

AUG 03 2012

SUSAN M SPRAUL, CLERK  
U.S. BKCY. APP. PANEL  
OF THE NINTH CIRCUIT

NOT FOR PUBLICATION

UNITED STATES BANKRUPTCY APPELLATE PANEL  
OF THE NINTH CIRCUIT

In re: ) BAP No. CC-11-1657-MkDKi  
 )  
 VALLEY HEALTH SYSTEM, ) Bk. No. 07-18293-PC  
 )  
 Debtor. )  
 \_\_\_\_\_ )  
 )  
 JESSICA LOPEZ, )  
 )  
 Appellant, )  
 )  
 v. ) **MEMORANDUM\***  
 )  
 POST-EFFECTIVE DATE COMMITTEE )  
 OF CREDITORS; ALVAREZ & MARSAL )  
 HEALTHCARE INDUSTRY GROUP, LLC, )  
 as Disbursing Agent, )  
 )  
 Appellees. )  
 \_\_\_\_\_ )

Argued and Submitted on July 19, 2012  
at Pasadena, California

Filed - August 3, 2012

Appeal from the United States Bankruptcy Court  
for the Central District of California

Honorable Peter H. Carroll, Chief Bankruptcy Judge, Presiding

Appearances: John D. Darling of Hunt Ortman Palffy Nieves  
 Lubka Darling & Mah, Inc. argued for Appellant  
 Jessica Lopez; Jeffrey L. Kandel of Pachulski  
 Stang Ziehl & Jones LLP argued for Appellees the  
 Post-Effective Date Committee of Creditors and  
 Alvarez & Marsal Healthcare Industry Group, LLC,  
 as Disbursing Agent.

Before: MARKELL, DUNN and KIRSCHER, Bankruptcy Judges.

\_\_\_\_\_  
 \*This disposition is not appropriate for publication.  
 Although it may be cited for whatever persuasive value it may  
 have (see Fed. R. App. P. 32.1), it has no precedential value.  
See 9th Cir. BAP Rule 8013-1.



1 **FACTS<sup>3</sup>**

2 **A. VHS, its bankruptcy case, and its Chapter 9 Plan.**

3 VHS is a public agency and a local healthcare district  
4 formed in 1946, under the California Local Health Care District  
5 Law, Cal. Health & Safety Code § 32000, et seq. VHS owned and  
6 operated one skilled nursing facility and three acute health care  
7 facilities in Riverside County, California. VHS filed a  
8 chapter 9 bankruptcy petition in December 2007, and the  
9 bankruptcy court entered an order for relief in February 2008.

10 Pursuant to § 943, the bankruptcy court confirmed VHS's  
11 first amended plan of adjustment ("Chapter 9 Plan") by order  
12 entered April 26, 2010 ("Confirmation Order"). The Chapter 9  
13 Plan was based on the sale of substantially all of VHS's  
14 remaining assets to another entity known as Physicians for  
15 Healthy Hospitals, Inc. Among other things, the Chapter 9 Plan  
16 provided for the discharge of VHS's prepetition debts and also  
17 enjoined claimants from pursuing any action or proceeding on  
18 account of such debts.

19 \_\_\_\_\_  
20 <sup>3</sup>This is the second appeal originating from VHS's bankruptcy  
21 case this Panel has heard. The first appeal, Kirton v. Valley  
22 Health Sys. (In re Valley Health Sys.), 471 B.R. 555 (9th Cir.  
23 BAP 2012), appeal docketed, No. 12-60019 (9th Cir. March 21,  
24 2012), concerned a petition for writ of mandamus filed in state  
25 court by two other Participants, Peggy Kirton and Diana Agnello,  
26 seeking to enforce their alleged VHS Retirement Plan entitlements  
27 against VHS and others. VHS removed that petition to the  
28 bankruptcy court, and the bankruptcy court dismissed the petition  
under Civil Rule 12(b)(6). Id. at 558.

26 We vacated the bankruptcy court's dismissal order, holding  
27 that the bankruptcy court lacked subject matter jurisdiction over  
28 the petition. Id. at 569. We draw most of the facts regarding  
VHS, its bankruptcy case and its Chapter 9 Plan from our prior  
decision.

