

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PROVIDENCE, SC.

SUPERIOR COURT

ST. JOSEPH'S HEALTH SERVICES OF)
RHODE ISLAND)

V.)

) C.A.: PC-2017-3856

ST. JOSEPH'S SERVICES OF)
RHODE ISLAND RETIREMENT PLAN)

HEARD BEFORE

THE HONORABLE ASSOCIATE JUSTICE BRIAN P. STERN

REMOTELY ON DECEMBER 9, 2020

APPEARANCES:

STEPHEN DEL SESTO, ESQUIRE
CHRISTOPHER FRAGOMENI, ESQUIRE
RICHARD LAND, ESQUIRE

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 4, inclusive, are a true and accurate transcript produced to the best of my ability of a hearing conducted remotely.

GINA GIANFRANCESCO GOMES
COURT REPORTER

1 WEDNESDAY, DECEMBER 9, 2020

2 MORNING SESSION

3 (The following hearing was conducted remotely:)

4 THE COURT: Good morning. If you could turn on the
5 public streaming and call the case.

6 THE CLERK: Public streaming is on, your Honor. The
7 matter before the Court is Case Number is PC-2017-3856,
8 St. Joseph's Health Services of Rhode Island v.
9 St. Joseph's Services of Rhode Island Retirement Plan.
10 This is on for the Receiver's sixteenth interim report
11 and fifteenth request for approval of fees. Would the
12 Receiver please identify himself for the record.

13 MR. DEL SESTO: Yes, your Honor. Stephen Del Sesto,
14 the Court Appointed Receiver for the St. Joseph's Health
15 Services Retirement Plan.

16 THE CLERK: And one at a time, counsel for
17 interested parties please.

18 MR. FRAGOMENI: Good morning, your Honor. Chris
19 Fragomeni for the Prospect entities. I'll just be
20 listening in today. Thank you.

21 THE COURT: Thank you.

22 MR. LAND: Judge, I likewise will be listening in as
23 an interested observer today.

24 THE COURT: Very good. First of all, my apologies
25 for the confusion yesterday. I e-mailed Attorney

1 Del Sesto this morning. We did have a hearing this
2 morning and we had some audio issues so I rescheduled it
3 right after this one. I told Attorney Robinson that we
4 would not let Attorney Fragomeni hold up the hearing so
5 we can get to his. I have read the papers. The Receiver
6 may proceed.

7 MR. DEL SESTO: Thank you, your Honor. And knowing
8 that the Court has read the papers I will keep it brief.
9 Your Honor, notice of this hearing was provided to all
10 interested parties and creditors and there is an
11 affidavit of notice on file reflecting the same. This is
12 the sixteenth interim report and fifteenth request for
13 fees.

14 I was last before your Honor on October 20, 2020.
15 With the exception of those matters that were set forth
16 in the report, your Honor, the only change I think of any
17 significance is that as your Honor knows there are
18 hearings scheduled for tomorrow, December 10th. Those
19 hearings have been continued to January. So actually
20 it's been continued, but I don't know for certain if we
21 set a date yet on the continuation of those hearing
22 dates.

23 And one note is that the stipulation that was
24 entered into between Prospect and myself and the other
25 Defendants in the federal action regarding the exercise

1 of the put, which has always been an issue before this
2 Court, that has been continued by agreement and
3 stipulation to January 15th.

4 Beyond that, your Honor, as I report to the Court
5 benefit payments are running just about a million dollars
6 a month and there are other fees and expenses of the
7 plan, monthly fees and expenses of the plan, which
8 increase that to about \$1.1 million, \$1.15 million per
9 month, so that is our burn rate in terms of benefit
10 payments. Because of the strength of the market, we are
11 getting some pretty good returns, but still those returns
12 are not outpacing the distribution of benefits.

13 As of today, your Honor, or as of the filing of the
14 report, we have in total about \$67 million in the plan,
15 which is just about \$20 million less than what we had in
16 2017 when we started. And we continue to do what we can
17 to bolster the plan through investments. The
18 participants have been good in terms of not making what I
19 will call a run on the plan in terms of benefits, but
20 they are -- we still have monthly applications.

21 And just so your Honor is aware, I still continue
22 via Zoom the town hall meetings and there is one
23 scheduled, I believe, for next Tuesday. Your Honor, I
24 try to do one right before the holidays and right after a
25 few of the hearings so I can get them up to date.

1 Unless your Honor has any questions, again, knowing
2 that your Honor has read the report, I don't have
3 anything more to add other than what was in the report
4 and what I just stated.

5 THE COURT: Thank you, counsel. I have read your
6 report and request for fees and disbursements. No
7 objections having been filed, the Court accepts the
8 interim report ratifying the acts and doings of the
9 Receiver in this case. In addition, the Court has
10 reviewed the fees, costs, and expenses for this report as
11 submitted. The Court finds those are fair, reasonable,
12 and for the benefit of the estate in this case and those
13 fees, costs, and expenses are approved. I would ask
14 counsel to submit the appropriate order. I believe I saw
15 an e-mail that an order has been submitted and the Court
16 will get that signed and put in the file and you can pick
17 a date shortly for the next interim report.

18 MR. DEL SESTO: I will contact Clerk Miley, your
19 Honor, to schedule the 17th report, and I will submit the
20 proposed order for today through the portal as well as
21 e-mail a copy to yourself and Clerk Miley.

22 THE COURT: Very good. Thank you very much,
23 everyone. Have a good day. The Court will be in recess.

24 (A D J O U R N E D.)
25