

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PROVIDENCE, SC. SUPERIOR COURT

ST. JOSEPH HEALTH SERVICES OF)
RHODE ISLAND)

VS.)

C.A. NO. PC-2017-3856)

ST. JOSEPH SERVICES OF RHODE)
ISLAND RETIREMENT PLAN)

HEARD BEFORE

THE HONORABLE BRIAN P. STERN

ON SEPTEMBER 8, 2017

APPEARANCES:

STEPHEN DeLSESTO, ESQUIRE.....FOR THE RECEIVER

GINA GIANFRANCESCO GOMES
COURT REPORTER

C E R T I F I C A T I O N

I, Gina Gianfrancesco Gomes, hereby certify that the succeeding pages 1 through 25, inclusive, are a true and accurate transcript of my stenographic notes.



GINA GIANFRANCESCO GOMES
COURT REPORTER

1 FRIDAY, SEPTEMBER 8, 2017

2 AFTERNOON SESSION

3 THE COURT: Good afternoon. Madame clerk, if you'd
4 please call the case.

5 THE CLERK: Your Honor, the matter before the Court
6 is PC-2017-3856, St. Joseph Health Services of Rhode
7 Island vs. St. Joseph Services of Rhode Island Retirement
8 Plan. Would counsel please identify yourselves for the
9 record.

10 MR. Delsesto: Stephen DelSesto, the Court appointed
11 temporary Receiver for the Plaintiff.

12 THE COURT: Thank you very much. Before I ask for
13 your report, counsel, a petition was filed with the
14 Superior Court on August 18th, that's three weeks ago, by
15 St. Joseph Health Services of Rhode Island, Inc. They
16 requested a couple of things of this Court. The first is
17 to appoint a temporary Receiver to take charge of the
18 assets, the affairs, and the property of St. Joseph's
19 Health Services of Rhode Island Retirement Plan; two,
20 that the Receiver be authorized to continue the
21 operations of the plan; and finally, that the Court
22 authorize an immediate 40 percent uniform reduction in
23 benefits across the board for retirees.

24 According to the petition, the rationale for filing
25 was that this retirement plan was severely under funded.

1 In other words, does not have the money over time to pay
2 the pensions of the current retirees and other
3 participants as they retire. In addition, as a result of
4 the sale that was approved in 2014, the petitioner claims
5 that the retirement plan will lose its church plan status
6 at the end of next year and may not be able to maintain
7 the funding levels and make insurance payments as
8 required under ERISA, the federal retirement law.

9 On that date Stephen DelSesto was appointed as
10 temporary Receiver of the assets and affairs of the
11 retirement plan and authorized to continue the plan's
12 operations. A hearing was scheduled for October 11, 2017
13 to determine whether or not it will appoint Attorney
14 DelSesto as the permanent Receiver, and, two, whether or
15 not a reduction in payments in the amount of 40 percent
16 across the board should be authorized immediately as
17 described in the petition.

18 Earlier this week, the Court issued an order setting
19 down this hearing this afternoon. The Court determined
20 that it was important to hear an interim report from the
21 temporary Receiver in open court and not wait until
22 October 11th. The Court is fully aware that more than
23 2,700 participants in the pension plan are extremely
24 concerned and upset based upon the filing three weeks
25 ago. While, they understand the temporary Receiver is

1 still gathering information and has not had all the
2 answers, the Court had some questions and the
3 participants should have timely information both good and
4 bad.

5 So, counsel, I would first like you to address a
6 request that was made by the petitioner, not you as the
7 Receiver, that the Court entertain on October 11th that
8 the 40 percent reduction in benefits across the board. I
9 know you've only had the case for a few weeks, but it's
10 the Receiver's job to make any petitions before the Court
11 both with respect to the petitioner and I wanted to know
12 how you wished to proceed.

