

**UNITED STATES DISTRICT COURT  
DISTRICT OF RHODE ISLAND**

*Del Sesto et al. v. Prospect Chartercare, LLC et al.*

C.A. No: 1:18-CV-00328-WES-LDA

**NOTICE OF CLASS ACTION PARTIAL SETTLEMENT**

YOUR LEGAL RIGHTS MIGHT BE AFFECTED IF YOU ARE A MEMBER OF THE FOLLOWING CLASS (the "Class"):

All participants of the St. Joseph Health Services of Rhode Island Retirement Plan ("the Plan"), including:

- i) all surviving former employees of St. Joseph Health Services of Rhode Island Inc. ("SJHSRI") who are entitled to benefits under the Plan; and
- ii) all representatives and beneficiaries of deceased former employees of SJHSRI who are entitled to benefits under the Plan.

**PLEASE READ THIS NOTICE CAREFULLY. A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER. YOU HAVE NOT BEEN SUED.**

Chief Judge William E. Smith of the United States District Court for the District of Rhode Island (the "Court") has preliminarily approved a proposed partial settlement (the "Partial Settlement") of a class action lawsuit brought under the Employee Retirement Income Security Act of 1974 ("ERISA") and state common law. The Partial Settlement will provide for payments to the Plan, in return for releasing certain defendants from any liability, and the lawsuit will continue as to the remaining defendants. The Partial Settlement is summarized below.

The Court has scheduled a hearing (the "Final Approval Hearing") to consider the Named Plaintiffs' motion for final approval of the Partial Settlement, including Plaintiffs' Counsel's application for attorneys' fees. The Final Approval Hearing before U.S. District Chief Judge William E. Smith has been scheduled for September 10, 2019 at 10 a.m., in Courtroom 3 of the United States District Court for the District of Rhode

Island, Federal Courthouse, 1 Exchange Terrace, Providence, Rhode island, 02903. Any objections to the Partial Settlement or the application for attorneys' fees must be served in writing on Plaintiffs' Counsel and on the Settling Defendants' attorneys, as identified on Pages 14-15 of this Notice of Class Action Partial Settlement ("Mailed Notice"). The procedure for objecting is described below.

This Mailed Notice contains summary information with respect to the Partial Settlement. The terms and conditions of the Partial Settlement are set forth in a Settlement Agreement ("Settlement Agreement"). Capitalized terms used in this Mailed Notice but not defined in this Mailed Notice have the meanings assigned to them in the Settlement Agreement. The Settlement Agreement, and additional information with respect to this lawsuit (the "Action") and the Partial Settlement, is available at the internet site <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan> ("the Receiver's Web Site") that was established by Attorney Stephen Del Sesto as Court-Appointed Receiver and Administrator of the Plan in that certain civil action entitled *St. Joseph Health Services of Rhode Island, Inc. v. St. Joseph Health Services of Rhode Island Retirement Plan*, C.A. No. PC-2017-3856, filed in Providence County Superior Court in the State of Rhode Island (the "Receivership Proceedings").

**PLEASE READ THIS MAILED NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE CLASS, THE PARTIAL SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE PARTIAL SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE PARTIAL SETTLEMENT BY FOLLOWING THE PROCEDURES DESCRIBED BELOW.**

#### **YOUR LEGAL RIGHTS AND OPTIONS UNDER THE PARTIAL SETTLEMENT**

##### **YOU WILL NOT RECEIVE A DIRECT PAYMENT IN CONNECTION WITH THIS SETTLEMENT**

The Partial Settlement provides for payment of certain funds to increase the assets of the Plan, and to put the Plan on a better financial position than it would be without the Partial Settlement to meet payment obligations to Plan participants and their beneficiaries in accordance with their rights under the Plan and applicable law. It is not expected that the Partial Settlement will increase Plan assets sufficiently to make the Plan fully funded to meet its benefit obligations. However, the case will go on against

the non-settling defendants. Plan participants or beneficiaries of Plan participants will not receive any direct payments in connection with this Partial Settlement.

If the Partial Settlement is approved by the Court and you are a member of the Class, you will not need to do anything.

**THIS PARTIAL SETTLEMENT WILL NOT REDUCE YOUR RIGHTS TO COMMENCE OR CONTINUE TO RECEIVE A BENEFIT FROM THE PLAN**

If the Partial Settlement is approved by the Court and you are a member of the Class, your entitlement to commence or receive a benefit at the time and in the form provided under the terms of the Plan will not be reduced or diminished as a result of your participation in the Partial Settlement. To the contrary, the effect if the Partial settlement is approved by the Court will be to increase the assets available to pay benefits under the Plan.

