

1 LISA HILL FENNING (SBN 89238)  
2 HARRY GARNER (SBN 254942)  
3 ARNOLD & PORTER LLP  
4 777 South Figueroa Street, 44th Floor  
5 Los Angeles, California 90017  
6 Telephone: 213.243.4000  
7 Facsimile: 213.243.4199  
8 Lisa.Fenning@aporter.com  
9 Harry.Garner@aporter.com

10 *Counsel to Debtor and Debtor-in-Possession*

11 **UNITED STATES BANKRUPTCY COURT**

12 **CENTRAL DISTRICT OF CALIFORNIA**

13 **LOS ANGELES DIVISION**

14 In re

15 DOWNEY REGIONAL MEDICAL  
16 CENTER-HOSPITAL, INC., a California  
17 non-profit public benefit corporation,

18 Debtor

19 Tax I.D. 95-1903935

20 Case No.: 09-bk-34714-BB

21 Chapter 11

22 **CHAPTER 11 PLAN OF REORGANIZATION  
23 PROPOSED BY DOWNEY REGIONAL  
24 MEDICAL CENTER-HOSPITAL, INC.  
25 (DATED APRIL 20, 2010)**

26 **Disclosure Statement Hearing**

27 Date: May 26, 2010

28 Time: 2:00 p.m.

Ctrm: Courtroom: 1475

United States Bankruptcy Court

255 E. Temple Street

Los Angeles, CA 90012

**Plan Confirmation Hearing**

**See Disclosure Statement for**

**Voting and Objecting Procedures**

Date: July 1, 2010

Time: 10:00 a.m.

Ctrm: Courtroom: 1475

United States Bankruptcy Court

255 E. Temple Street

Los Angeles, CA 90012

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## **I. INTRODUCTION**

Downey Regional Medical Center-Hospital, Inc. (the “**Debtor**”), is the debtor in a Chapter 11 bankruptcy case. On September 14, 2009, Debtor commenced a bankruptcy case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code (“**Bankruptcy Code**”), 11 U.S.C. § 101 et seq. Debtor operates a nonprofit general acute care and teaching hospital licensed for 199 beds located in Downey, California (the “**Hospital**”). This document is the Chapter 11 Plan (“**Plan**”) proposed by Debtor. Sent to you in the same envelope as this document is the Disclosure Statement that has been approved by the Court, and that is provided to help you understand the Plan.

This is a liquidating plan that effectuates the sale of substantially all of the Hospital’s assets to an affiliate (“**Acquirer**”) of Presbyterian Intercommunity Hospital of Whittier, California (“**PIH**”). Importantly, the Plan provides for the operation of the Hospital after the sale. After substantial payments are made at the closing of the anticipated sale, Plan payments will be funded from funds generated from the future operations of the Hospital with certain contributions and guarantees made by PIH in conjunction with the Transaction described in more detail below and in the Disclosure Statement. The Effective Date of the proposed Plan is [July 15, 2010].

**[NOTE: The proposed treatment of claims remains subject to further negotiations expected to take place between Acquirer, the Creditors’ Committee (as defined below), and certain other creditors before the hearing on the approval of the Disclosure Statement. An amended Plan and Disclosure Statement reflecting any amendments will be filed shortly before the Disclosure Hearing.]**

## **II. DEFINITIONS AND RULES OF CONSTRUCTION**

### **A. Definitions.**

In addition to such other terms as are defined elsewhere in the Plan, the following terms (which appear in the Plan as capitalized terms) have the following meanings as used in the Plan:

1           “**503(b)(9) Bar Date**” means December 1, 2009, which was established by the Court as  
2 the deadline to file requests for allowance of 503(b)(9) Claims.

3           “**503(b)(9) Claim**” means an Administrative Expense Claim arising under Bankruptcy  
4 Code § 503(b)(9).

5           “**Acquired Assets**” means all assets of Debtor and the Estate acquired by Acquirer  
6 pursuant to the Asset Purchase Agreement.

7           “**Acquired Avoidance Action**” means certain Avoidance Actions that shall be  
8 included in the Acquired Assets and assigned to Acquirer which shall be vested with the right  
9 to pursue and recover with respect to such Acquired Avoidance Actions.

10           “**Acquirer**” means Newco, as defined below.

11           “**Administrative Expense Claim**” means a Claim for administrative costs or expenses  
12 entitled to priority under Bankruptcy Code § 507(a)(2) or (b).

13           “**Affiliated Transactions**” means the transactions (other than the acquisition of the  
14 Acquired Assets pursuant to the Asset Purchase Agreement) among Parent, Acquirer, DRMC  
15 Properties, Inc., and, at Acquirer’s election, DRMC Memorial Foundation, pursuant to which  
16 Acquirer acquires various assets from Debtor’s affiliates.

17           “**AG Consent**” means approval by the California Attorney General of the Plan and  
18 Transaction.

19           “**Alliance**” means Alliance Physicians Medical Group.

20           “**Allowed Administrative Expense Claim**” means an Administrative Expense Claim  
21 that is allowed.

22           “**Allowed Claim**” means a Claim, other than an Administrative Expense Claim, to  
23 the extent that:

24           (a)       Either: (1) a proof of Claim was timely Filed; or (2) a proof of Claim or  
25 proof of Interest is deemed timely Filed either under Bankruptcy Rule 3003(b)(1)-(2) or by a  
26 Final Order; or (3) a proof of Claim was not timely filed; and

27           (b)       Either: (1) the Claim is not a Disputed Claim; or (2) the Claim is allowed by  
28

1 a Final Order or under the Plan.

2 Unless otherwise specified in the Plan, an Allowed Claim does not include interest on  
3 the Claim accruing after the Petition Date. Moreover, all or any portion of a Claim that is  
4 satisfied or released during the Case is not an Allowed Claim.

5 **“Apollo”** means Apollo Health Street, Inc.

6 **“Apollo Settlement”** means that certain settlement agreement entered into by Debtor  
7 and Apollo as of March 30, 2009 regarding termination of the parties’ contract and payment  
8 by Debtor of approximately \$2.3 million to resolve disputes about amounts due to Apollo.  
9 Approximately \$1.2 million of the settlement remained unpaid as of Petition Date.

10 **“AppleCare”** means AppleCare Independent Physicians’ Association.

11 **“Asset Purchase Agreement”** means the agreement among Debtor, its Parent, and  
12 Acquirer pursuant to which Acquirer shall purchase substantially all of Debtor’s assets.

13 **“Assumed Employee PTO Claims”** means PTO Claims that are “grandfathered”  
14 into Acquirer’s human resources system for Debtor’s employees in good standing who are  
15 hired by Acquirer, subject to the maximum accrual limits and other limitations of PIH’s  
16 existing policies.

17 **“Avoidance Actions”** mean the causes of action held by Debtor or the Estate that  
18 arise out of Bankruptcy Code §§ 510, 542, 544, 547, 548, 549, 550, 551, and 553. The Plan  
19 Trust shall be vested with the right to pursue and recover on the Trust Avoidance Actions  
20 listed on Exhibit D hereto [to be filed]. The Acquired Avoidance Actions listed on Exhibit D  
21 hereto [to be filed] shall be included in the Acquired Assets and assigned to Acquirer which  
22 shall be vested with the right to pursue and recover thereon. The Released Avoidance  
23 Actions shall be deemed waived and released when the Plan becomes Effective.

24 **“Ballot”** means the ballot to vote to accept or reject the Plan.

25 **“Ballot Tabulator”** means Omni Management Group, Debtor’s claims agent, , or  
26 any other person or entity designated by Debtor to tabulate ballots.



1            **“Confirmation Date”** means the date of entry of the Confirmation and Sale Order.

2            **“Confirmation Documents”** means the briefs, memoranda, declarations, and other  
3 writings and evidence submitted by Debtor, PIH or Acquirer in support of confirmation of the  
4 Plan.

5            **“Confirmation and Sale Hearing”** means the hearing by the Court on confirmation of  
6 the Plan and to approve the sale of substantially all of Debtor’s assets to Acquirer.

7            **“Confirmation and Sale Order”** means the Court order confirming the Plan and  
8 approving the Transaction.

9            **“Convenience Class”** means the class of General Unsecured Claims that are either less  
10 than or equal to \$7,500, or if the claim amount is greater, if the claimant shall have made a  
11 Convenience Class Election with respect to such Claim.

12            **“Convenience Class Election”** means the timely election by the holder of a General  
13 Unsecured Claim in excess of \$7,500 to have such entire General Unsecured Claim be  
14 treated as a claim in the Convenience Class, in which case the portion of such General  
15 Unsecured Claim in excess of \$7,500 shall be discharged in full on the Effective Date.

16            **“Creditors’ Committee”** means the official committee of unsecured creditors  
17 appointed under Bankruptcy Code § 1102 by the United States Trustee.

18            **“Cure Payment”** means the payment of cash or the distribution of other property (as  
19 the parties may agree or the Court may order), as necessary to cure defaults under an  
20 executory contract or unexpired lease of Debtor pursuant to Bankruptcy Code § 365(b).

21            **“Debtor”** means Downey Regional Medical Center-Hospital, Inc.

22            **“Debtor’s Counsel”** means Arnold & Porter LLP, reorganization counsel to Debtor.

23            **“Defenses to Claims”** means any counterclaims, defenses, rights of setoff, rights of  
24 recoupment or credits with respect to any Claims against Debtor in the Case, excluding rights of  
25 setoff, recoupment, credit or other entitlement to payments due to Debtor from health insurers  
26 contracted with Debtor with respect to services for patients discharged or treated after Petition  
27 Date.





1 placed by the Plan Trustee in an interest-bearing account that shall be maintained until the  
2 resolution of all Class 5 Claims.

3 **"Disputed Class 6 Claims Reserve"** means an amount reserved from any Installment  
4 Payment that is reasonably estimated to be sufficient to pay the Pro Rata distribution to Disputed  
5 Class 6 Claims when they become Allowed Class 6 Claims. Amounts so withheld shall be  
6 placed by the Plan Trustee in an interest-bearing account that shall be maintained until the  
7 resolution of all Class 6 Claims.

8 **"Disputed Class 7 Claims Reserve"** means an amount reserved from any Installment  
9 Payment that is reasonably estimated to be sufficient to pay the Pro Rata distribution to Disputed  
10 Class 7 Claims when they become Allowed Class 7 Claims. Amounts so withheld shall be  
11 placed by the Plan Trustee in an interest-bearing account that shall be maintained until the  
12 resolution of all Class 7 Claims.

13 **"Disputed Class 8 Claims Reserve"** means an amount reserved from any Installment  
14 Payment that is reasonably estimated to be sufficient to pay the Pro Rata distribution to Disputed  
15 Class 7 Claims when they become Allowed Class 8 Claims. Amounts so withheld shall be  
16 placed by the Plan Trustee in an interest-bearing account that shall be maintained until the  
17 resolution of all Class 8 Claims.

18 **"Effective Date"** means the first Business Day (a) that is at least fourteen days after  
19 the Confirmation and Sale Date; (b) on which no stay of the Confirmation and Sale Order is  
20 in effect; and (c) on which the conditions set forth in Section III.J. have been satisfied or  
21 waived by each of Debtor or Acquirer as applicable.

22 **"Effective Date Payments"** means the payments required by the Bankruptcy Code or  
23 the Plan to be made on the Effective Date, including payment of the following: (i) the  
24 principal, interest and other amounts, if any, then outstanding under the DIP Loan or the  
25 Replacement DIP Loan, as the case may be, (ii) all Allowed Administrative Expense Claims;  
26 (iii) all Allowed Priority Claims, (iv) 50% of the Allowed Convenience Class Claims; (v)  
27 Secured Claims for property taxes in Class 2D; (vi) all Allowed Cure Claims; (vii) initial

1 cash payments to Classes 5, 6, 7, and 8; (viii) initial funding for the Plan Trust; and (ix) the  
2 Disputed Administrative Claims Reserve, including amounts for Disputed Cure Claims and  
3 Disputed Convenience Class Claims.

4 **“Estate”** means the estate created in the Case under Bankruptcy Code § 541.

5 **“Excluded Assets”** means all assets that are excluded from the sale to Acquirer under  
6 the Asset Purchase Agreement and that remain assets of the Estate. Excluded Assets include  
7 any and all Trust Avoidance Actions or Released Avoidance Actions; any claims against  
8 directors and officers’ or other liability insurance policies; any Defenses to Claims; and any  
9 tangible or intangible asset that Acquirer designates as an Excluded Asset and any other asset  
10 that is excluded from the sale to Acquirer pursuant to the Asset Purchase Agreement..

11 **“Exhibit Filing Date”** means the date that is the last Business Day that is at least five  
12 days prior to the date of the Confirmation Hearing, or such other date as may be set by the  
13 Bankruptcy Court.

14 **“Exit Financing”** means the funds provided by PIH to pay the Effective Date Payments,  
15 the PIH Guarantee, and such additional committed working capital and funds for capital  
16 expenditures as Acquirer may be required to provide by the Attorney General pursuant to an  
17 agreement with Debtor.

18 **“Filed”** means duly and properly filed with the Court and reflected on the Court’s  
19 official docket.

20 **“Final Order”** means an order or judgment of the Court entered on the Court’s  
21 official docket:

- 22 (a) that has not been reversed, rescinded, stayed, modified, or amended;  
23 (b) that is in full force and effect;  
24 (c) with respect to which: (1) the time to appeal or to seek review, remand,  
25 rehearing, or a writ of certiorari has expired and as to which no timely filed appeal or petition  
26 for review, rehearing, remand, or writ of certiorari is pending; or (2) any such appeal or  
27 petition has been dismissed or resolved by the highest court to which the order or judgment

1 was appealed or from which review, rehearing, remand, or a writ of certiorari was sought;  
2 and

3 (d) that has not been appealed, or that has been appealed but this condition has  
4 been waived by Acquirer.

5 **“General Unsecured Claim”** means a Claim that is not a 503(b)(9) Claim, an  
6 Administrative Expense Claim, a Priority Claim, a Priority Tax Claim, a Secured Claim, or a  
7 Secured Tax Claim.

8 **“Health Net”** means Health Net of California.

9 **“Health Plan Loan Claims”** means the Claims filed by Health Net and PacifiCare with  
10 respect to certain prepetition loans made to Debtor or payments made to third-party providers on  
11 Debtor’s behalf and at its request.

12 **“HFG”** is Healthcare Finance Group LLC.

13 **“Indenture”** means that certain Indenture dated as of August 1, 1993 as amended by,  
14 among other things, the First Supplemental Indenture, dated as of February 26, 2004, entered  
15 into between the CHFFA and Wells Fargo.

16 **“Installment Plan Payments”** means the periodic payments of interest and principal to  
17 be made to holders of Allowed Claims in Classes 5, 6, 7 and 8 pursuant to the Plan, but not  
18 including the Effective Date Payments, or payments to holders of Allowed Claims in Classes 1,  
19 2A, 2B, 2C, 2D, and 4.

20 **“Interest”** means the interest of Parent, the sole member of the Debtor, as defined in  
21 Bankruptcy Code § 101(17).

22 **“Interest Rate”** means \_\_\_% above the United States Treasury rate fixed upon the  
23 Confirmation Date, but not to exceed \_\_\_% per annum.

24 **“Medical Office Building”** means the medical office building located adjacent to the  
25 Hospital, that is owned by DRMC Properties, Inc.

