

Press Releases

Related Professionals

Evan M. Jones
Jennifer Taylor

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O'Melveny Represents Verdugo Mental Health in Bankruptcy Proceedings

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FOR IMMEDIATE RELEASE

CONTACT:

Piper Hall
O'Melveny & Myers LLP
202.220.5022
202-870-1800 (cell)
phall@omm.com

Julie Fei
O'Melveny & Myers LLP
213.430.7792
213.440.7792 (cell)
jfei@omm.com

LOS ANGELES, CA – MARCH 30, 2011 – A team from O'Melveny & Myers LLP including partner Evan Jones, counsel Andrew Parlen and Jennifer Taylor, associates Patricia Verdugo-Chatel, Jamie Oh, and Evan Pickering, along with former partner David Ezminger, among others, represented Verdugo Mental Health in its Chapter 11 bankruptcy filing in the US Bankruptcy Court for the Central District of California.

O'Melveny is representing Verdugo on a pro bono basis during the proceedings.

Verdugo is a long-standing and highly respected nonprofit mental health agency providing low-cost services to more than 2,000 clients in Glendale and the surrounding areas. With the current financial climate, donations have declined making the agency's long-term survival difficult. Verdugo seeks to pursue the sale of its key assets to Didi Hirsch Mental Health Services so that these critical mental health services remain available in the Glendale community. Verdugo will continue providing mental health services to its clients while it pursues an agreement for sale of its operations. With cooperation from the California Office of Statewide Health Planning and Development and the Los Angeles County Department of Mental Health and the court's approval, Didi Hirsch plans to continue services immediately after the sale closes—at the same location on Colorado Street in Glendale, California, with many of the same dedicated staff.

The prospects of a seamless transition are buoyed by both the support of that dedicated staff to maintain the mission of the treatment provider and the support of both the lender and local government agencies.

"We are confident that the client's long-standing commitment to providing care and services to underserved communities in Los Angeles, along with our pro bono efforts, will be an important part of that transition," Jones said.

About O'Melveny & Myers LLP

With approximately 900 lawyers in 14 offices worldwide, O'Melveny & Myers LLP helps industry leaders across a broad array of sectors manage the complex challenges of succeeding in the global economy. We are a values-driven law firm, guided by the principles of excellence, leadership, and citizenship. Our commitment to these values is reflected in our dedication to improving access to justice through pro bono work and championing initiatives that increase the diversity of the legal profession. For more information, please visit www.omm.com

The following press release was recently issued by Didi Hirsch Mental Health Services:

DIDI HIRSCH MENTAL HEALTH SERVICES MOVES TO KEEP DOORS OPEN TO FINANCIALLY TROUBLED GLENDALE INSTITUTION

Historic Mental Health Agency Works to Ensure Seamless Transition, Client Care a Priority

Glendale, CA – March 25, 2011 - Didi Hirsch Mental Health Services, a provider of mental health and substance abuse treatment for almost 70 years, has stepped forward to ensure that Glendale and surrounding communities continue to receive the exceptional care previously provided by financially troubled Verdugo Mental Health. Verdugo commenced a chapter

11 bankruptcy proceeding in the U.S. Bankruptcy Court for the Central District of California on March 25, 2011.

With pro bono assistance from attorneys at O'Melveny & Myers LLP (Verdugo) and Stutman, Treister & Glatt, P.C. (Didi Hirsch), the two non-profit organizations have worked closely in developing a plan that would allow a seamless transition for Verdugo's current clients.

During the bankruptcy proceedings, Verdugo will continue providing first rate mental health services to all its clients. The County, whose overarching concern is the continued wellbeing of the clients, is simultaneously preparing to enter rapid negotiations with Didi Hirsch. With the County and court's approval, Didi Hirsch plans to begin services immediately after Verdugo closes—at the same location on Colorado Street, with many of the same dedicated staff.

“We look forward to serving Glendale and its neighboring communities, which include the largest Armenian population in the U.S., as well as high percentages of Asian Americans and Latinos,” says Dr. Kita Curry, President and CEO of Didi Hirsch Mental Health Services. “Among minorities, the stigma associated with illnesses of the mind can be a huge barrier to seeking treatment.”

A provider of mental health services for children and adults in the wider Glendale community since 1957, Verdugo was severely impacted by statewide budget cuts in recent years. A search for solutions led to Didi Hirsch, whose history, philosophy and resources made it an ideal successor. “Our overriding concern is the continued support of our clients,” says Dr. William Smith, Verdugo's CEO. “Over 2,000 residents count on us annually, including more Armenians than served by any other mental health provider. We're so grateful that Didi Hirsch has agreed to continue providing these critical services.”

About Didi Hirsch Mental Health Services

With almost 70 years of experience, Didi Hirsch Mental Health Services provides mental health and substance abuse services at ten sites in Los Angeles and Orange County. A member of the National Suicide Prevention Lifeline network, its Suicide Prevention Center was the first in the nation. Each year, Didi Hirsch helps over 70,000 youth and adults—from Pacoima to Venice to South Los Angeles to downtown Los Angeles to Santa Ana, and many points in between. Didi Hirsch transforms lives by providing quality mental health and substance abuse services in communities where stigma or poverty limit access.

For more information, go to www.didihirsch.org.

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PRESS CONTACT: BBPR, Dienna D'Olimpio

email: ddolimpio@bbprinc.com

phone: 310.656.4668

Kita S. Curry, Ph.D.

President/CEO

Didi Hirsch Mental Health Services

4760 S. Sepulveda Boulevard, Culver City, CA 90230

Direct Line: (310) 751-5423

www.didihirsch.org

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