**YOU MAY OBJECT TO THE SETTLEMENT BY August 30, 2019.**

If you wish to object to any part of the Partial Settlement, you may (as discussed below) write to the Court and counsel about why you object to the Partial Settlement.

**YOU MAY ATTEND THE FINAL APPROVAL HEARING TO BE HELD ON SEPTEMBER 10, 2019.**

If you submit a written objection to the Partial Settlement to the Court and counsel before the Court-approved deadline, you may (but do not have to) attend the Final Approval Hearing about the Partial Settlement and present your objections to the Court. You may attend the Final Approval Hearing even if you do not file a written objection, but you will only be allowed to speak at the Final Approval Hearing if you file a written notice of objection in advance of the Final Approval Hearing AND you file a Notice of Intention To Appear. To file a written notice of objection and Notice of Intention to Appear, you must follow the instructions set forth in answer to Question 13 in this Mailed Notice.

- These rights and options—and the deadlines to exercise them—are explained in this Mailed Notice.
- The Court still has to decide whether to approve the Partial Settlement. Payments will be made only if the Court approves the Partial Settlement and that approval is upheld in the event of any appeal.

Further information regarding this Action and this Mailed Notice may be obtained by contacting the following Plaintiffs' Counsel:

Max Wistow, Esq., Stephen P. Sheehan, Esq.,  
or Benjamin Ledsham, Esq.  
WISTOW, SHEEHAN & LOVELEY, PC  
61 Weybosset Street  
Providence, RI 02903  
401-831-2700 (tel.)  
[mwistow@wistbar.com](mailto:mwistow@wistbar.com)  
[spsheehan@wistbar.com](mailto:spsheehan@wistbar.com)  
[bledsham@wistbar.com](mailto:bledsham@wistbar.com)

### WHAT THIS NOTICE CONTAINS

SUMMARY OF PARTIAL SETTLEMENT .....	5
STATEMENT OF POTENTIAL OUTCOME OF THE ACTION.....	6
STATEMENT OF ATTORNEYS' FEES SOUGHT IN THE ACTION .....	7
WHAT WILL THE CLASS REPRESENTATIVES GET?.....	7
BASIC INFORMATION .....	8
1. WHY DID I GET THIS NOTICE PACKAGE? .....	8
2. WHAT IS THE ACTION ABOUT? .....	8
3. WHY IS THIS CASE A CLASS ACTION? .....	9
4. WHY IS THERE A SETTLEMENT? .....	9
5. WHY IS THIS ONLY A PARTIAL SETTLEMENT?.....	9
6. WILL THIS LAWSUIT CONTINUE AFTER THE PARTIAL SETTLEMENT?.....	10
7. HOW DO I KNOW WHETHER I AM PART OF THE PARTIAL SETTLEMENT? .....	10
8. WHAT DOES THE PARTIAL SETTLEMENT PROVIDE?.....	10
9. CAN I GET OUT OF THE PARTIAL SETTLEMENT? .....	12
10. WHO ARE THE LAWYERS REPRESENTING THE CLASS .....	13

11. DO I HAVE A LAWYER IN THE CASE? .....	13
12. HOW WILL THE LAWYERS BE PAID? .....	13
13. HOW DO I TELL THE COURT IF I DO NOT LIKE THE PARTIAL SETTLEMENT? .....	14
14. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE PARTIAL SETTLEMENT? .....	17
15. DO I HAVE TO COME TO THE HEARING? .....	17
16. MAY I SPEAK AT THE HEARING?.....	17
17. WHAT HAPPENS IF I DO NOTHING AT ALL?.....	18
18. ARE THERE MORE DETAILS ABOUT THE PARTIAL SETTLEMENT? .....	18

**SUMMARY OF PARTIAL SETTLEMENT**

This Action is a class action in which the Named Plaintiffs claim that the Plan is underfunded such that it will not be able to pay all of the benefits to which plan participants are entitled, and that the defendants are liable for that underfunding, as well as related claims. Copies of the Complaint filed in the Action are available at the Receiver’s Web Site, <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan>.