1 The Chapter 9 Plan classified general unsecured claims as  
2 Class 2A claims and generally provided for the pro rata  
3 distribution of \$17 million to the holders of allowed Class 2A  
4 claims. The plan then separately classified the Participants as  
5 Class 2C claimants and provided no distribution for them.  
6 Instead, the Chapter 9 Plan expected the Class 2C claimants to  
7 look to the assets left for them, along with their other rights  
8 and entitlements, under the VHS Retirement Plan.<sup>4</sup>

9 The asset sale had expressly excluded all these VHS  
10 Retirement Plan assets. As a consequence, the Chapter 9 Plan  
11 specified that the Participants as Class 2C claimants would not  
12 have recourse as against VHS or its assets, and would not be  
13 entitled to any distribution under the Chapter 9 Plan.

14 This was expressly stated in the Chapter 9 Plan:

15 Defined Benefit Plan Participants will be entitled to  
16 the same rights and benefits to which such participants  
17 are currently entitled under the VHS Retirement Plan  
18 and the MetLife Group Annuity Contract, and such  
19 participants shall have no recourse to the District or  
20 to any assets of the District, and shall not be  
21 entitled to receive any distributions under this Plan.  
22 Instead, all unallocated amounts held by MetLife Group,  
23 pursuant to the VHS Retirement Plan and the MetLife  
24 Group Annuity Contract, will continue to be made  
25 available to provide retirement benefits for  
26 participants in the manner indicated under the  
27 provisions of the VHS Retirement Plan and the MetLife  
28 Group Annuity Contract. Accordingly, the treatment of  
Allowed Class 2C claim holders set forth herein shall  
not affect any legal, equitable or contractual rights  
to which the VHS Retirement Plan participants are  
entitled.

Chapter 9 Plan (Dec. 17, 2009) at 16:13-22.

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<sup>4</sup>In this regard, the primary assets appear to be those held  
under a group annuity contract administered by MetLife Group.

1           Based on this treatment, the Chapter 9 Plan characterized  
2 the Class 2C claimants - the Participants - as unimpaired. As  
3 unimpaired claim holders, they were deemed to have accepted the  
4 Chapter 9 Plan, and were thus not allowed to vote to accept or  
5 reject it. § 1126(f).

6           The record reflects that Lopez was served with advance  
7 notice of: (1) the claims bar date, (2) the court approval of the  
8 first amended disclosure statement, and (3) the confirmation  
9 hearing on the Chapter 9 Plan. The accuracy of the record is  
10 supported by the fact that Lopez filed her proof of claim on  
11 time, and before the plan confirmation. The record further  
12 indicates that Lopez was sent copies of the Chapter 9 Plan and  
13 the first amended disclosure statement at the same time she was  
14 served with notice of the confirmation hearing.

15           But Lopez did not object to VHS's Chapter 9 Plan. According  
16 to Lopez, she and other Participants were lulled into a false  
17 sense of security regarding the VHS Retirement Plan because VHS's  
18 representatives, and the Chapter 9 Plan itself, indicated that  
19 the VHS Retirement Plan and the Participants would not be  
20 affected by either the bankruptcy case or the Chapter 9 Plan.<sup>5</sup>

21           On October 14, 2010, VHS issued a notice that the asset sale  
22 had closed on October 13, 2010, and that October 13, 2010, was  
23 the effective date of the Chapter 9 Plan.

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26           <sup>5</sup>Lopez admits that she and other Participants were informed  
27 by VHS's representatives at a meeting held on July 7, 2010, that  
28 the VHS Retirement Plan was out of funds and would be terminated.  
It is less than clear why Lopez did not promptly attempt to take  
action upon learning of these revelations.

1 **B. Lopez's proof of claim and the Committee Parties' claim**  
2 **objection**

3 Lopez timely filed her proof of claim in VHS's bankruptcy  
4 case on August 22, 2008. On its face, the Proof of Claim stated  
5 that it was based on Lopez's alleged entitlement to a "retirement  
6 benefit."<sup>6</sup> A single page is attached to the Proof of Claim: a  
7 copy of Lopez's VHS Retirement Plan employee benefit statement  
8 for the year ending December 31, 1996. This statement estimated  
9 that, if Lopez continued her employment with VHS until her  
10 designated retirement date in 2018 and continued to participate  
11 in the VHS Retirement Plan, she would receive a monthly pension  
12 benefit upon retirement of \$3,761.43 per month.<sup>7</sup>

13 On April 8, 2011, the Committee Parties filed a motion to  
14 disallow Lopez's proof of claim. According to the the Committee  
15 Parties, Lopez was a Class 2C creditor who was not entitled to  
16 any distribution under the Chapter 9 Plan, and thus her claim was  
17 subject to disallowance.

