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SULLIVAN HILL REZ & ENGEL
A Professional Law Corporation
James P. Hill, SBN 90478
Christopher V. Hawkins, SBN 222961
600 B Street, 17th Floor
San Diego, California 92101
Telephone: (619) 233-4100
Fax Number: (619) 231-4372

Electronically Filed: 04/23/2020

Attorneys for Debtor
and Debtor In Possession,
Vestavia Hills, Ltd.

UNITED STATES BANKRUPTCY COURT
Southern District of California

In re	}	CASE NO.
VESTAVIA HILLS, LTD.	}	Chapter 11
DBA MOUNT ROYAL TOWERS,	}	DEBTOR'S SECOND CHAPTER
Debtor.	}	11 STATUS REPORT
	}	Date: April 30, 2020
	}	Time: 2 p.m.
	}	Dept.: 2 (Telephonic)
	}	Judge: Hon. Louise DeCarl Adler

Vestavia Hills, Ltd., the debtor and debtor in possession herein (“Debtor”), hereby submits this Second Chapter 11 Status Report pursuant to the Court’s order entered January 13, 2020 (ECF 32).

The January 13, 2020 order requires the Debtor to address various issues, including the following:

Closure of Bank Accounts

The Debtor has closed all of its pre-petition bank accounts, other than:

(1) the “Patient Trust Account,” which the Court authorized the Debtor to maintain by order entered January 24, 2020 (ECF 53); and

///

1 (2) the “Reserve Account,” which the Debtor was able to convert to a debtor-
2 in-possession account without jeopardizing the flow of revenue from the government
3 or insurance companies, to the satisfaction of the United States Trustee, as described
4 in ECF 7.

5 **Applications to Employ Professionals**

6 The following applications to employ professionals have been filed and/or ruled
7 upon:

8 (1) Application to Employ Sullivan Hill Rez & Engel as General Counsel
9 (ECF 40)–granted by order entered January 30, 2020 (ECF 80).

10 (2) Application to Employ Squar Milner, LLP as Accountants (ECF 52)–
11 granted by Order entered February 3, 2020 (ECF 96).

12 (3) Application to Employ Elisabeth Eisner as Special Transactional Counsel
13 (ECF 87)–granted by order entered February 10, 2020 (ECF 112).

14 (4) Amended Application to Employ Campbell Partners, APC as Special
15 Litigation Counsel (ECF 128)–granted by order entered February 24, 2020 (ECF 144).

16 (5) Application to Employ Harbuck Keith & Holmes LLC as Special
17 Alabama Licensing and Regulatory Counsel Nunc Pro Tunc (ECF 168)–granted by
18 order entered April 16, 2020 (ECF 210).

19 **Insider Compensation**

20 On January 7, 2020, the Debtor filed a Notice of Intended Action requesting
21 authority to compensate three insiders (ECF 14). The Debtor has resolved all issues
22 raised by the United States Trustee. Commonwealth Assisted Living, LLC, Series E
23 (“Commonwealth”) objected (ECF 21 and 73). On February 4, 2020, the Court
24 entered an order authorizing the payment of insider compensation on a final basis to
25 Barbara Lail and further authorizing payment of insider compensation to Renee
26 Barnard and to Charles Barnard on an interim basis pending final hearing (ECF 101).
27 On February 27, 2020, the Court entered its order authorizing payment on insider
28 compensation on a final basis to Renee Barnard and to Charles Barnard (ECF 150).

1 **Monthly Operating Reports**

2 The Debtor’s first monthly operating report was timely filed on February 20,
3 2020 (ECF 136).

4 The Debtor’s second monthly operating report was timely filed on March 23,
5 2020 (ECF 180).

6 The Debtor’s third monthly operating report was timely filed on April 20, 2020
7 (ECF 216).

8 **90-Day Cash Flow Statement**

9 The Debtor’s 90-day cash flow statement has been provided to the United
10 States Trustee.

11 **Cash Collateral**

12 On January 3, 2020, the Debtor filed a motion to use cash collateral (ECF 5).
13 On January 15, 2020, the Court entered an interim order authorizing use of cash
14 collateral (ECF 35). On February 3, 2020, the Court entered a final order authorizing
15 use of cash collateral (ECF 95). The Debtor has timely made all required adequate
16 protection payments to Wells Fargo.