1           “Newco” means the new entity that is affiliated with PIH that will acquire the assets of  
2 the Hospital and that will, to the extent commercially reasonable, operate a general acute care  
3 charitable hospital at the Hospital’s facilities after the Effective Date.

4           “Next Payment Date” means , with respect to any particular Disputed Claim, the first  
5 business day of the calendar quarter after such Claim has been Allowed by Final Order.

6           “PacifiCare” means United/PacifiCare of California, Inc

7           “Parent” means Downey Regional Medical Center, Inc., the sole member of Debtor.

8           “Petition Date” means September 14, 2009.

9           “PIH Guarantee” means PIH’s guarantee of the principal portion of the Installment  
10 Plan Payments with respect to those Allowed Claims in Classes 5 and 6 as to which the holders  
11 have elected to discount their Allowed Claims by 25% as the condition for having the benefit of  
12 PIH’s guarantee.

13           “Pioneer” means Pioneer Medical Group.

14           “Plan” means this Chapter 11 Plan of Reorganization Proposed by Debtor (dated April  
15 22, 2010), as it subsequently may be modified or amended.

16           “Plan Schedules” means schedules and exhibits to be attached to and incorporated by  
17 reference in the Plan.

18           “Plan Trust” means the trust established for the benefit of creditors as of the Effective  
19 Date pursuant to the Plan to (a) receive Plan Payments from Acquirer or the Hospital, as  
20 applicable, (b) act as disbursing agent to make Installment Plan Payments and distributions under  
21 the Plan on account of the Allowed Claims in Classes 5, 6, 7 and 8, other than (i) the Effective  
22 Date Payments, which shall be made by PIH from the Exit Financing, and (ii) the payments on  
23 account of the Class 2 Claims, and assumed contracts and leases, which shall be made directly by  
24 Acquirer; (c) prosecute the Trust Avoidance Actions specified on the Plan Schedules, (d) pursue  
25 any causes of action of the Estate against directors or officers and any insurance related thereto,  
26 (e) administer, liquidate, and distribute proceeds on account of any Excluded Assets, and (f)  
27 object to Claims. The documentation establishing the Plan Trust is attached hereto as Exhibit B

1 [to be filed]. The Plan Trust shall receive [\$100,000] as its initial funding as part of the Effective  
2 Date Payments.

3 **“Plan Trustee”** means \_\_\_\_\_, the trustee for the Plan Trust. The Plan Trustee  
4 shall be entitled to retain attorneys, accountants and such other professionals as may be  
5 necessary.

6 **“Priority Claim”** means a Claim entitled to priority against the Estate under Bankruptcy  
7 Code §§ 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7). Priority Claims do not include any Claims  
8 incurred after the Petition Date.

9 **“Priority Tax Claim”** means a Claim entitled to priority against the Estate under  
10 Bankruptcy Code § 507(a)(8). Priority Tax Claims do not include any Claims incurred after the  
11 Petition Date.

12 **“Professional Fee Claim”** means a Claim under Bankruptcy Code §§ 327, 328, 330,  
13 331, 503, or 1103 for compensation for professional services rendered or expenses incurred for  
14 which the Estate is liable for payment.

15 **“Pro Rata”** means proportionately so that the ratio of (a) the amount of consideration  
16 distributed on account of a particular Allowed Claim to (b) the Allowed Claim, is the same as the  
17 ratio of (x) the amount of consideration available for distribution on account of Allowed Claims  
18 in the Class in which the particular Allowed Claim is included to (y) the amount of all Allowed  
19 Claims of that Class.

20 **“PTO Claims”** mean Claims asserted by Debtor’s employees that are based upon  
21 accrued credits arising under Debtor’s nonworking day and paid time off policies.

22 **“Rejection Claim”** means a Claim arising under Bankruptcy Code § 365 from the  
23 rejection by Debtor of an unexpired lease or executory contract.

24 **“Replacement DIP Loan”** means a senior secured credit facility in an amount up to \$10  
25 million, or such lesser amount as is necessary to permit Debtor to continue its operations until  
26 the Effective Date, to be provided by new lender, Acquirer, or by Acquirer in conjunction with  
27 HFG.

1           **“Replacement DIP Loan Documents”** means the financing documents with respect  
2 to the Replacement DIP Loan.

3           **“Risk-Share Claims”** means Claims held by AppleCare, Alliance, and Pioneer with  
4 respect to alleged risk-sharing profit allocations arising from Debtor’s former capitation  
5 agreements.

6           **“Schedule of Assumed Agreements”** means the Plan Schedule of executory contracts  
7 and unexpired leases that Debtor will assume on the Effective Date. On or before the Exhibit  
8 Filing Date, Debtor will File the initial Schedule of Assumed Agreements and serve it on the  
9 parties to agreements listed on the schedule. Up to 30 days after the Effective Date, Acquirer  
10 may (i) add additional executory contracts or unexpired leases to the Schedule of Assumed  
11 Agreements via Supplemental or Amended Plan Schedules, or (ii) delete executory contracts or  
12 unexpired leases from the Schedule of Assumed Agreements.

13           **“Schedule of Rejected Agreements”** means the Plan Schedule of executory contracts  
14 and unexpired leases that Debtor will reject on the Effective Date. On or before the Exhibit  
15 Filing Date, Debtor will File the initial Schedule of Rejected Agreements and serve it on the  
16 parties to agreements listed on the schedule. Up to 30 days after the Effective Date, Acquirer  
17 may remove an executory contract or unexpired lease from the Schedule of Rejected Agreements  
18 and add it to the Schedule of Assumed Agreements, subject to the right of the counterparty to  
19 object to such transfer within ten business days after notice with a right to a hearing thereon.

20           **“Schedules”** means the Schedules of Assets and Liabilities filed by the Debtor as such  
21 Schedules may have been, or may subsequently be, amended before the Effective Date.

22           **“Secured Claim”** means a Claim, including a Secured Tax Claim, that is secured by a  
23 lien on a Debtor’s property. A Claim is a Secured Claim only to the extent of the value of the  
24 claimholder’s interest in the collateral or to the extent of the amount subject to setoff, whichever  
25 is applicable, and as determined under Bankruptcy Code § 506(a).

26           **“Secured Tax Claim”** means a governmental unit’s Secured Claim for unpaid taxes  
27 arising before the Petition Date.

1           “**Transaction**” means the transaction pursuant to which Acquirer simultaneously  
2 acquires (a) the Hospital by purchasing the assets of Debtor pursuant to the Asset Purchase  
3 Agreement; (b) the Medical Office Building pursuant to a separate agreement with the Parent  
4 and DRMC Properties, Inc.; and, at Acquirer’s option, (c) the Memorial Foundation, pursuant to  
5 a separate agreement with the Parent.

6           “**Transaction Documents**” means all documents relating to the Transaction, including  
7 but not limited to the Asset Purchase Agreement, the Affiliated Transaction documents, and the  
8 Plan Trust Agreement.

9           “**Trust Avoidance Actions**” means certain Avoidance actions listed on Exhibit D to the  
10 Plan [to be filed] that the Plan Trust shall be vested with the right to pursue and recover.

11           “**U.S. Trustee**” means the Office of the United States Trustee for the Central District of  
12 California.

13           “**U.S. Trustee Fees**” means fees or charges assessed against the Estate pursuant to 28  
14 U.S.C. § 1930.

15           “**Wells Fargo**” means Wells Fargo Bank, National Association, as Indenture Trustee for  
16 the Bonds.

17 **B. Rules of Construction.**

18           1.       The rules of construction in Bankruptcy Code § 102 apply to this Plan to the  
19 extent not inconsistent herewith.

20           2.       Bankruptcy Rule 9006(a) applies when computing any time period under  
21 the Plan.

22           3.       A term that is used in this Plan and that is not defined in this Plan has the  
23 meaning attributed to that term, if any, in the Bankruptcy Code or the Bankruptcy Rules.

24           4.       The definition given to any term or provision in the Plan supersedes and  
25 controls any different meaning that may be given to that term or provision in the Disclosure  
26 Statement.

27           5.       Whenever it is appropriate from the context, each term, whether stated in  
28



1 the singular or the plural, includes both the singular and the plural.

2 6. Any reference to a document or instrument being in a particular form or on  
3 particular terms means that the document or instrument will be substantially in that form or  
4 on those terms.

5 7. Any reference to an existing document means the document as it has been,  
6 or may be, amended or supplemented.

7 8. Unless otherwise indicated, the phrase “under the Plan” and similar words  
8 or phrases refer to this Plan in its entirety rather than to only a portion of the Plan.

9 9. Unless otherwise specified, all references to Sections or Exhibits are  
10 references to this Plan’s Sections or Exhibits.

11 10. The words “herein,” “hereto,” “hereunder,” and other words of similar  
12 import refer to this Plan in its entirety rather than to only a particular portion hereof.

13 **III. CLASSIFICATION AND TREATMENT OF CLAIMS**

14 **A. General Overview**

15 As required by the Bankruptcy Code, the Plan classifies claims and interests in various  
16 classes according to their right to priority of payments as provided in the Bankruptcy Code. The  
17 Plan states whether each Class of Claims or interests is impaired or unimpaired. The Plan  
18 provides the treatment each Class will receive under the Plan.

19 **B. Summary and Classification of Claims and Interests.**

20 This Section classifies Claims and Interests — except for Administrative Expense Claims  
21 and Priority Tax Claims, which are not classified — for all purposes, including voting,  
22 confirmation, and distribution under the Plan. A Claim or Interest is classified in a particular  
23 Class only to the extent that the Claim or Interest falls within the Class description. To the extent  
24 that part of the Claim or Interest falls within a different Class description, the Claim or Interest is  
25 classified in that different Class. The following table summarizes the Classes of Claims and  
26 Interests under the Plan that are Allowed Claims or Allowed Administrative Expense Claims:  
27  
28

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Expense Claims and Priority Tax Claims	Unimpaired	Not Entitled to Vote
1	Priority Claims	Unimpaired	Not Entitled to Vote / Deemed to Accept
2A	Secured Claim of Wells Fargo	Impaired	Entitled to Vote
2B	Secured Claim of Apollo	Impaired	Entitled to Vote
2C	Secured Claims of Equipment Lessors	Unimpaired	Not Entitled to Vote / Deemed to Accept
2D	Secured Claim of Los Angeles County Treasurer and Tax Collector for Property Taxes	Unimpaired	Not Entitled to Vote / Deemed to Accept
3	Assumed Employee PTO Claims	Unimpaired	Not Entitled to Vote / Deemed to Accept
4	Convenience Class Claims	Impaired	Entitled to Vote
5	General Unsecured Claims (Not Otherwise Classified)	Impaired	Entitled to Vote
6	Risk-Share Claims	Impaired	Entitled to Vote
7	Health Plan Loan Claims	Impaired	Entitled to Vote
8	Capitation Provider Claims	Impaired	Entitled to Vote
9	Interest Holders	Impaired	Not Entitled to Vote

**NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM OR INTEREST THAT IS NOT AN ALLOWED CLAIM OR INTEREST.**

The treatment in this Plan is in full and complete satisfaction of the legal, contractual, and equitable rights (including any liens) that each individual or entity holding an Allowed Claim

1 may have in or against Debtor, the Estate, or their respective property. This treatment supersedes  
2 and replaces any agreements or rights those individuals or entities may have in or against Debtor,  
3 the Estate, or their respective property. Except as otherwise provided in this Plan, all  
4 distributions in respect of Allowed Claims will be allocated first to the principal amount of such  
5 Allowed Claim, as determined for federal income tax purposes, and thereafter, to the remaining  
6 portion of such Allowed Claim, if any.

7 **C. Unclassified Claims**

8 Certain types of claims are not placed into voting classes; instead they are unclassified.  
9 They are not considered impaired and they do not vote on the Plan because they are  
10 automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such,  
11 Debtor has not placed the following claims in a class. The treatment of these claims is provided  
12 below.

13 **1. Administrative Expense Claims**

14 Administrative Expense Claims are claims for costs or expenses of administering the  
15 Debtor's Chapter 11 case which are Allowed by the Bankruptcy Court under Bankruptcy Code §  
16 507(a)(1). The Code requires that all Administrative Expense Claims that have not been paid by  
17 Debtor in the ordinary course of business before the Effective Date must be paid on the Effective  
18 Date of the Plan (or as soon thereafter as they are Allowed) unless a particular claimant agrees to  
19 a different treatment. Administrative Expense Claims include (i) the DIP Loan; (ii) accrued and  
20 unpaid Hospital operating expenses during the Case; (iii) 503(b)(9) Claims; (iv) Allowed  
21 professional fees and expenses, (v) any Adequate Protection Payments (as such term is defined  
22 in the Order Regarding Use of Cash Collateral and Adequate Protection entered on October 16,  
23 2009) for Wells Fargo's fees and expenses that have not otherwise been paid by the Effective  
24 Date, which amounts shall be deemed Allowed without further action by Wells Fargo or the  
25 Debtor; and (vi) fees payable to the clerk of the Bankruptcy Court and the Office of the United  
26 States Trustee.

1 The Court must approve all professional fees. The professional in question must file and  
2 serve a properly noticed fee application and the Court must rule on the application. Only the  
3 amount of fees allowed by the Court will be required to be paid under this Plan.

4 The Allowed Administrative Expense Claims are estimated to total approximately [\$15-  
5 18 million] as of the Effective Date, of which \$10-15 million is for the DIP Loan; \$1 million for  
6 the 503(b)(9) Claims (as described below); and \$2-5 million for professional fees and other  
7 unpaid Administrative Expenses (the amount of fees and other Administrative Expenses  
8 remaining to be paid will be lower to the extent that DIP Loan advances have been made and the  
9 DIP Loan would thus be higher).

10 a. 503(b)(9) Claims

11 Prior to the Petition Date and in the ordinary course of its business, Debtor purchased a  
12 variety of goods used in the operation of the Hospital (the "**Goods**"). As of the Petition Date,  
13 Debtor was in possession of certain goods that had been delivered to it, but for which it had not  
14 yet received invoices or made payment to suppliers. Debtor filed a motion to establish deadlines  
15 and procedures for 503(b)(9) Claims early in the Case that proposed deadlines and treatment of  
16 such Claims. An order was entered establishing a bar date for Filing such Claims.

17 The 503(b)(9) Claims are Claims asserted against Debtor pursuant to Bankruptcy Code  
18 §503(b)(9) for the value of goods received by Debtor within 20 days before the Petition Date, as  
19 listed on Exhibit C. Many other creditors filed Claims asserting that they qualified for priority  
20 treatment under §503(b)(9), even though their Claims, on their face, are (i) for services and not  
21 for Goods or (ii) for Goods delivered before the applicable period. Debtor intends to file  
22 objections to the priority of the Disputed 503(b)(9) Claims before the Confirmation Hearing. Such  
23 Claims, however, may be allowable as Class 5 Claims, if they are not duplicative of filed  
24 General Unsecured Claims. The estimated Allowed 503(b)(9) Claims total less than \$1 million.  
25 Debtor has included the Disputed 503(b)(9) Claims in the estimated totals for the Claims in Class  
26 5, rather than the Administrative Claims totals.

b. Treatment of Administrative Expense Claims, Cure Payments, 503(b)(9) Claims, Clerk’s Office Fees, and U.S. Trustee Fees:

All Allowed Administrative Expense Claims (including Professional Fees), Allowed Cure Payments, Allowed 503(b)(9) Claims, Clerk’s Office Fees, and U.S. Trustee Fees will be paid in full in cash on the later of the Effective Date or the date such claims are allowed.

