

UNITED STATE 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 :

v. :

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

PROSPECT CHARTERCARE, LLC, ET AL. :

Defendants. :

**SECOND DECLARATION OF STEPHEN DEL SESTO IN SUPPORT OF
APPROVAL OF SETTLEMENT A**

Stephen Del Sesto, Esq. hereby declares and states as follows:

1. In early July 2018, during negotiations in connection with Settlement A, Special Counsel and I met with Attorneys Richard Land and Robert Fine at the offices of Special Counsel. Counsel for the Heritage Hospitals stated that they did not believe that the potential settlement we were discussing would prefer Plaintiffs over other creditors, but out of an abundance of caution we specifically discussed the common law of Rhode Island that permits a debtor to favor one creditor with payment over another even if the debtor is insolvent, and the fact that settlement of a disputed claim is value under the R.I. Uniform Fraudulent Transfer Act (now the Uniform Voidable Transactions Act). Indeed, Mr. Sheehan provided Messrs. Land and Fine with citations to the applicable Rhode Island cases.

2. Thus, counsel for the parties to Settlement A were very careful to ensure that in the event (contrary to the Heritage Hospitals' counsels' belief) the settlement was considered to give Plaintiffs a preference over any of Heritage Hospitals' other creditors, it nevertheless would be lawful and enforceable.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 3rd day of September, 2019 in Rhode Island.



Stephen Del Sesto