13 MR. Delsesto: Yes, thank you, your Honor. I have
14 looked at the issue and it was going to be my request to
15 this Court today to ask that that portion of the October
16 11th hearing be deferred until a later date. So that the
17 Court is aware, I did ask that the plan actuary provide
18 me with an analysis on what the impact on the plan would
19 be if we deferred that, and by deferral I mean the Court
20 would not make a ruling on the 11th, it would not be
21 addressed and benefit payments to current retirees would
22 continue to go as typically scheduled in typical amounts.
23 According to the plan actuary, while it would have an
24 impact on the projected rate of return, that impact is a
25 .14 percent impact as to compared to what St. Joseph's

1 Health Services had suggested or recommended in the
2 petition of 6.66. While that certainly is a difference,
3 it is an impact on the plan. Based on the need to be
4 deliberate, thorough, and correct on this issue, I think
5 that it's prudent to push that off for at least a few
6 months. The projection I had pushed it at least to
7 February 1st.

8 THE COURT: Again, based on the Receiver's
9 recommendation at this point, the Court is going to defer
10 hearing any request to make a uniform cut in pension
11 benefits until February 1st. Is that what you're saying
12 or after the first of the year?

13 MR. Delsesto: I would rather address maybe my
14 progress on October 11th to see if that date is a
15 realistic date and chose one on that date, your Honor.

16 THE COURT: In any event, you're talking after the
17 first of the year?

18 MR. Delsesto: After the first of the year; correct.

19 THE COURT: I want to be clear. The Court will not
20 on October 11th be hearing a motion to make an across the
21 board immediate cut in pension benefits by 40 percent on
22 October 11th. The Receiver will continue to make the one
23 hundred percent payment to the retirees that are
24 collecting, and you can further address it on October
25 11th in terms of when after the first of the year we are

1 going to schedule it. I appreciate that. That was one
2 of the things I saw in the petition. I thought let's try
3 and address it upfront now that we have seen it.

4 Number two, I would like the Receiver to address --
5 probably the best way to put it is help me understand,
6 and I have been through a lot of the documents that are
7 attached. I'm sure you have been through them in far
8 more detail. Can you give the Court a report?

9 MR. DELSESTO: I can, your Honor. If I come across
10 something that is unclear or needs clarification, please
11 interrupt me. This plan was originally adopted by St.
12 Joseph's Health Services, which is the petitioner in this
13 case, back in 1965. The version of the plan that was
14 attached to the petition was an amendment that was
15 adopted in 1995. There are some changes, but it is
16 substantially similar. As of 1995, according to that
17 amendment, there is an indication on the first few pages
18 in the whereas declarations that this is designated as a
19 church plan under the Internal Revenue Service Code
20 Section 414(e), and under Section 333 of the Employee
21 Retirement Income Security Act, which is commonly known
22 as ERISA.

23 With regard to that designation, your Honor, I'm
24 stating that merely as it was reported in that plan. I
25 do not know as I stand here today how that conclusion was

1 drawn as to whether it is, in fact, a church plan and
2 that it should be designated as such. I know there are
3 opinion letters from attorneys over the years that seem
4 to tie it together. I haven't received all of those yet.
5 That is a question I'm looking into as to whether or not
6 that designation actually is appropriate, and if it is or
7 isn't what impact would that have on what we're trying to
8 do with the plan. While I stated that it's designated
9 today as a church plan, I'm looking into the
10 circumstances surrounding that.

11 With regard to the plan as well, your Honor, there
12 was certain restrictions in the 1995 amendment and
13 beyond. After October 1, 2007 no one who was hired after
14 that was allowed into the plan with the exclusion of
15 United Nurses' and Allied Professional Employees that
16 retired on or before October 1, 2008.

17 In addition, benefit accruals froze for the
18 following parties on the following dates: Non-union
19 employees were frozen on September 30, 2009; Federation
20 of Nurses and Health Professionals were frozen as of
21 September 30, 2011; and general union employees were
22 frozen as of June 19th of 2014. The plan calls for a
23 standard retirement age of 65 years old. However, there
24 is an option for early retirement so long as the employee
25 had worked at least five years prior to attaining 55.

1 As the group configured to manage this plan and make
2 decisions regarding this plan, as of the date that I was
3 appointed, your Honor, was the board of St. Joseph Health
4 Services, which is a three-person board. Attorney Rick
5 Land represents that board and he is the petitioner and
6 he signed on behalf of the petitioner in this case.
7 Angell Pension Group has been the plan actuary since 2008
8 and they did the actuary evaluation beginning July 1,
9 2005 going forward. MRSA Investment Consulting is the
10 investing group who manages the investments of the funds
11 and assists in determining rate of return.