**2. Priority Tax Claims**

Priority Tax Claims are certain unsecured income, employment and other taxes described by Bankruptcy Code § 507(a)(8). The Code requires that each holder of such a Priority Tax Claim receive the present value of such claim in deferred cash payments, over a period not exceeding six years from the date of the assessment of such tax. All Allowed Priority Tax Claims will be paid in full on the Effective Date.

For this Case, few such Claims exist. Debtor is a nonprofit corporation and does not owe income taxes. During the Case, Debtor obtained court authority to bring wages, benefits and payroll taxes current for the prepetition period, so no prepetition employment related taxes remain due. Debtor has otherwise kept current on taxes. The only Priority Tax Claim scheduled by Debtor related to property taxes, and will be treated instead as a secured Claim::

<u>Description</u>	<u>Amount Owed</u>
No priority tax claims have been Filed.	\$0
The Claim of the Los Angeles County Treasurer and Tax Collector for Property Taxes was Filed and will be treated as Class 2D secured Claim.	

**D. Classified Claims**

**1. Class 1--Priority Claims (Other than Priority Tax Claims)**

Class 1 consists of Priority Claims against Debtor, other than Priority Tax Claims. These Priority Claims are entitled to priority treatment in that each holder of such a claim is entitled to receive cash on the Effective Date equal to the allowed amount of such claim, unless.

1 the class votes to accept deferred cash payments of a value, as of the Effective Date, equal to the  
2 allowed amount of such claims.

3 In this Case, the Priority Claims consist of wage and benefits Claims under §§ 507(a)(4)  
4 and (5) for PTO Claims that were not paid pursuant to the Order Authorizing Payment of  
5 Prepetition Wages, entered on September 17, 2009, because they arise from the termination of  
6 employment during the Case or on the Effective Date, or because they arise from PTO Claims of  
7 Debtor’s employees who are hired by Acquirer, but whose PTO Claims exceed the maximum  
8 amount of PTO eligible for assumption under PIH’s human resources policies. Wage claims  
9 (including severance pay) in excess of the statutory limit of \$10,950, and PTO Claims in excess  
10 of the statutory limit of \$10,950 for benefits will be treated as General Unsecured Claims in  
11 Class 5. Almost all Claims filed by employees were in an “unknown” amount and remain to be  
12 determined. The Assumed Employee PTO Claims of Debtor’s employees that are being hired  
13 by Acquirer are treated as assumed obligations and are excluded from this Class.

14 Certain medical services providers also asserted priority status on their proofs of Claim  
15 forms in the aggregate amount of approximately \$195,000, but provided no evidence that they  
16 qualified for priority. Debtor will file objections to the priority status of those Claims and  
17 therefore has excluded them from the estimated Priority Claims.

18 The Priority Claims shall be treated as follows:

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
1	Priority unsecured claims alleged pursuant to Bankruptcy Code §§ 507(a)(4) and (5) (wages and benefits priorities)  Total amount of claims = [\$200,000]	No	Paid in cash in full on later of Effective Date or when allowed

2. Classes 2A, 2B, 2C and 2D--Secured Claims

Classes 2A, 2B, 2C and 2D consist of Secured Claims against Debtor. Secured Claims are claims secured by liens on property of the estate. The Secured Claims shall be treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
2A	<p>Secured claim of Wells Fargo</p> <p>Collateral description = Gross Operating Revenues, as defined in the Bond Documents; Funds held in bond reserve account (collectively, the "<b><u>Bond Funds</u></b>")</p> <p>Collateral value = Fully secured as of Petition Date: Gross Operating Revenues (as defined in the Bond Documents) value of \$30 million; Bond Funds est. value of \$6,785,360 (est. \$5.4 million as of Effective Date)</p> <p>Priority of security interest = First</p> <p>Principal owed = est. \$20.9 million as of Effective Date (assuming May, June and July payments are made)</p> <p>Pre-pet. Arrearage amount =</p>	No	Yes	<p>The Bonds shall be paid in full by Acquirer, and shall be</p> <p>(i) assumed by Acquirer, subject to such modifications of covenants as may reasonably be necessary (including permitting the Apollo junior lien);</p> <p>(ii) granted a first priority lien on the "Gross Operating Revenues" (as defined in the Bond Documents) of Acquirer;</p> <p>(iii) [REQUEST BY WF, SUBJECT TO NEGOTIATION: permitted to hire the Affiliate Lien (as defined in the Order Regarding Use of Cash Collateral and Adequate Protection entered on October 16, 2009), such lien being a first priority mortgage, lien and security interest</p>

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
	<p>\$0</p> <p>Post-pet. Arrearage amt = approx. \$310,000 attorneys fees (as of 2/28/2010)</p> <p>Total claim amount = est. \$21.4 million (with \$5.4 million in Bond Funds as cash collateral; additional fees and costs may accrue through the Effective Date)</p>			<p>in the Medical Office Building, subject only to prior valid and perfected liens, if any, existing on the Petition Date;]</p> <p>(iv) guaranteed by PIH; and</p> <p>(v) paid according to their terms.</p>
2B	<p>Secured claim of Apollo</p> <p>Collateral description = Accounts receivable</p> <p>Collateral value = in excess of \$5 million</p> <p>Priority of security int. = Second/Junior</p> <p>Principal owed = Approximately \$1.2 million</p> <p>Pre-pet. Arrearage amount = approx. \$200,000 of principal</p> <p>Post-pet. arrearage amount = approx. \$986,000 of principal</p> <p>Total claim amount = \$1,201,919.22, plus such interest, attorneys' fees, and expenses as may be Allowed</p>	No	Yes	<p>The Apollo debt shall be paid in full by Acquirer and shall be:</p> <p>(i) assumed by Acquirer and granted a second priority lien on its accounts receivable;</p> <p>(ii) paid in equal quarterly payments on a fully amortized basis over a two-year period, including interest at the Interest Rate, beginning with the first payment due on [REQUEST BY APOLLO; SUBJECT TO NEGOTIATION: first payment on Effective Date?]</p>



<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
2C(i)	<p>Secured claim of <b>Bank of the West</b></p> <p>Collateral description = Imaging System and Alaris System Equipment</p> <p>Collateral value = [_____]</p> <p>Priority of security int. = 1st</p> <p>Pre-pet. Arrearage Amt. = \$0</p> <p>Post-pet. arrearage Amt = \$0</p> <p>Total claim amount = [\$1,780,407.45, less payments made during Case]</p>	No	No	<p>These security interests were recorded with respect to equipment leases. Acquirer may assume or reject these leases.</p> <p>If Acquirer assumes the leases, it will pay the terms of the leases, with Cure Amounts paid in full when Allowed.</p> <p>If the equipment leases are not assumed, Debtor will reject them and lessor shall be permitted to recover on the collateral on which it has a first lien, and to File a General Unsecured Rejection Claim for any amounts due in excess of its collateral value.</p>

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
2C(ii)	Secured Claim of <b>Cisco Systems</b>  Collateral description = Computer servers and related equipment  Collateral value = [____]  Priority of security int. = First  Pre-pet. Arrearage Amt. = \$0  Post-pet. arrearage Amt = \$0  Total claim amount = \$683,725.97, less payments made during Case	No	No	These security interests were recorded with respect to equipment leases. Acquirer may assume or reject these leases.  If Acquirer assumes the leases, it will pay the terms of the leases, with Cure Amounts paid in full when Allowed.  If the equipment leases are not assumed, Debtor will reject them and lessor shall be permitted to recover on the collateral on which it has a first lien, and to File a General Unsecured Rejection Claim for any amounts due in excess of its collateral value.

<u>CLASS</u> <u>#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
2C(iii)	Secured claim of <b>Cadwell Laboratories Inc.</b>  Collateral description = EEG Equipment  Collateral value = [____]  Priority of security int. = First  Pre-pet. Arrearage Amt. = \$0  Post-pet. arrearage Amt = \$0  Total claim amount = [Unknown]	No	No	These security interests were recorded with respect to equipment leases. Acquirer may assume or reject these leases.  If Acquirer assumes the leases, it will pay the terms of the leases, with Cure Amounts paid in full when Allowed.  If the equipment leases are not assumed, Debtor will reject them and lessor shall be permitted to recover on the collateral on which it has a first lien, and to File a General Unsecured Rejection Claim for any amounts due in excess of its collateral value.

<u>CLASS</u> <u>#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
2C(iv)	<p>Secured claim of <b>Philips Medical Capital</b></p> <p>Collateral description = Digital Diagnostic and X- Ray Equipment</p> <p>Collateral value = [____]</p> <p>Priority of security int. = First</p> <p>Pre-pet. Arrearage amt. = \$0</p> <p>Post-pet. arrearage amt. = \$0</p> <p>Total claim amount = \$19,722, less payments made during the Case</p>	No	No	<p>These security interests were recorded with respect to equipment leases. Acquirer may assume or reject these leases.</p> <p>If Acquirer assumes the leases, it will pay the terms of the leases, with Cure Amounts paid in full when Allowed.</p> <p>If the equipment leases are not assumed, Debtor will reject them and lessor shall be permitted to recover on the collateral on which it has a first lien, and to File a General Unsecured Rejection Claim for any amounts due in excess of its collateral value.</p>

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
2C(v)	<p>Secured claim of <b>U.S. Bank</b></p> <p>Collateral Description = Advia Immunoassay System Equipment</p> <p>Collateral value = [_____]</p> <p>Priority of security int. = First</p> <p>Pre-pet. Arrearage amt. = \$0</p> <p>Post-pet. arrearage amt. = \$0</p> <p>Total claim amount = \$[_____]</p>	No	No	<p>These security interests were recorded with respect to equipment leases. Acquirer may assume or reject these leases.</p> <p>If Acquirer assumes the leases, it will pay the terms of the leases, with Cure Amounts paid in full when Allowed.</p> <p>If the equipment leases are not assumed, Debtor will reject them and lessor shall be permitted to recover on the collateral on which it has a first lien, and to File a General Unsecured Rejection Claim for any amounts due in excess of its collateral value.</p>
2D	<p>Secured claim of Los Angeles County Treasurer and Tax Collector for Property Taxes</p> <p>Collateral description = Real property and improvements on Dolan Street property</p> <p>Collateral value = Assessed value of \$1,656,120; fair market value of \$[_____]</p> <p>Priority of security int. = First</p> <p>Pre-pet. Amount due =</p>	No	No	Paid in full on Effective Date

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
	\$19,802.82  Post-pet. Amount due = \$0  Total claim amount = \$19,802.82			

**3. Class 3--Assumed Employee PTO Claims**

Class 3 Assumed Employee PTO Claims are certain PTO Claims for accrued nonworking days and paid time off (“**PTO**”) of Hospital employees in good standing as of the Effective Date who are hired by Acquirer as employees. Under Debtor’s human resources policies, employees may have accumulated PTO that the employees were able to roll forward from year to year, or cash out at retirement or departure. Acquirer will honor PTO Claims for hired employees up to the maximum amount permitted to be accrued pursuant to PIH’s human resources policies (\_\_\_ days/hours of PTO). The Assumed Employee PTO Claims shall be treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
3	Assumed Employee PTO Claims  Total amt of claims = [Approximately \$450,000 alleged per proofs of claim; additional amounts to be determined, but total assumed to be approximately \$3.8 million]	No	For all employees that are hired by Acquirer as employees of the Hospital, Acquirer will assume the PTO and allow it to be used on the same terms and conditions as before Petition Date, subject to a cap of [___ hours/days]  For employees that are not hired by Acquirer, if any, PTO claims will be treated as Class 5 Claims (or as Priority or Convenience Class Claims, if they qualify). Such non-hired employees shall have 30 days after notice that they will not be hired

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
			within which to file amended proofs of claims setting forth the cash equivalent of their accrued PTO pursuant to Debtor's existing policies.

**4. Class 4 -- Convenience Class Claims**

Class 4 consists of Convenience Class Claims, meaning those General Unsecured Claims that are either less than or equal to \$7,500, or if the claim amount is greater, the claimant elects to reduce its Claim to \$7,500 pursuant to the Convenience Class Election, and thus accept a maximum of \$3,750 as payment in full. Debtor estimates that there are approximately 850 claimants with Claims less than or equal to \$7,500, and 150 additional claimants with Claims between \$7,500 and \$15,000 who can be expected to elect treatment as Convenience Class Claims because \$3,750 would equal the maximum 25% distribution that they might otherwise receive over a seven year period as part of Class 5, 6, or 8. It is possible that holders of Claims greater than \$15,000 will also elect treatment in Class 4 to obtain the benefit of an immediate cash payment rather than payments of a greater amount over a period of years. There is no limit on the number or amount of Claims that may be the subject of a Convenience Class Election.

The Convenience Class Claims shall be treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
4	Convenience Class Claims  Total amt of claims = Est. Allowed amount of \$1.6 million, assuming all claimants with Claims between \$1 and \$15,000 elect treatment as Convenience Class	Yes	To be paid 50% of allowed amount of claim up to a maximum of \$3,750, on the Effective Date or as soon as practicable thereafter.

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
	Claims; [total Claimed amount of approximately \$3 million]		

**5. Class 5 --General Unsecured Claims Not Otherwise Classified**

Class 5 consists of General Unsecured Claims that are not Priority Claims, Assumed Employee PTO Claims, Convenience Class Claims,, Risk-Share Claims, Capitation Provider Claims, or Health Plan Loan Claims. The Class 5 Claims shall be treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
5	General Unsecured Claims (Not Otherwise Classified)  Total amt of claims = [Approximately \$30 million for Trade, Rejection, Litigation, and other claims not separately classified]	Yes	Class 5 Claims shall be paid:  <u>Effective Date Payments:</u> By Debtor, 5% in cash (\$265,000) (for Disputed Claims, payment to be made on the Next Payment Date after the Claim is Allowed)  <u>Installment Plan Payments:</u> By the Plan Trustee from payments received from Acquirer or PIH as appropriate, interest-only annual cash payments at the Interest Rate, commencing on the first anniversary of the Effective Date; and Pro Rata principal payments in the aggregate amount up to another 20% of the Allowed Claim, not to exceed \$7.5 million in the aggregate (including the Effective Date Payment), payable in full on the 7-year anniversary of the Effective Date.  <u>Guarantee Option:</u> By voluntarily reducing its Allowed



<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
			Claim by 25%, each creditor may individually elect to have payment of the principal portion of its Installment Plan Payments guaranteed by PIH.

**6. Class 6 -- Risk-Share Claims**

Class 6 consists of certain disputed General Unsecured Claims held by AppleCare, Alliance, and Pioneer with respect to alleged risk-sharing profit allocations arising from Debtor's former capitation agreements. The Risk-Share Claims shall be treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
6	Risk-Share Claims held by AppleCare, Alliance, and Pioneer  Total amt of claims = Estimated Allowed amount of \$[3.2] million; filed Claims in the amount of \$18.5 million	Yes	Class 6 Claims shall be paid:  <u>Effective Date Payments:</u> By Debtor, 5% in cash (\$160,000) (for Disputed Claims, payment to be made on the Next Payment Date after the Claim is Allowed)  <u>Installment Plan Payments:</u> (i) By the Plan Trustee from payments received from Acquirer or PIH as appropriate, interest-only annual cash payments at the Interest Rate, commencing on the first anniversary of the Effective Date; and (ii) Pro Rata principal payments in the aggregate amount up to another 20% of the Allowed Claim, not to exceed \$800,000 in the aggregate (including the Effective Date Payment), payable in full on the 7-year anniversary of the Effective Date.  <u>Guarantee Option:</u>

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
			By voluntarily reducing its Allowed Claim by 25%, each creditor may individually elect to have payment of the principal portion of its Installment Plan Payments guaranteed by PIH.

