

STATE OF RHODE ISLAND
PROVIDENCE, SC

SUPERIOR COURT

CHARTERCARE COMMUNITY BOARD

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v.

C.A. No.: PC-2019-3654

SAMUEL LEE, ET AL

REVISED STIPULATION AND CONSENT ORDER

Plaintiffs having filed their Motion to Compel Production, to Allow Deposition, to Extend Time to Exercise Put Option, and for Sanctions, Including an Order Establishing Facts and an Award of Attorneys' Fees Arising Out of Prospect Chartercare's Failure to Comply with the Court's order Dated July 21, 2020, and the Prospect Entities having filed their objection thereto, and Prospect Chartercare, LLC, Prospect Chartercare SJHSRI, LLC, Prospect Chartercare RWMC, LLC, Prospect Medical Holdings, Inc., Prospect East Holdings, Inc., and Prospect East Hospital Advisory Services, LLC (all collectively the "Prospect Entities"), Thomas Hemmendinger in his capacity as Liquidating receiver for CharterCARE Community Board ("Liquidating Receiver"), and Stephen Del Sesto in his capacity as Receiver for the St. Joseph Health Services of Rhode Island Retirement Plan ("Plan Receiver") (collectively referred to as the "Parties") having come to an agreement, it is hereby:

ORDERED:

1. The Prospect Entities will produce to the Liquidating Receiver and the Plan Receiver a complete copy of all documents exchanged between any of the Prospect Entities or their agents (including attorneys) and the monitor AMI or the Rhode Island Attorney General ("RIAG") following the closing of the 2014 Asset Sale concerning the Prospect Entities' compliance or failure to comply with the conditions the RIAG imposed in connection with his approval of that transaction, by November 23, 2020. No documents will be redacted except for privilege and a privilege log will be provided for each redaction based on privilege. Any documents withheld from production based upon claims of privilege will be listed in the privilege log. If any of the documents produced are marked "CONFIDENTIAL" the Prospect Entities will have until November 27, 2020 to file a motion seeking a protective order against further disclosure. The Liquidating Receiver and the Plan Receiver will treat those documents as covered under the Stipulation and Consent Order dated April 25, 2019 until November 27, 2020, and if the Prospect Entities file such a motion on or before that date, they will continue to so treat those documents until the motion is decided.

2. The Prospect Entities will produce to the Liquidating Receiver and the Plan Receiver complete copies of all correspondence including letters and emails with all enclosures or attachments thereto exchanged between any of the Prospect Entities or their agents (including attorneys) and the monitor AMI or the RIAG following the closing of the 2014 Asset Sale concerning the Prospect Entities' compliance or failure to comply with the conditions the RIAG imposed in connection with his approval of that transaction, by December 8, 2020. No documents will be redacted except for privilege and a privilege log

will be provided for each redaction based on privilege. Any documents withheld from production based upon claims of privilege will be listed in the privilege log. If any of the documents are marked "CONFIDENTIAL" and the motion for a protective order referred to above is pending, the Liquidating Receiver and the Plan Receiver will treat those documents as covered under the Stipulation and Consent Order dated April 25, 2019 until the motion is decided.

3. The Plan Receiver and the Liquidating Receiver will make a more specific request concerning the books and records of Prospect Chartercare LLC that they wish to inspect, and Prospect Chartercare LLC will allow such inspection.

4. The deadline within which the put option created in Section 14.5 of the LLC Agreement can be exercised is agreed to be January 15, 2021, without prejudice to the right of the Liquidating Receiver and the Plan Receiver to request additional time from the Court pursuant to the Stipulation and Consent Order dated April 25, 2019 and without prejudice to the right of the Prospect Entities to oppose such request.

5. Plaintiffs' motion is passed without prejudice.

6. The Stipulation and Consent Order entered on November 17, 2020 is vacated and replaced by this Stipulation and Consent Order.

ORDERED:

Brian P. Stern, J.
Stern, J.

ENTERED:

/s/ Carin Miley
Dep. Clerk Deputy Clerk I

Dated: November 18, 2020

Dated: November 18, 2020

Stipulated to and presented by:

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

By their Attorneys,

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PROSPECT MEDICAL HOLDINGS, INC.,
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PROSPECT EAST HOSPITAL ADVISORY SERVICES, LLC

By their Attorneys,

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Plaintiff CharterCARE Community Board,
by its Liquidating Receiver

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

By his Attorneys,

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