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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al*,

Debtors and Debtors In Possession.

☒ Affects All Debtors

- ☐ Affects O'Connor Hospital
- ☐ Affects Saint Louise Regional Hospital
- ☐ Affects St. Francis Medical Center
- ☐ Affects St. Vincent Medical Center
- ☐ Affects Seton Medical Center
- ☐ Affects O'Connor Hospital Foundation
- ☐ Affects Saint Louise Regional Hospital Foundation
- ☐ Affects St. Francis Medical Center of Lynwood Foundation
- ☐ Affects St. Vincent Foundation
- ☐ Affects St. Vincent Dialysis Center, Inc.
- ☐ Affects Seton Medical Center Foundation
- ☐ Affects Verity Business Services
- ☐ Affects Verity Medical Foundation
- ☐ Affects Verity Holdings, LLC
- ☐ Affects De Paul Ventures, LLC
- ☐ Affects De Paul Ventures - San Jose Dialysis, LLC

Debtors and Debtors In Possession.

Lead Case No.: 2:18-bk-20151-ER

Jointly administered with:

CASE NO.: 2:18-bk-20162-ER
CASE NO.: 2:18-bk-20163-ER
CASE NO.: 2:18-bk-20164-ER
CASE NO.: 2:18-bk-20165-ER
CASE NO.: 2:18-bk-20167-ER
CASE NO.: 2:18-bk-20168-ER
CASE NO.: 2:18-bk-20169-ER
CASE NO.: 2:18-bk-20171-ER
CASE NO.: 2:18-bk-20172-ER
CASE NO.: 2:18-bk-20173-ER
CASE NO.: 2:18-bk-20175-ER
CASE NO.: 2:18-bk-20176-ER
CASE NO.: 2:18-bk-20178-ER
CASE NO.: 2:18-bk-20179-ER
CASE NO.: 2:18-bk-20180-ER
CASE NO.: 2:18-bk-20181-ER

Chapter 11 Cases

Hon. Judge Ernest Robles

**LIMITED OBJECTION OF RETIREMENT
PLAN FOR HOSPITAL EMPLOYEES TO
EMERGENCY MOTION OF DEBTORS FOR
ORDER (A) AUTHORIZING THE DEBTORS
TO PAY PREPETITION EMPLOYEE WAGES
AND BENEFITS, ETC., [Docket No. 22]**

Final Hearing:

Date: October 3, 2018

Time: 10:00 a.m. (PST)

Place: United States Bankruptcy Court
255 East Temple Street
Suite 90012



Trodella & Lapping LLP
540 Pacific Avenue
San Francisco, CA 94133

TO THE COURT AND ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

Retirement Plan for Hospital Employees (“RPHE”) hereby files this objection to the Emergency Motion Of Debtors for the entry of an order: (i) authorizing the Debtors, in their discretion, to (a) pay prepetition employee wages and salaries, and (b) pay and honor employee benefits and other workforce obligations (including remitting withholding obligations, maintaining workers’ compensation and benefits programs, paying related administration obligations, making contributions to retirement plans, and paying reimbursable employee expenses); and (ii) authorizing and directing the applicable bank to pay all checks and electronic payment requests made by the Debtors relating to the foregoing (collectively, the “Employee Obligations”) [Docket No. 22] (the “Employee Motion”) filed by Verity Health System Of California, Inc. (“VHS”) and the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter 11 bankruptcy cases (collectively, the “Debtors”), as follows: .

BACKGROUND

RPHE incorporates herein in full the background, argument, objection and the Declaration of Michael Holdsworth filed by RPHE in these cases at Docket No. 218 entitled **OBJECTION OF RETIREMENT PLAN FOR HOSPITAL EMPLOYEES TO MOTION OF DEBTORS FOR FINAL ORDERS (A) AUTHORIZING THE DEBTORS TO OBTAIN POST PETITION FINANCING ETC** (“Financing Objection”).

OBJECTION

For the same reasons as set forth in the Financing Objection, RPHE objects that the Debtors have not included Debtors’ obligations to fund contributions to RPHE in the request to authorize payments of benefits in their Employee Motion. There is simply no basis for Debtors to treat the benefits due for members of the California Nurses Association (“CNA”) on whose behalf contributions to RPHE are made differently than benefits for other employees affected by the Employee Motion. Doing so is patently unfair and discriminatory as to CNA members.

Moreover, as pointed out in both CNA’s objection to the Employee Motion [Docket No.

223] and SEIU-UHW'S objection to the Employee Motion [Docket No. 213], Debtors' failure to include contributions on behalf of CNA members violates the CNA Collective Bargaining Agreements in violation of 11 U.S.C. § 1113. RPHE incorporates and supports CNA's and SEIU-UHW's arguments as additional support for this objection.

CONCLUSION

For the foregoing reasons, RPHE respectfully requests that the Court condition approval of the Employee Motion on inclusion of a reserve fund for the RPHE plan contributions accrued in 2018 arising from services rendered by CNA members within 180 days before the filing of the petition, as provided in 11 U.S.C. § 507(a)(5), and subject to available dollar limits, in an amount to be determined by agreement or by further proceedings if agreement cannot be reached.

Dated: September 19, 2018

TRODELLA & LAPPING LLP

By: /s/ Richard A. Lapping
Richard A. Lapping
Attorneys for
Retirement Plan for Hospital Employees

Trodella & Lapping LLP
540 Pacific Avenue
San Francisco, CA 94133

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
540 Pacific Avenue, San Francisco, CA 94133

A true and correct copy of the foregoing document entitled (*specify*): OBJECTION OF RETIREMENT PLAN FOR
HOSPITAL EMPLOYEES TO EMERGENCY MOTION OF DEBTORS FOR ORDER (A) AUTHORIZING
THE DEBTORS TO PAY PREPETITION EMPLOYEE WAGES AND BENEFITS, ETC., [Docket No. 22]

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 09/19/2018, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 09/19/2018, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

09/19/2018 Richard A. Lapping
Date Printed Name

Signature 

Attachment to Proof of Service of Document

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING(NEF)

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United States Trustee (LA)

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2. SERVED BY EMAIL

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