

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 May, 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.

Return of Contributions for Active Participants

The Plan was amended per the Court's order of August 21, 2018 to allow active participants to withdraw their own contributions in lieu of a retirement annuity benefit. Over 300 participants made such an election as of December 31, 2018 resulting in a significant liability gain to the Plan.

The Court's order and Plan amendment allowed the Special Fiduciary to continue to offer this option and active participants have been notified that this option is available to them going forward.

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 plans to offer a proposal to the Court to contact these remaining non-vested terminated participants and to present them with an election packet so that they can receive a refund.

While the Plan benefits from contributions left behind since no interest earnings are credited on those accounts, the Special Fiduciary is charged with protecting the interests of all plan participants. These non-vested participants may not realize they are due a refund and it is not in the best interest of non-vested terminated participants to leave their money in this Plan.

Investment Policy Statement

The Special Fiduciary has conferred with the Plan's independent investment advisors and is working on an amended IPS for the court's consideration. This draft will be presented in the form of a motion.

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.

Administration

All Plan benefits due and vendor invoices to date have been authorized for payment.

This concludes the report for the 23rd day of May, 2019.

Respectfully submitted,



TRACI M. CHRISTIAN