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FILED & ENTERED

NOV 14 2023

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY may DEPUTY CLERK

7 Attorneys for Howard M. Ehrenberg, Chapter 11 Trustee

8
9 **UNITED STATES BANKRUPTCY COURT**

10 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

11 In re

12 BEVERLY COMMUNITY HOSPITAL
ASSOCIATION, dba BEVERLY
13 HOSPITAL, a nonprofit public benefit
corporation,¹

14 Debtor.

Case No. 2:23-bk-12359-SK

Chapter 11

Jointly administered with:

Case No. 2:23-bk-12360-SK

Case No. 2:23-bk-12361-SK

15 **ORDER GRANTING CHAPTER 11**
16 **TRUSTEE'S APPLICATION FOR ORDER**
17 **AUTHORIZING EMPLOYMENT OF FTI**
18 **CONSULTING, INC. AS TRUSTEE'S**
19 **FINANCIAL ADVISORS**

DATE:

TIME: [No Hearing Requested]

PLACE:

20 **[RELATES TO DOCKET NO. 849]**

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26 ¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax
27 identification number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005),
28 Montebello Community Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing
address for the Debtors is 309 W. Beverly Boulevard, Montebello, California 90640.



- ☒ Affects all Debtors
- ☐ Affects Beverly Community Hospital Association
- ☐ Affects Montebello Community Health Services, Inc.
- ☐ Affects Beverly Hospital Foundation

The Court, having considered the “Chapter 11 Trustee’s Application for Order Authorizing Employment of FTI Consulting, Inc. As Trustee’s Financial Advisors; Declaration of Chad Sandler in Support Thereof” (the “Application”) [Docket No. 849] filed by Howard M. Ehrenberg (“Applicant” or the “Trustee”), the duly appointed, qualified, and acting chapter 11 trustee for the estates of the jointly administered debtors Beverly Community Hospital Association, dba Beverly Hospital, a nonprofit public benefit corporation (“Beverly Community”), Montebello Community Health Services, Inc. (“Montebello Health”), and Beverly Hospital Foundation (“Beverly Foundation”) (collectively and interchangeably, the “Debtor” or “Debtors”), and the separately filed declaration of Daniel A. Lev attesting to the lack of any objection or opposition to the Application or request for hearing in support thereof, and after finding that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and after further finding that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. § 1408, and after further finding, based on the representations made in the Application and the declaration of Chad Shandler (the “Shandler Declaration”) affixed thereto, that (i) FTI Consulting, Inc. (“FTI”) does not hold or represent an interest adverse to the Debtors’ estates, and (ii) FTI is a “disinterested person” as defined in 11 U.S.C. § 101(14) and as required by 11 U.S.C. § 327(a), and after further finding that the relief requested in the Application is in the best interests of the Debtors’ estates, their creditors, and other parties in interest, and after further finding that the Trustee provided adequate and appropriate notice of the Application under the circumstances and that no other or

1 further notice is required, and after further finding that no objection or opposition to the
2 Application or request for hearing was timely filed by the Office of the United States
3 Trustee, the Debtors, creditors, or parties in interest, and for good cause appearing
4 therefor,

5 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

- 6 1. The Application is granted.
- 7 2. The Trustee is authorized to retain and employ FTI as his financial
8 advisor effective as of the October 1, 2023 in accordance with the "Engagement Letter"
9 attached as Exhibit 1 to the Application.
- 10 3. FTI is authorized to provide the Trustee with the professional
11 services as described in the Application and the Engagement Letter.
- 12 4. FTI shall apply for compensation for professional services rendered
13 and reimbursement of expenses incurred in connection with the Debtors' chapter 11
14 cases in compliance with 11 U.S.C. §§ 330 and 331 and shall also comply with the
15 applicable provisions of the Federal Rules of Bankruptcy Procedure, Local Bankruptcy
16 Rules, and any other applicable procedures and orders of the Court.
- 17 5. FTI shall maintain time records in accordance with Bankruptcy Rule
18 2016(a) and LBR 2016-1(a)(1).
- 19 6. Notwithstanding anything to the contrary in the Engagement Letter,
20 the Application or the Shandler Declaration, to the extent that FTI uses the services of
21 independent contractors or subcontractors (collectively, the "Contractors") or affiliates in
22 these chapter 11 cases, FTI shall (i) pass through the cost of such Contractors to the
23 Trustee at the same rate that FTI pays the Contractors; (ii) seek reimbursement for actual
24 costs only, (iii) ensure that the Contractors and affiliates are subject to the same conflicts
25 checks as required for FTI, and (iv) file with this Court such disclosures required by
26 Bankruptcy Rule 2014(a) with respect to such Contractors and affiliates.

