

STATE OF RHODE ISLAND  
PROVDIENCE, SC.

SUPERIOR COURT

In re:

CHARTERCARE COMMUNITY BOARD,  
ST. JOSEPH HEALTH SERVICES OF RHODE  
ISLAND, AND ROGER WILLIAMS HOSPITAL

PC-2019-11756

RECEIVERSHIP PROOF OF CLAIM

I, Jeffrey A. Bauer, being duly sworn, depose and say:

1. I am the President of The Angell Pension Group, Inc. (“Angell”) which is the claimant herein. The full address of the claimant is 88 Boyd Avenue, East Providence, RI 02914 I have personal knowledge of the facts set forth herein.

2. Pursuant to a Service Agreement (the “Agreement”) by and between Angell and St. Joseph Health Services of Rhode Island (“SJHSRI”), SJHSRI agreed to indemnify and hold Angell harmless from any and all liability and expenses arising from: (a) the St. Joseph Health Services of Rhode Island Retirement Plan’s (the “Plan”) treatment as a non-electing church plan, and (b) reliance upon information provided to Angell by SJHSRI and its counsel.

3. A true and accurate copy of the Agreement is attached as Exhibit A.

4. On June 18, 2018 DelSesto and several Plan participants (as putative class representatives), commenced actions in the United States District Court fir the District of Rhode Island (*DelSesto, et al. v. Prospect CharterCARE, LLC, et al.*, 18-cv-00328) and the Providence County Superior Court (*DelSesto, et al. v. Prospect CharterCARE, LLC, et al.*, PC-2018-4386) (together, the “Litigations”).

5. Angell is named as a defendant in the Litigations and is alleged to be liable to the Plan and/or Plan participants for its conduct in performing services under the Agreement. Angell’s purported liability arises from: (a) the Plan’s treatment as a non-electing church plan, and (b) Angell’s reliance upon information supplied by SJHSRI.

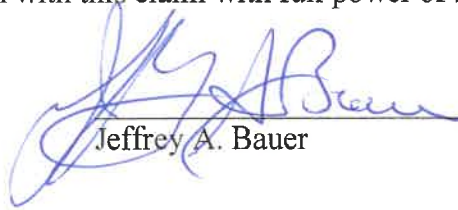
6. In defending the Litigations, Angell has incurred defense costs and expenses in excess of \$675,000 as of December 13, 2019. These costs of defense continue to accrue.

7. In addition to the costs and expenses of its defense in the Litigations, Angell is entitled to indemnification from SJHSRI or any liability arising in the Litigations.

8. This account is just, true and correct. The balance of \$675,000 plus continually accruing defense costs since the commencement of this receivership is due claimant from SJHSRI. In addition to this amount, additional amounts will come due from SJHSRI under the Agreement as the Litigations proceed.

9. No part of this claim has been paid or satisfied, and there are no set-offs, or counterclaims thereto, to the knowledge or belief of deponent, and that no security exists for said debt.

That the attorneys named on this Proof of Claim are hereby made and constituted attorneys for all purposes whatsoever in connection with this claim with full power of substitution (if an attorney is filing for you).

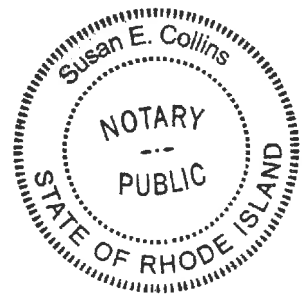
  
\_\_\_\_\_  
Jeffrey A. Bauer

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

Subscribed and sworn to before me on this 12 day of May, 2020.

  
\_\_\_\_\_  
Notary Public

Commission Expires: 8/21/22



# EXHIBIT A

Service Agreement

## SERVICE AGREEMENT

This Service Agreement (the "Agreement") is entered into as of May 1, 2015 by and between The Angell Pension Group, Inc. ("APG") and St. Joseph Health Services of Rhode Island (the "Plan Administrator").