The Settling Defendants are St. Joseph Health Services of Rhode Island Inc. (“SJHSRI”), CharterCARE Community Board (“CCCB”), and the corporation Roger Williams Hospital (“RWH”). They will pay an Initial Lump Sum of eleven million one hundred and fifty thousand dollars (\$11,150,000) plus however much has been released by the Rhode Island Department of Labor and Training from a reserve account (“DLT Escrow Account”) established years ago in connection with RWH’s self-insured workers compensation program, up to possibly the full amount of the DLT Escrow Account which is currently seven hundred and fifty thousand dollars (\$750,000), and the Settling Defendants will cooperate with Plaintiffs’ Counsel and the Receiver to seek to obtain the balance of the DLT Escrow Account, the assets of another defendant in this case, CharterCARE Foundation, and to obtain the value of CCCB’s membership interest in another defendant in this case, Prospect CharterCARE, Inc., all to be paid into the Plan after payment of attorneys’ fees, in accordance with the orders of the Rhode Island Superior Court in the Receivership Proceedings. The Settling Defendants at the

direction of the Receiver will thereafter file Petitions for Judicial Liquidation in the Rhode Island Superior Court, seeking judicial liquidation of their assets and distribution of those assets to their creditors, including to the Receiver to be paid into the Plan in accordance with the orders of the court in the Receivership Proceedings. Accordingly, the Total Settlement Amount is presently unknown. However, it will be at least the amount of the Initial Lump Sum, and Plaintiffs' Counsel and the Receiver hope to obtain significantly more money for the Plan pursuant to the Partial Settlement.

## **STATEMENT OF POTENTIAL OUTCOME OF THE ACTION**

If this Partial Settlement had not been agreed to, or if this Partial Settlement is not approved, the Settling Defendants would dispute the claims asserted in the Action. Further, the Plaintiffs would face an uncertain outcome if the Action were to continue.

There is no assurance that Plaintiffs will secure recoveries from any of the Defendants, including the settling Defendants and the non-settling defendants. In that case, the proposed Partial Settlement may be the only opportunity to significantly increase the assets of the pension fund to pay benefits as and when they are due, and the consequence of not approving the Partial Settlement may be that the pension fund runs out of money sooner than if the Partial Settlement were approved.

The Plan documents themselves contain various provisions which arguably could be read to relieve SJHSRI of any obligation to fund the Plan, and to limit the Plaintiffs' recovery to the assets in the Plan. The Plaintiffs claim that such provisions either were not intended to have that effect, or are unenforceable. However, it is uncertain whether the Plaintiffs would prevail on these issues. Moreover, although the Plaintiffs contend that such agreements are unenforceable, at least some of the Plan participants who went on to work for Prospect Chartercare LLC in 2014 at Our Lady of Fatima Hospital signed arbitration agreements that might apply to their claims against the Settling Defendants. Those arbitration agreements purport to waive those employees' rights to participate in a class action. If those provisions were enforceable, those employees might have to retain their own attorneys and proceed individually against the Settling Defendants to assert their claims.

The Receiver and the Named Plaintiffs and the Settling Defendants disagree on liability. They also do not agree on the amount that would be recoverable even if the Receiver and the Named Plaintiffs were to prevail at trial. If this Partial Settlement had not been agreed to, or if this Partial Settlement is not approved, the Settling Defendants would strongly deny all claims and contentions by the Plaintiffs and deny any wrongdoing with respect to the Plan. The Settling Defendants would deny that they are liable to the members of the Settlement Class and that the members of the Settlement Class have

suffered any damages for which the Settling Defendants could be held legally responsible.

Nevertheless, having considered the uncertainty and expense inherent in any litigation, particularly in a complex case such as this, the Receiver and the Named Plaintiffs and Settling Defendants have concluded that it is desirable that the Action be fully and finally settled as between them, on the terms and conditions set forth in the Settlement Agreement.

### **STATEMENT OF ATTORNEYS' FEES SOUGHT IN THE ACTION**

Plaintiffs' Counsel will apply to the Court for an order awarding attorneys' fees in accordance with the Retainer Agreement previously approved by the Rhode Island Superior Court in the Receivership Proceedings concerning Plaintiffs' Counsel's representation of the Receiver in this and other cases, in the amount of 23 and 1/3% of the Gross Settlement Amount, except that, although not required to do so, Plaintiffs' Counsel have volunteered to reduce their fees by the sum of five hundred and fifty two thousand dollars and 21 cents (\$552,281.25), either in connection with this Settlement or in connection with the separately pending settlement with Defendant CharterCARE Foundation, whichever (if either) is approved first. This sum represents attorneys' fees that Plaintiffs' Counsel were paid in connection with the investigation of whether there were any possibly meritorious claims to be asserted on behalf of the Plan. The result of this reduction would be to reduce Plaintiffs' Counsel's attorneys' fees on the Initial Lump Sum to 18.5% of that amount, rather than 23 and 1/3%. Any amount awarded will be paid from the Gross Settlement Amount. The Settling Defendants will not oppose Plaintiffs' Counsel's application and otherwise have no responsibility for payment of such fees.