12 Bank of America is the trustee and let me explain
13 that a little bit, your Honor. In fact, they are
14 designated as trustee, but, in fact, they are a directed
15 trustee and a custodian. They hold the funds. They
16 disburse the funds, but they don't do anything. They
17 don't have any discretion unless otherwise directed by an
18 authorized party. Going back to 2008 authorization came
19 from members of the board of St. Joseph's Health
20 Services. As of right now I am the individual who is
21 communicating with Bank of America.

22 THE COURT: Just to clarify, you mentioned Attorney
23 Land and the three-person board. In 2008 it was my
24 recollection before the first transaction so there was
25 some another board in place?

1 MR. Delsesto: Correct. Over the years there have
2 been changes in the individual or individuals who were
3 authorized to direct Bank of America to hack on behalf
4 of the plan. Many of them, I have asked for all the
5 historical documents, which I am told are in storage and
6 have to be pulled back. At least the ones they had
7 issues with there had been five changes, with the last
8 two being a change to Attorney Land and the chairman of
9 the board at that time and then to me. So those are the
10 most recent two. Other than that, your Honor, I can get
11 into the status of the plan as it exists today.

12 THE COURT: Just before we get into that, it's a
13 defined benefit plan?

14 MR. Delsesto: It is a defined benefit plan.

15 THE COURT: How has that been historically funded?

16 MR. Delsesto: I meant to say that and I apologize
17 for not doing so. This is an employer contribution plan,
18 your Honor. So what that means is: All the money that
19 went into this plan or should have gone into this plan by
20 way of contributions were employer generated funds, not
21 employee funds, meaning if an employee had a check, there
22 was no deduction out of their weekly, biweekly, whenever
23 they got paid, check with a portion of their pay going in
24 to fund the plan. All the funds were employer funds so
25 what is in there today is all employer based funds.

1 THE COURT: Okay. So there was no cash
2 contributions by the employee that may have been
3 negotiated in some other way? The only money that came
4 into the fund was the employer?

5 MR. Delsesto: That's correct. That's correct.

6 THE COURT: Just a question in terms of
7 understanding the retirement plan. It appears there
8 seems to be two major transactions. One in 2009 and
9 Charter Care became involved, and there was a Class B
10 shareholders and there was a conversion, and in 2014 we
11 have another one. One of the things they raised in the
12 petition I wanted to ask about. This is a reference to
13 the plan being 90 percent funded and then at some point
14 there was a \$14 million contribution. I looked for the
15 same period in the petition and in the documents reported
16 by the actuary and it seems to say exactly the opposite.
17 There was a much larger fund in issue. Can you shed any
18 light on that?

19 MR. Delsesto: At this time unfortunately, your
20 Honor, I don't have a lot of answers on that piece.
21 That's one thing I am looking into. I do know the \$14
22 million did go in. I know there was a representation in
23 the conversion documents. I believe I read in the
24 decision of the Attorney General's Office, there is a
25 reference in there to the 90 percent funding. What I can

1 tell your Honor that I do know is from the actuarial
2 report that existed at the time of the transaction that
3 it showed for that year there was, and that was 2014, the
4 recommended contribution at that time was approximately
5 \$2 million and it showed a funding deficit. So they
6 needed funding to the year 2029. That was reduced by \$14
7 million once the 14 went in. I just do not know, your
8 Honor, at the point in time whether or not that 90
9 percent is an accurate number and how that came about,
10 why it came about, why it wasn't a 100 at that time or
11 anything like that. As I stand here today, I don't know
12 the answer to that.

13 THE COURT: And also there was an assumption made
14 even with that money to make it a hundred percent funded
15 that was dependent on future contributions.