17 **Sale of Debtor’s Business**

18 On February 13, 2020, the Debtor filed a motion seeking approval of a sale
19 process for selling its continuing care retirement community known as Mount Royal
20 Towers (ECF 121). On March 25, 2020, the Court entered its order approving a
21 “stalking horse” asset purchase agreement, a process for marketing and overbid, and
22 related relief (ECF 185). The sale process is underway and is currently set for final
23 sale hearing on May 21, 2020. This sale will be the cornerstone of the Chapter 11
24 case, and is vital to protecting the well-being of the Debtor’s elderly residents of the
25 Mount Royal Towers facility.

26 Approximately 13 parties have signed–without revisions–a standard
27 nondisclosure agreement (“NDA”) in order to conduct due diligence. A copy of the
28 standard form NDA is attached as Exhibit “A” hereto. Commonwealth has refused to

1 sign this standard form NDA, instead proposing its own special NDA with significant
2 revisions and changes, without providing rationales to justify them. The Debtor does
3 not believe that the standard form NDA, accepted and signed without revisions by 13
4 other bidders, should be revised solely for Commonwealth. Indeed, doing so could set
5 off rounds of revisions for other parties, and a need to provide new bidders coming
6 onto the scene with each of their own specialized NDAs. The Debtor believes that
7 such changes are unnecessary and would prove counterproductive to the sale process.

8 Finally, as the Court is well-aware, the COVID-19 virus pandemic has wrought
9 unprecedented havoc worldwide, and in particular to senior living facilities like that
10 owned and operated by the Debtor. The nursing home industry has been brought to its
11 knees as a result of the demands imposed on it by the coronavirus as owners and
12 operators of senior living centers have had to focus first and primarily on the safety
13 and security of the most vulnerable population in the world, namely, their elderly
14 residents entrusted into their care. While Mount Royal Towers has (amazingly and
15 thankfully) yet to experience any known cases of the coronavirus in its residents or
16 staff, the pandemic has had a significant impact on the administration and operations
17 of the facility—and very directly also to the sale process in this case.

18 Despite the best efforts of the Debtor’s Court-approved health care real estate
19 consultants and advisors, namely, Blueprint Healthcare Real Estate Advisors
20 (“Blueprint”), they are seeing little traction in the relevant senior care facilities
21 marketplace at this time, including from owners and operators of similar facilities
22 who, Blueprint reports to the Debtor, would normally jump at the opportunity to
23 participate in this sale process, particularly at the \$12,000,000 entry level price
24 available for the Mount Royal Towers facility offered by the Debtor’s section 363 sale
25 process now underway. According to Blueprint personnel working on the Debtor’s
26 sale project, these other parties who operate and own similar facilities and would be
27 natural bidders for the Debtor’s assets are now in virtual “survival mode” themselves,
28 focusing to maintain the safety and wellbeing of their own existing communities, and

1 of their own exhausted employees who, like at Mount Royal Towers, are caring for
2 elderly residents as the coronavirus rips through the nation and many of their own
3 facilities.

4 According to feedback received by Blueprint, most of these parties, who in
5 normal circumstances would be lining up to bid, are at this point in time not able to
6 shift focus from immediate safety and security needs at their own facilities to instead
7 give attention to acquisition of new assets even at bargain basement pricing.

8 Moreover, Blueprint informs the Debtor, even if these parties were able to shift focus,
9 the usual capital markets and funding sources, whether for lending or for investment
10 capital, for senior care, nursing homes and assisted living centers are essentially
11 frozen as those markets are awaiting signs of recovery from the coronavirus attacks
12 and pandemic shut downs before they open up lending and capital sources.

