schreiner's Fine Sausages," and located at 3417 Ocean View Blvd., Glendale, California 91208 (the "Business"). The Business has been managed by the Schreiner family for three generations: Marcia Schreiner holds an 85% ownership stake in the Debtor, and her son, Walter Thomas Schreiner ("W.T. Schreiner"), holds the remaining 15% interest.

The Debtor's bankruptcy filing was precipitated by certain high-interest pre-petition business loans, which the Debtor was unable repay in light of the COVID-19 pandemic. The Debtor wishes to reorganize its debts and continue business operations. As of the Petition Date, the Debtor has secured debts in the estimated amount of \$315,822.32, as follows:

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... SCHREINER'S FINE SAUSAGES, INC.

Chapter 11

- FC Marketplace, LLC, dba Funding Circle (“Funding Circle”)—\$248,000
- Celtic Bank Corporation (“Celtic Bank”)—\$56,000
- Bank of America—\$11,822.32

The following claims may be subject to a perfected security interest, but the Debtor believes these debts are unsecured:

- QuarterSpot, Inc. (“QuarterSpot”)—\$102,613.32 (based on proof of claim)
- BizFund, LLC (“BizFund”)—\$55,000

Cash collateral will be used to fund the Debtor’s ongoing operating expenses, while the Debtor continues to pursue its reorganization. *See* Doc. No. 20. In support of the continued use of cash collateral, the Debtor submitted an updated budget (the “Budget”), setting forth expected Business revenues and expenses through the month of April 2021. *See* Doc. No. 90. The Budget anticipates that the Business will generate estimated monthly sales ranging from \$137,000 to \$142,000 through the end of the April 2021, which will leave Debtor with monthly net income averaging approximately \$9,800. The Budget projects that business revenue, the costs of goods, and business expenses will remain relatively stable through April 2021. Consistent with the Debtor’s original Motion and this Court’s prior orders, the Debtor proposes to make adequate protection payments to Funding Circle in the amount of \$2,229.93 each month. The Debtor proposes to provide all other secured creditors with a replacement lien to the extent that the proposed cash collateral use dilutes the value of said creditors’ liens.

As of the preparation of this tentative ruling, no objection is on file.

II. Findings and Conclusions

Section 363(c)(2) requires court authorization for the use of cash collateral unless "each entity that has an interest in such cash collateral consents." In the Ninth Circuit, satisfaction of §363(c)(2)(A) requires the "affirmative express consent" of the secured creditor; "implied consent," resulting from the failure of the secured creditor to object to use of cash collateral, does not satisfy the requirements of the statute. *Freightliner Market Development Corp. v. Silver Wheel Freightlines, Inc.*, 823 F.2d

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... **SCHREINER'S FINE SAUSAGES, INC.**

Chapter 11

362, 368–69 (9th Cir. 1987). Absent affirmative express consent, the Debtors "may not use" cash collateral absent the Court's determination that the use is "in accordance with the provisions" of Section 363—that is, that the secured creditor's interest in the cash collateral is adequately protected. § 363(c)(2)(B) and (e).

A secured creditor's interest is adequately protected if the value of its collateral is not declining; the secured creditor is not entitled to payment to compensate for its inability to foreclose upon the collateral during bankruptcy proceedings. *United Savings Association of Texas v. Timbers of Inwood Forest Associates, Ltd.*, 484 U.S. 365 (1988).

Based on the updated Budget figures, the Court reiterates most of the factual and legal conclusions rendered in previous ruling authorizing the use of cash collateral.

The Secured Creditors' Interests are Adequately Protected

The Court finds that the secured interest of Funding Circle in the Debtor's cash collateral is adequately protected. Funding Circle remains adequately protected through monthly adequate protection payments of \$2,229.93, and by the fact that the Debtor's financial projections indicate that the cash collateral is not declining in value, and business revenue will remain relatively constant. To the extent that other secured creditors claim an interest in the cash collateral, adequate protection will be provided to them by a replacement lien in post-petition property. Moreover, the Budget projects that the Debtor's business operations will continue to generate a steady stream of replacement income. *Cf. In re Megan-Racine Associates, Inc.*, 202 B.R. 660, 663 (Bankr. S.D.N.Y. 1996) (concluding that "[a]s long as there was a continuous income stream being generated by the Debtor, the fact that the Debtor consumed a portion of those monies to operate and maintain the facility each month did not diminish the value of the [secured creditor's] interest in the [cash collateral]"). In connection with previous cash collateral hearings, the Court concluded that secured creditors' liens were not falling in value. The Court finds it appropriate to maintain that finding until presented with concrete evidence to the contrary.

