

STATE OF RHODE ISLAND
PROVIDENCE, SC

SUPERIOR COURT

ST. JOSEPH HEALTH SERVICES OF
RHODE ISLAND, INC. :

v. :

C.A. No.: PC-2017-3856

ST. JOSEPH'S HEALTH SERVICES OF
RHODE ISLAND RETIREMENT PLAN,
AS AMENDED :

AFFIDAVIT OF STEPHEN DEL SESTO


Stephen Del Sesto, Esq. being duly sworn, hereby deposes and says:

1. I am the Permanent Receiver ("Plan Receiver") of the St. Joseph Health Services of Rhode Island Retirement Plan (the "Plan").

2. On January 4, 2021, in this action, the Court entered a certain Stipulation and Consent Order (attached hereto as Exhibit 1) pursuant to which \$2,750,000 ("Angell's Contribution to the Settlement Funds") was deposited into the Registry of the Superior Court. See Receipt No. SCP-2021-000544 (attached hereto as Exhibit 2).

3. On July 29, 2021, in the action Stephen Del Sesto et al. v. Prospect CharterCare, LLC, et al., (C.A. No: 1:18-CV-00328-WES-LDA) (D.R.I.), the United States District Court, by United States District Judge William E. Smith, entered an Order granting final approval to that certain Settlement Agreement dated as of December 30, 2020. Judge Smith's Order (attached hereto as Exhibit 3) constitutes the Order Granting Final Settlement Approval referred to in paragraph 3 of the Stipulation and Order of January 4, 2021.

4. Accordingly, Angell's Contribution to the Settlement Funds should be released from the Registry of Court to the Plan Receiver. A proposed form of Order so directing the Clerk is attached hereto as Exhibit 4.



Stephen Del Sesto

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2021.

Mary E. De Fontes

NOTARY PUBLIC

My Commission Expires: 10/5/21

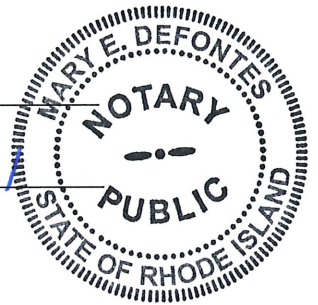


EXHIBIT 1

two hundred fifty thousand (\$22,250,000) dollars issued with Prospect Medical Holdings, Inc. as the account party, and a letter of credit ("Prospect East LOC") in the amount of five million dollars (\$5,000,000) issued with Prospect East Holdings, Inc. as the account party, and

2. Two million seven hundred fifty thousand (\$2,750,000) dollars ("Angell's Contribution to the Settlement Funds"), which is to be paid by or on behalf of The Angell Pension Group Inc. ("Angell"), and further provides that the Angell's Contribution is to be paid into the Registry of the Rhode Island Superior Court to be held *in custodia legis* pursuant to certain terms and conditions concerning the receipt, holding, disbursement, or return of said Settlement Funds,

it is hereby:

ORDERED:

1. Prospect Medical Holdings, Inc. shall cause the Prospect Medical LOC to be issued and delivered to the Plan Receiver and Prospect East Holdings, Inc., shall cause the Prospect East LOC to be issued and delivered to the Plan Receiver pending approval of the proposed settlement by the Court and the United States District Court.

2. Angell is ordered and directed to pay Angell's Contribution to the Registry of the Superior Court pursuant to the terms of the Settlement Agreement, where it will be held *in custodia legis* and will be received, held, disbursed, or returned in accordance with the terms of this Order and the Settlement Agreement.

3. Upon the entry of the Order Granting Final Settlement Approval by the United States District Court, as defined in the Settlement Agreement, the Plan Receiver may file his affidavit with the Court attaching said Order Granting Final Settlement Approval, with notice to Prospect and Angell, and the Court shall order the Clerk to remit Angell's Contribution to the Settlement Funds to the Plan Receiver and to the Plan Receiver's counsel Wistow, Sheehan & Loveley, P.C. in the respective amounts previously determined by the United States District Court in the Order Granting Final Settlement Approval, or, in the event the United States District Court has not allocated those funds then the Court shall order the Clerk to remit the full amount of Angell's Contribution to the Settlement Funds to the Plan Receiver to be held by the Plan Receiver pending such allocation.

4. Prospect's Contribution to the Settlement is ordered to be paid in accordance with the terms of the Settlement Agreement and the Prospect Medical LOC and the Prospect East LOC.

5. If (a) either the Plan Receiver or the Liquidating Receiver are denied authority to proceed with this Settlement for any reason other than the breach of this Settlement Agreement by any of the Settling Defendants, or (b) if either the Order Granting Preliminary Settlement Approval or the Order Granting Final Settlement

Approval (as defined in the Settlement Agreement) is not entered for any reason other than the breach of this Settlement Agreement by any of the Settling Defendants, then Prospect and Angell may petition the Court, with notice to the Plan Receiver and the Liquidation Receiver, for an order directing the Clerk to pay Angell's Contribution to the Settlement Funds to Angell and directing the Plan Receiver to return the Prospect Medical LOC and the Prospect East LOC to Prospect.

