



Traci M. Christian  
Special Fiduciary  
Singing River Health System Employees' Retirement Plan and Trust

June 29, 2018

**To: All Participants, Retirees and Beneficiaries of the  
Singing River Health System Employees' Retirement Plan and Trust**

Dear Plan Participant,

June has been an eventful month for the Plan. My apologies for the length of this letter, but I promised to keep you updated as things moved along and there have been several things happen. Late last week, Judge Bell issued four new orders. You may have seen these already, but they are posted here for your review, and below are my comments about them. I am referring to them by number so you can find them more easily.

**First, the Court issued Document #660** which was an order concerning the Investment Policy Statement for the Plan and also addressed some suggestions made by plan participants that I included in my last report.

The Investment Policy Statement is a document that guides how the money in the Trust Fund is to be managed and invested. I have been working closely with the investment advisors of the Fund and my goal is to position the assets of the Fund to earn the highest investment returns while balancing the risk and keeping fees low. Every dollar counts! A fund of this size requires careful oversight for long-term investing and a good Policy Statement is crucial to this goal. The Court has asked for more detail about what that document should say and so my next report will include a draft for the Court's review and allow for comments before the Court makes a final determination.

This Order also made mention of a suggestion by a Plan participant to allow retirees in pay status to change their form of payment. Normally, this would not be allowed, but in light of the benefit reduction, allowing participants to reconsider their form of payment may provide some needed flexibility. The Court has asked for my recommendation on this and so more information will be coming soon.

Another suggestion was to allow participants who are still working to begin receiving benefit payments from the Plan. This would generate additional costs to the Plan and so the Court has denied this as an option.

**Second, the Court issued Document #661** which was an order concerning the administrative and actuarial services for the Plan. Judge Bell approved the proposal for McCloud & Associates in Liberty, Missouri to take over these functions. It is no secret



that I am an owner of this firm. I specifically requested that my firm be permitted to do this work for the Plan for the purpose of reducing fees. I will be posting more information about how to contact McCloud shortly. In the meantime, you can learn more about our firm at [www.mccloudandassociatesinc.com](http://www.mccloudandassociatesinc.com).

**Third, the Court issued Document #662** which was an order denying a motion to provide a list of names of those who have withdrawn their employee contributions from the Plan. I filed an objection to this motion as did the Health System. I assure you that this was not done to protect any former executives of the hospital. Since the Plan's inception, a withdrawal of employee contributions by a terminated employee in exchange for the retirement benefit has been allowed. It is still allowed. After closely reviewing the information, I am convinced that no participant, at any level, was allowed to receive any money from the Plan that he or she was not entitled to under the terms that have always been in effect. In addition, I pointed out to the Court, that anyone who takes their contributions out early is ultimately doing the remaining participants a favor by allowing more money to remain for them. Also, making a list of names public would violate the privacy of those who chose this option.

**Fourth, the Court issued Document #663** which was an order approving a partial payment of fees to my attorney, Charles Mikhail. The order invited Mr. Mikhail to justify the balance of his bill, which he did and ultimately the Court issued a second order approving his bill in full. I invite you to read the court documents for more detail. They are posted here on the website. But I want to point out the following because several of you have written me about Mr. Mikhail's billing:

To begin with, Charles Mikhail took the time to forward an objection letter, written by a plan participant and filed electronically, directly to the judge's clerk to make sure that Judge Bell saw it. He is of the firm belief that it is important for everyone to have the opportunity to make their voices heard.

With that in mind, when I took over as Special Fiduciary, the Court permitted me to retain counsel. I consider Charles to be "our" attorney, in that he is working for me, and I am working for you. I am nearly 8 months into this work and I am extremely grateful for his assistance. I firmly believe I chose the best attorney to represent us. Just as my other expenses related to my work as Special Fiduciary are paid for by the Plan, so is our attorney. When I came on board, I received many calls from people and firms offering to "help". Charles was not one of these. He did not call me, I called him. I knew that he had represented Steve Simpson in this role, I knew that he knew the history. I asked him to represent me, he agreed and the Court approved.

In the past, the judge has seen fit to reduce certain legal charges. This latest invoice was ultimately approved to be paid in full. So please allow me to talk about the work that



Charles is doing at my request and for the benefit of the Plan. Some have asked, “Why does she need an attorney anyway?”

There are three lawsuits involving this Plan. We are not just in litigation for the proposed settlement. Because I am not an attorney, it is imperative that I have someone working on our behalf who can assist me with the legal side of my responsibilities to you.

In addition to the settlement litigation, the Plan is a party to two other lawsuits: One with KPMG and one with Transamerica. These cases are currently going through a mediation process. In order to save the Plan in legal fees, I have approved of joining group mediation. The work is divided among the attorneys and of course they must talk about it. There is no conflict of interest in these communications, I am confident that Charles is acting on our behalf and in the best interests of the Plan at all times. The goal of this mediation is to hopefully craft a separate settlement with KPMG and Transamerica that ultimately results in additional money for the Plan.

I do not regret having sent Charles to New Orleans for the appellate court hearing. I can’t do my job right now without competent legal counsel. I would be remiss in my duties – negligent even - if I tried to navigate 3 lawsuits involving millions of dollars of other people’s money without someone like Charles helping me. The bottom line is, once all of the litigation involving the Plan has ended, so will the legal bills.

In closing, I promise you that I am working continually for the benefit of all plan participants. I am consciously aware of every dollar going out. I encourage you to read my monthly reports to the Court where I inform Judge Bell about changes big and small that I am making to the administration of this fund with the single goal of making sure that every dollar that can go to participants does go to participants. Already, tens of thousands of dollars have been saved in fees, that will continue year after year, helping to insure the longevity of the Plan for all of you.

I hope the above information has been helpful to you. I am, and will continue to be, working for you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Traci M. Christian'.

Traci M. Christian, EA, MAAA, FCA, MSPA  
Special Fiduciary  
Singing River Health System Employees’ Retirement Plan and Trust