18 On September 14, 2011, Lopez filed a voluminous response to  
19 the Committee Parties' claim objection. Lopez did not contest  
20 that, under the terms of the Chapter 9 Plan, she was not entitled  
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22 <sup>6</sup>In the proof of claim, Lopez asserted that her claim was  
23 entitled to priority status under § 507(a)(5), but that  
24 Bankruptcy Code section is inapplicable in chapter 9 cases. See  
§ 901(a).

25 <sup>7</sup>According to both Lopez and the Chapter 9 Plan, in May  
26 1999, the VHS Retirement Plan was "frozen," in the sense that no  
27 new contributions were to be made by VHS, because the VHS  
28 Retirement Plan was claimed to be overfunded. Lopez and the  
other Participants apparently ceased to accrue any new benefits  
thereafter.

1 to a share of the funds set aside for distribution to other  
2 unsecured creditors of VHS. Indeed, Lopez essentially conceded  
3 that she qualified as a Class 2C creditor under the Chapter 9  
4 Plan and that the Chapter 9 Plan provided for no distribution to  
5 Class 2C creditors.

6 Rather, Lopez argued that the Chapter 9 Plan was subject to  
7 being set aside under § 1144 or under § 105(a) based on fraud in  
8 the procurement and based on inadequate notice. In essence,  
9 Lopez argued that, in order to lull the Participants into a false  
10 sense of security so that none of them would object to  
11 confirmation of the Chapter 9 Plan, VHS and its representatives  
12 on numerous occasions represented that the Participants did not  
13 need to worry about VHS's bankruptcy case and would not be  
14 affected by the Chapter 9 Plan. Lopez further claimed that VHS  
15 and its representatives concealed from the Participants the true  
16 state of affairs until the July 7, 2010 meeting held shortly  
17 after confirmation: (1) that VHS had underfunded the VHS  
18 Retirement Plan and/or had raided the monies set aside for  
19 funding the plan; (2) that VHS wrongfully had exercised control  
20 over the VHS Retirement Plan and effectively was preventing the  
21 VHS Retirement Plan's fiduciaries from fulfilling their duties to  
22 ensure that the VHS Retirement Plan was adequately funded; and  
23 (3) that VHS secretly intended to terminate the VHS Retirement  
24 Plan well before it confirmed its Chapter 9 Plan, but it  
25 concealed this fact in order to avoid any additional impediments  
26 to confirmation of its Chapter 9 Plan.

27 Meanwhile, Lopez's contentions regarding inadequate notice  
28 were twofold. On the one hand, Lopez complained that some

1 Participants, unlike herself, received no notice whatsoever of  
2 VHS's bankruptcy. On the other hand, Lopez complained that the  
3 notice she received was ineffective in light of the alleged acts  
4 of concealment and misinformation referenced above.

5 Lopez also spent a great deal of time and effort outlining  
6 the various alleged statutory and contractual duties VHS  
7 supposedly breached. But Lopez never really tied this discussion  
8 to any relief that Lopez contends she might have been entitled to  
9 on account of her proof of claim, which only sought a  
10 distribution based on her claimed entitlement to retirement  
11 benefits. At most, Lopez argued that the bankruptcy court should  
12 hold in abeyance its decision on Lopez's proof of claim until  
13 after Lopez and others had commenced and prosecuted an action  
14 against VHS, which in part would have sought modification and/or  
15 revocation of VHS's Chapter 9 Plan.

16 Lopez also focused on her allegation that VHS and the VHS  
17 Retirement Plan were separate entities, with separate boards and  
18 separate agents for service of process. According to Lopez, the  
19 VHS Retirement Plan, as a separate entity, was not properly  
20 subject to VHS's control, and thus her entitlement to benefits  
21 from the VHS Retirement Plan could not have been validly affected  
22 by either VHS or its Chapter 9 Plan. However, Lopez never  
23 explained how this allegation, even if true, would have entitled  
24 her to a distribution from VHS on account of her proof of claim  
25 for retirement benefits, when VHS's Chapter 9 Plan explicitly  
26 precluded Lopez from receiving such a distribution.