16 MR. DelSESTO: That's one of the main issues here,
17 your Honor. Regardless of the annual funding
18 contributions, all of that analysis assumes two things.
19 It assumes that the rate of return will, at least, on
20 average hit the projected rate of return, and it assumes
21 they are going to be continuing contributions going into
22 the plan or thereafter. This plan with St. Joseph Health
23 Services as the employer after that 2014 transaction
24 while that employer still existed, it had no operations
25 to speak of. It was a hospital management company

1 without a hospital to manage, and without a hospital to
2 manage, it didn't have a record. So the assumption at
3 that time of 90 percent or a 100 percent annual
4 contribution, if there was nothing that was going to go
5 into the plan after that then it was in trouble at that
6 point because you needed that portion in addition to the
7 interest portion or the investment portion to keep this
8 place viable.

9 THE COURT: I did notice, at least in reading the
10 Attorney General's approval document, the only thing I
11 see with the \$14 million that counsel noted is a footnote
12 to a James Harris, CPA, who was retained. I guess there
13 is a letter somewhere, so I just ask you to see if you
14 can get a hold of that and maybe that will shed some
15 light on the \$14 million.

16 MR. Delsesto: I will, your Honor, and actually this
17 may be an appropriate time to ask your Honor because you
18 just raised that issue. As part of today, while I was
19 not planning on asking your Honor for anything by way of
20 authorization today, that issue raises a point. While I
21 have received cooperation from everybody that I've asked
22 for in terms of documentation, as a precautionary
23 measure, because I believe it's necessary to move
24 somewhat quickly on this, as your Honor knows typically
25 in a permanent order, the Receiver is given the power to

1 subpoena records and documents, I would be asking the
2 Court today to at least expand my powers under the
3 temporary order to include the power to subpoena records
4 just so that does not have to wait until October 11th so
5 I can move on that quickly.

6 THE COURT: I do want to address that. We will get
7 to in a little while potential claims information of the
8 Receiver. Why don't we address that at this point. That
9 may be a good segway of what you were starting to talk
10 about. You took over as of August 18th. What do we have
11 in terms of assets, liabilities, the number of people
12 that are affected?

13 MR. Delsesto: I will proceed with that, your Honor.
14 As far as the plan assets are concerned, and this is an
15 unaudited number as of August 21, 2017. The market value
16 of the assets is \$85,362,976.74. The liabilities
17 associated with this plan, your Honor, there are in
18 essence two to three of those, and I say two to three
19 because one of them I believe is one in the same. There
20 are monthly benefit payments to participants who are
21 receiving which as of right now are approximately
22 \$850,000 a month. Last year in total benefit
23 distributions were \$10,021,000. In addition, there are
24 fees associated with the plan's management, MRSA charges
25 and fees associated with the transfer of investment.

1 Each time an investment changes, there is a fee
2 associated with that change. Those numbers are actually
3 one in the same. There is an additional management fee
4 but those are the liabilities. So you have the fees of
5 MRSA in connection with managing the plan and making and
6 changing investments and then you have the benefits that
7 are being paid out on a monthly basis.

8 THE COURT: When you mentioned there is \$85 million
9 and change, is that all being held by Bank of America as
10 trustee?

11 MR. Delsesto: That's correct, your Honor. It's
12 important to note, your Honor, that typically liabilities
13 would include the fees associated with the actuary. In
14 this case it would be fees associated with the Receiver,
15 things of that nature. In this case at least based on
16 the petition filed with the Court on the 18th, St.
17 Joseph's Health Services has indicated that they will
18 fund those fees. So Angell Pension has confirmed to me
19 they have not been paid from plan assets for at least two
20 or three years. And at least based on the petition, St.
21 Joseph Health Services have said that the fees and
22 expenses of the estate will not be a burden on the plan's
23 assets.

24 THE COURT: So at least at this point in time the
25 only things that are coming out of this \$85 million or so

1 fund assets are which expenses?

2 MR. Delsesto: These of MRSA Investment Consulting
3 and benefits that are being paid to eligible
4 participants.

5 THE COURT: So what do we have in terms of
6 participants? I had mentioned at the beginning, you
7 know, somewhere in anticipation of 2,700. What type of
8 numbers do we have and are there different groups?

9 MR. Delsesto: There are, your Honor. So the most
10 up-to-date numbers I have are there are 2,724
11 participants. Of that, I'm going to break them down into
12 three categories that the actuary broke them down into
13 and then I will speak to your Honor a little bit about
14 the way I see it in terms of this proceeding.

