

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

U.S. District 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, 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 Individual 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 Judge William E. Smith has been scheduled for July 20, 2021 at 2:00 p.m., via Zoom remote conference, from 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 14-16 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 (herein referred to as the "Plan/Prospect/Angell Settlement Agreement"). Capitalized terms used in this Mailed Notice but not defined in this Mailed Notice have the meanings assigned to them in the Plan/Prospect/Angell Settlement Agreement. The Plan/Prospect/Angell Settlement Agreement, and additional information with respect to this lawsuit (the "Action") and the Partial Settlement, is contained in Plaintiffs' Motion for Preliminary Settlement Approval, Settlement Class Certification, Appointment of Class Counsel, and a Finding of Good Faith Settlement ("Plaintiffs' Motion for Preliminary Settlement Approval"), filed on March 11, 2021, and is available at the internet site <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan> ("the Plan Receiver's Web Site") that was established by Attorney Stephen Del Sesto as Court-Appointed Receiver and Administrator of the Plan (hereinafter the "Plan Receiver") 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 "Plan 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 all 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 Settlement 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 JUNE 18, 2021.**

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 JULY 20, 2021 AT 2:00 PM VIA ZOOM REMOTE CONFERENCE**

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 have filed 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 15 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.

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

|     |   |    |
|-----|---|----|
| 1.  | WHY DID I GET THIS NOTICE PACKAGE? .....  | 8  |
| 2.  | WHAT IS THE ACTION ABOUT?.....  | 9  |
| 3.  | SETTLEMENT DISCUSSIONS .....  | 9  |
| 4.  | WHY IS THIS CASE A CLASS ACTION?.....   | 9  |
| 5.  | WHY IS THERE A SETTLEMENT? .....  | 9  |
| 6.  | WHY IS THIS ONLY A PARTIAL SETTLEMENT? .....  | 10 |
| 7.  | WILL THIS ACTION CONTINUE AFTER THE PARTIAL SETTLEMENT? .....                         | 11 |
| 8.  | HOW DO I KNOW WHETHER I AM PART OF THE PARTIAL SETTLEMENT? .....                      | 11 |
| 9.  | WHAT DOES THE PARTIAL SETTLEMENT PROVIDE?.....  | 11 |
| 10. | CAN I GET OUT OF THE PARTIAL SETTLEMENT? .....  | 12 |
| 11. | WHO ARE THE LAWYERS REPRESENTING THE CLASS .....                                      | 12 |
| 12. | DO I HAVE A LAWYER IN THE CASE?.....  | 13 |
| 13. | HOW WILL THE LAWYERS BE PAID? .....   | 13 |
| 14. | OBJECTING TO THE ATTORNEYS' FEES .....  | 14 |
| 15. | HOW DO I TELL THE COURT IF I DO NOT LIKE THE PARTIAL SETTLEMENT?.....                 | 14 |
| 16. | WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE PARTIAL SETTLEMENT? ..... | 17 |
| 17. | DO I HAVE TO COME TO THE HEARING?.....  | 17 |
| 18. | MAY I SPEAK AT THE HEARING? .....   | 17 |

|     |  |    |
|-----|--|----|
| 19. | WHAT HAPPENS IF I DO NOTHING AT ALL? .....                 | 18 |
| 20. | ARE THERE MORE DETAILS ABOUT THE PARTIAL SETTLEMENT? ..... | 18 |

## **SUMMARY OF PARTIAL SETTLEMENT**

This Action is in part a class action in which the Plan Receiver and the Individual Named Plaintiffs claim that the Plan is underfunded such that it will not be able to pay all 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 and First Amended Complaint filed in the Action are available at the Plan Receiver’s Web Site, <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan>.