27 On September 21, 2011, the Committee Parties filed a reply  
28 in support of their claim objection. In it, the Committee



1 Parties emphasized (1) that Lopez had notice of the VHS  
2 bankruptcy and an opportunity to object to its Chapter 9 Plan,  
3 (2) that the Chapter 9 Plan, which the bankruptcy court had  
4 confirmed, specified that Class 2C creditors would not be  
5 entitled to any distribution, and (3) that Lopez's claim  
6 constituted a Class 2C claim, a claim seeking a distribution on  
7 account of Lopez's alleged entitlement to benefits under the VHS  
8 Retirement Plan. According to the Committee Parties, the  
9 doctrine of claim preclusion barred Lopez from collaterally  
10 attacking the Chapter 9 Plan, and neither § 1144 nor § 105(a)  
11 afforded Lopez with a proper basis to seek either modification or  
12 revocation of the Chapter 9 Plan.

13 After holding a hearing on the claim objection, the  
14 bankruptcy court issued a memorandum decision in which it  
15 essentially agreed with the Committee Parties' arguments.  
16 Accordingly, on November 8, 2011, the bankruptcy court entered an  
17 order sustaining the Committee Parties' claim objection and  
18 disallowing Lopez's claim. Lopez timely filed a notice of appeal  
19 on November 18, 2011.

#### 20 **JURISDICTION**

21 The bankruptcy court had jurisdiction under 28 U.S.C.  
22 § 157(b)(2)(B), and we have jurisdiction under 28 U.S.C. § 158(b)  
23 as this is a final order from the resolution of a proof of claim.

#### 24 **ISSUE**

25 Whether the bankruptcy court erred when it disallowed  
26 Lopez's proof of claim.

#### 27 **STANDARDS OF REVIEW**

28 Orders resolving claims objections can raise legal issues,

1 which we review de novo, as well as factual issues, which we  
2 review under the clearly erroneous standard. See Veal v. Am.  
3 Home Mortg. Servicing, Inc. (In re Veal), 450 B.R. 897, 918 (9th  
4 Cir. BAP 2011).

#### 5 DISCUSSION

6 The key to this appeal is Lopez's proof of claim. The  
7 principal purpose of that proof of claim, as with any proof of  
8 claim, is to assert an entitlement to a share of any assets  
9 designated for distribution. See 4 Collier on Bankruptcy  
10 ¶ 501.01[1] (Alan N. Resnick & Henry J. Sommer, eds., 16th ed.  
11 2012).<sup>8</sup>

12 Here, Lopez based her proof of claim on her claimed  
13 entitlement to benefits under the VHS Retirement Plan, but VHS's  
14 Chapter 9 Plan specified that Participants under the VHS  
15 Retirement Plan would have no recourse against either VHS or its  
16 assets and would not be entitled to any distribution under the  
17 Chapter 9 Plan. Lopez indisputably had actual notice of the  
18 Chapter 9 Plan and its contents, and had an opportunity to  
19 object, but did not do so before the plan was confirmed.

20 Under these circumstances, Lopez is precluded from now  
21 objecting to how VHS's Chapter 9 Plan treated her retirement  
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23 <sup>8</sup>Lopez contends that the bankruptcy court lacked  
24 jurisdiction to consider and disallow her proof of claim, but  
25 this contention has no merit. It is well settled that the claims  
26 allowance process is "integral to the restructuring of the  
27 debtor-creditor relationship" and hence is subject to the  
28 bankruptcy court's jurisdiction. Langenkamp v. Culp, 498 U.S.  
42, 44, 111 S.Ct. 330, 331, 112 L.Ed.2d 343 (1990) (per curiam)  
(citing Granfinanciera, S.A. v. Nordberg, 492 U.S. 33, 57-58, 109  
S.Ct. 2782, 2798-99, 106 L.Ed.2d 26 (1989)).

1 benefits claim. See § 944(a); see also United Student Aid Funds,  
2 Inc. v. Espinosa, --- U.S. ----, 130 S.Ct. 1367, 1374-75, 176  
3 L.Ed.2d 158 (2010) (confirmed chapter 13 plan discharged student  
4 loan debt); Stratosphere Litigation L.L.C. v. Grand Casinos,  
5 Inc., 298 F.3d 1137, 1143 (9th Cir. 2002) (confirmed chapter 11  
6 plan released third party from funding obligation arguably owed  
7 to debtor); Great Lakes Higher Educ. Corp. v. Pardee (In re  
8 Pardee), 193 F.3d 1083, 1086-87 (9th Cir. 1999) (confirmed  
9 chapter 13 plan discharged postpetition interest on student  
10 loan); Trulis v. Barton, 107 F.3d 685, 691 (9th Cir. 1995)  
11 (confirmed chapter 11 plan released all claims of country club  
12 members against debtor country club's founders, directors and  
13 attorneys).