**7. Class 7 -- Health Plan Loan Claims**

Class 7 consists of the Health Plan Loan Claims held by Health Net and PacifiCare with respect to unsecured prepetition loans made to Debtor or payments made to third-party providers for Debtor’s benefit and at Debtor’s request.

PacifiCare’s Filed Proof of Claim also includes amounts attributed to possible Claims for reimbursement by Debtor if PacifiCare pays Debtor’s obligations to holders of Class 8 Capitation Provider Claims (the “**PacifiCare Reimbursement Claim**”). Debtor has determined that many of the invoices listed in the PacifiCare Proof of Claim have already been paid or settled, are overstated, or otherwise do not constitute an obligation of Debtor, thereby significantly reducing the potential amount of the PacifiCare Reimbursement Claim. Debtor is in the process of working with PacifiCare to reconcile the invoices included in the PacifiCare Proof of Claim against the Filed and scheduled Claims in this Case. However, after eliminating the paid, settled, or erroneous invoices from the PacifiCare Proof of Claim, a significant portion of the PacifiCare Proof of Claim (the “**Duplicate Invoices**”) is duplicative of certain proofs of claims filed in this Case directly by the third-party providers (the Class 8 Capitation Provider Claims), and this duplication must be addressed. Debtor contends that PacifiCare has no legal obligation to pay the Capitation Provider Claims, but understands that PacifiCare is concerned about having to defend against the such claims even if it has strong defenses to any such third-party lawsuits.

The Plan proposes to (i) disallow the PacifiCare Reimbursement Claim pursuant to Section 502(d)(1)(B) as a contingent claim for reimbursement in exchange for incentives for

holders of the Capitation Provider Claims to promise not to sue PacifiCare on account of the Duplicate Invoices, in the form of an increase in the Effective Date cash payment to each holder of a Capitation Provider Claim that indicates on its ballot that it so covenants (such holders, the “**Releasing Capitation Providers**”); and (ii) require holders of Capitation Provider Claims that do not release PacifiCare (“**Non-Releasing Capitation Providers**”) to submit to a claims resolution process in this Case to try to resolve the appropriate contracted amount of such Capitation Provider Claims against Debtor (based upon Debtor’s records and contracts) and to mediate the issue of PacifiCare’s potential liability on such Claims. The claims resolution process will propose a temporary stay of any collection efforts against PacifiCare to provide the opportunity for an orderly resolution of the Capitation Provider Claims. A motion to approve the claims resolution process will be submitted for approval in connection with the Confirmation Hearing (the “**ADR Motion**”).

The Health Plan Loan Claims shall be treated as follows:

<b><u>CLASS #</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>IMPAIRED (Y/N)</u></b>	<b><u>TREATMENT</u></b>
7	<p>Health Plan Loan Claims of Health Net and PacifiCare</p> <p>Total amt of claims = Est. Allowed amount of \$5.5 million, limited to amounts actually loaned to Debtor or paid to providers on Debtor’s account and at its request</p> <p>[Note: PacifiCare’s Claim may be partially secured by a \$500,000 letter of credit. Investigation pending]</p>	Yes	<p>Class 7 Claims shall be paid:</p> <p><u>Effective Date Payments:</u> By Debtor, 5% in cash (\$250,000) (for Disputed Claims, payment to be made on the Next Payment Date after the Claim is Allowed)</p> <p><u>Installment Plan Payments:</u> By the Plan Trustee from payments received from Acquirer or PIH as appropriate, (i) interest-only annual cash payments at the Interest Rate, commencing on the first anniversary of the Effective Date; and (ii) Pro Rata principal payments in the aggregate amount up to another 85% of the Allowed Claim, not to exceed \$5 million in the aggregate (including the</p>

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
			Effective Date Payment), payable in full on the 7-year anniversary of the Effective Date.  <u>Guarantee Option:</u> By voluntarily reducing its Allowed Claim by 25%, each creditor may individually elect to have payment of the principal portion of its Installment Plan Payments guaranteed by PIH.

**8. Class 8 -- Capitation Provider Claims**

Capitation Provider Claims are General Unsecured Claims Filed by approximately 100 hospitals, physicians, ambulance services, and other healthcare providers that provided services to individuals who were insured members under Debtor's terminated capitation contracts, and whose Claims overlap the Duplicate Invoices portion of the PacifiCare Reimbursement Claim. Debtor contends that PacifiCare has no legal obligation to pay the Capitation Provider Claims, and believes that the holders of the Capitation Provider Claims would encounter substantial litigation risk and expense were they to attempt to collect from PacifiCare on account of their Claims in this Case.

The Plan proposes to resolve these issues without litigation by providing each holder of a Capitation Provider Claim an additional Effective Date cash payment equal to 5% of their Allowed Claims if such holder affirms on its ballot that it agrees not to sue PacifiCare on account of such Claim. This offer is likely to be accepted by many (maybe most) of the holders of Capitation Provider Claims. Those that decline to give up the right to sue PacifiCare will be required to look to Debtor in the first instance to determine the appropriate amount of such Claims, pursuant to the separate ADR Motion pursuant to which Debtor will seek a temporary stay of other proceedings against PacifiCare to allow for the proper amounts of the Capitation Provider Claims to be determined by accounting reconciliation and mediation. The mediation process, while mandatory, will not impose substantive settlements. Debtor believes that this

process is highly likely to result in resolution of most of these Claims in a quick, cost-effective manner. In exchange for the opportunity to resolve the Duplicate Invoices, Debtor believes that PacifiCare should be required not to offset or recoup its Health Plan Loan Claim against amounts otherwise due to Debtor or to Acquirer, as purchaser of Debtor's accounts receivable.

The Capitation Provider Claims shall be treated as follows:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
8	Capitation Provider Claims (Overlapping PacifiCare Proof of Claim)  Total amt of claims = Est. Allowed amount of \$[1.3] million	Yes	Class 8 Claims shall be paid:  <u>Effective Date Payments:</u> By Debtor, (i) 5% in cash (\$65,000) (for Disputed Claims, payment to be made on the Next Payment Date after the Claim is Allowed); and (ii) provided that the individual creditor covenants not to sue PacifiCare on account of the Capitation Provider Claim (by so noting on the Ballot), with respect to such creditor's Claim, an additional 5% in cash.  <u>Installment Plan Payments:</u> By the Plan Trustee from payments received from Acquirer or PIH as appropriate, (i) interest-only annual cash payments at the Interest Rate, commencing on the first anniversary of the Effective Date; and (ii) Pro Rata principal payments in the aggregate amount up to another 20% of the Allowed Claim, not to exceed \$325,000 in the aggregate (including the Effective Date Payment) of the Effective Date.  <u>Guarantee Option:</u> By voluntarily reducing its Allowed Claim by 25%, each creditor may individually elect to have payment of the principal portion of its Installment Plan Payments guaranteed by PIH.  <u>Bar on Set Offs or Recoupment:</u> PacifiCare shall be barred from setting off or recouping its Allowed Claim against Acquirer's Acquired

<u>CLASS</u> <u>#</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
			Asset rights to payment from PacifiCare.

**9. Class of Interest Holders**

Interest holders are the parties who hold ownership interest (i.e., equity interest) in the Debtor. As a non-profit corporation under California law, Debtor has no Interest holders in the usual sense. Instead, Debtor’s non-profit Parent is its sole corporate member. Parent shall not receive any distribution on account of its interest in Debtor.

**E. Means of Funding and Implementing the Plan**

Debtor has entered into an Asset Purchase Agreement with Acquirer and PIH, pursuant to which Acquirer, directly or indirectly, will acquire the Acquired Assets of Debtor on the Effective Date of the Plan. Acquirer will thereafter control and manage the operations of the Hospital. PIH will provide the Exit Financing and the PIH Guarantee. PIH or Acquirer, as appropriate, will provide such other working capital and funds for capital expenditures as may be required by the Attorney General or as agreed by Debtor and Acquirer. Acquirer will pay the Bond Debt, Apollo Claim, payments due pursuant to Assumed Executory Agreements (including equipment leases), the Installment Plan Payments, and will provide for the ongoing expenses of the operations of the hospital facilities.

**1. Funding for the Plan**

**a. The Effective Date Payments**

PIH shall: (i) provide funds to or on behalf of the Debtor on the Effective Date in an amount equal to the following: (A) all principal, interest and other amounts, if any, due or outstanding under the DIP Loan or Replacement DIP Loan, as the case may be, as of the Effective Date; and (B) the other Effective Date Payments; and (ii) provide a written commitment to provide working capital and funds for capital expenditures in excess of the

1 Exit Financing as agreed by Debtor and Acquirer or as may be required by the California  
2 Attorney General.

3 The Effective Date Payments are estimated as follows: (i) the principal, interest and  
4 other amounts, if any, then outstanding under the DIP Loan or the Replacement DIP Loan, as  
5 the case may be, estimated at \$10-15 million; (ii) all Administrative Expense Claims,  
6 consisting of unpaid Hospital operating expenses, professional fees and expenses (including  
7 any Adequate Protection Payments (as such term is defined in the Order Regarding Use of  
8 Cash Collateral and Adequate Protection entered on October 16, 2009) for Wells Fargo's fees  
9 and expenses that have not otherwise been paid by the Effective Date), and 503(b)(9) Claims,  
10 totaling \$3-5 million (depending upon whether the DIP Loan has provided higher levels of  
11 advances to reduce outstanding bills); (iii) all Allowed Priority Claims (not quantified, but  
12 estimated at \$250,000); (iv) 50% of the Convenience Claims, totaling about \$800,000; (v)  
13 Secured Claims for property taxes in Class 2D, in the amount of \$19,000; (vi) Cure Claims  
14 (TBD); (vii) initial cash payments to Classes 5, 6, 7, and 8 (\$265,000, \$40,000, \$250,000,  
15 and \$65,000 respectively); (viii) initial funding for the Liquidation Trust (\$100,000); and  
16 (ix) the Disputed Administrative Claims Reserve, including amounts for Disputed Cure  
17 Claims (TBD).

18 **b. Working Capital Financing**

19 PIH shall either provide or arrange for a third party lender to provide working capital for  
20 its operation of the hospital facility after the Effective Date, in an amount sufficient to satisfy the  
21 requirements of the California Attorney General, or as otherwise agreed by Debtor and Acquirer.

22 **c. Payments to Class 2 Secured Creditors**

23 The Class 2A Bonds shall be assumed and provided with a lien on the "Gross Operating  
24 Revenues" (as defined in the Bond Documents) of Acquirer and be paid by Acquirer according  
25 to their terms in regular monthly payments until their maturity dates. [REQUEST BY WELLS  
26 FARGO, SUBJECT TO NEGOTIATION: The Class 2A Bonds shall also be granted a  
27 replacement lien for the Affiliate Lien (as defined in the Order Regarding Use of Cash Collateral

1 and Adequate Protection entered on October 16, 2009), such lien being a first priority mortgage,  
2 lien and security interest in the Medical Office Building, subject only to prior valid and perfected  
3 liens, if any, existing on the Petition Date.] The Bonds shall also be guaranteed by PIH. Class  
4 2B, Apollo, shall be assumed and provided with a lien on the accounts receivable of Acquirer in  
5 the same priority as its lien against Debtor and be fully amortized and paid over two years in  
6 quarterly payments by Acquirer [REQUEST BY APOLLO, SUBJECT TO NEGOTIATION: ,  
7 with the first payment due on the Effective Date]. Class 2C, equipment leases, shall be assumed,  
8 replacement liens shall be granted in the collateral, and the lease paid according to their terms by  
9 Acquirer (or, to the extent that they are not assumed by Acquirer, Debtor shall reject them,  
10 permit them to recover their collateral, and file Rejection Claims). Class 2D, Property Taxes,  
11 will constitute part of the Effective Date Payments to be paid in full on the Effective Date from  
12 funds provided by PIH.

13 **d. Installment Plan Payments and the PIH Guarantee for Classes 5, 6, 7,**  
14 **and 8.**

15 From and after the Confirmation Date, Acquirer will pay (i) the Bond Debt, the Apollo  
16 Claim, the assumed contracts and leases directly to the creditors in question, and (ii) the  
17 Installment Plan Payments as they come due to the Plan Trustee. Each holder of an Allowed  
18 Claim in Classes 5, 6, 7, and 8 may elect to reduce its Allowed Claim by 25% and receive from  
19 Acquirer seventy-five (75%) of the amount that would otherwise be payable to that unsecured  
20 creditor under the Plan in exchange for the PIH Guarantee of the principal portion of Acquirer's  
21 Installment Plan Payment obligation with respect to that Allowed Claim. All the other terms and  
22 conditions of the treatment of the electing creditor under the Plan would remain unchanged. If  
23 Acquirer defaults with respect to the principal portion of the Installment Plan Payments under the  
24 Plan, PIH would be obligated to make the payments to the Plan Trustee as to those Allowed  
25 Claims as to which the holder has elected treatment pursuant to the PIH Guarantee.

26 Acquirer shall be authorized to prepay some or all of the Bond Debt, the Apollo Claim,  
27 and the Installment Plan Payments, thereby enabling creditors to be repaid sooner so that the



1 Plan can be completed and the Case closed in a shorter period of time. A prepayment shall not  
2 constitute nor require modification of the Plan.

3 **2. Post-Confirmation Management of the Hospital**

4 Acquirer will provide the management for the Hospital after the Effective Date. [As of  
5 the date of the filing of the Plan, no discussions have been conducted between the Executive  
6 Management Team and PIH about any future employment with Acquirer.] [TO BE ADDED:  
7 description of the local management of the Hospital and the composition and function of the  
8 proposed new local Advisory Board for the Hospital]

9 **3. Disbursing Agent**

10 The Plan Trustee shall act as the disbursing agent for the purpose of making all  
11 distributions to Classes 5, 6, 7, and 8 provided for under the Plan. The Plan Trustee shall be  
12 appointed pursuant to the terms of the Plan Trust, attached as Exhibit B to the Plan [to be filed],  
13 and shall serve without a bond and shall receive quarterly compensation of [TBD] for  
14 distribution services rendered and expenses incurred pursuant to the Plan. A retainer of  
15 \$100,000 for the Plan Trustee and any professionals retained by the Plan Trustee shall be  
16 included in the Administrative Expense Claims to be paid by Acquirer. The Plan Trustee may  
17 surcharge the Installment Plan Payments received from Acquirer or PIH to the extent necessary  
18 to pay reasonable and necessary fees and expenses in excess of the retainer. Any funds received  
19 by the Plan Trustee shall be maintained in segregated, interest bearing bank accounts. The Plan  
20 Trustee is authorized and encouraged to retain professionals of Debtor or the Committee, based  
21 upon their knowledge and expertise with respect to the Claims and other matters affecting the  
22 administration of the Plan Trust and its assets.

23 For purposes of objecting to Disputed Claims and for the other appropriate functions the  
24 Trust, Acquirer shall provide the Plan Trustee reasonable access to all acquired books and  
25 records, and shall provide the Plan Trustee reasonable access to former employees of Debtor that  
26 are hired by Acquirer, provided however, that to the extent Acquirer incurs costs in providing  
27 access to books and records, or to the extent such employees are required to assist or otherwise

1 spend time with, for or on behalf of the Plan Trustee, the Plan Trustee shall pay or reimburse  
2 Acquirer for the cost of such access to books and records or of such employee's time and costs  
3 pursuant to a Transition Services Agreement to be negotiated between Acquirer, Debtor, and the  
4 Plan Trustee.. The Plan Trustee shall also have the authority and obligation to enforce the terms  
5 of the Plan against Acquirer or PIH, as appropriate, if either fails to make payments to the Plan  
6 Trustee as required under the Plan.