The Settling Defendants are Prospect Medical Holdings, Inc., Prospect East Holdings, Inc., Prospect Chartercare, LLC, Prospect Chartercare SJHSRI, LLC, Prospect Chartercare RWMC, LLC, (collectively referred to herein as “Prospect”), and The Angell Pension Group, Inc. (“Angell”), Sam Lee, and David Topper (Prospect, Angell, Sam Lee, and David Topper are referred to collectively as the “Settling Defendants”). If this Partial Settlement is approved, the Plan Receiver and the Individual Named Plaintiffs will continue to assert claims against the non-settling defendants in this Action, who are the Roman Catholic Bishop of Providence, Diocesan Administration Corporation, and Diocesan Service Corporation (collectively the “Diocesan Defendants”), and will continue to assert claims against (to the extent of their assets) CharterCARE Community Board (“CCCB”), St. Joseph Health Services of Rhode Island (“SJHSRI”), and Roger Williams Hospital (“RWH”), in the Rhode Island Superior Court matter captioned In re: CharterCare CharterCARE Community Board, St. Joseph Health Services of Rhode Island and Roger Williams Hospital (C.A. No. PC-2019-11756) (the “Liquidation Proceedings”). The Plan Receiver’s and the Individual Named Plaintiffs’ claims against the Settling Defendants arise principally from a 2014 transaction in which certain of the assets and certain of the liabilities of SJHSR, RWH, and CCCB were sold to Prospect and other entities. The Plan Receiver’s and the Individual Named Plaintiffs’ claims are set forth in the allegations in the First Amended Complaint in this Action, the material terms of which the Settling Defendants deny.

The Partial Settlement calls for a total payment of thirty million dollars (\$30,000,000) (the “Settlement Payment”), of which Prospect will pay twenty-seven million two hundred fifty thousand dollars (\$27,250,000) and Angell will pay two million seven hundred fifty thousand dollars (\$2,750,000). The Plan/Prospect/Angell Settlement Agreement provides that \$4 million of Prospect’s contribution will be allocated to the purchase of the membership interest in Prospect Chartercare, LLC owned by CCCB,

and \$1 million will be allocated to the release of CCCB's other claims against Prospect. Angell's contribution of \$2.75 million has been deposited in the registry of the Rhode Island Superior Court, and Prospect's contribution of \$27.25 million has been paid through letters of credit issued by JPMorgan Chase Bank, N.A. and delivered to the Plan Receiver, to be held while the parties seek the necessary court approvals.

In consideration for Prospect and Angell's Settlement Payment to the Plan Receiver, the Plan Receiver and the Individual Named Plaintiffs agree to release the Settling Defendants and certain other individuals and entities and to dismiss all claims against the Settling Defendants in this Action or in related litigation that is pending in the Rhode Island Superior Court and the Court of Chancery for the State of Delaware. The terms and conditions of those releases are more fully described in the Plan/Prospect/Angell Settlement Agreement.

This Partial Settlement is contingent upon final approval by the United States District Court for the District of Rhode Island in this Action. Further details regarding this Partial Settlement are described below.

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

If this Partial Settlement had not been agreed to, or if this Partial Settlement does not receive the necessary final approval from the United States District Court for the District of Rhode Island in this Action, the Settling Defendants would dispute the claims asserted in the Action and in the related litigation.

The Plan Receiver and the Individual Named Plaintiffs would face an uncertain outcome if the Action and the related litigation were to continue against the Settling Defendants and the non-settling defendants. There is no assurance that the Plan Receiver or the Individual Named Plaintiffs will secure recoveries from any of the Defendants, including the Settling Defendants or the non-settling defendants. In that case, this 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.