14 As she argued in the bankruptcy court, Lopez argues on  
15 appeal that she was not given adequate notice of the Chapter 9  
16 Plan's impact on her. According to Lopez, the misleading  
17 statements regarding the effect of the Chapter 9 Plan on  
18 Participants like her amounted to a violation of her due process  
19 rights. Consequently, she argues, she should not be bound by the  
20 terms of the Chapter 9 Plan.

21 We disagree. The Chapter 9 Plan was not misleading  
22 regarding how the claims of Participants would be treated: it  
23 unequivocally stated that they would receive nothing from VHS,  
24 its assets, or its Chapter 9 Plan.

25 Moreover, due process does not require that any notice given  
26 explain the potential legal and practical effects of proposed  
27 judicial action; rather, as long as a party is given notice of  
28 the action and is afforded an opportunity to object, due process

1 requirements are satisfied. Espinosa v. United Student Aid  
2 Funds, Inc., 553 F.3d 1193, 1203 (9th Cir. 2008), aff'd, --- U.S.  
3 ----, 130 S.Ct. 1367; Berry v. U.S. Trustee (In re Sustaita),  
4 438 B.R. 198, 210 (9th Cir. BAP 2010), aff'd, 460 Fed. Appx. 627  
5 (9th Cir. 2011); see also Acequia, Inc. v. Clinton (In re  
6 Acequia, Inc.), 787 F.2d 1352, 1359-60 (9th Cir. 1986)  
7 (concluding that shareholder had adequate notice that evidence of  
8 his misconduct was relevant to, and would be considered at, plan  
9 confirmation hearing, where disclosure statement filed in support  
10 of plan outlined allegations of shareholder's misconduct);  
11 Lawrence Tractor Co. v. Gregory (In re Gregory), 705 F.2d 1118,  
12 1122-23 (9th Cir. 1983) (holding that notice given to unsecured  
13 creditor, even though incomplete and ambiguous, satisfied due  
14 process requirements because it was sufficient to give the  
15 creditor inquiry notice of the actions the debtor sought to take  
16 pursuant to his proposed plan).

17 Lopez also argues on appeal that the bankruptcy court erred  
18 when it denied her request to continue the hearing on its  
19 disposition of her proof of claim until she brought and  
20 prosecuted an action that in part would seek to modify or revoke  
21 the Chapter 9 Plan. But we agree with the bankruptcy court that,  
22 on the record presented, no delay was necessary because any  
23 action to modify or revoke the Chapter 9 Plan would have been  
24 futile.

25 Lopez contended that modification or revocation could have  
26 been granted under either § 1144 or under § 105(a), but neither  
27 of these statutes would have justified either revocation or  
28 modification here. We will address each statute in turn.

1 Section 1144 applies in chapter 9 cases. See § 901(a).  
2 That section is the only remedy available for revocation of an  
3 order confirming a plan, and only permits revocation when  
4 confirmation of the plan was procured by fraud. Dale C. Eckert  
5 Corp. v. Orange Tree Assocs., Ltd. (In re Orange Tree Assocs.,  
6 Ltd.), 961 F.2d 1445, 1447 (9th Cir. 1992). Section 1144(a) sets  
7 a six-month limitation period for seeking plan revocation, and  
8 that limitation period begins to run from plan confirmation.  
9 Furthermore, even if the grounds for claiming fraud are not  
10 discovered until after the limitations period has run, the Ninth  
11 Circuit has held that such belated discovery of the fraud does  
12 not toll the § 1144(a) limitations period. In re Orange Tree  
13 Assocs., Ltd., 961 F.2d at 1447; see also Duplessis v. Valenti  
14 (In re Valenti), 310 B.R. 138, 145 (9th Cir. BAP 2004) (stating  
15 that cognate statute under chapter 13 similarly limits complaints  
16 to revoke confirmation of a chapter 13 plan). See also Collier,  
17 supra, ¶ 1144.02 ("The 180-day deadline applies even if the fraud  
18 is not discovered until after expiration of the 180-day  
19 period."); 680 Fifth Ave. Assocs. v. EGI Co. Servs., Inc. (In re  
20 680 Fifth Ave. Assocs.), 209 B.R. 314, 323 (Bankr. S.D.N.Y.  
21 1997).

