



## **Watsonville Community Hospital Enters Chapter 11 Filing as It Finalizes Stalking Horse Asset Purchase Agreement**

**WATSONVILLE, Calif. – Dec. 6, 2021** – Watsonville Community Hospital filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code on Dec. 5 as part of a plan to sell the Hospital and provide much needed capital to strengthen the hospital and best position it to continue providing care to its medically underserved community. The Hospital intends to continue operating during the case.

The Hospital has a preliminary agreement for a stalking horse bidder to acquire the hospital. These negotiations, led by Chief Restructuring Officer Jeremy Rosenthal and Force 10 Partners, and the sale process it creates seek to find the highest or best bid for the Hospital's assets while ensuring that the Hospital is able to continue in operations and provide critical care to the community.

"Our goal is to keep Watsonville Community Hospital open so that it can provide critical healthcare to the community while also saving approximately 650 jobs," said Rosenthal. "We appreciate the continued support of our physicians, nurses, other staff, and labor union partners as well as our vendors as we work through this process. We are excited that the hospital is positioned to continue providing care to the community long into the future."

Force 10 Partners is acting as a financial advisor to the Hospital, under the leadership of partner Nicholas Rubin.

The hospital is being advised by the law firm of Pachulski Stang Ziehl & Jones LLP, led by attorneys Debra Grassgreen, Maxim Litvak and Steven Golden. The cases were filed in the U.S. Bankruptcy Court for the Northern District of California, San Jose Division. Judge M. Elaine Hammond is the presiding judge.

The noticing agent for the Chapter 11 case is Stretto. For more information about the filing, go to <https://cases.stretto.com/WatsonvilleHospital>.

### **About Watsonville Community Hospital**

Watsonville Community Hospital is a 106-bed full-service acute care hospital serving the city of Watsonville and the surrounding culturally diverse tri-county area along California's Central Coast. The hospital offers a wide range of quality medical and surgical services including cardiac care, diagnostic imaging, emergency services, general surgery, maternity services, orthopedics, pediatrics, rehabilitation services, robotic surgery, urology, vascular surgery, women's health services, and wound care. For more information, go to [www.watsonvillehospital.com](http://www.watsonvillehospital.com).

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