It is not possible to forecast exactly which type of outcome would occur if this Action and the related litigation were to continue against the Settling Defendants. The Plan Receiver and the Individual Named Plaintiffs might succeed in securing a declaratory judgment that the Plan was governed by ERISA at the time of the 2014 Asset Sale and that Prospect has successor liability for the Plan under ERISA, which could result in Prospect having certain obligations to make contributions to the Plan. The Plan Receiver and the Individual Named Plaintiffs might succeed in securing a money

judgment of damages against Prospect and/or Angell. The Plan Receiver and the Individual Named Plaintiffs might succeed in securing a judgment against Sam Lee and David Topper holding that certain dividends that they received from Prospect Medical Holdings, Inc. or other Prospect-related entities were fraudulent or avoidable transfers, and have to be paid to the Plan Receiver and the Individual Named Plaintiffs to satisfy any judgment of money damages that the Plan Receiver and the Individual Named Plaintiffs obtain against Prospect Medical Holdings, Inc. However, all of the Settling Defendants dispute the merits of the claims against them and, in addition, argue that the Plan Receiver and the Individual Named Plaintiffs do not have any damages, because they allege that Pension Benefit Guaranty Corporation will make up any shortfall. The Plan Receiver and the Individual Named Plaintiffs contend that coverage by Pension Benefit Guaranty Corporation is not a certainty and that such coverage would not reduce their recoverable damages because it would be a collateral source of recovery.

In summary, the Plan Receiver, the Individual Named Plaintiffs, and the Settling Defendants do not agree on liability. They also do not agree on the amount that would be recoverable even if the Plan Receiver and the Individual Named Plaintiffs were to prevail at trial against the Settling Defendants. 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.

Nevertheless, having considered the uncertainty and expense inherent in any litigation, particularly in a complex case such as this, the Plan Receiver and the Individual Named Plaintiffs and the 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 Plan/Prospect/Angell 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 Plan Receivership Proceedings concerning Plaintiffs' Counsel's representation of the Plan Receiver in this and other cases, in the amount of 23 1/3% of the Settlement Payment. Any amount awarded will be paid from the Settlement Payment. The Settling Defendants will not oppose Plaintiffs' Counsel's application and otherwise have no responsibility for payment of such fees.

Neither the Individual Named Plaintiffs nor any of the Settlement Class Members will receive any direct payments in connection with the Partial Settlement. The Plan 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 Plan Receivership Proceeding. The benefit the Individual Named Plaintiffs or any of the Settlement 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 the Action 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), 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 “Individual 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, Prospect Chartercare SJHSRI, LLC, Prospect Chartercare RWMC, LLC, Prospect East Holdings, Inc., Prospect Medical Holdings, Inc., the corporation Roger Williams Hospital, Roman Catholic Bishop of Providence, Diocesan Administration Corporation, Diocesan Service Corporation, and The Angell Pension Group, Inc. The Action is known as *Del Sesto et al. v. Prospect Chartercare LLC, et al.*, C.A. No: 1:18-CV-00328-WES-LDA.

The Partial Settlement also involves and resolves certain claims asserted in related litigation in the Rhode Island Superior Court and the Court of Chancery of the State of Delaware (the “Related Litigation”). Certain of the Defendants in the Action are also Defendants in the Related Litigation in the Rhode Island Superior Court and certain of the Defendants in the Action are also Plaintiffs in the Related Litigation in the Court of Chancery of the State of Delaware.



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

The Individual Named Plaintiffs and the Plan Receiver claim that, under the Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and state law, Prospect was obligated to fully fund the Plan. There are other related claims against Prospect, Angell, Topper and Lee, including allegations of fraud and misrepresentation and, with respect to Settling Defendants Topper and Lee, certain claims alleging fraudulent or avoidable transfers. The Settling Defendants deny the claims in the Action, deny that they were obligated to fully fund the Plan and Plaintiffs’ related claims, and deny that they have engaged in any wrongdoing.

## **3. SETTLEMENT DISCUSSIONS**

The proposed Partial Settlement is the product of over three and a half years of investigative and litigation activity and recent negotiations between Plaintiffs and the Settling Defendants through their respective counsel. Those negotiations were mediated by the Hon. Frank Williams, who is a retired Chief Justice of the Rhode Island Supreme Court.

## **4. 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 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 Individual Named Plaintiffs filed this case as a proposed class action.