7 **F. Objections to Claims**

8 Objections to any Claims shall be Filed and served upon the holder of such Claim no later  
9 than the date (the "**Claims/Interests Objection Deadline**") that is the later of (a) six months  
10 after the Effective Date, unless extended by the Court, and (b) six months after the date on which  
11 a proof of Claim has been Filed, unless extended by the Court. After the Effective Date, only the  
12 Plan Trustee shall have the authority to File, settle, compromise, withdraw or litigate to judgment  
13 objections to Claims.

14 Holders of Claims that arise prior to the Confirmation Date involving personal injury,  
15 medical malpractice, or wrongful death ("**Insured Claims**") shall be enjoined by the injunction  
16 established by the Confirmation and Sale Order from commencing or continuing any action to  
17 collect such Claim except in conformity with the Bankruptcy Code's claim adjudication  
18 procedures, as Debtor is self-insured for the costs of defense up to \$[250,000] per occurrence.

19 **G. Distribution of Property Under the Plan**

20 The following procedures set forth in the Plan apply to distributions made pursuant to this  
21 Plan whether by (i) Debtor as to the Effective Date Payments, or (ii) the Plan Trustee as to all  
22 post-Effective Date distributions received from Acquirer or PIH on account of the PIH  
23 Guarantee (either Debtor or the Plan Trustee, a "**Distributing Party**"). In connection with the  
24 Plan, to the extent applicable, the Distributing Party shall comply with all tax withholding and  
25 reporting requirements imposed on it by any governmental unit, and all distributions pursuant to  
26 the Plan shall be subject to such withholding and reporting requirements.

27 **1. Manner of Cash Payments Under the Plan**

1 Cash payments to domestic entities holding Allowed Claims will be tendered in U.S.  
2 Dollars and will be made by checks drawn on a domestic bank or by wire transfer from a  
3 domestic bank. Payments made to any foreign creditors holding Allowed Claims may be paid, at  
4 the option of the Distributing Party in such funds and by such means as are necessary or  
5 customary in a particular foreign jurisdiction.

6 **2. No Distributions With Respect to Disputed Claims**

7 No payments of cash or distributions of other property or other consideration of any  
8 kind shall be made on account of any Disputed Claim unless and until such Claim becomes  
9 an Allowed Claim or is deemed to be such for purposes of distribution, and then only to the  
10 extent that the Claim becomes, or is deemed to be for distribution purposes, an Allowed  
11 Claim. Separate Disputed Claims Reserves will be established for Administrative Claims  
12 and for each of Classes 5, 6, 7 and 8 in amounts to be determined at confirmation. Unless  
13 otherwise provided herein, any holder of a Claim that becomes an Allowed Claim after the  
14 Effective Date will receive any unpaid distribution that otherwise would have been payable  
15 under the Plan on the Next Payment Date after the date that such Claim becomes an  
16 Allowed Claim.

17 **3. Delivery of Distributions**

18 The Distributing Party shall make distributions to each holder of an Allowed Claim by  
19 mail as follows: (a) at the address set forth on the proof of Claim filed by such holder of an  
20 Allowed Claim; (b) at the address set forth in any written notice of address change delivered to  
21 the Distributing Party after the date of any related proof of Claim; and (c) at the address reflected  
22 in the Schedules if no proof of Claim is filed and the Distributing Party has not received a written  
23 notice of a change of address.

24 **4. Undeliverable and Unclaimed Distributions**

25 If the distribution to the holder of any Allowed Claim is returned as undeliverable, no  
26 further distribution shall be made to such holder unless and until the Distributing Party is notified  
27 in writing of such holder's then current address. Subject to the other provisions of the Plan,

1 undeliverable distributions shall remain in the possession of the Distributing Party pursuant to  
2 this Section until such time as a distribution becomes deliverable. All undeliverable cash  
3 distributions will be held in unsegregated, interest-bearing bank accounts for the benefit of the  
4 entities entitled to the distributions. These entities will be entitled to any interest actually earned  
5 on account of the undeliverable distributions. The bank account will be maintained in the name  
6 of the Distributing Party, but it will be accounted for separately.

7 Any holder of an Allowed Claim who does not assert a Claim in writing for an  
8 undeliverable distribution within one year after the date such distribution was due shall no longer  
9 have any Claim to or interest in such undeliverable distribution, and shall be forever barred from  
10 receiving any distributions under this Plan, or from asserting a Claim against the Debtor,  
11 Acquirer, the Plan Trust, PIH, or their respective property, and the Claim giving rise to the  
12 undeliverable distribution will be discharged.

13 Nothing contained in the Plan shall require the Distributing Party to attempt to locate any  
14 holder of an Allowed Claim.

15 **5. Estimation of Disputed Claims for Distribution Purposes**

16 Debtor (on or before the Effective Date) or the Plan Trustee (after the Effective Date)  
17 may move for a Court order estimating any Disputed Claim. The estimated amount of any  
18 Disputed Claim so determined by the Court shall constitute the maximum recovery that the  
19 holder thereof may recover after the ultimate liquidation of its Disputed Claim, irrespective of  
20 the actual amount ultimately Allowed.

21 **H. Full Satisfaction**

22 The Distributing Party shall make, and each holder of a Claim shall receive, the  
23 distributions provided for in the Plan for full satisfaction and discharge of such Claim.

24 **I. Setoff, Recoupment, and Other Rights**

25 Notwithstanding anything to the contrary contained in the Plan, the Distributing Party  
26 may, but shall not be required to, setoff, recoup, assert counterclaims or withhold against the  
27 distributions to be made pursuant to this Plan on account of any claims that Debtor or the Estate

1 (or the Plan Trust as successor to the Estate) may have against the entity holding an Allowed  
2 Claim; provided, however, that neither the failure to effect such a setoff or recoupment, nor the  
3 allowance of any Claim against Debtor, nor any partial or full payment during the Cases or after  
4 the Effective Date in respect of any Allowed Claim, shall constitute a waiver or release by  
5 Debtor or the Estate of any claim that they may possess against such holder.

6 **J. Conditions to Effectiveness**

7 The Plan shall not become binding unless and until the Effective Date occurs. The  
8 Effective Date is the first Business Day (a) that is at least fourteen days after the Confirmation  
9 Date; (b) on which no stay of the Confirmation and Sale Order is in effect; and (c) on which all  
10 of the following conditions have been satisfied as set forth below or waived:

11 **1. Conditions**

- 12 a) The Confirmation and Sale Order shall have become a Final Order;  
13 b) All conditions for the closing of the Transaction have been satisfied or  
14 waived by the party in whose favor such condition exists; and  
15 c) All other Transaction Documents, agreements, writings and undertakings  
16 required under the Plan shall be executed and ready for consummation.

17 Debtor shall mail a "Notice of Occurrence of Effective Date" to all creditors and interest  
18 holders of record as of the date of entry of the Confirmation and Sale Order.

19 **2. Waiver of Conditions**

20 Except as otherwise specified herein, the requirement that the conditions to the  
21 occurrence of the Effective Date be satisfied may be waived in whole or in part, and the time  
22 within which any such conditions must be satisfied may be extended, by Debtor, but only with  
23 the concurrence of Acquirer. The failure of Debtor to exercise any of the foregoing rights shall  
24 not be deemed a waiver of any other rights and each such right shall be deemed ongoing and  
25 subject to assertion at any time.  
26  
27

1 **K. Authorization of Entity Action**

2 Each of the matters provided for under this Plan involving the entity structure of Debtor  
3 or Acquirer or entity action to be taken by or required of Debtor or Acquirer shall, as of the  
4 Effective Date, be deemed to have occurred and be effective as provided herein, and shall be  
5 authorized, approved and, to the extent taken prior to the Effective Date, ratified in all respects  
6 without any requirement of further action by creditors or directors of Debtor or Acquirer.

7 **L. Reservation of Fair and Equitable (Cram Down) Power**

8 Debtor reserves the right to confirm this Plan as to any impaired Class that does not  
9 accept the Plan by the requisite number of votes pursuant to the fair and equitable power of  
10 Bankruptcy Code § 1129(b).

11 **IV. TREATMENT OF MISCELLANEOUS ITEMS**

12 **A. Assumption of Executory Contracts and Unexpired Leases**

13 **1. Assumptions**

14 On the Effective Date, Acquirer shall assume the Bond Debt, the Apollo debt, and all  
15 executory contracts and unexpired leases of Debtor listed on the Schedule of Assumed  
16 Agreements and the Schedule of Post-Petition Assumed Agreements (collectively, the  
17 "**Assumption Schedules**"). Any contract or lease not included on such Schedules shall be  
18 deemed to have been rejected pursuant to Bankruptcy Code §365.

19 Subject to the terms of the APA, Debtor reserves the right to amend the Assumption  
20 Schedules at any time prior to the Effective Date to: (a) delete any executory contract or  
21 unexpired lease and provide for its rejection under the Plan or otherwise, or (b) add any  
22 executory contract or unexpired lease and provide for its assumption under the Plan. Debtor  
23 will provide notice of any amendment to the Assumption Schedules to the party or parties to the  
24 agreement affected by the amendment.

25 The Confirmation and Sale Order will constitute a Court order approving the assumption,  
26 on the Effective Date, of all executory contracts and unexpired leases identified on the Schedule  
27 of Assumed Agreements.



1 **4. Resolution of Claims Relating to Assumed Agreements**

2 In accordance with the procedures set forth in Section IV.A.2 relating to the Cure  
3 Payments, payment of the Cure Payments with respect to executory contracts or unexpired leases  
4 that will be assumed under the Plan shall be deemed to satisfy, in full, any prepetition or  
5 postpetition arrearage or other Claim asserted in a Filed proof of Claim or listed in the  
6 Schedules, irrespective of whether the Cure Payment is less than the amount set forth in such  
7 proof of Claim or the Schedules. Upon the tendering of the Cure Payment, such Claim shall be  
8 disallowed, without further order of the Court or action by any party.

9 **B. Rejection of Executory Contracts and Unexpired Leases**

10 **1. Rejected Agreements**

11 On the Effective Date, Debtor will reject all executory contracts and unexpired leases set  
12 forth on the Schedule of Rejected Agreements. The Confirmation and Sale Order will constitute  
13 a Court order approving the rejection, on the Effective Date, of the executory contracts and  
14 unexpired leases not assumed under the Plan.

15 **2. Bar Date for Rejection Damage Claims**

16 Any Rejection Damage Claim or other Claim for damages arising from the rejection  
17 under the Plan of an executory contract or unexpired lease must be Filed and served upon  
18 counsel to the Plan Trustee within 30 days after the mailing of notice of the occurrence of the  
19 Effective Date. Any such Claims that are not timely Filed and served will be forever barred and  
20 unenforceable against Debtor, the Plan Trust, the Estate, Acquirer, and their respective property,  
21 and entities holding these Claims will be barred from receiving any distribution under the Plan  
22 on account of such untimely claims.

23 **3. Postpetition Contracts and Leases**

24 Except as set forth in the Schedule of Postpetition Contracts and Leases or as  
25 otherwise expressly provided in the Plan or the Confirmation and Sale Order, all contracts,  
26 leases, and other agreements that Debtor entered into after the Petition Date will be assumed  
27 and assigned to Acquirer.



1 **C. Changes in Rates Subject to Regulatory Commission Approval**

2 This Debtor is not subject to governmental regulatory commission approval of its rates.

3 **D. Retention of Jurisdiction**

4 The Court will retain jurisdiction to the extent provided by law.

5 **V. EFFECT OF CONFIRMATION OF PLAN**

6 **A. Discharge**

7 This Plan is a liquidating plan. No discharge will be entered.

8 **B. Exculpation: No Liability for Solicitation or Prosecution of Confirmation**

9 None of Debtor, the Estate, the Reorganized Debtor, the Creditors' Committee, PIH,  
10 Acquirer, Wells Fargo, the lenders and agents under the DIP Loan, Replacement DIP Loan (if  
11 any), the Bond Debt, and the Exit Financing, or any of the foregoing parties' respective members,  
12 officers, directors, employees, advisors, professionals or agents shall have or incur any liability  
13 to any holder of a Claim or Interest for any act or omission occurring on or after the Petition  
14 Date in connection with, related to, or arising out of the Case, the pursuit of confirmation of the  
15 Plan, the consummation or administration of the Plan, or property to be distributed under the  
16 Plan, except for willful misconduct or gross negligence, and in all respects, Debtor, the Estate,  
17 PIH, Acquirer, Wells Fargo, the Creditors' Committee, the lenders and agents under the DIP  
18 Loan, Replacement DIP Loan (if any), the Bond Debt, Exit Financing, or any of the foregoing  
19 parties' respective members, officers, directors, employees, advisors, professionals or agents  
20 shall be entitled to rely on the advice of their respective counsel with respect to their duties and  
21 responsibilities during the Case under the Plan.

22 **C. Transfer of Acquired Assets to Acquirer**

23 Except as provided in Section V.E below, and except as expressly provided elsewhere in  
24 the Plan, the confirmation of the Plan transfers all of the Acquired Assets to Acquirer, free and  
25 clear of all Claims, liens, encumbrances, and Interests, except as expressly provided in the Plan.  
26 From and after the Effective Date, Acquirer may operate their business and use, acquire and  
27 dispose of Acquired Assets without supervision by the Court and free of any restrictions of the

1 Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the  
2 Plan and the Confirmation and Sale Order.

3 **D. Transfer of Excluded Assets to the Plan Trust**

4 Confirmation of the Plan transfers all of the Excluded Assets to the Plan Trust for the  
5 benefit of holders of General Unsecured Claims (except for rejected contracts and leases and any  
6 equipment associated therewith, which shall be turned over to the lessor or lender, as  
7 appropriate), subject to the continuing supervision of this Court.

8 **E. Preservation of Restricted Funds for Charitable Purposes**

9 [IF APPLICABLE] Pursuant to Bankruptcy Code § 1123(b) and all other applicable law  
10 and subject to the AG Consent, Acquirer shall be vested with and shall retain any and all  
11 restricted funds formerly held by Debtor. All such funds shall be held in charitable trust and may  
12 be used only for the restricted purposes permitted under applicable law. Debtor estimates that  
13 the amount of such funds was approximately \$610,000 as of the Petition Date, and  
14 approximately [\$\_\_\_\_] as of the date of the Disclosure Statement, as the funds have continued to  
15 be used for their restricted purposes during the course of this Case.]

16 **F. Preservation and Assignment of Rights of Action**

17 Except as expressly released or otherwise expressly provided in the Plan, pursuant to  
18 Bankruptcy Code § 1123(b), the Plan Trust shall be vested with and shall retain and may enforce  
19 the Trust Avoidance Actions specified on Exhibit D to the Plan [to be filed]; any claims or  
20 causes of action against Debtor's directors or officers, or directors and officers' liability  
21 insurance; any Defenses to Claims, including counterclaims, rights of setoff, rights of  
22 recoupment, credits, recharacterization, or rights of subordination with respect to any Claim  
23 asserted against the Estate, provided however that any and all claims or causes of action against  
24 Acquirer and PIH are waived and released. Acquirer shall be vested with and shall retain and  
25 may enforce the Acquired Avoidance Actions specified on Exhibit D to the Plan [to be filed].  
26 Any and all Avoidance Actions that are not Trust Avoidance Actions or Acquired Avoidance  
27 Actions shall be deemed waived and released upon the Effective Date.