WHEREAS, the Plan Administrator desires that APG perform certain administrative services as the third party contract administrator for the St. Joseph Health Services of Rhode Island Retirement Plan (the "Plan"), a non-electing church plan, within the meaning of Section 414(e) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 3(33) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), sponsored by the Plan Administrator, commencing with the Plan Year ending June 30, 2014, and

WHEREAS, the Plan Administrator, as the Plan fiduciary, has directed APG to provide the services under the Agreement based on the Plan Administrator's conclusion and direction that the Plan is a non-electing church plan, within the meaning of Section 414(e) of the Code and Section 3(33) of ERISA, and

WHEREAS, APG has agreed to perform certain administrative services as the third party contract administrator for the Plan;

NOW THEREFORE, APG and the Plan Administrator agree as follows:

### **1** *Scope of Services*

As used in this Agreement, "Services" refers to the services to be provided by APG pursuant to this Agreement.

APG agrees to perform the administrative services described below in item 7, "Services" APG is not responsible for any services rendered, or to be rendered, for the Plan by any party prior to the date APG first rendered services to the Plan Administrator, or for any services that APG has not specifically agreed to perform on behalf of the Plan. Pursuant to this Agreement, APG is serving as the third party contract administrator for the Plan. APG is not the administrator within the meaning of Section 3(16) of ERISA, the plan administrator under ERISA, a named fiduciary under ERISA Section 402, or a fiduciary under ERISA Section 3(21) with respect to the Plan. The Plan Administrator specifically acknowledges that APG provides no investment advice whatsoever, and has no authority, discretionary or otherwise, over Plan assets or administrative decisions. APG cannot render tax or legal advice, and the Plan Administrator specifically acknowledges that APG provides no tax or legal advice whatsoever in connection with the services APG is providing for the Plan.

### **2.** *Fees*

The Plan Administrator agrees to pay APG the annual administration fee and other fees for Services rendered through the date of termination of this Agreement in accordance with Appendix A. In addition to the fees set forth in this Agreement, the Plan Administrator agrees to pay APG for any services performed by APG that are in addition to the Services expressly stated in this Agreement, if such services are requested by the Plan Administrator, pursuant to the provisions of Appendix A, Section 3, "Extraordinary Services." APG represents that it will not receive any compensation, for its Services under this Agreement, except for the fees disclosed in Appendix A.

### **3.** *Term of the Agreement*

This Agreement shall become effective as of the date set forth above and shall continue in effect until terminated by either APG or the Plan Administrator upon at least 30 days written notice to the other party APG shall not be responsible for maintaining the Plan Administrator's files after the date of the termination of this Agreement.

### **4.** *Confidentiality*

APG and the Plan Administrator may disclose certain business, financial, technical, intellectual property, materials, data, and other information to each other All such non-public information that has been identified or

otherwise designated as confidential or proprietary information or that is otherwise subject to safeguards or protection under applicable law shall be considered "Confidential Information" The receiving party shall use Confidential Information solely for the purposes of rendering the Services pursuant to and in accordance with the Agreement and shall not, without the prior written consent of the other party, disclose any Confidential Information to any third party, except as may be disclosed as required by law, regulation, order of a court or regulatory authority Nothing in this Agreement is intended to grant any rights to either party under any patent, copyright, trademark, service mark, or other intellectual property of the other party, except for the use of Confidential Information that is expressly permitted herein. APG and the Plan Administrator acknowledge that any disclosure or unauthorized use of Confidential Information will constitute a material breach of this Agreement and cause substantial harm to the party that provided such information initially for which damages would not be a fully adequate remedy APG shall safeguard all Confidential Information, including personal information subject to the protection of Massachusetts General Laws Chapter 93H and the data protection regulation thereunder (201 CMR 17 00), in accordance with all applicable laws.

**5. *Timeliness of Data***

Timely processing of information is essential to the proper administration of the Plan and avoids costly adverse consequences. The Plan Administrator will provide the information requested by APG within thirty (30) days after the end of each applicable Plan Year APG is not responsible for any penalties, fines, or taxes that result from the failure of the Plan Administrator to timely provide APG with the requested information or as the result of suspension of services by APG due to delinquent payment of any invoiced fees. APG is not responsible for the performance of any Services until and unless the information requested is received by APG.