### **WHAT WILL THE CLASS REPRESENTATIVES GET?**

Neither the Named Plaintiffs nor any of the Class Members will receive any direct payments in connection with the Partial Settlement. The Receiver will receive the Net Settlement Amount for deposit into the assets of the Plan in accordance with the orders of the Superior Court in the Receivership Proceeding. The benefit the Named Plaintiffs or any of the Class members will receive will be that the funds paid to the Plan in connection with the Partial Settlement will increase the amount of the assets of the Plan available to pay benefits to the Plan participants and the beneficiaries of the Plan participants.

## **BASIC INFORMATION**

### **1. WHY DID I GET THIS NOTICE PACKAGE?**

You are a member of the Settlement Class, because you are a Participant in the Plan, or are the Beneficiary of someone who is a participant in the Plan.

The Court directed that this Mailed Notice be sent to you because since you were identified as a member of the Settlement Class, you have a right to know about the Partial Settlement and the options available to you regarding the Partial Settlement before the Court decides whether to approve the Partial Settlement. This Mailed Notice describes the Action and the Partial Settlement.

The Court in charge of this Lawsuit is the United States District Court for the District of Rhode Island . The persons who sued are Stephen Del Sesto (as Receiver and Administrator of the Plan)(the “Receiver”), and seven Plan participants, Gail J. Major, Nancy Zompa, Ralph Bryden, Dorothy Willner, Carroll Short, Donna Boutelle, and Eugenia Levesque. These Plan participants are called the “Named Plaintiffs,” and the people they sued are called “Defendants.” The Defendants are Prospect Chartercare LLC, CharterCARE Community Board, St. Joseph Health Services of Rhode Island, Inc., Prospect Chartercare SJHSRI, LLC, Prospect Chartercare RWH, LLC, Prospect East Holdings, Inc., Prospect Medical Holdings, Inc., the corporation Roger Williams Hospital, Chartercare Foundation, the Rhode Island Community Foundation, the Roman Catholic Bishop of Providence, the Diocesan Administration Corporation, the Diocesan Service Corporation, and the Angell Pension Group, LLC. The Lawsuit is known as Del Sesto et al. v. Prospect Chartercare LLC, et al., C.A. No: 1:18-CV-00328-WES-LDA.

### **2. WHAT IS THE ACTION ABOUT?**

The Named Plaintiffs claim that, under the Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and state law, the Defendants were obligated to fully fund the Plan, and other related claims, including allegations of fraud and misrepresentation. Defendants deny the claims in the Lawsuit, deny that they were obligated to fully fund the Plan and Plaintiffs’ related claims, and deny that they have engaged in any wrongdoing.

## **SETTLEMENT DISCUSSIONS**



The proposed Partial Settlement is the product of negotiations between Plaintiffs' Counsel and the Settling Defendants' counsel, including asset disclosure, after the filing of the complaint in this proceeding.

### **3. WHY IS THIS CASE A CLASS ACTION?**

In a class action, one or more plaintiffs, called "class representatives" sue on behalf of people who have similar claims. All of these people who have similar claims collectively make up the "class" and are referred to individually as "class members." One case resolves the issues for all class members together. Because the purported wrongful conduct alleged in this Action affected a large group of people—participants in the Plan—in a similar way, the Named Plaintiffs filed this case as a proposed class action.

### **4. WHY IS THERE A SETTLEMENT?**

As in any litigation, all parties face an uncertain outcome. On the one hand, continuation of the case against the Settling Defendants could result in a judgment greater than this Partial Settlement. However, the Settling Defendants are very unlikely to have sufficient assets to pay more than the Gross Settlement Amount even if the judgment exceeds that amount, and almost certainly will have less assets than that Gross Settlement Amount by the time such a judgment is obtained. Moreover, continuing the case could result in no recovery at all for the Named Plaintiffs from the Settling Defendants. Based on these factors, the Named Plaintiffs and Plaintiffs' Counsel have concluded that the proposed Partial Settlement is in the best interests of all members of the Class.

