

IN THE CHANCERY COURT OF JACKSON COUNTY, MISSISSIPPI

IN RE: Singing River Health System Employees' Retirement Plan and Trust
Almond, et al. v. Singing River Health System, et al.; Cause No. 2014-2653
Thompson, et al. v. Singing River Health System, et al.; Cause No. 2014-2695
Bosarge, et al. v. Singing River Health System, et al.; Cause No. 2014-2729
Aguillar, et al. v. Singing River Health System, et al.; Cause No. 2014-2753
Drury, et al. v. Singing River Health System, et al.; Cause No. 2015-0001
Broun, et al. v. Singing River Health System, et al.; Cause No. 2015-0027
Eiland, et al. v. Singing River Health System, et al.; Cause No. 2015-0030
Lay, et al. v. Singing River Health System, et al.; Cause No. 2015-0060

REPORT BY SPECIAL FIDUCIARY TRACI M. CHRISTIAN

Pursuant to the appointment of Traci M. Christian as Special Fiduciary of the Singing River Health System Employees' Retirement Plan and Trust (the "Plan"), the Court has requested a monthly report. The Special Fiduciary brings to the Court's attention the following items for the month of June, 2019.

Repeated - Ongoing Litigation

Three other lawsuits involving the Plan are still pending. Two cases in which the Plan is Petitioner. Those suits are against Transamerica and KPMG, former administrator and auditor respectively. In the third lawsuit, Beasley et al vs SRHS et al, the Plan is a Respondent. The lawsuit alleges benefits owed from the Plan that were not paid.

Update - Return of Contributions for Non-Vested Terminated Participants

Over 700 former Plan participants who terminated employment prior to becoming vested in a retirement benefit have yet to receive a return of their employee contributions.

The Special Fiduciary, at the Court's request through counsel, has provided a proposed motion to complete a special project to contact these remaining non-vested terminated participants and to present them with an election packet so that they can receive a refund.

This project does not require any changes or amendments to the Plan. The Plan provision to return employee contributions to non-vested former participants has always been in place. This project constitutes a best effort to follow the terms of the Plan as it is currently written and to protect the interests of those participants.

The scope of the project will include letters and election packets sent to the last known address of each participant. Letters returned will be searched through an online search service and a second attempt will be made to reach them.

Update - Investment Policy Statement

The Special Fiduciary, at the Court's request through counsel, has provided a proposed motion to implement an amended Investment Policy Statement (IPS). This amended IPS does not change the terms of the Plan.

The new IPS updates one of the benchmarks for measuring the investment performance of the Plan's assets and allows the Special Fiduciary to include Exchange Traded Funds (similar to mutual funds) as an investment vehicle for the Plan.

Repeated - Plan Document

The Plan Document, which governs all operations of the Plan has not been restated since January of 2014. The Special Fiduciary has conferred with the Plan's independent counsel and will present a proposal for restatement in the form of a motion later this year.

Administration

The assets of the Plan are performing well. All Plan benefits due and vendor invoices to date have been authorized for payment.

The Special Fiduciary has authorized the study of retirement rates in the Plan. That study is currently underway and will provide information for use in the October 1, 2019 actuarial valuation. The study compares actual rates of retirement with those assumed in the valuation in order to insure that the assumptions for the valuation of liabilities is as accurate as possible.

The study is being conducted at no additional charge to the Plan.

This concludes the report for the 24th day of June, 2019.

Respectfully submitted,



TRACI M. CHRISTIAN