13 The stalking horse bidder, MED Healthcare Partners, LLC (“Stalking Horse”),
14 is proceeding in good faith and remains in place to purchase should no other bidders
15 enter into the process; nevertheless, the Debtor has been informed that it too has been
16 enormously impacted by the novel coronavirus.

17 The Stalking Horse is a large provider of skilled nursing, assisted living, and
18 rehabilitation services. Along with its partner management companies, it manages
19 and operates over 115 skilled nursing facilities with over 10,000 resident beds in 20
20 states. As the Court and parties in interest in this case can appreciate, the Stalking
21 Horse too is dealing with the same severe hardships that the broader industry is. But,
22 to make matters worse, the Debtor is informed that certain of the principals of the
23 Stalking Horse were themselves diagnosed with and are suffering the effects of the
24 COVID-19 virus and have been receiving appropriate medical treatment and orders to
25 rest and recover. While these key individuals in the Debtor’s sale process are in the
26 process of recovering, which experts inform us is an uncertain period given this novel
27 virus, their diagnosis, treatment, and recovery has caused additional delay and
28 disruption affecting the sale process. Because of these facts, the Stalking Horse has

1 now asked the Debtor through its counsel to provide it more time in the sale process
2 so that it too can focus first on activities necessary to protecting the health and safety
3 at its existing facilities and with its own elderly residents before it returns attention to
4 the acquisition of the Debtor's Mount Royal Towers facility and related assets.

5 Given the report and advice received from Blueprint, and based on the Debtor's
6 own experience at Mount Royal Towers, and now with the added news of the impact,
7 up close and personal, of the coronavirus on the Stalking Horse and its principals, the
8 Debtor is now facing the very obvious reality that the timeline for the section 363 sale
9 process needs to be adjusted to take into account the COVID-19 virus pandemic. In
10 short, there is simply no way to realize fair market value for the Mount Royal Towers
11 assets right now given the state of the continuing worldwide pandemic and
12 particularly so in the senior living and nursing home market specifically.

13 Accordingly, the Debtor will shortly file a motion to amend the timeline associated
14 with the overbid procedures, asking the Court to push back the key dates in the sale
15 process for an initial additional 60-day period, which the Debtor and Blueprint
16 optimistically believe will be sufficient to see markets start to recover, for the
17 pandemic to wane, and for interested bidders to find time and bandwidth in their own
18 arenas to focus on the Debtor's sale opportunity. Clearly, these exigent circumstances
19 were not anticipated when the Debtor filed its motion for approval of the sale process
20 and this Court gave the green light to start the marketing of the Debtor's Mount Royal
21 Towers assets.

22 While the Debtor regrets having to bring this development to the attention of
23 the Court and parties in interest, the Debtor does not believe it is prudent or an
24 exercise of good business judgment to hide its head in the sand and pretend that our
25 lives, and the lives of the senior residents in the Mount Royal Towers facility, are not
26 directly affected by the pandemic surrounding us all. Prudence suggests a short and
27 reasonable suspension of the sale process, not unlike cessations of proceedings
28 happening elsewhere. Again, being as optimistic as possible, the Debtor believes that

1 postponing the sale for a 60-day period will get us to sunnier, and safer, times, and
2 one in which we can get the focused attention not only of the Stalking Horse, but also
3 of overbidders who can then re-enter the market and participate in the process. The
4 Debtor’s request is consistent with the automatic 60-day extensions currently being
5 provided by the Ninth Circuit. See Exhibit “B” hereto.

6 **Additional Matters**

7 In addition to the matters required to be addressed by the Court’s January 13,
8 2020 order, the following matters are also pending:

9 (1) Commonwealth’s state court litigation—transferred from Alabama to this
10 Court, now Adversary No. 3:20-ap-90060—is the underlying subject of
11 Commonwealth’s motion for relief from stay (ECF 56). That motion was heard by the
12 Court on March 26, 2020, then taken off calendar, to be rescheduled after
13 Commonwealth’s motion for remand is filed. The Debtor’s position is that both
14 motions – stay relief and a remand motion—should be stayed and not heard until after
15 the sale process is complete. The Debtor does not believe that this adversary
16 proceeding can or should move forward in light of the Court’s ruling in Adversary No.
17 3:20-ap-90029, as noted in item 3 below.