### **5. WHY IS THIS ONLY A PARTIAL SETTLEMENT?**

This is a Partial Settlement because it only resolves the Plaintiffs' claims against the Settling Parties. Plaintiffs' claims against the remaining defendants are not being settled. If this Settlement is approved, the only expected effect of the Partial Settlement on the Plaintiff's claims against the remaining defendants is that the remaining defendants will claim to be entitled to reduce their liability to the Plaintiffs by the Gross Settlement Amount. In other words, the non-settling defendants will argue that Plaintiffs are not be entitled to recover the same damages twice, once from the Settling Defendants and again from one or more the remaining defendants.

The following hypothetical example may help explain the reduction that the non-settling defendants may seek.

Imagine a personal injury lawsuit brought by a plaintiff against two defendants, in which the plaintiff claims the defendants were negligent, and settled his or her claims against one defendant for \$100, and proceeded to trial against the

remaining defendant against whom the plaintiff obtained an award of \$500. The effect of the prior settlement would be at most to reduce the \$500 award by \$100, so that the plaintiff's total recovery would be \$100 from the settlement and an additional \$400 from the defendant against whom the plaintiff went to trial.

## **6. WILL THIS LAWSUIT CONTINUE AFTER THE PARTIAL SETTLEMENT?**

This lawsuit will continue against the defendants who are not parties to the Partial Settlement. Those defendants are Prospect Chartercare LLC, Prospect Chartercare SJHSRI, LLC, Prospect Chartercare RWH, LLC, Prospect East Holdings, Inc., Prospect Medical Holdings, Inc., Chartercare Foundation, the Rhode Island Community Foundation, the Roman Catholic Bishop of Providence, the Diocesan Administration Corporation, the Diocesan Service Corporation, and the Angell Pension Group, LLC. There are no assurances that Plaintiffs' claims against the remaining defendants will be successful or result in any recovery.

## **7. HOW DO I KNOW WHETHER I AM PART OF THE PARTIAL SETTLEMENT?**

You are a member of the Settlement Class if you fall within the criteria for the Settlement Class approved by Chief Judge William E. Smith:

All participants of the St. Joseph Health Services of Rhode Island Retirement Plan ("the Plan"), including:

- i) all surviving former employees of St. Joseph Health Services of Rhode Island Inc. ("SJHSRI") who are entitled to benefits under the Plan; and
- ii) all representatives and beneficiaries of deceased former employees of SJHSRI who are entitled to benefits under the Plan.

## **8. WHAT DOES THE PARTIAL SETTLEMENT PROVIDE?**

The Partial Settlement provides for payment in stages. There will be an Initial Lump Sum payment of eleven million one hundred and fifty thousand dollars (\$11,150,000) plus however much has been released from the DLT Escrow Account, up to possibly the full amount of the DLT Escrow Account which is currently seven hundred and fifty thousand dollars (\$750,000).

The Settling Defendants will also transfer to the Receiver their interests in the remaining balance of the DLT Escrow Account and in two other entities. It is alleged that Settling Defendant CCCB has a membership interest in a foundation named CharterCARE Foundation. The Receiver will attempt to obtain those assets. However, it is expected that CharterCARE Foundation will deny that CCCB has any interest in or claim to those funds. It is impossible at this time to know whether the Receiver will obtain any funds from CharterCARE Foundation or the amount of what those funds will be if the receiver recovers any such funds.

It is also alleged that Settling Defendant CCCB has a membership interest in Prospect CharterCARE LLC, which indirectly through subsidiary corporations owns and operates two hospitals, Roger Williams Hospital, and Our Lady of Fatima Hospital. The Partial Settlement would obligate CCCB to cooperate with the Receiver to obtain that interest or the value thereof, for deposit into the Plan in accordance with the orders of the Superior Court in the Receivership Proceeding. However, Prospect CharterCARE LLC may dispute or seek to diminish the value of CCCB's membership interest. Thus, it is impossible at this time to know whether the Receiver will obtain any funds in connection with that membership interest.

The Settlement Agreement provides that the remaining assets of the Settling Defendants will be liquidated through proceedings for judicial liquidation in the Rhode Island Superior Court. Those proceedings will determine the competing claims of the Plaintiffs and other creditors to those remaining assets. It is hoped but it is impossible to guarantee that the Receiver will receive significant sums to be deposited into the Plan in accordance with the orders of the Superior Court in the Receivership Proceeding.