6. The parties hereto submit to the jurisdiction of the Court for purposes of enforcement of this Stipulation and Consent Order.

ORDERED:

Brian P. Stern, Jr.
Stern, J.

Dated: January 4, 2021

ENTERED:

/s/ Carin Miley
Deputy Clerk I
Dep. Clerk

Dated: January 4, 2021

Stipulated to and presented by:

PROSPECT CHARTERCARE, LLC
PROSPECT CHARTERCARE SJHSRI, LLC, AND
PROSPECT CHARTERCARE RWMC, LLC,

By their Attorneys,

/s/ W. Mark Russo
W. Mark Russo (#3937)
Ferrucci Russo P.C.
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Providence, RI 02903
Tel.: (401) 455-1000
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PROSPECT MEDICAL HOLDINGS, INC.,
PROSPECT EAST HOLDINGS, INC.,
PROSPECT EAST HOSPITAL ADVISORY SERVICES, LLC
By their Attorneys,

/s/ Preston W. Halperin
Preston W. Halperin, Esq. (#5555)
Dean J. Wagner, Esq. (#5426)
Christopher J. Fragomeni, Esq. (#9476)
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dwagner@shslawfirm.com
cfragomeni@shslawfirm.com

SAMUEL LEE AND DAVID TOPPER

By their Attorneys,

/s/ Vincent A. Indeglia
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Jaclyn A. Cotter, Esq. (#9535)
INDEGLIA & ASSOCIATES
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jaclyn.cotter@indegliaw.com

Plaintiff CharterCARE Community Board,
by its Liquidating Receiver

/s/ Thomas S. Hemmendinger
Thomas S. Hemmendinger (#3122)
Brennan, Recupero, Cascione,
Scungio & McAllister, LLP
362 Broadway
Providence, RI 02909
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themmendinger@brcsm.com

STEPHEN DEL SESTO,
RECEIVER FOR THE ST. JOSEPH HEALTH
SERVICES OF RHODE ISLAND RETIREMENT PLAN

By his Attorneys,

/s/ Max Wistow

Max Wistow (#0330)
Stephen P. Sheehan (#4030)
Benjamin Ledsham (#7956)
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Defendant,
The Angell Pension Group, Inc.
By its Attorneys,

/s/ Steven J. Boyajian

Steven J. Boyajian, Esq. (#7263)
Robinson & Cole LLP
One Financial Plaza, Suite 1430
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Providence, RI 02903

EXHIBIT 2

OFFICIAL RECEIPT
State of Rhode Island and Providence Plantations
Superior Court
Licht Judicial Complex
250 Benefit Street
Providence, RI 02903
(401) 222-3250(phone)
(401) 222-2701(fax)

Payor
 BOYAJIAN, STEVEN J.
 ROBINSON & COLE, LLP
 ONE FINANCIAL PLAZA, SUITE 143
 PROVIDENCE, RI 02903

Receipt No.
SCP-2021-000544

Transaction Date
 01/11/2021

Description	Amount Paid
On Behalf Of Registry of Court Beneficiary_PC-2017-3856 PC-2017-3856 St. Joseph Health Services of Rhode Island, Inc. v. St. Joseph Health Services of Rhode Island Retirement Plan, as amended et al. PC-2017-3856	
Registry of the Court SC	2,750,000.00
SUBTOTAL	2,750,000.00
PAYMENT TOTAL	
	2,750,000.00
	Check (Ref #1323122186) Tendered 2,750,000.00
	Total Tendered 2,750,000.00
	Change 0.00
01/11/2021 11:51 AM	Cashier Station spr0004
	Audit 17104641

OFFICIAL RECEIPT

EXHIBIT 3

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

_____)
STEPHEN DEL SESTO, AS RECEIVER AND)	
ADMINISTRATOR OF THE ST. JOSEPH)	
HEALTH SERVICES OF RHODE ISLAND)	
RETIREMENT PLAN, et al.,)	
)	
Plaintiffs,)	
)	C.A. No. 18-328 WES
v.)	
)	
PROSPECT CHARTERCARE, LLC, et al.,)	
)	
Defendants.)	
_____)

ORDER GRANTING FINAL APPROVAL TO SETTLEMENT

WILLIAM E. SMITH, District Judge.

Before the Court is a request for final approval of a Settlement reached between Plaintiff Stephen Del Sesto ("Plan Receiver"), as state appointed receiver and administrator of the St. Joseph Health Services of Rhode Island Retirement Plan (the "Plan"), Named Plaintiffs Gail J. Major, Nancy Zompa, Ralph Bryden, Dorothy Willner, Carroll Short, Donna Boutelle, and Eugenia Levesque, individually and on behalf of others similarly situated (collectively, "Plaintiffs"), and Defendants Prospect Medical Holdings, Inc., Prospect East Holdings, Inc., Prospect Chartercare, LLC, Prospect Chartercare SJHSRI, LLC, and Prospect Chartercare RWMC, LLC (collectively referred to herein as

"Prospect"), and The Angell Pension Group, Inc. ("Angell") (Prospect and Angell being collectively the "Settling Defendants"), Thomas Hemmendinger in his capacity as liquidating receiver (the "Liquidating Receiver") of CharterCARE Community Board, having been so appointed in the Rhode Island Superior Court matter captioned In re: CharterCARE Community Board, St. Joseph Health Services of Rhode Island and Roger Williams Hospital (C.A. No. PC-2019-11756) (the "Liquidation Proceedings"), Sam Lee, and David Topper (all parties to the Settlement being collectively referred to as the "Settling Parties").