18 (2) Charles Smith, as Personal Representative of the Estate of Tyler Smith,
19 Deceased’s motion for relief from stay (ECF 172) was heard by the Court on April 16,
20 2020, and the order lodgment is in process.

21 (3) The Debtor’s motion for a section 105 injunction (ECF 5 in Adversary
22 No. 3:20-ap-90029) was heard by the Court on April 16, 2020, was granted in part,
23 and denied in part, and the order lodgment is in process. The Debtor does not believe
24 that any more activity need take place in this adversary proceeding. Further, the
25 Debtor believes that the Court’s tentative decision, and eventual order, recognizing the
26 current need to protect the Debtor’s management and employees in place at the Mount
27 Royal Towers facility, and in particular Renee Barnard and Charles Barnard, from

28 ///

1 litigation distractions through the sale process, should be applied to all litigation
2 matters between the Debtor and Commonwealth through the sale process.

3 (4) The Debtor’s motions to quash/for protective order (ECF 30 and 50 in
4 Adversary No. 3:20-ap-90029)¹ are set for hearing on April 30 and May 28, 2020,
5 respectively. The Debtor believes that discovery in this adversary proceeding is now
6 moot given the Court’s ruling granting in part and denying in part the relief requested
7 and will argue accordingly at the hearings on these matters. The Debtor strongly
8 agrees with the Court’s observation that “There is absolutely no emergency in
9 discovery going forward in this litigation and no demonstrated prejudice to it being
10 deferred” (ECF 49). The parties are currently discussing the possibility of a
11 stipulation postponing discovery.

12 Dated: April 23, 2020

SULLIVAN HILL REZ & ENGEL
A Professional Law Corporation

14 By: /s/James P. Hill
15 James P. Hill
16 Attorneys for Debtor and Debtor in
17 Possession, Vestavia Hills, Ltd. dba
18 Mount Royal Towers
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28 _____
¹ The discovery motions are also set in the main Chapter 11 case as well.

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EXHIBIT TABLE

Exhibit	Description	Page(s)
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EXHIBIT “A”

NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement (the "Agreement") is made as of _____, 2020, by and between Vestavia Hills, Ltd. ("Vestavia"), and _____ ("Recipient").

1. Purpose. Vestavia is a debtor-in-possession in the Chapter 11 bankruptcy case currently pending before the United States Bankruptcy Court for the Southern District of California as Case No. 20-00018. Vestavia intends to sell substantially all of its business and operating assets relating to its Mount Royal Towers senior care facility located in Vestavia Hills, Alabama, in its Chapter 11 case through a court-supervised sale process, and Recipient is a potential buyer. Vestavia anticipates that Recipient will need to evaluate information related to Vestavia's business and operating assets (the "Purpose"). In furtherance of the potential sale, Vestavia may disclose Vestavia's Confidential Information (as defined below) to Recipient. This Agreement is intended to allow the parties to discuss and evaluate the potential sale while protecting Vestavia's and third parties' Confidential Information (including any Confidential Information previously disclosed to Recipient) against unauthorized use or disclosure.