The Settlement Agreement provides that the Settling Defendants may retain operating funds of no more than \$600,000 to enable them to complete the liquidation proceedings, and that any operating funds they receive in excess of \$600,000 will be paid to the Receiver when the petitions for liquidation are filed, to be deposited into the Plan in accordance with the orders of the Superior Court in the Receivership Proceeding after attorneys' fees.

Participation in this Partial Settlement will have no impact on your right to commence or continue to receive your benefits at the time and in the form provided under the terms of the Plan other than to increase the amount of funds the Plan will have available to pay benefits to Plan participants and their Beneficiaries.

If the Partial Settlement is approved by the Court, all members of the Settlement Class shall be deemed to fully release the Settling Defendants from the Released Claims (the "Settlement Releases"). The Settlement Releases will release the Settling Defendants,

together with each of their current officers, directors, or attorneys, with the exception of one director, Monsignor Timothy Reilly, who will not be released. The Released Claims mean any and all past, present and future causes of action, claims, damages, awards, equitable, legal, and administrative relief, interest, demands or rights that are based upon, related to, or connected with, directly or indirectly, in whole or in part, the allegations, facts, subjects or issues that have been, could have been, may be or could be set forth or raised in the Lawsuit, including but not limited to any and all claims seeking damages because of the underfunded status of the Plan.

However, the Settlement Releases do not release any claims for breach of the Settlement Agreement, any claims to the extent that there may be assets of the Settling Defendants available to be distributed by the court in the Liquidation Proceedings referred to in the Settlement Agreement, any claims the Plaintiffs may have concerning the assets of the Settling Defendants were transferred in connection with the 2015 Cy Pres Proceeding referred to in the Settlement Agreement, and any claims to the assets of the Settling Defendants that were transferred in connection with the 2014 Asset Sale referred to in the Settlement Agreement.

The Settling Defendants will be entitled to receive the Settlement Releases in accordance with the terms of the Settlement Agreement.

The above description of the proposed Partial Settlement is only a summary. The complete terms, including the definitions of the Released Parties and Released Claims, are set forth in the Settlement Agreement (including its exhibits), which may be obtained at the Receiver's Web Site, <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan>.

## **9. CAN I GET OUT OF THE PARTIAL SETTLEMENT?**

It is anticipated that this Partial Settlement and the judicial liquidation proceedings will dispose of all of the assets of the Settling Defendants, such that there will be no assets left to satisfy the claims of any individual Plan participants who might otherwise wish to assert claims against the Settling Defendants. As a result, you do not have the right to exclude yourself from the Partial Settlement. The Settlement Agreement provides for certification of the Class as a non-opt-out class action under Federal Rule of Civil Procedure 23(b)(1)(B), and the Court has determined that the requirements of that rule have been satisfied. As a member of the Class, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action or are otherwise released under the Partial Settlement.

Although you cannot opt out of the Partial Settlement, you can object to the Partial Settlement and ask the Court not to approve it. For more information on how to object to the Partial Settlement, see the answer to Question 13 below.

## **10. WHO ARE THE LAWYERS REPRESENTING THE CLASS**

Plaintiffs' Counsel Wistow, Sheehan & Loveley, P.C. have been preliminarily appointed to represent the Class.

## **11. DO I HAVE A LAWYER IN THE CASE?**

The Court has appointed Plaintiffs' Counsel Wistow, Sheehan & Loveley, P.C. to represent the Class in the Action. You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

## **12. HOW WILL THE LAWYERS BE PAID?**

Plaintiffs' Counsel will file a motion for the award of attorneys' fees of 23.5% of the Gross Settlement Amount, reduced by the sum of \$552,281.25, which is the amount of attorneys' fees previously paid to Plaintiffs' Counsel in connection with their investigation of claims prior to commencing this lawsuit. The percentage of 23.5% is the same percentage applicable to Plaintiffs' Counsel's representation of Attorney Stephen Del Sesto as Receiver in this lawsuit, and was previously approved by Associate Justice Brian P. Stern of the Rhode Island Superior Court in connection with the case captioned *St. Joseph Health Services of Rhode Island, Inc., Petitioner, v. St. Josephs Health Services of Rhode Island Retirement Plan, as amended*, PC-2017-3856 (the "Receivership Proceedings"). The petition filed on behalf of St. Joseph Health Services of Rhode Island, Inc. alleged that the Plan was insolvent and sought an immediate reduction in benefits of 40% for all Plan participants. The Superior Court in the Receivership Proceedings authorized the retention of Wistow, Sheehan & Loveley, P.C. as Special Counsel to the Receiver, to investigate and assert possible claims that may benefit the Plan, pursuant to Wistow, Sheehan & Loveley, P.C.'s retainer agreement which was approved by the Superior Court.