The Debtor Will Suffer Irreparable Harm Absent Use of Cash Collateral

The Court finds that the Debtor will suffer irreparable harm absent the continued use

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... SCHREINER'S FINE SAUSAGES, INC.

Chapter 11

of cash collateral. Use of cash collateral is necessary for the Debtor to pay employees, who are instrumental in maintaining Debtor's revenue stream. If Debtor is unable to reliably make payroll, it is likely that employees will leave, and the Debtor will be unable to operate the Business. If the Debtor is forced into a liquidation proceeding, both secured and unsecured creditors may find it difficult to recover as much as they would if the Debtor is preserved as a going concern. *See* Schreiner Decl., ¶ 10 (opining that Debtor's equipment—one of the Debtor's most valuable assets—is likely to fall in value upon liquidation). Without the ability to use cash collateral to sustain operations, the Debtor would be irreparably harmed. As it did before, the Court determines that the expenditures stated on the updated Budget are necessary to the Debtor's continued reorganization efforts.

III. Conclusion

For the reasons set forth below, the Debtor is authorized to use cash collateral in accordance with the Budget through and including April 30, 2021. A hearing on the use of cash collateral subsequent to April 30, 2021 shall take place on **April 13, 2021, at 10:00 a.m.** The deadline for the Debtor to file a disclosure statement and plan of reorganization remains **February 28, 2021.**

The Debtor shall submit further evidence in support of the continued use of cash collateral, including an updated Budget, by no later than **March 23, 2021.** By that same date, the Debtor shall provide notice of the continued hearing and shall file a proof of service so indicating. Opposition to the continued use of cash collateral is due by **March 30, 2021**; the Debtors' reply to any opposition is due by **April 6, 2021.**

The Debtor shall submit an order incorporating this tentative ruling by reference within seven days of the hearing

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Andrew Lockridge or Daniel Koontz at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

CONT... SCHREINER'S FINE SAUSAGES, INC.

Chapter 11

Debtor(s):

SCHREINER'S FINE SAUSAGES,

Represented By
Robert B Rosenstein

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

10:00 AM

2:20-16475 Neumedicines, Inc.

Chapter 11

#18.00 Hearing

RE: [114] Motion to Sell Property of the Estate Free and Clear of Liens under Section 363(f) Debtor's Motion for Order: (1) Approving the Sale of Substantially All Assets Free and Clear of Liens, Claims, Interests and Encumbrances Pursuant to 11 U.S.C. §363(b)(1) and (f)(4); (2) Approving the Assumption and Assignment of Certain Executory Contracts; and (3) Entering Findings Related to the Sale; Memorandum of Points and Authorities; Declarations of Daniel J. Weintraub, Timothy K. Gallaher and Raphael Nir in Support Thereof.

fr. 12-10-20

Docket 114

***** VACATED *** REASON: CONTINUED 12-21-20 AT 10:00 A.M.
AND 12-22-20 AT 10:00 A.M.**

Tentative Ruling:

12/15/2020

Hearing required.

Party Information

Debtor(s):

Neumedicines, Inc.

Represented By
Crystle Jane Lindsey
Daniel J Weintraub
James R Selth

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

11:00 AM

2:18-24265 Neilla M Cenci

Chapter 7

#100.00 Hearing re [27] *Creditor Ball C M, Incs Notice Of Objection To Claim Of Homestead Exemption And Objection To Homestead Exemption Claim*

fr. 5-8-19; 9-18-19; 3-18-20; 5-6-20; 8-5-20

Docket 0

***** VACATED *** REASON: PER ORDER ENTERED 8-19-20**

Tentative Ruling:

5/6/2019

For the reasons set forth below, CONTINUE HEARING to September 18, 2019 at 11:00 a.m.