2. Definition of Confidential Information. "Confidential Information" includes, but is not limited to, any and all information and any ideas in whatever form, tangible or intangible, pertaining in any manner to the business of Vestavia or its members, managers, officers, directors, employees, clients, consultants, business associates, partners or joint-venturers (each as applicable) that was produced by any employee or consultant of Vestavia in the course of his or her employment or consulting relationship or otherwise produced or acquired by or on behalf of Vestavia. Confidential Information shall also include, but is not limited to, any technical and non-technical information related to Vestavia's business and current, future and proposed products and services, information concerning research, development, design details and specifications, financial information, resident information, regulatory information, procurement requirements, supplier lists, client lists, contacts, business forecasts, sales information and marketing plans, any and all information about any computer programs or systems implemented, developed or improved by Vestavia, including any versions and updates thereof, computer source codes or object codes, marketing information, business strategies, customers and prospective customers, methods of operation, materials, documents, formulas, research and development techniques, processes, electronic codes, mask works, profits, sales, suppliers, markets, personnel, pricing policies, operational methods, forecasts, business plans, and other business affairs and methods, plans for future developments and other information which is not readily available to the public, and any information that may be made known to Recipient and that Vestavia has received from others that Vestavia is obligated to treat as confidential or proprietary. This Confidential Information was developed and will be developed by Vestavia at great expense and constitutes trade secrets of Vestavia. To safeguard its Confidential Information, Vestavia has instituted policies and procedures to protect such information.

3. Ownership of Confidential Information. Recipient acknowledges and agrees that Vestavia shall have and retain all right, title and interest in and to the Confidential Information and materials embodying the same created or provided by Vestavia pursuant to this Agreement.

4. Nondisclosure of Confidential Information.

(a) Recipient agrees not to use any Confidential Information disclosed to it by Vestavia and/or Vestavia for its own use or for any purpose other than as set forth herein. Recipient shall not disclose or permit disclosure of any Confidential Information of Vestavia to third parties or to employees of Recipient, other than employees of Recipient who are required to have the information in order to carry out the Purpose. Recipient has had or will have its members, managers, directors, officers, employees, consultants and agents who have access to Confidential Information of Vestavia sign a nondisclosure agreement in content substantially similar to this Agreement and shall notify Vestavia in writing of the names of each person who has signed such agreements promptly after such agreements are signed. Recipient agrees that it shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of Vestavia in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. Such measures shall include, but not be limited to, the highest degree of care that Recipient utilizes to protect its own Confidential Information of a similar nature, which shall be no less than reasonable care. Recipient further agrees to promptly notify Vestavia in writing of any actual or suspected misuse, misappropriation or unauthorized disclosure of Vestavia's Confidential Information which may come to Recipient's attention.

(b) Exceptions. Notwithstanding the above, Recipient shall not have liability to Vestavia with regard to any Confidential Information which Recipient can prove: (i) was in the public domain at the time it was disclosed by Vestavia or has entered the public domain through no fault of Recipient; (ii) is disclosed with the prior written approval of Vestavia; or (iii) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that Recipient shall provide prompt notice of such court order or requirement to Vestavia to enable Vestavia to seek a protective order or otherwise prevent or restrict such disclosure.

5. No Duplication; Return of Materials. Recipient agrees, except as otherwise expressly authorized by Vestavia, not to make any copies or duplicates of any Confidential Information. Any Confidential Information that has been furnished by Vestavia to Recipient in connection with the Purpose shall be promptly destroyed by Recipient within five (5) business days after written request of Trustee, and Recipient shall affirm such destruction in writing to Vestavia.

6. No Warranties. Confidential Information is provided in good faith but without representation, warranty or guarantee of any kind, whether express or implied, statutory or otherwise. Each party acknowledges that Confidential Information is provided "as is." Vestavia shall have no liability or responsibility for errors or omissions in or any decisions made by Recipient in reliance upon any Confidential Information. Recipient assumes all risk, known or unknown, arising from its use of Confidential Information and Vestavia shall have no liability of any kind arising out of such use.

7. No Rights Granted. Nothing in this Agreement shall be construed as granting any rights under any copyright or other intellectual property right of Vestavia, nor shall this Agreement grant Recipient any rights in or to Vestavia's Confidential Information other than the limited right to review such Confidential Information solely for the Purpose. Recipient understands that

nothing in this Agreement (a) requires the disclosure of any Confidential Information, which shall be disclosed, if at all, solely at Vestavia's option, or (b) requires Vestavia to proceed with any transaction in connection with which the Confidential Information may be disclosed. Recipient agrees that it will promptly make full written disclosure to Vestavia, will hold in trust for the sole right and benefit of Vestavia, and hereby assign to Vestavia, or its designee, all right, title, and interest in and to any and all original works of authorship, developments, concepts, improvements, designs, discoveries, ideas, trademarks or trade secrets, whether or not patentable or registrable under copyright or similar laws, which Recipient may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice using the Confidential Information.

