

In re:
Beverly Community Hospital Association
Debtor

Case No. 23-12359-SK
Docket #140 Date Filed: 04/26/2023

CERTIFICATE OF NOTICE

District/off: 0973-2
Date Rcvd: Apr 24, 2023

User: admin
Form ID: pdf042

Page 1 of 2
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Apr 26, 2023:

NONE

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
db	+ Email/PDF: acheng@beverly.org	Apr 24 2023 23:59:00	Beverly Community Hospital Association, 309 West Beverly Blvd, Montebello, CA 90640-4308

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Apr 26, 2023

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on April 21, 2023 at the address(es) listed below:

Name	Email Address
Alexandria Lattner	on behalf of Debtor Beverly Community Hospital Association alattnr@sheppardmullin.com ehwalters@sheppardmullin.com
Evan Gershbein	on behalf of Other Professional Kurtzman Carson Consultants LLC ECFpleadings@kccllc.com
Evelina Gentry	on behalf of Creditor Advantis Medical Staffing evelina.gentry@akerman.com rob.diwa@akerman.com
Howard Steinberg	on behalf of Creditor U.S. Bank Trust Company National Association as Master Trustee steinbergh@gtlaw.com, pearsallt@gtlaw.com;howard-steinberg-6096@ecf.pacerpro.com
Jennifer L Nassiri	on behalf of Debtor Beverly Community Hospital Association JNassiri@sheppardmullin.com



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Page 2 of 2

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Joseph P Buchman

on behalf of Creditor Montebello Land and Water Company jbuchman@bwslaw.com gmitchell@bwslaw.com

Marc A Levinson

on behalf of Debtor Beverly Community Hospital Association MAMLevinson@orrick.com borozco@orrick.com

Michael Jones

on behalf of U.S. Trustee United States Trustee (LA) michael.jones4@usdoj.gov

Nathan A Schultz

on behalf of Creditor Hanmi Bank nschultzesq@gmail.com

Ron Maroko

on behalf of U.S. Trustee United States Trustee (LA) ron.maroko@usdoj.gov

Sharon Z. Weiss

on behalf of Interested Party Hilco Real Estate LLC sharon.weiss@bclplaw.com,
raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com

Sharon Z. Weiss

on behalf of Interested Party HRE Montebello LLC sharon.weiss@bclplaw.com,
raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com

United States Trustee (LA)

ustpreion16.la.ecf@usdoj.gov

TOTAL: 13

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
JUSTIN R. BERNBROCK (admitted *pro hac vice*)
CATHERINE JUN (admitted *pro hac vice*)
ROBERT B. McLELLARN (admitted *pro hac vice*)
321 North Clark Street, 32nd Floor
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cjun@sheppardmullin.com
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CHANGES MADE BY COURT

Proposed Counsel to Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re:

BEVERLY COMMUNITY HOSPITAL
ASSOCIATION, dba BEVERLY HOSPITAL
(A NONPROFIT PUBLIC BENEFIT
CORPORATION), *et al*,¹

Debtors,

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

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

Jointly administered with:

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

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

Hon. Sandra R. Klein

Chapter 11 Case

**INTERIM ORDER APPROVING
DEBTORS' EMERGENCY MOTION FOR
ENTRY OF INTERIM AND FINAL
ORDERS (I) AUTHORIZING THE
DEBTORS TO (A) PAY PREPETITION
WAGES, SALARIES, AND OTHER
COMPENSATION, AND (B) CONTINUE
EMPLOYEE BENEFITS PROGRAMS,
AND (II) GRANTING RELATED RELIEF**

Date: April 21, 2023

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

Time: 2 p.m.
Judge: Hon. Sandra R. Klein
Place: Zoom.Gov – or - Courtroom 1575
255 E. Temple St.
Los Angeles, CA 90012

Upon the Debtors' Emergency Motion For Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief (the "Motion") of the above-captioned debtors and debtor-in-possession (collectively, the "Debtors") filed on April 19, 2023; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court on April 21, 2023 at 2 p.m. (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.
2. The final hearing (the "Final Hearing") on the Motion shall be held on May 17, 2023, at 9 a.m., prevailing Pacific Standard Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 12:00 p.m. noon, prevailing Pacific Standard Time on May 3, 2023, and served in accordance with the Motion to Limit Notice on the Notice Parties. In

the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. As discussed during the April 21, 2023 Hearing, payment to insiders for prepetition claims of any kind are not allowed at this time.