## **5. 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, it will likely take at least a year and likely much longer for this case to go to trial. During that time, Prospect could commence bankruptcy proceedings, which would both delay the trial of this Action and could severely reduce and perhaps eliminate the ability of the Plan Receiver and the Individual Named Plaintiffs to collect on any

judgment obtained against Prospect. Counsel for the Plan Receiver has had an expert review the financial statements of Prospect, and that expert has concluded that, in his opinion, “bankruptcy is imminent unless there is a significant infusion of capital and a return of all dividends previously paid out.” Moreover, the claims of the Plan Receiver and the Individual Named Plaintiffs against Angell and Messrs. Topper and Lee might be unsuccessful. If a bankruptcy prevents the Plan Receiver and the Individual Named Plaintiffs from collecting any judgment against Prospect and the claims of the Plan Receiver and the Individual Named Plaintiffs against Angell and Messrs. Topper and Lee are not successful, there would be no recovery from any of the Settling Defendants.

Based on these factors, the Plan Receiver, the Individual Named Plaintiffs, and Plaintiffs’ Counsel have concluded that the proposed Partial Settlement is in the best interests of all members of the Class.

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

This is a Partial Settlement because it only resolves the Plaintiffs’ claims against the Settling Defendants and certain other parties and entities as identified in the releases. Plaintiffs’ claims against the Diocesan Defendants are not being settled. If this Plan/Prospect/Angell Settlement Agreement is approved, then, based upon a statute passed by the Rhode Island General Assembly in response to this case, the only expected effect of this Partial Settlement on the Plaintiff’s claims against the Diocesan Defendants is that the Diocesan Defendants may be entitled to reduce their liability to the Plaintiffs by the Settlement Payment.

The following hypothetical example applying such statute may help explain the reduction to which the Diocesan Defendants may be entitled:

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.

## **7. WILL THIS ACTION CONTINUE AFTER THE PARTIAL SETTLEMENT?**

This Action will continue against the Diocesan Defendants. However, there are no assurances that Plaintiffs' claims against the Diocesan Defendants will be successful or result in any recovery.

## **8. 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 preliminarily approved by U.S. District 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 who are entitled to benefits under the Plan; and
- ii) all representatives and beneficiaries of deceased former employees of St. Joseph Health Services of Rhode Island who are entitled to benefits under the Plan.

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

This Partial Settlement provides for a total gross Settlement Payment to the Plan Receiver of \$30 million.

This Partial Settlement is contingent upon final approval by the United State District Court for the District of Rhode Island in this Action.

If the United States District Court does not approve the Partial Settlement, the Partial Settlement will be considered null and void, the Settling Parties will be restored to the respective positions that they occupied before this Partial Settlement was signed, and the Action will continue to proceed against the Settling Defendants and the Diocesan Defendants.

If instead this Partial Settlement receives all the necessary approval from the United States District Court for the District of Rhode Island in this Action, all members of the Settlement Class shall be deemed to fully release the Settling Defendants and certain other individuals named in the releases from the Released Claims (the "Settlement Releases"). 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 Action, including but not limited to any and all claims seeking damages because of the underfunded status of the Plan. The Plan/Prospect/Angell Settlement Agreement and its exhibits provides a complete description of the scope of the Settlement Releases. Together with those Settlement Releases, the Partial Settlement provides that the Plan Receiver and the Individual Named Plaintiffs will dismiss with prejudice all claims that were asserted or could have been asserted against the Settling Defendants.

Second, the Related Litigation will be dismissed with prejudice to any claims of the Settlement Class.

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 Plan/Prospect/Angell Settlement Agreement (including its exhibits), which is contained in Plaintiffs' Motion for Preliminary Settlement Approval, and is available at the Plan Receiver's Web Site, <https://www.pierceatwood.com/receivership-filings-st-joseph-health-services-rhode-island-retirement-plan>.

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

You do not have the right to exclude yourself from the Partial Settlement. The Plan/Prospect/Angell Settlement Agreement provides for certification of the Class as a non-optout class action under Federal Rule of Civil Procedure 23(b)(1)(B), and the Court has determined that it will likely certify the Settlement Class under that rule. 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 15 below.