Following preliminary approval of the Settlement on March 26, 2021 (ECF No. 209), a fairness hearing was held on July 20, 2021, concerning (1) final approval of the Settlement and certification of the class, class representatives, and class counsel, and (2) approval of the fee application (ECF No. 210) filed by Wistow, Sheehan & Loveley, PC ("WSL"). See Min. Entry for July 20, 2021. For the reasons stated during the fairness hearing, it is hereby:

ORDERED, ADJUDGED, AND DECREED:

1. The Court has jurisdiction over the subject matter of this action, each of the parties, and all members of the Settlement Class.
2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court grants final approval of the Settlement.

3. The Court finds that the Settlement is the product of good faith and is in all respects fair, reasonable, and adequate.
4. The Court finds that the Settlement is a judicially approved good-faith settlement under R.I. Gen. Laws § 23-17.14-35. This finding is made without prejudice to the right of the Non-Settling Defendants¹ to argue later in this litigation or in a future proceeding that R.I. Gen. Laws § 23-17.14-35 is preempted and/or unconstitutional.
5. Pursuant to Rule 23(b)(1)(B) of the Federal Rules of Civil Procedure, and for purposes of this Settlement only, the Court grants final certification to the following 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.

6. Due and adequate notice of the proceedings having been given to the Settlement Class and a full opportunity having been offered to the Settlement Class to object to the Settlement and to participate in the July 20, 2021 Fairness Hearing, it

¹ The Non-Settling Defendants are the Roman Catholic Bishop of Providence, a corporation sole, the Diocesan Administration Corporation, and the Diocesan Service Corporation.

is hereby determined that all Settlement Class members are bound by this Order.

7. Pursuant to Rule 23(a) of the Federal Rules of Civil Procedure, the Court finds:

a. There are over 2,700 members of the Settlement Class, rendering joinder of all members of the Settlement Class impracticable.

b. The issues raised by Plaintiffs' claims present issues of law and fact common to the class, including but not limited to the Plan participants' rights under the Plan and whether those rights were violated by any defendant.

c. There is typicality among the Settlement Class Representatives' claims and the claims of the Settlement Class.

d. The Settlement Class Representatives are aligned with the Settlement Class members, the Settlement Class Representatives and class counsel have adequately represented the Settlement Class, and class counsel have satisfied the requirements of Rule 23(g) of the Federal Rules of Civil Procedure.

8. Pursuant to Rule 23(b)(1)(B) of the Federal Rules of Civil Procedure, the Court finds that separate actions by individual members would create a risk of adjudications with respect to individual class members that, as a practical

matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests.

9. The Court appoints the Individual Named Plaintiffs Gail J. Major, Nancy Zompa, Ralph Bryden, Dorothy Willner, Carroll Short, Donna Boutelle, and Eugenia Levesque, as Representatives of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure.
10. The Court appoints WSL as class counsel for the Settlement Class.
11. The Court grants WSL's fee application and awards WSL twenty three and one third percent (23 1/3%) of the gross Settlement amount of \$30,000,000, i.e. \$7,000,000. The Plan Receiver shall obtain and distribute these amounts as follows:
 - a. In accordance with the Stipulation and Consent Order dated January 4, 2021 entered in the Rhode Island Superior Court action captioned St. Joseph Health Services of Rhode Island, Inc., v. St. Joseph's Health Services of Rhode Island Retirement Plan, as Amended, PC-2017-3856, the Plan Receiver shall file his affidavit with the Superior Court attaching this Order. The Plan Receiver shall obtain \$2,750,000.00 from the Registry of the Rhode

Island Superior Court, shall pay \$641,666.67 to WSL, and shall pay the balance of \$2,108,333.33 into the Plan.

b. The Plan Receiver shall demand and obtain \$22,250,000 from JPMorgan Chase Bank, N.A. under JPMorgan Chase Bank N.A. Letter of Credit No. NUSCGS036108, shall pay \$5,191,666.67 to WSL, and shall pay the balance of \$17,058,333.33 into the Plan.

c. The Plan Receiver shall demand and obtain \$5,000,000 from JPMorgan Chase Bank, N.A. under JPMorgan Chase Bank N.A. Letter of Credit No. NUSCGS036107, shall pay \$1,166,666.66 to WSL, and shall pay the balance of \$3,833,333.34 into the Plan.

IT IS SO ORDERED.



William E. Smith
District Judge
Date: July 29, 2021

EXHIBIT 4

Presented on August __, 2021
by:

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Benjamin Ledsham, Esq. (#7956)
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