1 **G. Modification of Plan**

2 Debtor may modify the Plan at any time before confirmation, including the substitution  
3 of a new party as an acquirer, if (i) Acquirer withdraws from the Transaction, in which case no  
4 reimbursement of expenses or breakup fee will be payable to Acquirer or PIH; (ii) the Acquirer  
5 and the Committee or other creditors negotiate changes to the distribution or other terms of the  
6 Plan; or (iii) other circumstances develop that warrant modification or amendment to the Plan.  
7 However, the Court may require a new disclosure statement and/or re-voting on the Plan if  
8 Debtor materially modifies the Plan before confirmation.

9 Debtor may also seek to modify the Plan at any time after confirmation so long as (1) the  
10 Plan has not been substantially consummated and (2) if the Court authorizes the proposed  
11 modifications after notice and a hearing. An early payoff of the Installment Plan Payments shall  
12 not be deemed to require modification of the Plan. However Debtor may not modify the Plan to  
13 effect any change in the Transaction or any change in the rights held by, or relief granted to, the  
14 Acquirer or PIH pursuant to the APA and the Confirmation and Sale Order.

15 **H. Dissolution of Creditors' Committee**

16 No later than the Effective Date, the Creditors' Committee shall be released and  
17 discharged from the rights and duties arising from or related to the Case, except with respect to  
18 final applications for professionals' compensation. The professionals retained by the Creditors'  
19 Committee and the members thereof shall not be entitled to compensation or reimbursement of  
20 expenses for any services rendered or expenses incurred after the Effective Date, except for  
21 services rendered and expenses incurred in connection with any applications by such  
22 professionals or Creditors' Committee members for allowance of compensation and  
23 reimbursement of expenses pending on the Effective Date or timely Filed after the Effective Date  
24 as provided in the Plan, as approved by the Court.

25 **I. Post-Confirmation Status Report**

26 Within 120 days of the entry of the order confirming the Plan, Debtor (if the Effective  
27 Date has not occurred) or the Plan Trustee (if it has) shall file a status report with the Court

1 explaining what progress has been made toward consummation of the confirmed Plan. The  
2 status report shall be served on the United States Trustee, the twenty largest unsecured creditors,  
3 and those parties who have requested special notice. Further status reports shall be filed every  
4 120 days and served on the same entities.

5 **J. Quarterly Fees**

6 Quarterly fees accruing under 28 U.S.C. § 1930(a)(6) to date of confirmation shall be  
7 paid to the United States Trustee on or before the Effective Date of the Plan. Quarterly fees  
8 accruing under 28 U.S.C. § 1930(a)(6) after confirmation shall be paid to the United States  
9 Trustee in accordance with 28 U.S.C. § 1930(a)(6) until entry of a final decree, or entry of an  
10 order of dismissal or conversion to chapter 7.

11 **K. Post-Confirmation Conversion/Dismissal**

12 A creditor or party in interest may bring a motion to convert or dismiss the case under  
13 §1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If the Court  
14 orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been  
15 property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will  
16 revert in the Chapter 7 estate, and the automatic stay will be reimposed upon the reverted  
17 property only to the extent that relief from stay was not previously granted by the Court during  
18 this case. Conversion or dismissal of the Case will not affect the rights granted Acquirer or PIH  
19 under the Plan, the APA or the Confirmation and Sale Order, and Acquired Assets transferred  
20 thereunder shall remain assets of the Acquirer.

1 **L. Final Decree**

2 Once the estate has been fully administered within the meaning of Bankruptcy Rule 3022,  
3 the Plan Trustee, or such other party as the Court shall designate in the Plan Confirmation and  
4 Sale Order, shall file a motion with the Court to obtain a final decree to close the case.

5  
6 Date: April 20, 2010

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8  
9 Downey Regional Medical Center-Hospital, Inc.

10 Name of Plan Proponent

11  
12 /s/ Lisa Hill Fenning

13 Signature of Attorney for Plan Proponent

14  
15 Lisa Hill Fenning

16 Name of Attorney for Plan Proponent

17  
18 Arnold & Porter LLP

19 Name of Law Firm for Plan Proponent

**EXHIBIT A**

**ASSET PURCHASE AGREEMENT**

**[TO BE FILED]**

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**EXHIBIT B**

**PLAN TRUST AGREEMENT**

**[TO BE FILED]**

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**EXHIBIT C**

**503(B)(9) CLAIMS**

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POC No					Addr5	POC Amount
264	CAREER STAFF UNLIMITED	ATTN: RICHARD KOPECKY	3801 STATE HWY	SUITE 650	IRVING, TX 75038	\$116,606.00
461	DOWNEY ACUTE CARE MEDICAL GROUP	PO BOX 39159	DOWNEY, CA 90239			\$1,100.00
224	HEALING HEALTHCARE SYSTEMS, INC.	700 SMITHRIDGE DR., STE. A102	RENO, NV 89502			\$2,472.00
299	HEALTHTALENT	29219 CANWOOD ST, SUITE #220	AGOURA HILLS, CA 91301			\$7,623.00
231	KEVIN S. PARK, M.D.	11525 BROOK SHIRE AVE, #201	DOWNEY, CA 90241			\$500.00
228	KOUROSH K. SHAMLOU, M.D., INC.	11525 BROOKSHIRE AVE., STE 201	DOWNEY, CA 90241			\$500.00
235	MC STRATEGIES, INC.	245 PEACHTREE CENTER AVE. STE. 1900	ATLANTA, GA 30303			\$3,250.00
227	RICHARD B. CHAMBERS, M.D.	11525 BROOKSHIRE AVE. #201	DOWNEY, CA 90241			\$500.00
165	SOUTHLAND MANAGEMENT GROUP, INC.	C/O RALPH ASCHER	3300 EAST SOUTH ST., STE 307	LAKEWOOD, CA 90805		\$35,625.00
258	VANCE C. EBERLY, M.D.	11525 BROOKSHIRE AVE. #201	DOWNEY, CA 90241			\$500.00
88	AD INDUSTRIES, INC	ATTN: BARBARA BECK	12160 SHERMAN WAY	NO. HOLLYWOOD, CA 91605		\$1,810.02
94	CAL PARTITIONS, INC.	ATTN: A.E. ANDERSON	23814 PRESIDENT AVE	HARBOR CITY, CA 90710		\$463.22
81	DOWNEY PARTY RENTALS	ATTN: KITTY THOMPSON	10900 PARAMOUNT BLVD.	DOWNEY, CA 90241		\$1,621.32
111	GD MANAGEMENT GROUP LLC	DBA: MANAGEWARE	ATTN: GEOFFREY DANIELS	24601 STAGG ST	WEST HILLS, CA 91304	\$1,551.12
104	HOLLYWOOD PREBYTERIAN MEDICAL CENTER	1300 N. VERMONT AVE	LOS ANGELES, CA 90027			\$7,595.00
238	MARION PETTEWAY	2000 COUNTRY CIR.	SPARKS, NV 89434			\$704.50
170	MES, INC	ATTN: LORENA ZUEHL	1968 E. US HWY 90	SEGUIN, TX 78155		\$299.11
99	MINUTE MAN DELIVERY	ATTN: TAMMY TANJI	P.O. BOX 3759	GARDENA, CA 90247-7459		\$1,101.93
414	ORTHOPEDIC ALLIANCE	26157 JEFFERSON AVE.	MURRIETA, CA 92562			\$108,035.00
411	PALL MEDICAL	ATTN: APRIL DEBEAUVENET	25 HARBOR PARK DR.	PORT WASHINGTON, NY 11050		\$356.91
156	PROFESSIONAL X-RAY EQUIPMENT SERVICE	P.O. BOX 536	TORRANCE, CA 90508-0536			\$590.21
87	TED PUSKAS & ASSOC.	952-P AVENIDA CARMEL	LAGUNA WOODS, CA			\$1,862.71
390	TILLER CONSTRUCTORS INC	306 W. KATELLA AVE 3A	ORANGE, CA 92667			\$69,536.00
117	TITAN TRANSPORTATION, INC	8282 PHLOX STREET	DOWNEY, CA 90241			\$65.00
146	TRANSLOGIC CORPORATION	DBA SWISS LOG HEALTHCARE SOLUTIONS	ATTN: LAWRENCE PELO	10825 E 47TH AVE	DENVER, CO 80239	
101	UMDS	ATTN: JENIFER JONES	P.O. BOX 60250	LOS ANGELES, CA 90060		\$919.66
260	CHILDRENS HOSPITAL LOS ANGELES	ATTN: SANJUANO PEREZ	4650 SUNSET BLVD.	LOS ANGELES, CA 90027		\$77,901.08
263	GREATER EL MONTE HOSPITAL	ATTN: LORI KEENOY	1701 SANTA ANITA AVENUE	SOUTH EL MONTE, CA 91733		\$8,991.00
253	HANGER PROSTHETICS & ORTHOTICS	ATTN: KATHY TOWNSEND	3602 INLAND EMPIRE BL., #C130	ONTARIO, CA 91764		\$1,375.00
254	HANGER PROSTHETICS & ORTHOTICS	ATTN: KATHY TOWNSEND	7700 IMPERIAL HWY #E2	DOWNEY, CA 90242		\$169,907.23
261	IV LEAGUE INC.	6076 BRISTOL PKWY STE #104	CULVER CITY, CA 90230			\$1,155,169.03
176	MEDIX AMBULANCE SERVICE, INC.	ATTN: JANET SEAL	26021 PALA DR.	MISSION VIEJO, CA 92691		\$1,170.72
266	MONTEREY PARK HOSPITAL	ATTN: LORI KEENAY	900 S ATLANTIC BLVD.	MONTEREY PARK, CA 91754		\$21,414.75
211	PIONEER SURGICAL TECHNOLOGY, INC.	C/O MARY KAY SHAVER, ESQ.	VARNUM LLP	BRIDGEWATER PLACE	P.O. BOX 352 GRAND RAPIDS, MI 49501-0352	\$8,220.00
161	PRIORITY ONE MEDICAL TRANSPORT	ATTN: DEBORAH STEINBACHER	740 S. ROCHESTER AVE. SUITE E	ONTARIO, CA 91761		\$900.50
265	SAN GABRIEL VALLEY MEDICAL CENTER	ATTN: LORI KEENAY	438 WEST LAS TUNAS DRIVE	SAN GABRIEL, CA 91776		\$8,325.00
267	WHITTIER HOSPITAL MEDICAL CENTER	ATTN: LORI KEENAY	9080 COLIMA RD.	WHITTIER, CA 90615		\$294,162.78
102	A W C COMMERCIAL	WINDOW COVERINGS	ATTN: CAROL MARTIN	325 WEST WILLIAMSON	FULLERTON, CA 92832	\$127.07
142	AADCO MEDICAL INC	2279 VT RTE66, CATAMOUNT COMMERCIAL PK	P.O. BOX 410	RANDOLPH, VT 05060-0110		\$1,267.14
90	ABC PRINTING	ATTN: CATHY SHIN	11823 E. SOUTH ST.	CERRITOS, CA 90703		\$285.35
162	ADVANCED CHEMICAL TECHNOLOGY	ATTN: CAROL MCKENNON	8728 UTICA AVENUE	RANCHO CUCAMONGA, CA 91730		\$8,479.31
128	ADVANCED STAINLESS & ALLOYS, INC.	ATTN: M. L. SPRAGUE JR.	8266 PHLOX STREET	P.O. BOX 97	DOWNEY, CA 90242	\$874.00
126	ALTO DEVELOPMENT CORP	DBA A & E MEDICAL CORP	ATTN: LIZ CAMPBELL	P.O. BOX 758	FARMINGDALE, NJ 07727	\$804.44
169	ALTURA COMMUNICATION SOLUTIONS	ATTN: LINDA PITTMAN	1335 S ACACIA AVE	FULLERTON, CA 92831		\$15,712.69
113	AMB ENTERPRISES INC DBA TRAC	6708 FOOTHILL BLVD #207	TUJUNGA, CA 91042			\$5,400.77
95	AMERICAN GAGE	1440 S. STATE COLLEGE BLVD	#E2	ANAHEIM, CA 92806		\$462.00
50	AMERICAN RED CROSS	ATTN: LORI POLACHECK	OFFICE OF THE GENERAL COUNSEL	2025 E. STREET N.W.	WASHINGTON, DC 20006	\$107,707.00
219	AMO SALES AND SERVICES, INC.	ATTN: GEORGE BUTORAE	1700 E ST ANDREW PLACE	SANTA ANA, CA 92705		\$6,830.00
177	ANACOM MEDTEK	ATTN: BRIAN YAP	1240 S. CLAUDINA ST.	ANAHEIM, CA 92805		\$1,120.20
249	ARMED FORCES INSTITUTE OF PATHOLOGY	6825 16TH ST., N.W.	BLDG. 54, ROOM G013	WASHINGTON, DC 20306-6000		\$968.30
185	ARMSTRONG MEDICAL INDUSTRIES INC.	ATTN: KYLE GROVE	575 KNIGHTSBRIDGE PARKWAY	LINCOLNSHIRE, IL 60069		\$777.46
250	ATRIUM MEDICAL CORPORATION	5 WENTWORTH DRIVE	HUDSON, NH 03051			\$1,437.92
115	B & K ELECTRIC WHOLESALE	ATTN: CLIFF NEHAMEN	1225 SO. JOHNSON DR	CITY OF INDUSTRY, CA 91745		\$1,043.66
256	BAXTER HEALTHCARE	ATTN: GAIL DALESANDRO - DFG/3W	1 BAXTER PARKWAY	DEERFIELD, IL 60015		\$17,064.54
188	BECKMAN COULTER, INC.	ATTN: JILLIAN L.NOLAN	C/O THE BERNSTEIN LAW FIRM	707 GRANT STREET, 2200 GULF TOWER	PITTSBURGH, PA 15219	\$2,576.77
123	BETTER BEVERAGES, INC.	ATTN: VANESSA BARRAGAN	10624 MIDWAY AVE	CERRITOS, CA 90703		\$110.96
180	BIOSEAL INC.	ATTN: GEORGE LOPEZ	167 ORANGETHORPE AVE	PLACENTIA, CA 92870		\$3,622.89
89	BRYAN EXHAUST	ATTN: CALEB MCDANIEL	2808 N. NAOMI ST	BURBANK, CA 91504		\$2,125.00

