

EXHIBIT A

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

LAURIE NICHOLSON, individually and on
behalf of herself and all others similarly situated,

No.: 3:16-cv-00258-SDD-EWD

Plaintiff,

vs.

Franciscan Missionaries of Our Lady Health
System, Franciscan Missionaries of Our Lady
Health System Investment Committee, and John
Does 1-20,

Defendants.

CLASS ACTION SETTLEMENT AGREEMENT

This CLASS ACTION SETTLEMENT AGREEMENT (“Settlement Agreement”) is entered into by and between the Settlement Class Representatives as defined in § 1.20 below, on the one hand, and Defendants, as defined in § 1.7 below, on the other. The Settlement Class Representatives and Defendants are referred to collectively in this Settlement Agreement as the “Parties.” Capitalized terms and phrases have the meanings provided in § 1 below or as specified elsewhere in this Settlement Agreement.

1. DEFINITIONS

1.1. “Action” shall mean: *Laurie Nicholson v. Franciscan Missionaries of Our Lady of Health System, et al.*, No. 16-cv-258, pending in the United States District Court for the Middle District of Louisiana.

1.2. “Case Contribution Award” shall mean: any monetary amounts awarded by the Court in recognition of the Settlement Class Representatives’ assistance in the prosecution and resolution of the Action and payable pursuant to § 8.1.4 below.

1.3. “Church Plan” shall mean: a plan which meets the definition of a “church plan” under ERISA § 3(33), 29 U.S.C. § 1002(33) and is thus exempt from the provisions of Title I and Title IV of ERISA.

1.4. “Class Counsel” shall mean: Iazard, Kindall & Raabe LLP and Kessler Topaz Meltzer & Check, LLP.

1.5. “Complaint” shall mean: the Class Action Complaint filed in the Action on April 21, 2016.

1.6. “Court” shall mean: The United States District Court for the Middle District of Louisiana.

1.7. “*Defendants*” shall mean: Franciscan Missionaries of Our Lady of Health System, Franciscan Missionaries of Our Lady Health System, Inc. and Franciscan Missionaries of Our Lady Health System Investment Committee.

1.8. “*Effective Date of Settlement*” shall mean: the date on which all of the conditions to settlement set forth in § 3 of this Settlement Agreement have been fully satisfied or waived and the Settlement shall have become Final, as defined in § 1.10.

1.9. “*ERISA*” shall mean: the Employee Retirement Income Security Act of 1974, as amended, including all regulations promulgated thereunder.

1.10. “*Final*” shall mean: with respect to any judicial ruling or order in the Action, that the period for any appeals, petitions, motions for reconsideration, rehearing or certiorari or any other proceedings for review (“*Review Proceeding*”) has expired without the initiation of a Review Proceeding, or, if a Review Proceeding has been timely initiated, that there has occurred a full and completed disposition of any such Review Proceeding, including the exhaustion of proceedings in any remand and/or subsequent appeal on remand.

1.11. “*Operating Entities*” shall mean the sponsors of the Plans (“*Plan Sponsors*”) defined in § 1.14 and collectively refers to Our Lady of the Lake Hospital, Inc., Our Lady of Lourdes Regional Medical Center, Inc. and St. Francis Medical Center, Inc., each of which Franciscan Missionaries of Our Lady Health System, Inc. is the sole member of, and has sole voting control over.

1.12. “*Person*” shall mean: an individual, partnership, corporation, any form of business entity, or any other form of organization.

1.13. “*Plaintiff*” and “*Named Plaintiff*” shall mean: Laurie Nicholson.

1.14. “*Plans*” shall include: (a) the “*Retirement Plan of Our Lady of the Lake Hospital and Affiliated Organizations*”; (b) the “*Pension Plan for Employees of Our Lady of Lourdes Regional Medical Center, Inc.*”; and (c) the “*Retirement Plan for Employees of St. Francis Medical Center, Inc.*,” each of which is operated as, and claimed to be, exempt from ERISA as a Church Plan as of the Effective Date of Settlement.

1.15. “*Released Claims*” shall have the meaning provided in § 4.