Copies of Plaintiffs' Counsel's Motion for Award of Attorneys' Fees may be obtained at the Receiver's Web Site, <https://www.pierceatwood.com/receivership-filings-st-joseph->

[health-services-rhode-island-retirement-plan](#). This motion will be considered at the Final Approval Hearing described below. Settling Defendants will not take any position on that matter before the Court.

### **OBJECTING TO THE ATTORNEYS' FEES**

By following the procedures described in the answer to Question 13, you can tell the Court that you do not agree with the fees and expenses the attorneys intend to seek and ask the Court to deny their motion or limit the award.

### **13. HOW DO I TELL THE COURT IF I DO NOT LIKE THE PARTIAL SETTLEMENT?**

If you are a member of the Settlement Class, you can object to the Partial Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. To object, you must send a letter or other writing saying that you object to the Partial Settlement in Del Sesto et al. v. Prospect Chartercare, LLC et al., C.A. No: 1:18-CV-00328-WES-LDA. Be sure to include your name, address, telephone number, signature, and a full explanation of all the reasons why you object to the Partial Settlement. Your written objection must be sent to the following counsel and must be postmarked by no later than August 30, 2019.

#### **PLAINTIFFS' COUNSEL**

Max Wistow, Esq.  
Stephen P. Sheehan, Esq.  
Benjamin Ledsham, Esq.  
WISTOW, SHEEHAN & LOVELEY, PC  
61 Weybosset Street  
Providence, RI 02903  
401-831-2700 (tel.)  
[mwistow@wistbar.com](mailto:mwistow@wistbar.com)  
[spsheehan@wistbar.com](mailto:spsheehan@wistbar.com)  
[bledsham@wistbar.com](mailto:bledsham@wistbar.com)

#### **SETTLING DEFENDANTS' COUNSEL**

Robert D. Fine, Esq.  
Richard J. Land, Esq.  
Chace Ruttenberg & Freedman, LLP  
One Park Row, Suite 300

Providence, RI 02903  
rfine@crflp.com  
[rland@crflp.com](mailto:rland@crflp.com)

## NONSETTLING DEFENDANTS' LOCAL COUNSEL

Steven J. Boyajian, Esq.  
Daniel R. Sullivan, Esq.  
Robinson & Cole LLP  
One Financial Plaza, Suite 1430  
Providence, RI 02903  
[sboyajian@rc.com](mailto:sboyajian@rc.com)  
[dsullivan@rc.com](mailto:dsullivan@rc.com)

The Angell Pension Group, Inc.

Joseph V. Cavanagh, III, Esq.  
Joseph V. Cavanagh, Jr., Esq.  
Blish & Cavanagh LLP  
30 Exchange Terrace  
Providence, RI 02903  
[jvc3@blishcavlaw.com](mailto:jvc3@blishcavlaw.com)  
[jvc@blishcavlaw.com](mailto:jvc@blishcavlaw.com)

Prospect CharterCare, LLC  
Prospect CharterCare SJHSRI, LLC  
Prospect CharterCare RWMC, LLC

Andrew R. Dennington, Esq.  
Christopher K. Sweeney, Esq.  
Russell V. Conn, Esq. PRO HAC VICE  
Conn Kavanaugh Rosenthal Peisch & Ford, LLP  
One Federal Street, 15<sup>th</sup> Floor  
Boston, MA 02110  
[adennington@connkavanaugh.com](mailto:adennington@connkavanaugh.com)  
[csweeney@connkavanaugh.com](mailto:csweeney@connkavanaugh.com)

CharterCARE Foundation

Preston Halperin, Esq.  
James G. Atchison, Esq.  
Christopher J. Fragomeni, Esq.  
Dean J. Wagner, Esq.

Prospect Medical Holdings, Inc.  
Prospect East Holdings, Inc.