15 As far as the actuary is concerned of that 10,724;
16 1,229 are active retirees meaning individuals who are
17 actively receiving benefits. They hit age 65 or early
18 retirement and are receiving benefits. In addition to
19 that, your Honor, there are 498 what we will call active,
20 but not yet collecting. By active, I mean that they are
21 working either at Prospect St. Joseph's or Prospect Roger
22 Williams or something like that. They are eligible to
23 receive but they haven't yet applied to receive.

24 Then there are 997, what I'm going to call vested
25 but inactive. So they're vested. They're eligible.

1 They are not working anywhere, but they also are not yet
2 receiving. Of that, your Honor, we're talking
3 approximately 1,500 individuals who are eligible at some
4 point in time, either now or some point in the future, to
5 receive benefits that are not yet receiving benefits.

6 What I would like to do though, your Honor, is I
7 would like to talk to you about the way that I see the
8 world in terms of this case, in terms of the
9 participants. Similar to the way the actuary has broken
10 down, what I call true retirees, those people who are
11 receiving benefits, they are not working anywhere, they
12 are receiving benefits under the plan, and they are
13 retired, and that's it, they've got a unique group of
14 people because of the 2014 transaction. In 2014 when the
15 hospital conversion act became effective, all active
16 employees, all people currently working for St. Joseph's
17 and Fatima were terminated and made to retire. That
18 action of terminating and immediately retiring made
19 certain employees eligible for early retirement or
20 retirement. Even though they were still working,
21 technically now they were terminated from St. Joseph's
22 even though the very next day they went back to work at
23 the same exact place. So you've got individuals that are
24 working for Prospect St. Joseph's, Prospect Fatima, and
25 that are collecting retirement but also working. You've

1 got those that are eligible to collect retirement,
2 they're working, they're eligible to collect because of
3 the termination status but they haven't applied and then
4 you've got the pool of individuals who are vested in the
5 plan but are not of an age they can start collecting yet.
6 So in my mind I see four tranches, four groups of people
7 that have a similar but in some ways a different
8 relationship to this plan and the others. And that's it.

9 THE COURT: We have those groups.

10 MR. DELSESTO: Yes.

11 THE COURT: Since the receivership petition was
12 filed, are there any applications or other things in
13 terms of people that may wish to move to receive
14 benefits?

15 MR. DELSESTO: Yes. Since the filing of the
16 petition and the entry of the order confirming me as
17 temporary, Angell confirmed to me there have been
18 approximately 40 applications filed with them to start
19 receiving benefits. As your Honor knows, approximately a
20 week and a half ago I asked your Honor while I do this
21 analysis to figure out what we can do with this plan to
22 allow applications to be filed but not processed. So
23 those applications have been placed in the order in which
24 they have been received and given credit for the date
25 they were filed but not processed. Angell tells me that

1 is a healthy number for a three-week period. It's
2 certainly reasonable under the circumstances but they
3 cannot say that this is typically what they receive on a
4 plan in terms of applications. So there is definitely a
5 pickup on the applications filed. As I stated, none of
6 them have been processed. They have all been marked and
7 wind up in accordance with the date and that date is
8 preserved.

9 THE COURT: At this point, we have our assets, our
10 liabilities. The people we're talking about as you're
11 well aware one of the charges to the Receiver is to see
12 if there is potential of other assets. Is there any
13 update you can give me in terms of that issue?

14 MR. Delsesto: I can, your Honor. In addition to
15 what is currently in the plan, I see two potential
16 sources of money that can go into the plan. One is
17 related to the wind down of operations of St. Joseph's
18 and Roger Williams. This Court entered a cy-pres order
19 in connection with the 2014 transaction, which simply
20 states or basically states that once those operations
21 have been wind down and the obligations have been
22 satisfied, any funds that remain would go to St. Joseph's
23 and, therefore, they would flow into the pension fund.
24 So as I sit here today we do not know what amount of
25 money, if any, would go there as a potential source of

1 funds.