8. Term. The obligations of Recipient under this Agreement shall commence as of the date first written above and shall continue in perpetuity.

9. Non-Circumvention. Recipient understands that under no circumstances whatsoever can the Confidential Information be utilized to circumvent Vestavia's legal and exclusive ownership thereof, and Recipient is under the duty to assure the disclosure of the Confidential Information occurs only pursuant to the provisions of this Agreement. Recipient acknowledges and agrees that from the date of this Agreement until the end of its term, Recipient will not undertake any commercial activity alone or in connection with any third parties which entails any use or any attribute, concept or application of, or which is part of or derived from, the Confidential Information of Vestavia.

10. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Upon the sale of Vestavia's assets to a third party, such purchaser shall be deemed the successor and assign of Vestavia under this Agreement and may thereafter enforce this Agreement against Recipient. In the event that there is no sale of Vestavia's assets, Vestavia shall continue to hold the rights created and preserved in this Agreement, regardless of whether Vestavia's Chapter 11 case continues in Chapter 11, is converted, is closed or is dismissed. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

11. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

13. Governing Law. This Agreement will be governed by and construed in accordance with the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws.

14. Remedies; Indemnification. Vestavia and Recipient each agree that the obligations of Recipient set forth in this Agreement are necessary and reasonable in order to protect Vestavia

and its business. Vestavia and Recipient each expressly agree that due to the unique nature of Vestavia's Confidential Information, monetary damages would be inadequate to compensate Vestavia for any breach by Recipient of its covenants and agreements set forth in this Agreement. Accordingly, Vestavia and Recipient each agree and acknowledge that any such violation or threatened violation shall cause irreparable injury to Vestavia and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Vestavia shall be entitled (a) to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by Recipient, without the necessity of proving actual damages or posting a bond, and (b) to be indemnified by Recipient from and against any loss or harm, including but not limited to attorneys' fees and costs, arising out of or in connection with any breach or enforcement of Recipient's obligations under this Agreement or the unauthorized use or disclosure of Vestavia's Confidential Information.

15. Amendment and Waiver. Any term of this Agreement may be amended with the written consent of both Vestavia and Recipient. Any amendment or waiver effected in accordance with this Section 15 shall be binding upon the parties and their respective successors and assigns. Failure to enforce any provision of this Agreement by a party shall not constitute a waiver of any term hereof by such party.

16. Attorneys' Fees. If either party institutes any legal action to enforce its rights under the Agreement or to recover damages for breach of the Agreement, the prevailing party in such action shall be entitled to recover from the other party all costs and expenses incurred in connection therewith, including, but not limited to, any attorneys' fees, attorneys' costs and court costs, in addition to any other relief to which that party may be entitled.

17. Counterparts. This Agreement may be executed in two or more counterparts (including facsimile, PDF or other electronic counterparts), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

18. Notices. All notices, demands, and other communications provided for hereunder shall be in writing and mailed (by U.S. mail, return receipt requested, postage prepaid. All such notices, demands, and communications shall be effective upon the earlier of (i) actual receipt by the addressee, (ii) the date shown on the return receipt of such mailing, or (iii) five (5) days after deposit in the mail.

19. Entire Agreement. This Agreement is the product of both parties hereto, and constitutes the entire agreement between such parties pertaining to the subject matter hereof, and merges all prior negotiations and drafts of the parties with regard to the transactions contemplated herein. Any and all other written or oral agreements existing between the parties hereto regarding such transactions are expressly canceled.

IN WITNESS WHEREOF, the parties have executed this Nondisclosure Agreement as of the date first above written.

VESTAVIA HILLS, LTD.