**6. *Responsibilities of Plan Administrator***

1.

(a)

(b)

(c)

The Plan Administrator represents that it is the primary fiduciary for the control and management of the assets of the Plan, including, without limitation, the selection and monitoring of service providers for the Plan, interpretation of Plan provisions, evaluation of claims made by participants, eligibility of participants, and all other plan administrator responsibilities. The Plan Administrator may elect to have certain fees for the Services deducted from Plan assets, and it is the responsibility of the Plan Administrator to determine whether Plan assets may be used to pay any particular fee.

The Plan Administrator will provide APG with requested information on a timely basis. APG will rely on information provided by the Plan Administrator or its representatives, including third parties, and will have no responsibility to independently verify the accuracy of the information. APG assumes no responsibility to acquire information other than to

request it from the Plan Administrator, and will not be liable for any errors or omissions made as a result of incomplete or incorrect information provided by the Plan Administrator. Additional services that need to be performed or redone due to incomplete or inaccurate data furnished by or on behalf of the Plan or the Plan Administrator will be subject to additional fees.

APG has no obligation to monitor Plan contributions or to ensure that such contributions are contributed to the Plan.

(d)

The Plan Administrator will be responsible for providing the notices and information required by law to Plan participants, including, without limitation, notices and distribution forms, as well as obtaining applicable signatures on distribution forms.

(e) The Plan Administrator is responsible for the end-of-year tax forms required by law for reporting distributions and tax withholding.

## **7. Services**

The following sets forth the administrative services to be performed by APG under the terms and conditions of this Agreement:

### (a) Annual Administrative Services

1. Preparation of annual Actuarial Valuation.
2. Preparation of ASC-715 Disclosure Report.
3. Data request and analysis of census data from Recordkeeper and Plan Administrator.
4. Reconcile trust asset information received from Recordkeeper on an annual basis.
5. Assistance in the Plan Administrator's determination of participant eligibility, vesting and eligibility to receive employer contributions
6. Routine calls and inquiries relating to the Services.
  7. Assisting with participant communication materials.
  8. Preparation of plan design studies such as termination liability studies at request of Plan Sponsor/Administrator subject to additional fees once approved by the Plan Sponsor
  9. Meetings with Plan Administrator (as reasonably necessary in connection with the Services).

### (b) Service Bureau Administrative Services

The Service Bureau administrative services are set forth in Exhibit A attached hereto and made a part of this Service Agreement.

## **8. Limitation on Liability and Indemnity Provisions**

1.

(a)

General. Client agrees that the only responsibilities of APG hereunder are to render the Services provided in this Agreement. In no event shall APG be responsible for delays or failures in the performance of its duties that are caused by or result from acts of God, epidemic, war, acts of terrorism, computer viruses, governmental interference, fire or

other casualty, software or hardware malfunction, communication line failure, power failure, acts or omission by the Plan Administrator or any other circumstances beyond the control of APG.

(b)

Payment for Response to Subpoenas and Document Production Requests. In the event that APG and/or any of its employees, officers, directors or agents receive a subpoena to provide testimony, or to produce documents, in connection with any judicial or quasi-judicial proceeding, relative to services provided by APG pursuant to this Agreement, the Plan Administrator agrees to pay APG an amount equal to the actual out of pocket expenses, including any required professional (accounting, actuarial or legal) expenses, associated with producing said documents and/or appearing at said proceeding, and to pay to APG an hourly fee for all time incurred by APG personnel in preparing for and appearing at said proceeding, and for preparing documents to be produced, pursuant to Appendix A, "Extraordinary Services."