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1 7. The Trustee shall be bound by the indemnification, contribution,
2 reimbursement, and exculpation provisions set forth in the Engagement Letter, subject
3 during the pendency of these cases to the following:

4 a. Subject to the provisions of subparagraphs (b) and (c) below, the
5 Debtors, by and through the Trustee, solely on behalf of the bankruptcy estates of the
6 Debtors, are authorized to indemnify, and shall indemnify, FTI for any claims arising from,
7 related to, or in connection with the services to be provided by FTI as specified in the
8 Application, but not for any claim arising from, related to, or in connection with FTI's post-
9 petition performance of any other services (other than those in connection with the
10 engagement), unless such post-petition services and indemnification therefor are
11 approved by this Court;

12 b. The Trustee and the bankruptcy estates of the Debtors shall have no
13 obligation to indemnify FTI, or provide contribution or reimbursement to FTI, for any claim
14 or expense that is either (i) judicially determined (the determination having become final)
15 to have arisen from FTI's bad faith, gross negligence, or willful misconduct, (ii) for a
16 contractual dispute in which the Trustee alleges the breach of FTI's contractual
17 obligations if the Court determines that indemnification, contribution, or reimbursement
18 would not be permissible pursuant to applicable law, or (iii) settled prior to a judicial
19 determination as to the exclusions set forth in clauses (i) and (ii) above, but determined
20 by this Court, after notice and a hearing pursuant to subparagraph (c) *infra*, to be a claim
21 or expense for which FTI is not entitled to receive indemnity, contribution, or
22 reimbursement under the terms of the Engagement Letter as modified by this Order; and

23 c. If, before the earlier of (i) the entry of an order confirming a chapter
24 11 plan in these cases (that order having become a final order no longer subject to
25 appeal), and (ii) the entry of an order closing these chapter 11 cases, FTI believes that it
26 is entitled to the payment of any amounts by the Debtors on account of the Trustee's
27 indemnification, contribution and/or reimbursement obligations under the Engagement
28 Letter (as modified by this Order), including, without limitation, the advancement of

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1 defense costs, FTI must file an application therefor in this Court, and the Trustee may not
2 pay any such amounts to FTI before the entry of an order by this Court approving the
3 payment. This subparagraph (c) is intended only to specify the period during which the
4 Court shall have jurisdiction over any request for fees and expenses by FTI for
5 indemnification, contribution, or reimbursement, and not as a provision limiting the
6 duration of the Trustee's obligation to indemnify FTI.

7 8. FTI shall use its reasonable best efforts to avoid duplication of
8 services provided to any of the Trustee's other retained professionals in these chapter 11
9 cases.

10 9. The Trustee and FTI are authorized to take all actions necessary to
11 effectuate the relief granted pursuant to this Order in accordance with the Application.


12 10. Notice of the Application as provided therein is deemed to be good
13 and sufficient notice of such Application, and the requirements of the LBRs are satisfied
14 by the contents of the Application.

15 11. To the extent the Application, the Shandler Declaration, or the
16 Engagement Letter is inconsistent with this Order, the terms of this Order shall govern.

17 12. The terms and conditions of this Order shall be immediately effective
18 and enforceable upon its entry.

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23 Date: November 14, 2023


Sandra R. Klein
United States Bankruptcy Judge