By: _____

Name: Kevin Moriarty

Title: President and Chief Executive Officer of IPG Holdings, Inc.,
General Partner of Vestavia Hills, Ltd.

RECIPIENT

By: _____

Name: _____

Title: _____

EXHIBIT “B”

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

COVID-19 NOTICE
(as of 3/26/20)

In light of the rapidly expanding limitations on social interactions in public spaces due to the spread of COVID-19, the United States Court of Appeals for the Ninth Circuit is making the following adjustments to its operations:

Oral Arguments

Arguments currently scheduled in March, April, and May 2020 are being evaluated one at a time and orders will issue in those cases giving direction to the parties. Panels may exercise their discretion under the rules to submit cases without argument; to postpone argument to a later date; or to hold argument via telephone or video. When argument is held, it will be live streamed to facilitate public access.

Access to the Courthouses

Until further notice, our courthouses are closed to the public during non-court weeks. Attorneys and parties who have access to CM/ECF are strongly encouraged to use it for everything, including new petitions for review and original proceedings. If unrepresented litigants have access to email, they are encouraged to submit their filings, including petitions for review and all other pleadings, as PDF attachments, directly to the Court at this email address: prose_pleadings@ca9.uscourts.gov. We also have a drop box (for petitions for review and original proceedings) in the lobby of the Browning Courthouse at 95 Seventh Street, San Francisco, CA 94103, and the Court continues to receive filings sent via U.S. Mail or commercial delivery services.

Filing Deadlines & Paper Copies

Because the national response to the pandemic has disrupted services of all kinds, the Court will extend non-jurisdictional filing dates as needed. Due dates for notices of appeal, petitions for review, and any document that confers jurisdiction on this Court, are set by statute or rule and are unaffected by this notice. Please follow the instructions in the next section to seek an extension of time to file a brief. The court will issue instructions for seeking extensions of other types of non-jurisdictional deadlines in the coming days.

For any case not yet calendared, please do not submit paper copies of electronically filed briefs or excerpts pending further order of the court.

Extensions of time for filing briefs

- (1) If a party needs an extension of time to file a brief due to circumstances related to the COVID-19 virus, the party must file a notice with the Court.
 - a. The notice should use the CM/ECF document filing type: “Correspondence”
 - b. The notice should state: “NOTICE: The court is notified that due to logistical issues related to the COVID-19 virus, [PARTY] requires a 60-day extension of time to file the [TYPE OF] brief, currently due on [CURRENT BRIEF DUE DATE].”
- (2) The filing of this notice will result in the automatic extension of the briefing schedule by 60 days, unless the court notifies the parties otherwise.
- (3) Any request for an extension to file a brief after this automatic 60-day period must be made by written motion.
- (4) This automatic extension may not be used in the following circumstances:
 - a. Cases that have been previously expedited
 - b. Cases already assigned to panels

Court Hours & Staffing

Because we have limited staff available to answer phone calls, we are also accepting queries sent by email to: questions@ca9.uscourts.gov. We will do our best to prioritize incoming filings and questions, but there might be some delay in responding.

Emergency Applications

A lawyer or litigant who seeks an emergency stay or relief that requires immediate attention should file a request per the instructions set out in the rules, by contacting the court at emergency@ca9.uscourts.gov or (415) 355-8020.

Further Updates

Further updates will be posted on the Court’s website as the situation warrants.

CSD 3010 [07/01/18]

Name, Address, Telephone No. & I.D. No.

SULLIVAN HILL REZ & ENGEL

A Professional Law Corporation

James P. Hill (SBN 90478)/Christopher V. Hawkins (SBN 222961)

600 B Street, Suite 1700, San Diego, CA 92101

Tel.: (619) 233-4100; Fax No.: (619) 231-4372

Attorneys for Debtor and Debtor in Possession,

Vestavia Hills, Ltd. dba Mount Royal Towers

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA
325 West F Street, San Diego, California 92101-6991

In Re
VESTAVIA HILLS, LTD. dba MOUNT ROYAL
TOWERS,
Debtor.