POC No					Addr5	POC Amount
236	C.R. BARD, INC.	C/O BRIAN L. BURLEW	790 CENTRAL AVENUE		MURRAY HILL, NJ 07974	\$12,424.40
195	CALPEC ENGINEERING, INC.	2500 E. COLORADO BLVD., SUITE 250	PASADENA, CA 91107			\$17,670.00
233	CARDINAL HEALTH 200, LLC	ATTN: DENENE BYRD	C/O DEBRA WILLET	700 CARDINAL PLACE	DUBLIN, OH 43017	\$195,044.38
234	CARDINAL HEALTH 411, INC.	ATTN: DENENE BYRD	C/O DEBRA WILLET	7000 CARDINAL PLACE	DUBLI, OH 43017	\$243,685.33
232	CARDINAL HEALTH 414, LLC	ATTN: DENENE BYRD	C/O DEBRA WILLET	7000 CARDINAL PLACE	DUBLIN, OH 43017	\$150.00
184	CARSTENS INC	ATTN: DANIEL INGERSOLL	PO BOX 99110	CHICAGO, IL 60693		\$1,410.10
116	CERTIFIED NURSING REGISTRY, INC.	ATTN: CRISTINA SY	18826 ALDRIDGE PLACE	ROWLAND HEIGHTS, CA 91748		\$5,349.00
367	COAST TO COAST UROLOGICAL ASSOC.	ATTN: IVONNE M. SULLIVON	P. O. BOX 490	CENTERTVILLE, MA 02632		\$765.69
157	COR-O-VAN RECORDS MANAGEMENT, INC	ATTN: IWONA SARTAN - JOCELYN STOCK	12375 KERRAN ST.	POWAY, CA 92064		\$1,137.65
96	CP HEALTH GROUP INC	ATTN: CHRIS FONTANA	1365 LOGAN AVE	COSTA MESA, CA 92626		\$1,019.50
225	CURBELL ELECTRONICS INC	ATTN: MARY ANN GRANICA	7 COBHAM DRIVE	ORCHARD RANCH, NY 14127		\$446.09
145	DIAGNOSTICA STAGO INC	5 CENTURY DRIVE	PARSIPPANY, NJ 07054			\$33,151.98
173	DOWNEY PLAZA PHARMACY	ATTN: LORAINA M. ROSKELLEY	11480 BROOKSHIRE AVE. #102	DOWNEY, CA 90241		\$222.26
125	EMERY PRATT COMPANY	ATTN: PAMELA A. SHATTUCK	1966 W M 21	DWOSSO, MI 48867		\$50.10
182	EMSAR CALIFORNIA	PO BOX 93052	PHOENIX, AZ 85070			\$1,552.17
251	F.F.F. ENTERPRISES, INC.	ATTN: JOHANNA EVANS	41093 COUNTY CENTER DR.	TEMECULA, CA 92562		\$6,735.25
229	FITZGERALD'S FLOWERS & GIFTS	ATTN: FERDINAND SUMABAY	7435 FLORENCE AVE.	DOWNEY, CA 90240		\$185.47
193	FOCUS DIAGNOSTICS, INC.	11331 VALLEY VIEW ST.	CYPRESS, CA 90630			\$43,093.16
108	GARCIA-BENTLEY CONSTRUCTION INC.	ATTN: PENNY GARCIA	640 AVENUE B	REDONDO BEACH, CA 90277		\$20,780.00
213	GENZYME GENETICS	ATTN: CHRISTINE M SADOWSKI	3400 COMPUTER DRIVE	WESTBORO, MA 01581		\$2,550.00
131	GRAPHIC CONTROLS LLC	ATTN: GAIL TOY	PO BOX 1271	BUFFALO, NY 14240		\$485.82
214	GREATRAKE, MCBRIDE & ASSOC., INC.	ATTN: JOAN MCBRIDE	13881 MAUVE DR.	SANTA ANA, CA 92705		\$17,489.00
215	HC INTEGRATED SYSTEMS, INC.	ATTN: DARIO CAMZALEZ	14175 TELEPHONE AVE # E	CHINO, CA 91710		\$655.00
223	HERZOG SURGICAL, INC	ATTN: SUE RAMIREZ	5901 ROSEBUD LANE	SACRAMENTO, CA 95841		\$816.19
212	HIGHLAND PLASTICS	ATTN: AURORA RODRIGUEZ	3650 DULLES DRIVE	MIRA LOMA, CA 91752		\$969.01
135	IMD, INC.	P.O. BOX 510 * 560 HWY 39	HUNTSVILLE, UT 84317	USA		\$2,167.50
252	INSITE ONE INC	135 N. PLAINS INDUSTRIAL RD	WALLINGFORD, CT 06492			\$18,511.80
132	IPRINT TECHNOLOGIES	980 MAGNOLIA AVE #5	LARKSPUR, CA 94939			\$25,507.00
134	IVANS, INC	5405 CYPRESS CTR DR	TAMPA, FL 33609			\$761.40
78	J. R. MEDICAL, INC	18003 SKY PARK CIR #H	IRVINE, CA 92614			\$2,745.46
237	JA NEURODIAGNOSTICS MEDICAL SERVICES	ATTN: JOSE ARVIZU	468 W 4TH ST # 308	SAN PEDRO, CA 90731		\$13,755.00
166	JCH WIRE & CABLE	ATTN: MERCEDES SERNA	4527 LOSEE RD.	NORTH LAS VEGAS, NV 89081		\$3,933.97
92	JDL PACKAGING SYSTEM	2480 BRAYTON AVE	SIGNAL HILL, CA 90755			\$104.93
239	JOHNSON & JOHNSON HEALTH CARE SYSTEMS INC.	C/O DAVID W. DYKHOUSE, ESQ.	PATTERSON BELKNAP WEBB & TYLER LLP	1133 AVENUE OF THE AMERICAS	NEW YORK, NY 10036-6710	\$185,069.00
240	JOHNSON & JOHNSON HEALTH CARE SYSTEMS INC.	C/O DAVID W. DYKHOUSE, ESQ.	PATTERSON BELKNAP WEBB & TYLER LLP	1133 AVENUE OF THE AMERICAS	NEW YORK, NY 10036-6710	\$185,069.00
100	KAND MEDICAL, INC.	ATTN: DUNCAN B. WALLACE	1341 DISTRIBUTION WAY #17	VISTA, CA 92081		\$599.90
154	KENNETH RASMUS	8813 STAMPS RD.	DOWNEY, CA 90240			\$2,860.00
247	KING MEDICAL SUPPLY OF CALIFORNIA	20816 HIGGINS CT	TORRANCE, CA 90501			\$2,047.00
300	LANGUAGE LINE SERVICES	ATTN: ANGEL SANTOS	1 LOWER RAGSDALE DR.	MONTEREY, CA 93940		
130	LIFENET HEALTH	1864 CONCERT DR.	VIRGINIA BEACH, VA 23453			\$863.50
183	LUDLIM MEASUREMENTS INC	P O BOX 810	SWEETWATER, TX 79556			\$736.31
140	MACBRUD CORPORATION	ATTN: SHIRLEY OSPINA	P.O. BOX 770640	MIAMI, FL 33177		\$1,144.00
158	MARKETLAB INC.	6850 SOUTHBELT DR.	CALEDONIA, MI 49316			\$3,724.08
172	MEDICAL CHEMICAL CORP.	ATTN: LINDA CULPEPPER	19430 VAN NESS AVE.	TORRANCE, CA 90501		\$972.08
230	MINDRAY DS USA INC	ATTN: PETER CHRISTOFOROU	CREDIT DEPARTMENT	300 MAC ARTHUR BLVD	MAHWAH, NJ 07430	\$2,147.90
85	MK BATTERY	ATTN: LYN B. SMITH	1631 S. SINCLAIR ST.	ANAHEIM, CA 92806		\$537.55
122	MORTARA INSTRUMENT, INC.	ATTN: BRIAN BRENEGAN	7865 N. 86TH ST.	MILWAUKEE, WI 53224		\$918.39
141	NATIONWIDE POWER SOLUTIONS, INC.	ATTN: J. HALLINGSTAD	7390 EASTGATE RD, STE 140	HENDERSON, NV 89011-4024		\$15,988.65
187	NET ELECTRONICS	ATTN: LLOYD PINSKY	8224 E. FIRESTONE BLVD.	DOWNEY, CA 90241		\$939.69
220	OSTEOMED LP	ATTN: R PHILLIP BOYD	3885 ARAPAHO ROAD	ADDISON, TX 75001		\$30,237.00
197	OVERGAARD CONSTRUCTION INSPECTION	MANAGEMENT	ATTN: CANDICE SEALS	24911 AVE. STANFORD, STE. 104	SANTA CLARITA, CA 91355-1278	\$10,650.00
144	PINESTAR TECHNOLOGY INC	P O BOX 824	GREENVILLE, PA 16125			\$2,339.75
114	PROFESSIONAL INDEXES AND FILES	ATTN: JEFF TICEHURST	16102 ORANGE AVENUE	PARAMOUNT, CA 90723		\$31,785.32
175	RADIATION DETECTION CO.	ATTN: REGINA HOLDEN	8095 CAMINO ARROYO	GILROY, CA 95020		\$853.00
218	RAMCO REFRIGERATION AND	AIR CONDITIONING, INC.	3921 E. MIRALOMA AVE	ANAHEIM, CA 92806		\$4,808.50
198	RAMCO REFRIGERATION AND AIR CONDITIONING, INC.	3921 E. MIRALOMA AVE	ANAHEIM, CA 92806			\$4,808.50
133	RC MEDICAL, INC.	ATTN: LARA SCHORTMAN	12 ELLEN DRIVE	P.O. BOX 833	TOLLAND, CT 06084	\$391.60
168	REICHERT INC	ATTN: DAVID NOVAK	3362 WALDEN AVENUE	DEPEW, NY 14043	USA	\$4,086.12
91	ROCKVIEW FARMS	ATTN: DAVID LOPEZ	P.O. BOX 668	DOWNEY, CA 90241		\$8,225.41
153	SAFE CHECK EAST, INC.	ATTN: AVA KANARAS	2761 BIGGS HIGHWAY	NORTHEAST, MD 21901		\$2,330.00
118	SHAMROCK SCIENTIFIC SPECIALTY INC.	ATTN: SHARON JONES	P.O. BOX 143	34 DAVIS DRIVE	BELLWOOD, IL 60104	\$462.46
196	SHARN, INC.	ATTN: YOLANDA M. KILICHOWSKI	4517 GEORGE RD, STE. #200	TAMPA, FL 33634		\$1,858.34
164	SONO SERVICES & ASSOCIATES, INC.	ATTN: JOE ALDENFIFER	2289 RANCHO CORONA DR.	CORONA, CA 92882		\$747.00
136	SOUTHLAND SURGICAL LASER RENTAL	ATTN: WILLIAM A. DAVIS	2301 E. 28TH ST. #307	SIGNAL HILL, CA 90755		\$950.00
98	SOUTHWESTERN CLEAN FUELS	ENVIRONMENTAL COMPLIANCE	ATTN: GLEN FERNANDEZ	125 E. WHEELER AVE., SUITE F	ARCADIA, CA 91006	\$750.00
105	SPECIAL RESPIRATORY CARE, INC.	DBA: SRC MEDICAL	ATTN: DON REITER	18327 NAPA STREET	NORTHBRIDGE, CA 91325	\$526.80
148	SPECTRA CORP	ATTN: TERI HARP	8131 LBJ FREEWAY	STE 360	DALLAS, TX 75251	\$92.69
155	STRYKER SALES CORP.	C/O EDITH A. LANDMAN	PURKEY & ASSOCIATES PLC	2251 E. PARIS AVE; STE B	GRAND RAPIDS, MI 49546	\$5,018.41
205	SYSCO FOOD SERVICES OF LOS ANGELES, INC.	C/O RAFFI KHATCHADOURIAN	HEMAR, ROUSSO & HEALD, LLP	15910 VENTURA BLVD., 12TH FL.	ENCINO, CA 91436	\$48,644.54
259	TISSUE BANKS INTERNATIONAL	ATTN: SUSAN E. FRANKLIN	815 PARK AVENUE	BALTIMORE, MD 21201		\$42,175.00
167	TMI, INC.	18002 COWAN #200	IRVINE, CA 92416			\$1,142.39
174	TOSHIBA AMERICA MEDICAL SYST	ATTN: BRENDA NARAGON	2441 MICHELLE AVENUE	TUSTIN, CA 92780		\$3,549.95
146	TRANSGLOG CORPORATION	DBA SWISS LOG HEALTHCARE SOLUTIONS	ATTN: LAWRENCE PELO	10825 E 47TH AVE	DENVER, CO 80239	

POC No					Addr5	POC Amount
255	TRI-ANIM HEALTH SERVICES, INC.	13170 TELFAIR AVENUE	SUN MAIR, CA 91342			\$4,500.27
159	TRL SYSTEMS, INC.	ATTN: JOHN JANOSIK	4405 EAST AIRPORT DR. #105		ONTARIO, CA 91761	\$4,315.00
103	ULRICH MEDICAL USA, INC.	754 SPIRIT 40 PARK DRIVE	CHESTERFIELD, MO 63005			\$8,994.96
152	US ENDOSCOPY GROUP	5976 HEISLEY RD	MENTOR, OH 44060			\$2,424.40
110	V.S.S. COMPRESSOR SERVICE	ATTN: GREGORY E. BOYD	16220 GARFIELD AVE		PARAMOUNT, CA 90723	
110	V.S.S. COMPRESSOR SERVICE	ATTN: GREGORY E. BOYD	16220 GARFIELD AVE		PARAMOUNT, CA 90723	
127	WALTERS WHOLESALE ELECTRIC CO.	ATTN: DENIS L. EVERT	2825 TEMPLE AVENUE		SIGNALL HILL, CA 90755	\$7,290.32
181	WHITNEY PRODUCTS, INC.	ATTN: VINAY SHAH	6153 MULFORD ST. C		NILES, IL 60714-3427	\$1,537.20
138	WILLIS PLUMBING INC.	ATTN: WILLY PHILLIPS	3861 W. IMPERIAL HWY		INGLEWOOD, CA 90303	\$5,840.00
248	WORLDPOINT ECC	1326 S WOLF RD	WHEELING, IL 60090			\$322.78
147	YORK MEDICAL PHYSICS	ATTN: AMY L. YORK	23810 VIA DEL RIO-UNIT B		YORBA LINDA, CA 92887	\$555.00
						<b>\$1,499,881.84</b>

**EXHIBIT D**

**AVOIDANCE ACTIONS**

**[TO BE FILED]**

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In re: Downey Regional Medical Center-Hospital, Inc.	CHAPTER: 11
Debtor(s).	CASE NUMBER: 2:09-bk-34714-BB

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on a CM/ECF docket.

### 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: 16501 Ventura Boulevard, Suite 440, Encino, California, 91436-2068

A true and correct copy of the foregoing document described as **CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY DOWNEY REGIONAL MEDICAL CENTER-HOSPITAL, INC. (DATED APRIL 20, 2010)** 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 indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** - Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On April 20, 2010 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addressed indicated below:

Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On April 20, 2010 I served the following person(s) and/or entity(ies) at the last known address(es) 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/or with an overnight mail service addressed as follow. 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

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on April 20, 2010 I served the following person(s) and/or entity(ies) by personal delivery, 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 mailing to the judge will be completed no later than 24 hours after the document is filed.