22 While the parties here dispute whether the alleged fraud was  
23 discovered before or after the § 1144(a) limitations period ran,  
24 that issue is not material to our resolution of Lopez's  
25 revocation argument. It is undisputed that Lopez did not  
26 commence an action before the limitations period ran, so Lopez  
27 cannot avail herself of any relief under § 1144(a).

28 Meanwhile, § 105(a) facilitates the authority the Bankruptcy

1 Code grants to bankruptcy courts by generally authorizing them to  
2 "issue any order, process, or judgment that is necessary or  
3 appropriate to carry out the provisions of this title." § 105(a)  
4 (emphasis added). But this authorization does not allow  
5 bankruptcy courts to depart from the Bankruptcy Code's statutory  
6 scheme or to take acts inconsistent with it. See Saxman v. Educ.  
7 Credit Mgmt. Corp. (In re Saxman), 325 F.3d 1168, 1174-75 (9th  
8 Cir. 2003) (holding that § 105(a) does not give bankruptcy court  
9 a "roving commission to do equity" but rather only authorizes the  
10 court to act within the confines otherwise set by the Bankruptcy  
11 Code); Johnson v. TRE holdings LLC (In re Johnson), 346 B.R.  
12 190, 196 (9th Cir. BAP 2006) (same); In re Valenti, 310 B.R. at  
13 145-46 (holding that § 105(a) "is not an independent basis for  
14 relief beyond the scope of the other sections of the Bankruptcy  
15 Code.").

16       Simply put, Congress made it abundantly clear in § 1144(a)  
17 that a revocation action must be brought within six months of  
18 confirmation, and § 105(a) does not permit the bankruptcy court  
19 to depart from the statutory scheme and extend the § 1144(a) time  
20 limit.

21       The bankruptcy court was exercising its discretion when it  
22 declined to delay its ruling on the claim objection, In re  
23 Sustaita, 438 B.R. at 211, and we will not disturb that exercise  
24 of discretion absent a showing of prejudice. Id. Because  
25 postponing the decision on the claim objection so that Lopez  
26 could pursue relief under § 1144(a) and § 105(a) would have been  
27 futile, the bankruptcy court could not have abused its discretion  
28

1 when it declined to delay its decision on the claim objection.<sup>9</sup>

2 Lopez makes a number of other arguments in her appeal  
3 briefs, but none of them have any merit. They all hinge on the  
4 premise that the VHS Retirement Plan was a separate entity from  
5 VHS and that neither the bankruptcy court nor VHS properly could  
6 have affected the VHS Retirement Plan's assets or obligations.  
7 Even if we were to assume that the VHS Retirement Plan was a  
8 separate entity, nothing that Lopez argues explains why this  
9 would alter Lopez's rights as against VHS on account of the proof  
10 of claim that Lopez filed against VHS. If, as Lopez contends,  
11 the VHS Retirement Plan is a separate entity and the VHS  
12 Retirement Plan (rather than VHS) is obligated to provide to her  
13 retirement benefits,<sup>10</sup> these facts tend to undermine rather than  
14 enhance any argument that Lopez holds an allowable claim for  
15 retirement benefits against VHS. In short, regardless of whether  
16 the VHS Retirement Plan is a separate entity from VHS, none of

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18 <sup>9</sup>Sustaita cited four factors relevant to deciding whether  
19 the trial court properly exercised its discretion in denying a  
20 continuance: (1) the appellant's diligence, (2) the likely  
21 efficacy of granting a continuance in satisfying the articulated  
22 need therefor, (3) inconvenience to the opposing party, and  
23 (4) harm resulting from the denial of the continuance. While the  
24 absence of prejudice is sufficient by itself to end the inquiry,  
we note that, based on the circumstances presented here, none of  
the cited factors militated in favor of a continuance of the  
claim objection proceeding.

25 <sup>10</sup>In both her opposition to the claim objection and in her  
26 opening appeal brief, Lopez argued that she is not even a proper  
27 creditor of VHS based on her entitlement to retirement benefits  
28 from the VHS Retirement Plan. Lopez does not seem to appreciate  
that, if she is not a creditor of VHS, she cannot be entitled to  
an allowed claim against VHS or to a distribution from VHS's  
bankruptcy case.

1 Lopez's arguments explain why Lopez is entitled to a distribution  
2 for retirement benefits under VHS's Chapter 9 Plan.

3 **CONCLUSION**

4 For all of the reasons set forth above, we AFFIRM the  
5 bankruptcy court's order sustaining the Committee Parties' claim  
6 objection and disallowing Lopez's claim.

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