



Verity Health System Receives Court Approval of Stalking Horse Agreement for Sale to The KPC Group

- *Agreement includes St. Francis and St. Vincent Medical Centers in Southern California and Seton Medical Center and Seton Coastside in Northern California to The KPC Group for \$610 million*
- *The KPC Group is committed to continuing operations at all four hospitals in the future and serving local communities*
- *Operations and services will continue uninterrupted at all facilities during a smooth and efficient transition process*
- *These remaining four hospitals in the Verity Health System now have an approved buyer, marking an important milestone in the Chapter 11 process for patients, employees and communities*

LOS ANGELES – April 17, 2019 – Verity Health System of California, Inc. ("Verity Health"), a nonprofit healthcare system, today announced that it has received approval of its previously announced "Stalking Horse" agreement with The KPC Group from the U.S. Bankruptcy Court.

Under the agreement, The KPC Group will acquire substantially all assets related to St. Francis Medical Center in Lynwood, St. Vincent Medical Center in Los Angeles, Seton Medical Center in Daly City and Seton Coastside in Moss Beach for \$610 million (\$610,000,000). Also, as part of the agreement, The KPC Group has agreed to make offers of employment to substantially all employees at these facilities.

The sale was conducted through a Court-supervised process under Section 363 of the Bankruptcy Code and is subject to review by the California Attorney General.

"Today's court approval of the sale means we are one step closer to finalizing a smooth and orderly transition for Verity's remaining hospitals and assets to a buyer who will maintain Verity's core mission," said Rich Adcock, CEO of Verity Health. "We're pleased that these important institutions will continue providing local communities with the high-quality care they need and deserve."

"The KPC Group is focused on enhancing the health and welfare of communities," said Dr. Kali Chaudhuri, Chairman of The KPC Group. "We're looking forward to continuing Verity's track record of providing high-quality healthcare in Los Angeles and San Mateo Counties."

Verity Health System

Verity Health is a nonprofit healthcare system. Verity's remaining hospitals include two Southern California hospitals, St. Francis Medical Center in Lynwood and St. Vincent Medical Center in Los Angeles and in Northern California, Seton Medical Center in Daly City and Seton Coastside in Moss Beach.

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