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

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

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

The Court has appointed Plaintiffs' Counsel Wistow, Sheehan & Loveley, PC 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.

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

Plaintiffs' Counsel will file a motion for the award of attorneys' fees of 23 1/3% of the Settlement Payment. The percentage of 23 1/3% is the percentage applicable to Plaintiffs' Counsel's representation of Attorney Stephen Del Sesto as Plan Receiver in this Action 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 "Plan Receivership Proceedings"). The petition filed on behalf of SJHSRI alleged that the Plan was insolvent and sought an immediate reduction in benefits of 40% for all Plan participants. The Superior Court in the Plan Receivership Proceedings authorized the retention of Wistow, Sheehan & Loveley, PC as Special Counsel to the Plan Receiver, to investigate and assert possible claims that may benefit the Plan, pursuant to Wistow, Sheehan & Loveley, PC's retainer agreement which was approved by the Superior Court.

On March 4, 2021, the Rhode Island Superior Court entered an order approving the Partial Settlement and finding that Wistow, Sheehan & Loveley, PC's contingent fee for representing the Plan Receiver of 23 1/3% (as set forth in the Petition for Settlement Instructions and Approval and which the Superior Court had previously approved) is fair, reasonable, and a benefit to the Receivership estate and, subject to the approval of the Proposed Settlement and the fee by the Court in this Action, the Plan Receiver is authorized to pay said fee to Wistow, Sheehan & Loveley, PC from the proceeds of the Proposed Settlement.

Plaintiffs' Counsel's Motion for Award of Attorneys' Fees and Costs is due to be filed on or before April 9, 2021, and after it is filed it may be obtained at the Plan 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. The Settling Defendants will not take any position on that matter before the Court.

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

By following the procedures described in the answer to Question 15, 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.

#### **15. 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, and you may object to Plaintiffs' Counsel's motion for attorneys' fees. 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 June 18, 2021.

##### **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)

##### **ANGELL'S 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)

#### PROSPECT'S COUNSEL

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

and

W. Mark Russo, Esq.  
Ferrucci Russo P.C.  
55 Pine Street, 4th Floor  
Providence, RI 02903  
[mrusso@frlawri.com](mailto:mrusso@frlawri.com)

#### THE DIOCESAN DEFENDANTS' COUNSEL

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)

#### THE LIQUIDATING RECEIVER

Thomas S. Hemmendinger  
Liquidating Receiver of Chartercare Community Board, St. Joseph Health Services  
of Rhode Island and Roger Williams Hospital  
c/o Brennan, Recupero, Cascione, Scungio & McAllister, LLP  
362 Broadway  
Providence, RI 02909  
Tel. (401) 453-2300  
Fax (401) 453-2345  
[themmendinger@brscsm.com](mailto:themmendinger@brscsm.com)

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 June 18, 2021. 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



**16. 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 2:00 p.m. on July 20, 2021, via Zoom remote conference, from 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 U.S. 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 Zoom Meeting ID and Passcode for the Final Approval Hearing are:

Zoom Meeting ID: 160 985 8874

Passcode: 647245

For information about how to attend or participate in the hearing via Zoom, visit the Court’s website at: <https://www.rid.uscourts.gov/participating-zoom-video-conference>

**17. 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.

**18. MAY I SPEAK AT THE HEARING?**

If you submit a written objection to the Partial Settlement or to Plaintiffs’ Counsel’s motion for attorneys’ fees 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 15 above, postmarked no later than June 18, 2021, and must be filed with the Clerk of the Court by mailing it (post-marked no later than June 18, 2021) to the address listed in the answer to Question 15.

**19. 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**

**20. 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 Plan/Prospect/Angell Settlement Agreement, which is contained in Plaintiffs' Motion for Preliminary Settlement Approval, and is available at the Plan 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 Plan/Prospect/Angell Settlement Agreement.

DATED: March 30, 2021.