Schechtman Halperin Savage, LLP  
1080 Main Street  
Pawtucket, RI 02860  
[phalperin@shslawfirm.com](mailto:phalperin@shslawfirm.com)  
[jatchison@shslawfirm.com](mailto:jatchison@shslawfirm.com)  
[cfragomeni@shslawfirm.com](mailto:cfragomeni@shslawfirm.com)  
[dwagner@shslawfirm.com](mailto:dwagner@shslawfirm.com)

Howard Merten, Esq.  
Paul M. Kessimian, Esq.  
Christopher M. Wildenhain, Esq.  
Eugene G. Bernardo, II, Esq.  
Steven E. Snow, Esq.  
Partridge Snow & Hahn LLP  
40 Westminster Street, Suite 1100  
Providence, RI 02903  
[hm@psh.com](mailto:hm@psh.com)  
[pk@psh.com](mailto:pk@psh.com)  
[cmw@psh.com](mailto:cmw@psh.com)  
[egb@psh.com](mailto:egb@psh.com)  
[ses@psh.com](mailto:ses@psh.com)

Roman Catholic Bishop of Providence  
Diocesan Administration Corporation  
Diocesan Service Corporation

David A. Wollin, Esq.  
Hinckley Allen & Snyder LLP  
100 Westminister Street, Suite 1500  
Providence, RI 02903-2319  
[dwollin@hinckleyallen.com](mailto:dwollin@hinckleyallen.com)

Rhode Island Community Foundation

You must also file your objection with the Clerk of the Court of the United States District Court for the District of Rhode Island by mailing it to the address set forth below. The objection must refer prominently to Del Sesto et al. v. Prospect Chartercare, LLC et al., C.A. No: 1:18-CV-00328-WES-LDA . Your objection must be postmarked no later than August 30, 2019. The address is:

Clerk of the Court  
United States District Court for the  
District of Rhode Island  
Federal Courthouse



1 Exchange Terrace  
Providence, Rhode Island 02903

#### **14. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE PARTIAL SETTLEMENT?**

##### **THE FINAL APPROVAL HEARING**

The Court will hold a hearing to decide whether to approve the Partial Settlement as fair, reasonable, and adequate (the “Final Approval Hearing”). You may attend the Final Approval Hearing, but you do not have to attend.

The Court will hold the Final Approval Hearing at 10:00 a.m. on September 10, 2019, at the United States District Court for the District of Rhode Island, Federal Courthouse, 1 Exchange Terrace, Providence, Rhode Island 02903, in the courtroom then occupied by United States Chief District Judge William E. Smith. The Court may adjourn the Final Approval Hearing without further notice to the members of the Settlement Class, so if you wish to attend, you should confirm the date and time of the Final Approval Hearing with Plaintiffs’ Counsel before doing so. At that hearing, the Court will consider whether the Partial Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also rule on the motions for attorneys’ fees. The Parties do not know how long these decisions will take or whether appeals will be taken.

#### **15. DO I HAVE TO COME TO THE HEARING?**

No, but you are welcome to come at your own expense. If you file an objection, you do not have to come to the Final Approval Hearing to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Partial Settlement. You also may pay your own lawyer to attend the Final Approval Hearing, but such attendance is also not necessary.

#### **16. MAY I SPEAK AT THE HEARING?**

If you submit a written objection to the Partial Settlement to the Court and counsel before the Court-approved deadline, you may (but do not have to) attend the Final Approval Hearing and present your objections to the Court. You may attend the Final Approval Hearing even if you do not file a written objection, but you will only be allowed

to speak at the Final Approval Hearing if you file a written objection in advance of the Final Approval Hearing AND you file a Notice of Intention To Appear, as described in this paragraph. To do so, you must send a letter or other paper called a “Notice of Intention To Appear at Final Approval Hearing in Del Sesto et al. v. Prospect Chartercare, LLC et al., C.A. No: 1:18-CV-00328-WES-LDA .” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention To Appear must be sent to the attorneys listed in the answer to Question 13 above, postmarked no later than August 30, 2019, and must be filed with the Clerk of the Court by mailing it (post-marked no later than August 30, 2019) to the address listed in the answer to Question 13.

#### **17. WHAT HAPPENS IF I DO NOTHING AT ALL?**

If you do nothing and you are a member of the Settlement Class, you will participate in the Partial Settlement of the Action as described above in this Mailed Notice.

### **GETTING MORE INFORMATION**

#### **18. ARE THERE MORE DETAILS ABOUT THE PARTIAL SETTLEMENT?**

Yes. This Mailed Notice summarizes the proposed Partial Settlement. The complete terms are set forth in the Settlement Agreement. Copies may be obtained at the Receiver’s Web Site, <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan>. You are encouraged to read the complete Settlement Agreement.

DATED: July 1, 2019