(c) Indemnification. In connection with the performance of the Services by APG, the Plan Administrator indemnifies and holds harmless APG, and its stockholders, officers and employees, from any and all liability and expenses (including, but not limited to, additional employer contributions to the Plan) resulting, directly or indirectly, from the treatment of the Plan as a non-electing church plan (within the meaning of Section 414(e) of the Code and Section 3(33) of ERISA), from any action or lack of action prior to the engagement of APG, erroneous plan data (regardless of whether historical or ongoing), interpretations of plan documentation and provisions, or an interpretation by the Internal Revenue Service or other government agency of the provisions of the Plan or the interpretation or operation of the Plan that is not consistent with the Plan documentation or Plan practice. The Plan Administrator and its legal counsel will provide interpretations of the Plan documentation and provisions, and will instruct APG on benefit calculation interpretation issues. APG will rely on information provided by the Plan Administrator in preparation of benefit calculations for participants and beneficiaries and, in the event the information is not available, the Plan Administrator will instruct APG on the action to be taken with respect to the applicable benefit calculations.

9. **General Provisions**

1.

(a)

(b)

(c)

(d)

**Amendment.** The Plan Administrator may not amend or modify this Agreement except in writing signed by both parties. APG may amend and modify this Agreement from time to time by providing not less than 60 days advance written notice to the Plan Administrator; provided, however, that if the Plan Administrator objects to any such amendment or modification, it may exercise its termination rights under this Agreement.

**Notice.** Any and all notices required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, or (iii) sent via a nationally recognized overnight courier service to the addresses set forth under the signatures of the parties or to such other address as either party may designate by notice in writing to the other.

**Interpretation.** This Agreement is not assignable by either party hereto without the prior written consent of the other party. Section and other headings are for reference only and shall not affect the meaning or interpretation of this Agreement. This Agreement is binding upon and shall inure to the benefit of the parties and their respective heirs, successors, survivors, administrators and assigns. This Agreement constitutes and contains the entire understanding between the parties and supersedes all prior oral or written statements dealing with the subject matter herein. If any one or more of the provisions of this Agreement shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same Agreement.

**Governing Law and Forum Selection.** This Agreement shall be governed by and construed according to the laws of the State of Rhode Island, without reference to conflict of law principles, except to the extent ERISA or another federal law preempts state law. The exclusive forum for any dispute between APG, the Plan Administrator, the Plan, and the Plan Sponsor that arises out of or relates to this Agreement shall be a court of competent jurisdiction in Providence County, Rhode Island.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have caused this Agreement to be executed on the 17 day of September, 2015.

THE ANGELL PENSION GROUP, INC.

By: 

Name of Signatory:

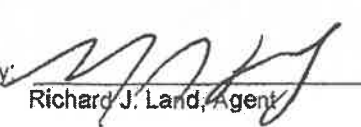
Susan E. Collins, Vice President of Operations

Company Name:

**PLAN ADMINISTRATOR**

St. Joseph Health Services of Rhode Island

By:

  
Richard J. Land, Agent



## APPENDIX A

1. Annual Administration and Transaction-Based Fee. The annual administration fee is a flat fee of \$70,000. Separate and additional transaction-based fees are charged for the following Services as provided below, if applicable.

- Preparation of deferred vesting calculations \$175.00/each
- Preparation of Benefit Calculations and distribution election forms \$250.00/each
- Data entry from hard copy (more than 25 participants) \$40.00/hour (\$40 minimum)
- Overnight and delivery service mail expense as charged by carrier
- Form 8905 \$30.00/each
- Form 8955-SSA \$3/participant (\$50 minimum)
- Maintenance of Volume Submitter Document, if applicable \$200.00
- Rush Fee \$500.00
- Service termination and deconversion fee \$250.00
- Asset reconciliation (greater than 4 hours) \$75.00/hour
- Qualified Domestic Relations Order (QDRO) \$250.00/hour (\$500 minimum)
- Regulatory Required Amendments Up to \$500.00

The annual administration fee and transaction-based fees are generally billed on a quarterly basis in advance (on or about March 1, June 1, September 1 and December 1), provided that the annual administration fee and certain transaction-based fees may be billed in arrears as mutually agreed to by the parties. At the Plan Administrator's direction, quarterly installments of the annual administration fee and/or certain transaction-based fees may be automatically deducted directly from participant accounts in accordance with the Plan Administrator's instructions to the Plan's Recordkeeper.