2 In addition to that, your Honor, it would have to
3 any source of revenue funds for this plan to come from
4 claims identified by the Receiver and that the Receiver
5 and the Court believe were worthy of pursuit and they
6 would, in fact, result in funds back to the estate plan.

7 In that regard with the Court's permission I have
8 spoken with Attorney Max Wistow, who is the courtroom
9 today, and I've asked Max, in essence, to take a two-step
10 approach to this. I asked Max to assist me with
11 identifying what claims, if any, are out there. If we
12 identify claims, who are those claims against and then
13 have Max give me an assessment of what he believes the
14 viability, the worthiness of changing those plans would
15 be. Max and I have met on many occasions over the past
16 week, week and a half, in trying to get our hands around
17 those issues and I will be asking the Court as soon as
18 Max and I have put together the terms of engagement,
19 which if we identify claims, and if we identify claims
20 being worthy of pursuit, then there would be built in to
21 that engagement would be the ability to move forward and
22 pursue those claims with a compensation structure that is
23 approved by this Court. At this point we are trying to
24 figure out what exactly is there. It's a charge the
25 Court would make of me and I am asking Attorney Wistow to

1 help me do that.

2 THE COURT: Back to a question you had asked the
3 Court for approval, certainly it's common because it's
4 normally twenty days after the temporary Receiver is
5 appointed. We're at day 21. Part of that is because of
6 the other issues. I am not going to take up the
7 permanent Receiver today, but certainly the Court will
8 expand your authority to issue subpoenas to the keeper if
9 you believe it is appropriate in your investigation to
10 try and pull together information in terms of what you
11 have there. And at the end of the hearing you can submit
12 an order to that effect.

13 MR. Delsesto: Thank you.

14 THE COURT: I just want to be clear that in every
15 receivership case, one of the obligations that the
16 Receiver has is to determine whether there are claims to
17 bring money into the Receiver estate. By allowing the
18 Receiver to go forward, doesn't mean there are
19 necessarily claims or that there are not claims. You
20 need to look at that. And I also want to state for the
21 record that this authorization of the Receiver doing what
22 you're doing with the order that this Court issued, does
23 not in way stay or preclude any investigation as deemed
24 appropriate by any of our state or federal regulatory
25 public protection or law enforcement authority. I want

1 to be very very clear about that. You are looking at a
2 very narrow issue, which is there are the claims to bring
3 assets into the estate itself and should not be seen as
4 operating under a stay on any other issue.

5 MR. DELSESTO: Thank you.

6 THE COURT: What else?

7 MR. DELSESTO: To the extent that your Honor would
8 like to hear what I've been doing over the past three
9 weeks in addition to what I just stated, I have met or
10 spoken to what I consider to be the main parties in this
11 case or the main interested groups in this case.

12 Obviously, I have spoken to the Court. I've spoken to
13 Attorney Land and members of the board. I have had
14 multiple meetings and discussions with Angell Pension
15 with MRSA Investment, Bank of America. I have also
16 spoken to counsel for the Diocese of Providence, counsel
17 for the United Nurses' and Allied Professionals. I have
18 spoken to the Attorney General's Office and the Health
19 Care Advocate in that office. I've spoke to the Rhode
20 Island Department of Revenue, the Pension Benefit
21 Guarantee Corporation, which is an agency that has been
22 established to guarantee pension and shortfall failures.

23 The important thing here, your Honor, is going back
24 to what I said earlier about the church plan status, the
25 plan that had church plan status were not required to

1 make premium payments to Pension Benefit Guarantee
2 Corporation. All of that said, in my discussion with the
3 Pension Benefit Guarantee Corporation as well as in
4 things I have read, that in and of itself does not end
5 the inquiry. They may still ensure a shortfall or
6 failure under certain circumstances, and I'm looking into
7 what exactly that would be. I have spoken, obviously,
8 with several participants either on the phone or via
9 e-mail. I have set up a dedicated e-mail address. I've
10 noticed that out to all participants known to me. I have
11 set up two dedicated phone numbers of which do not have
12 an active person answering, but there is information in
13 the voicemail for that. People can leave a message and
14 we will return them as quickly as we can. That,
15 obviously, though from a time standpoint becomes more
16 tedious. An e-mail I can respond in two minutes, but a
17 phone call usually takes longer so there is a slower time
18 to get back to people that are making phone calls, and I
19 had a number of conversations with media outlets.