Hon. Sheri Bluebond  
United States Bankruptcy Court  
255 E. Temple Street, Ctrm. 1475  
Los Angeles, CA 90012

Service information continued on attached page

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

04/20/2010  
Date

Nova George  
Type Name

/s/ Nova George  
Signature

In re: Downey Regional Medical Center-Hospital, Inc.	Debtor(s).	CHAPTER: 11 CASE NUMBER: 2:09-bk-34714-BB
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**ADDITIONAL SERVICE INFORMATION** (if needed):

**By Court NEF**

Ralph Ascher - ralphascher@aol.com  
Vanessa L. Au - vanessaau@paulhastings.com  
Bruce J. Borrus - bborrus@riddellwilliams.com  
Mark Bradshaw - mbradshaw@shbllp.com  
Martin J. Brill - mjb@lnrb.com  
Richard W. Brunette - rbrunette@sheppardmullin.com  
Russell Clementson - russell.clementson@usdoj.gov  
Dawn M. Coulson - dcoulson@eyclaw.com  
Jeffrey A. Davis - jadavis@mintz.com  
Joseph R. Dunn - jrdunn@mintz.com, dsjohnson@mintz.com  
Lisa Hill Fenning - lisa.fenning@aporter.com  
Thomas M. Gaa - tga@bbslaw.com  
Paul R. Glassman - glassmanp@gtlaw.com  
Irving M. Gross - img@lnrb.com  
Jodie M. Grotins - jgrotins@mcguirewoods.com  
Brian T. Harvey - bharvey@buchalter.com  
Michael J. Heyman - michael.heyman@klgates.com  
Mark D. Houle - mark.houle@pillsburylaw.com  
Raffi Khatchadourian - raffi@hemar-rousso.com  
William H. Kiekhofer - wkiekhofer@mcguirewoods.com  
Philip Kraft - pkraft@skapiklaw.com  
David W. Meadows - david@davidwmeadowslaw.com  
Jane O'Donnell - jane.odonnell@doj.ca.gov  
Randy P. Orlik - rorlik@coxcastle.com  
Daniel H. Reiss - dhr@lnrb.com  
Christopher O. Rivas - crivas@reedsmith.com  
Johanna A Sanchez - jasanchez@lbbslaw.com  
Nathan A. Schultz - schultzn@gtlaw.com  
Steven J. Schwartz - sschwartz@dgdk.com  
Randy B. Soref - rsoref@buchalter.com  
David P. Tonner - operations@blueheroncapital.com  
United States Trustee (LA) - ustpreion16.la.ecf@usdoj.gov  
Andrew M. Valdez - avaldez@fulbright.com  
Annie Verdries - verdries@lbbslaw.com  
David Weinstein - dweinsten@richardsonpatel.com  
Douglas Wolfe - dwolf@amscapital.com

**In re Downey Regional Medical Center-Hospital, Inc.  
 Case No. 2:09-bk-34714-BB  
 2002 Service List**

<p><b><u>Debtor</u></b>                  Downey Regional Medical Center                  11500 Brookshire Avenue                  Downey, CA 90241-7010</p>	<p><b><u>Counsel for Prime Healthcare Management, Inc.</u></b>                  Shulman Hodges &amp; Bastian LLP                  Mark Bradshaw                  26632 Towne Centre Dr., Suite 300                  Foothill Ranch, CA 92610-2808</p>
<p><b><u>Debtor's Counsel</u></b>                  Counsel for Downey Regional Medical Center                  Lisa Hill Fenning                  Arnold &amp; Porter LLP                  777 South Figueroa Street, 44th Floor                  Los Angeles, CA 90017-5844</p>	<p><b><u>Counsel for Tenet Healthcare Corporation</u></b>                  Tenet Health Care                  Lynn E Iba                  1500 South Douglass Road                  Anaheim, CA 92806</p>
<p><b><u>UST</u></b>                  United States Trustee                  725 South Figueroa Street. 26th Floor                  Los Angeles, CA 90017</p>	<p><b><u>Indenture Trustee for Secured Bonds</u></b>                  California Health Facilities Financing Authority                  915 Capitol Mall, Suite 590                  Sacramento, CA 95814</p>
<p><b><u>Counsel to OCC</u></b>                  Daniel Reiss                  Levene, Neale, Bender, Rankin &amp; Brill                  10250 Constellation Blvd., Suite 1700                  Los Angeles, CA 90067</p>	<p><b><u>Counsel For Wells Fargo, N.A., Secured Creditor</u></b>                  William W. Kannel                  Mintz, Levin, Cohn, Ferris, Glovsky and Popeo                  One Financial Center                  Boston, MA 02011</p>
<p><b><u>Counsel to OCC</u></b>                  Martin J. Brill                  Levene, Neale, Bender, Rankin &amp; Brill                  10250 Constellation Blvd., Suite 1700                  Los Angeles, CA 90067</p>	<p><b><u>Counsel For Wells Fargo, N.A., Secured Creditor</u></b>                  Charles W. Azano                  Mintz, Levin, Cohn, Ferris, Glovsky and Popeo                  One Financial Center                  Boston, MA 02011</p>
<p><b><u>Counsel for Blue Cross</u></b>                  Creim Macias Koenig &amp; Frey LLP                  Stuart I. Koenig                  633 West 5th Street, 51st Floor                  Los Angeles, CA 90071</p>	<p><b><u>Counsel For Wells Fargo, N.A., Secured Creditor</u></b>                  Jeffry Davis                  Mintz, Levin, Cohn, Ferris, Glovsky and Popeo                  3580 Carmel Mountain Road, Suite 300                  San Diego, CA 92130</p>
<p><b><u>Counsel for Siemens Medical Solutions, USA</u></b>                  Reed Smith LLP                  Marsha Houston, Christopher Rivas                  355 South Grand Avenue, Suite 2900                  Los Angeles, CA 90071</p>	<p>Wells Fargo Corporate Trust Services                  Attn: Gavin Wilkinson                  625 Marquette Avenue                  MAC N9311-115                  Minneapolis, MN 55479</p>
<p><b><u>Counsel for Siemens Medical Solutions, USA</u></b>                  Reed Smith LLP                  Claudia Springer                  2500 One Liberty Place                  1650 Market Street                  Philadelphia, PA 19103</p>	

Wells Fargo Corporate Trust Services Attn: Gavin Wilkinson 625 Marquette Avenue MAC N9311-115 Minneapolis, MN 554793	<p><b><u>Counsel for Healthcare Finance Group, DIP Lender</u></b>                  William Kiekhofer                  Jodie M. Grotins                  McGuireWoods                  1800 Century Park East, 8th Fl.                  Los Angeles, CA 90067</p>
<p><b><u>DIP Lender</u></b>                  Healthcare Finance Group                  Robert D. Lynch                  199 Water Street, 20th Floor                  New York, New York 10038</p>	<p><b><u>Lienholders of Record</u></b>                  Cerner Corp                  2800 Rockcreek Parkway                  Kansas City, MO 64117-2521</p>
<p><b><u>Secured Creditor</u></b>  <b><u>Counsel for Apollo Health Street, Inc.</u></b>                  David R. Weinstein                  Richardson &amp; Patel LLP                  10900 Wilshire Boulevard, Suite 500                  Los Angeles, CA 90024</p>	Cisco Systems Capital Corporation 170 West Tasman Drive MS SJ13-3 San Jose, CA 95134
<p><b><u>Counsel for Apollo Health Street, Inc.</u></b>                  Philip Kraft                  Law Office of Mark J. Skapik, APC                  250 West First Street, Suite 330                  Claremont, CA 91711</p>	Cobe Cardiocascular, Inc. 1185 Oak Street Lakewood, CO 80215-4407
<p><b><u>Lienholders of Record</u></b>                  Alaris Medical System, Inc.                  10221 Wateridge CR                  San Diego, CA 92121</p>	Computer Sales International, Inc. 10845 Olive Boulevard Suite 300 St. Louis, MO 63141
Bank of the West 9001 East Whittier Boulevard Pico Rivera, CA 90660	Computer Sales International, Inc. 9990 Old Olive Street Road St. Louis, MO 63141
Bank of the West 201 North Civic Drive Suite 360 B Walnut Creek, CA 94596	Dade Behring Financial Services 10 Riverview Drive Danbury, CT 06810
Baxter Healthcare Corporation Attn: Gail D Alesandro - DF6/3W One Baxter Parkway Deerfield, IL 60015	E.I. Du De Nemours & Co Barley Mill Plaza #24-2224 Wilmington, DE 19807
Cadwell Laboratories, Inc. 909 North Kellogg Street Kennewick, WA 99336	E.I. Du De Nemours & Co 1007 Market Street Wilmington, DE 19801



<p><b><u>Lienholders of Record</u></b>                  E.I. Dupont De Nemours &amp; CO                  Susan Herr                  Legal Department                  1007 Market Street                  D8052-2 Legal                  Wilmington, DE 19898</p>	<p><b><u>Lienholders of Record</u></b>                  Olympus Corp                  4 Nevada Drive                  Lake Success, NY 11042-1114</p>
<p>Employment Development Department                  Bankruptcy Group MIC 92E                  PO Box 826880                  Sacramento, CA 94280-0001</p>	<p>Philips Medical Capital LLC                  1111 Old Eagle School Road                  Wayne, PA 19087</p>
<p>First Bank of Highland Park                  1835 First Street                  Highland Park, IL 60035</p>	<p>Sanwa Bank                  Attn: Rick Lopez, VP                  Pico Rivera Office                  9001 East Whittier Blvd                  Pico Rivera, CA 90660</p>
<p>First Interstate BK of Calif Trustee                  707 Wilshire Boulevard                  Los Angeles, CA 90017</p>	<p>Sovereign Bank                  3 Huntington Quadrangle                  Suite 101N                  Melville, NY 11747</p>
<p>Graybar Financial Services                  201 West Big Beaver Road                  Troy, MI 48084</p>	<p>Terumo Cardiovascular System                  6200 Jackson Road                  Ann Arbor, MI 48103</p>
<p>Johnson &amp; Johnson Finance Corporation                  501 George Street                  New Brunswick, NJ 08901</p>	<p>Bank of Tokyo-Mitsubishi UFJ                  Legal Department                  1251 Avenue of the Americas                  New York, NY 10020-1104</p>
<p>Lanier Worldwide, Inc.                  4667 North Royal Atlanta Drive                  Tucker, GA 30084-3802</p>	<p>U.S. Bank National Association                  400 City Center                  Oshkosh, WI 54901</p>
<p>Leasing Associates of Barrington, Inc.                  33 West Higgins Road                  Suite 1030                  South Barrington, IL 60010</p>	<p>United California Bank                  9001 East Whittier Boulevard                  Pico Riviera, CA 90660</p>

<p><b><u>Other Interested Parties</u></b>                  California Department of Public Health                  Licensing and Certification                  County of Los Angeles District Office                  12440 East Imperial Highway, Suite 200                  Norwalk, CA 90650</p>	<p><b><u>Other Interested Parties</u></b>                  State of California - Health and Human Services                  Agency                  Medi-Cal                  Department of Health Care Services                  1501 Capital Avenue                  Sacramento, CA 95814-5005</p>
<p>California Department of Public Health                  Health Facilities Inspection Division                  Branch Chief: James L. Lawson. Ph.D., RN                  12440 East Imperial Highway, Suite 522                  Norwalk, CA 90650</p>	
<p><b><u>Request for Special Notice Parties</u></b>                  Counsel for Applecare Medical Group                  Eric Klein                  Sheppard Mullin Richter &amp; Hampton LLP                  1901 Avenue of the Stars, Suite 1600                  Los Angeles, CA 90067</p>	<p><b><u>Request for Special Notice Parties</u></b>  <u>Counsel to Blythe Ventures, Inc. dba Windsor                  Gardens of Long Beach</u>                  Elsa M. Horowitz                  Alexander M. Merino                  Wolf, Rifkin, Shapiro, et al.                  11400 W. Olympic Blvd., 9th Fl.                  Los Angeles, CA 90064-1557</p>
<p>Centers for Medicare &amp; Medicaid Services                  7500 Security Boulevard                  Baltimore MD 21244-1850</p>	<p><u>Counsel to Edmund G. Brown, Jr.</u>                  Office of the Attorney General                  Wendi A. Horwitz                  300 S. Spring St., Suite 1702                  Los Angeles, CA 90013</p>
<p>Franchise Tax Board                  Attention: Bankruptcy                  P.O. Box 2952                  Sacramento, CA 95812-2952</p>	<p><u>Counsel to Presbyterian Intercommunity Hospital</u>                  Mark Kadzielski                  Andrea Valdez                  Fulbright &amp; Jaworski LLP                  555 South Flower Street, Suite 4100                  Los Angeles, CA 90071</p>
<p>Internal Revenue Service                  PO Box 21126                  Philadelphia, PA 19114</p>	<p><u>Counsel to Presbyterian Intercommunity Hospital</u>                  Michael Parker                  Fulbright &amp; Jaworski LLP                  300 Covent Street, Suite 2200                  San Antonio, TX 78205-3792</p>
<p>Los Angeles County Tax Assessor                  500 W. Temple St. Room 225                  Los Angeles, CA 90012-2770</p>	<p><u>Counsel to Presbyterian Intercommunity Hospital</u>                  Kevin Duthoy                  Bewley Lasseben &amp; Miller                  13215 E. Penn Street, Suite 510                  Whittier, CA 90602</p>
<p>Meyer Christian &amp; Associates                  Attn Tim Denton                  15061 Springdale Street, Suite 113                  Huntington Beach, CA 92649</p>	<p>Office of the Attorney General                  State of California                  Registry of Charitable Trusts                  1300 I Street, Suite 125                  Sacramento, CA 95814-2951</p>

<p><u>Auditor</u>                  BDO Seidman, LLP                  3200 Bristol St., 4<sup>th</sup> Fl.                  Costa Mesa, CA 92626</p>	<p><u>Financial Advisor to OCC</u>                  Fenix Management LLC                  1874 S. Pacific Coast Hwy, #378                  Redondo Beach, CA 90277</p>
<p><u>Special Litigation Counsel to Debtor</u>                  Allan Jergesen                  Hanson &amp; Bridgett LLP                  425 Market St., 26<sup>th</sup> Fl.                  San Francisco, CA 94105</p>	<p><u>Special Litigation Counsel to Debtor</u>                  David McLeod                  McLeod, Witham &amp; Flynn LLP                  707 Wilshire Blvd., Suite 4125                  Los Angeles, CA 90017</p>
<p><u>Patient Care Ombudsman</u>                  Susan Koenig                  SAK Management Services, LLC                  4055 W. Peterson Avenue, Suite 101                  Chicago, IL 60646</p>	<p><u>Counsel to Health Facilities Financing Authority</u>                  Jane O'Donnell Deputy                  Attorney General                  1300 I Street, Suite 125                  P.O. Box 944255                  Sacramento, CA 94244</p>
<p><u>Counsel to Suzanne Koenig Patient Care Ombudsman</u>                  Buchalter Nemer                  Randy Soref                  Brian Harvey                  1000 Wilshire Boulevard, Suite 1500                  Los Angeles, CA 90017</p>	<p><u>Counsel to Philips Healthcare</u>                  Bruce J. Borrus                  Riddell Williams p.S.                  1001 Fourth Avenue, Suite 4500                  Seattle, WA 98154</p>
<p><u>Counsel to The Regents of the University of California</u>                  Charles F. Robinson and Eric K Behrens                  University of Southern California                  Office of the General Counsel                  111 Franklin Street, 89th Floor                  Oakland, CA 94607-5200</p>	<p>Ricoh Business Solutions                  c/o Ikon Office Solutions                  Recovery &amp; Bankruptcy Group                  3920 Arkwright Road, Suite 400                  Macon, GA 31210</p>
<p><u>Counsel to United PacificCare</u>                  Karl Block                  Loeb &amp; Loeb                  10100 Santa Monica Blvd., Suite 2200                  Los Angeles, CA 90067</p>	
<p><u>Counsel to Cisco Systems Capital Corporation</u>                  Lawrence M. Schwab                  Gaye Nell Heck                  Bialson, Bergen &amp; Schwab                  2600 El Camino Real, Suite 300                  Palo Alto, CA 94306</p>	
<p><u>Counsel to Stephen Wen &amp; Associates Architects</u>                  Stephen W. Reed                  Reed &amp; Brown LLP                  35 N. Lake Avenue, Suite 960                  Pasadena, CA 91101-1819</p>	