2. Service Bureau Administrative Services Fee. The annual Service Bureau administrative services fee is \$30,000.

3. Extraordinary Services. All extraordinary services are billed separately at \$250.00 per hour, unless otherwise specified.

4. Termination Fee. Upon termination of APG's Services under this Agreement, a fee of \$250 will be billed separately for the services and costs incurred by APG in connection with the closing out of the Plan's records. If this Agreement ceases to be effective on a day other than the last day of a calendar quarter, the full amount of the quarterly installment for the annual administration fee will be payable (without any pro-rated reduction) for any Services rendered during the quarter in which this Agreement ceases to be effective.

**NOTE: All fees are due within 30 days after the applicable invoice date. The above fees for Services do not include any fees charged by the Plan's investment funds.**

## EXHIBIT A

This Exhibit A sets forth the Service Bureau administrative services to be performed by APG under the terms and conditions of the Service Agreement to which it is attached.

*APG will perform the following Service Bureau administrative services for the Plan:*

### Administration – Employer Service Bureau

1. APG will interface with payroll vendor(s) for historical data and custodians to coordinate year end census data for plan reconciliation. (Please note, APG will not have direct access to payroll information)
2. APG will update inactive and retiree participant status and reconcile custodian benefit payments with direct interface with the custodian which includes monitoring scheduled future benefit changes and ensuring those payments were in fact changed accurately at the appropriate time.
3. Conduct a death audit twice a year for participants who elect a Qualified Joint and Survivor benefit.
4. Conduct a locator audit once a year after non-deliverable mail is returned.
5. APG will interface directly with plan custodian on all benefit processing issues. (Please note the custodian may require a Plan Sponsor signature regarding distribution election forms. We anticipate an electronic signature by St. Joseph Health Services of Rhode Island will provide an efficient solution. This procedure should be verified by the custodian.)
6. Consolidate census information into a valuation prepared database.
7. Interface directly with the Plan Auditor on the financial reports of the Plans. (Please note this may require APG to have direct payroll access.)
8. Prepare and distribute directly to all participants all required participant Notices.

### Participant Interface Service Bureau

1. APG will maintain a participant database with census information, retiree/beneficiary and spousal information including participant addresses and phone numbers.
2. APG will maintain a 1-800 number and dedicated e-mail address to field all active, vested terminated, and retiree inquiries and questions regarding plan options and distribution election packages (based upon EST 8:30am to 5pm.)  
- Delivery standard: 24-hour response time
3. APG will maintain a work log and database with updated participant status and workflow information for St. Joseph Health Services of Rhode Island access.
4. APG will prepare the distribution package for each eligible participant. This will include a relevant cover letter explaining the plan options, the distribution form, and benefit information pamphlet.  
- Delivery standard: 5-business days after all information is complete
5. APG will mail participant packages to the home address of each participant with APG's corresponding return address.  
- Delivery standard: 1-business day after distribution package is completed.
6. APG will review the distribution forms regarding completeness. (If incomplete, APG will contact the participant to make the appropriate changes).  
- Delivery standard: 1 business day
7. APG will forward the distribution election packages to the custodian for processing.  
- Delivery standard: 2 business days
8. APG will ensure all payments commence on a timely and accurate basis.  
- Delivery standard: 1 business day

### Service Model

□ APG will appoint a single point of contact (Mary Pat Moran) regarding the participant, custodial, and Plan Sponsor interface. There will also be a dedicated backup trained for purposes of vacation, sick time, etc. Additionally, the Manager of the Defined Benefit Department (Albert Krayter) will oversee all workflow, communications, and delivery standards to ensure both Plan Sponsor and Participant satisfaction.

Assumptions

1. Necessary tax withholding and reporting (i.e., IRS Form 945 and 1099R) Federal and State will be provided by the custodian.
2. APG will act as third party administrator but will not have fiduciary discretion under Title I of ERISA.
3. Authorization for APG to process distributions on behalf of St. Joseph Health Services of Rhode Island will be given by St. Joseph Health Services of Rhode Island and/or its designated representatives.
4. File layout will be given electronically to APG from payroll vendor and custodians.