20 Notice did go out for the temporary hearing on
21 August 31st. I have filed a copy of that notice with an
22 affidavit. In that notice it gave me a standard
23 explanation of what the Receiver and what a receivership
24 process is, a general explanation. I also provided
25 individuals with the e-mail address, phone number, and a

1 designated website where I have been posting thus far
2 documents that were filed with this case so that
3 participants do not have to contact the Court to try and
4 get a copy. They can go right to that website, look at
5 it, download it.

6 It's my intention either on that or set a related
7 website up where I'm going to refer to as kind of a due
8 diligence where participants from the public can see
9 documents related to the plan, not court documents, but
10 plan documents that are not confidential or that the
11 efforts of myself and Attorney Wistow will not be
12 compromised by providing them in an attempt to provide as
13 much clarity and transparency to the participants as
14 possible if it's a document that is publically available
15 or that I cannot believe that the Court's authority to do
16 it would harm my efforts and I think the participants
17 have a right to see it, look at it, and read it, and ask
18 whatever questions they have.

19 THE COURT: One thing I would ask is if the Receiver
20 can if you're getting many phone calls and e-mails and I
21 completely understand that, if it's possible to set up a
22 frequently asked questions that can be posted or
23 distributed and then when there is a material change, you
24 can update it. It may help in terms of information out
25 there. I like your idea of some type of documents, site,

1 or others. It's best if people that want to look at some
2 of those documents that were filed by the Court or also
3 publically can be made available. That would go a long
4 way to get the information out.

5 The only other piece and will the Court had done
6 this several years ago in the Westerly Hospital
7 receivership and it seemed to work well is to give some
8 thought when you come back for the October 11th hearing
9 in terms of committee or committees to give certain of
10 groups basically a seat at the table, as we go through
11 the process. I know that Attorney Callaci is here from
12 the hospital as we went through. Ms. Wiens is here. We
13 have had been similar pension issues in the Central
14 Coventry Fire District. But to start thinking through
15 and talking about with individuals to have a
16 committee-type structure so information can be seminated
17 and questions can be asked. It will go a lot further to
18 at least have the information out there, which is very
19 important. I understand what happened prior to August
20 18th was out of the Receiver's control. Going forward
21 from August 18th, all that anyone can ask is for an open
22 process. And that's what I would like to happen. I
23 understand that may take some extra time but I think
24 that's important.

25 MR. DeLSESTO: I agree, your Honor. With regard to

1 both of those issues, I have begun to compile that
2 frequently-asked question sheet, which, obviously, I will
3 be updating as I get questions that I did not contemplate
4 with that. That's the issue with committees is what I
5 was contemplating when I was breaking down the different
6 groups in my head, like I said, they all have an interest
7 in what happens. Their interests differ slightly so it's
8 important for each one of those groups.

9 The other thing I have been contemplating, unless
10 your Honor has an objection to me doing this, I was going
11 to be setting up for the middle to the end of this month
12 a town hall meeting where I can be there. Various other
13 parties who wish to volunteer to come be there and answer
14 questions can be there. The participants can go and ask
15 openly their interests and concerns. Understanding that
16 we may not have all the answers at that point, but I will
17 provide as much information as I can as openly and
18 transparent as I possibly can.

19 THE COURT: I agree. If there is more information,
20 you can get out there. I appreciate the fact that you're
21 looking to bring counsel in to assist. There are a lot
22 of moving parts here and we will take it one step at
23 time. Is there anything else?

24 MR. DELSESTO: Unless the Court has any further
25 questions, that concludes my report.

1 THE COURT: Thank you. I appreciate that, counsel,
2 if you can submit an order what we talked about and we
3 will next convene on October 11th for the permanent
4 receivership, but I also want to have another report in
5 open court on the 11th as well.

6 MR. Delsesto: Of course. Thank you, your Honor.

7 THE COURT: Thank you very much. The Court is in
8 recess.

9 (A D J O U R N E D.)
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