BANKRUPTCY NO. 20-00018-LA11

Plaintiff(s)

ADVERSARY NO.

v.
,
Defendant(s)

PROOF OF SERVICE

I, Linda Gubba-Reiner am a resident of the State of California, over the age of 18 years, and not a party to this action.

On April 23, 2020, I served the following documents:

DEBTOR'S SECOND CHAPTER 11 STATUS REPORT

1. To Be Served by the Court via Notice of Electronic Filing ("NEF"):

Under controlling Local Bankruptcy Rules(s) ("LBR"), the document(s) listed above will be served by the court via NEF and hyperlink to the document. On April 23, 2020, 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 e-mail address(es) indicated and/or as checked below:

See Attached Service List.

Chapter 7 Trustee:

For Chpt. 7, 11, & 12 cases:
UNITED STATES TRUSTEE
ustp.region15@usdoj.gov

For ODD numbered Chapter 13 cases:
THOMAS H. BILLINGSLEA, JR., TRUSTEE
Billingslea@thb.coxatwork.com

For EVEN numbered Chapter 13 cases:
DAVID L. SKELTON, TRUSTEE
admin@ch13.sdcoxmail.com
dskelton13@ecf.epiqsystems.com

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2. **Served by United States Mail:**

On _____, 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 accurate copies in a sealed envelope in the United States Mail via 1) first class, postage prepaid or 2) certified mail with receipt number, addressed as follows:

3. **Served by Personal Delivery, Facsimile Transmission, Overnight Delivery, or Electronic Mail:**

Under Fed.R.Civ.P.5 and controlling LBR, on April 23, 2020, 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, by overnight delivery and/or electronic mail as follows:

- andy@campbellpartnerslaw.com
- harris@campbellpartnerslaw.com
- amalo@sheppardmullin.com
- Virginia.Bell@adss.alabama.gov
- TaRhonda.Wiggins@adss.alabama.gov
- Tammy.Holman@adss.alabama.gov
- kkeith@hkh.law
- jsalzman@blueprinthcre.com
- jacob@blueprintHCRE.com

I declare under penalty of perjury under the laws of the United States of America that the statements made in this proof of service are true and correct.

Executed on April 23, 2020
(Date)

Linda Gubba-Reiner /s/ Linda Gubba-Reiner
(Typed Name and Signature)

600 B Street, Suite 1700
(Address)

San Diego, CA 92101
(City, State, ZIP Code)

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

- Kathleen A. Cashman-Kramer Cashman-Kramer@Sullivanhill.com, kathyaw@san.rr.com;Rudolph@sullivanhill.com;hill@sullivanhill.com;bkstaff@sullivanhill.com;Rudolph@ecf.inforuptcy.com;cashman-kramer@ecf.inforuptcy.com
- Ajay Gupta ajay@guptalc.com, guptaar87864@notify.bestcase.com
- Julian Gurule jgurule@buchalter.com, smartin@buchalter.com,docket@buchalter.com
- Christopher V. Hawkins hawkins@sullivanhill.com, hill@sullivanhill.com;cashman-kramer@sullivanhill.com;bkstaff@sullivanhill.com;vidovich@ecf.inforuptcy.com;hawkins@ecf.inforuptcy.com
- James P. Hill Hill@sullivanhill.com, hawkins@sullivanhill.com;bkstaff@sullivanhill.com;vidovich@ecf.inforuptcy.com;hill@ecf.inforuptcy.com;cashman-kramer@sullivanhill.com
- J. Barrett Marum bmarum@sheppardmullin.com, egarcia@sheppardmullin.com
- David Ortiz david.a.ortiz@usdoj.gov, USTP.REGION15@USDOJ.GOV;tiffany.l.carroll@usdoj.gov;abram.s.feuerstein@usdoj.gov
- William A. Smelko bill.smelko@procopio.com, angela.stevens@procopio.com;calendaring@procopio.com
- Randy B. Soref rsoref@polsinelli.com
- United States Trustee ustp.region15@usdoj.gov