4. Other than to insiders, the Debtors are authorized, but not directed, to: (a) continue and discontinue the Employee Compensation and Benefits Programs in the ordinary course of business during these chapter 11 cases and without the need for further Court approval, subject to applicable law; and (b) pay and honor prepetition amounts outstanding under or related to the Employee Compensation and Benefits Programs in the ordinary course of business.

5. Notwithstanding anything to the contrary herein, pending entry of the Final Order, other than to insiders, the Debtors are authorized, but not directed, in their sole discretion, to pay, remit, or reimburse, as applicable, the following accrued prepetition amounts that may become due and owing prior to entry of the Final Order:

Employee-Related Obligations	Interim Amount
Employee Compensation	\$1,400,000
Physician Fees	\$900,000
Incentive Program Obligations	\$10,000
Wage and Benefits Processing Fees	\$17,000
Withholding Obligations	\$750,000
Unemployment Obligations	\$15,000
Reimbursable Expenses	\$10,000
Medical Plans	\$500,000
Prescription Drug Plans	\$83,000
Dental Plans	\$22,000
Vision Plan	\$4,000
Life Insurance Plan	\$12,000
MERP	\$5,000
Other Health Benefits	\$10,000
Health Plan Administration Fees	\$71,000
Other Benefits	\$12,000
Retirement Plans	\$21,000
Workers' Compensation Programs	\$60,000
Total	\$3,900,000

1 6. **Other than to insiders**, the Debtors are authorized, but not directed, to honor their
2 existing policies for PTO Plans to the extent it permits continuing employees to use their prepetition
3 accrued leave in the ordinary course of business and going forward.

4 7. **Other than to insiders**, the Debtors are also authorized, but not directed, to pay the
5 Employees for unused PTO as permitted per Debtors' policy that accrued within the 180 days prior
6 to the Petition Date so long as the total of payments already then made for prepetition Employee
7 Obligations and any other wage-related payments do not exceed the per Employee \$15,150 priority
8 cap imposed by section 507(a)(4) of the Bankruptcy Code.

9 8. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to
10 proceed with their claims under the Workers' Compensation Program in the appropriate judicial or
11 administrative forum and the Debtors are authorized to continue the Workers' Compensation
12 Program and pay all prepetition amounts relating thereto in the ordinary course of business. This
13 modification of the automatic stay pertains solely to claims under the Workers' Compensation
14 Program.

15 9. Nothing contained herein is intended or should be construed to create an
16 administrative priority claim on account of any obligations owed under any Employee
17 Compensation and Benefits Program.

18 10. The banks and financial institutions on which checks were drawn or electronic
19 payment requests made in payment of the prepetition obligations approved herein are authorized to
20 receive, process, honor, and pay all such checks and electronic payment requests when presented
21 for payment, and all such banks and financial institutions are authorized to rely on the Debtors'
22 designation of any particular check or electronic payment request as approved by this Interim Order.

23 11. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund
24 transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a
25 consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with
26 the relief granted herein.

27 12. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).
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1 13. The requirement under Local Bankruptcy Rule 9013-1(c)(3)(B) to file a
2 memorandum of law in connection with the Motion is waived.

3 14. Notice of the Motion as provided therein shall be deemed good and sufficient notice
4 of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules
5 are satisfied by such notice.


6 15. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim
7 Order are immediately effective and enforceable upon its entry.

8 16. The Debtors are authorized to take all actions necessary to effectuate the relief
9 granted in this Interim Order.

10 17. This Court retains exclusive jurisdiction with respect to all matters arising from or
11 related to the implementation, interpretation, and enforcement of this Interim Order.

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23 Date: April 21, 2023


Sandra R. Klein
United States Bankruptcy Judge