Creditor Ball C M, Inc. ("Movant") seeks an order disallowing the Debtor's \$175,000 homestead exemption pursuant to § 522(o) [Doc. No. 27] (the "Objection to Homestead Exemption"). Section 522(o) "provides that the value of property claimed as a homestead must be reduced to the extent that the value is attributable to any fraudulent transfers of nonexempt property made by the debtor within 10 years prepetition." *In re McNabb*, 326 B.R. 785, 787-88 (Bankr. D. Ariz. 2005) (citing 11 U.S.C. § 522(o)). "In light of Congress' adoption in section 522(o) of the identical 'intent to hinder, delay or defraud' language found in section 548(a)(1)(A) and section 727(a)(2), courts may look to case law under these sections for guidance in construing the requisite intent under section 522(o)." 4 Collier on Bankruptcy, ¶ 522.08 (16th ed. 2019). Accordingly, a debtor's exemptible interest in homestead property should not be reduced absent a showing of specific intent to hinder, delay or defraud, but a party may rely upon certain "badges of fraud" to prove the existence of actual fraud. *Id.*

On March 7, 2019, Movant initiated an adversary proceeding against the Debtor by filing a complaint (the "Complaint") asserting claims under §§ 523(a)(2)(A), (a)(4), (a)(6) and 727(a)(2), (a)(3), (a)(4), and (a)(5) [2:19-ap-01605] (the "Non-Dischargeability Action"). The allegations set forth in the Complaint are substantially

**United States Bankruptcy Court
Central District of California
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Judge Ernest Robles, Presiding
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Wednesday, December 16, 2020

Hearing Room 1568

11:00 AM

CONT... Neilla M Cenci

Chapter 7

similar to the assertions underlying Movant's Objection to Homestead Exemption. Accordingly, it appears that any ruling with respect to the instant motion may have preclusive effect and potentially interfere with the Non-Dischargeability Action. Therefore, the Court finds it appropriate to defer ruling on the Objection to Homestead Exemption until the Non-Dischargeability Action has concluded.

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Daniel Koontz or Jessica Vogel at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

Party Information

Debtor(s):

Neilla M Cenci

Represented By
James R Selth

Trustee(s):

Heide Kurtz (TR)

Pro Se

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

11:00 AM

2:20-10821 Carmen Hernandez

Chapter 7

#101.00 APPLICANT: Trustee - David M. Goodrich

Hearing re [25] Applications for chapter 7 fees and administrative expenses

Docket 0

Tentative Ruling:

12/15/2020

Note: Telephonic Appearances Only. The Courtroom will be unavailable for in-court appearances. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, ext. 188 no later than one hour before the hearing. The cost for persons representing themselves has been waived.

No objection has been filed in response to the Trustee's Final Report. This court approves the fees and expenses, and payment, as requested by the Trustee, as follows:

Total Trustee's Fees: \$510.50 [*see* Doc. No. 24]

Total Trustee's Expenses: \$10.50 [*see id.*]

No appearance is required if submitting on the court's tentative ruling. If you intend to submit on the tentative ruling, please contact Daniel Koontz or Andrew Lockridge at 213-894-1522. **If you intend to contest the tentative ruling and appear, please first contact opposing counsel to inform them of your intention to do so.** Should an opposing party file a late opposition or appear at the hearing, the court will determine whether further hearing is required. If you wish to make a telephonic appearance, contact Court Call at 888-882-6878, no later than one hour before the hearing.

The chapter 7 trustee shall submit a conforming order within seven days of the hearing.

Party Information

**United States Bankruptcy Court
Central District of California
Los Angeles
Judge Ernest Robles, Presiding
Courtroom 1568 Calendar**

Wednesday, December 16, 2020

Hearing Room 1568

11:00 AM

CONT... Carmen Hernandez

Chapter 7

Debtor(s):

Carmen Hernandez

Represented By
Cynthia Grande

Trustee(s):

David M Goodrich (TR)

Pro Se