1.16. “*Releasees*” shall mean: the Defendants, the Plans, the Operating Entities, any Person who served as a trustee, investment manager, service provider, record-keeper, or named or functional fiduciary (including de facto fiduciaries) of the Plans, together with, for each of the foregoing, any and all predecessors, Successors-In-Interest, affiliates, associates, present and former Representatives, direct or indirect parents and subsidiaries, their counsel and any Person that controls, is controlled by, or is under common control with any of the foregoing, including, without limitation, every person who was a director, officer, governor, management committee member, in-house counsel, employee, or agent of Franciscan Missionaries of Our Lady of Health System and its subsidiaries and affiliates, together with, for each of the foregoing, any and all present or former Representatives, insurers, reinsurers, consultants, attorneys, administrators, employee benefit plans, investment advisors, investment underwriters, and spouses.

1.17. “*Representatives*” shall mean: representatives, attorneys, agents, directors, officers, employees, insurers and reinsurers.

1.18. “*Settlement*” shall mean: the settlement to be consummated under this Settlement Agreement pursuant to the Final Approval Order.

1.19. “*Settlement Class*” shall mean: All present or past participants of the Plans (both vested and non-vested) including those participants who accepted a lump sum or annuity benefit under the Lump Sum Window Benefit Program in 2016, and beneficiaries of the Plans as of the Effective Date of Settlement. Because the Plans are frozen, no new participants will join these Plans. However, should a Plan participant add or designate another future beneficiary, that added or designated beneficiary is a member of the Settlement Class and is subject to this Settlement Agreement, including its release of claims and covenant not to sue provisions.

1.20. “*Settlement Class Representatives*” shall mean Cynthia Francis as well as Named Plaintiff Laurie Nicholson.

1.21. “*Successor-In-Interest*” shall mean: a Person’s estate, beneficiary of a participant, legal representatives, heirs, successors or assigns, and any other Person who can make a legal claim by or through such Person.

1.22. “*Term Sheet*” shall mean: the document entitled “Term Sheet; *Nicholson v. Franciscan Missionaries of Our Lady of Health System, et al.*, No. 16-cv-258 (M.D. La.) dated March 27, 2017.

2. RECITALS

2.1. In the Complaint (Dkt. No.¹ 1), Plaintiff alleges causes of action on behalf of the Settlement Class arising under ERISA §§ 101-104, 302, 402, 404, 409, and 502(a).

2.2. Plaintiff alleges and seeks declaratory relief that the Plans are not Church Plans within the meaning of ERISA § 3(33) and thus are subject to the provisions of Title I and Title IV of ERISA. Plaintiff alleges, among other things, that Defendants (a) violated ERISA’s reporting and disclosure provisions; (b) failed to adhere to ERISA’s required minimum funding standards for the Plans; and (c) failed to establish the Plans pursuant to a written instrument meeting the requirements of ERISA § 402. Plaintiff also alleges that Defendants breached fiduciary duties owed to the Plans’ participants and beneficiaries, including Plaintiff and Settlement Class Representative. Defendants deny each and every allegation and assert that Franciscan Missionaries is associated with, controlled by, and is a constituent part of the Roman Catholic Church, and the Plans were and remain Church Plans exempt from ERISA.

2.3. On June 14, 2016, Plaintiff filed a Motion to Compel Defendants to Send a Curative Notice to Certain Plan Participants (“Curative Notice Motion”) concerning Defendants’ communications to members of the Settlement Class (Dkt. No. 25). On June 20, 2016,

¹ “Dkt. No.” refers to the docket entry number or electronic case filing (ECF) number in the Action.

Defendants filed their response to the Curative Notice Motion (Dkt. No. 28) and on July 6, 2016, Plaintiff filed her Reply (Dkt. No. 37).

2.4. At the request of Plaintiff and Defendants, on July 8, 2016, the Court entered an Order that provided that the Parties would brief the motions to dismiss that the Defendants intended to file and then participate in a mediation session to determine if they could resolve the Action (Dkt. Nos. 36, 38).

2.5. On July 26, 2016, Defendants filed a Motion to Dismiss pursuant to FED. R. CIV. P. 12(b)(6) (Dkt. No. 39) and a Motion to Dismiss pursuant to FED. R. CIV. P. 12(b)(1) (Dkt. No. 41) (together, the "Motions to Dismiss"). The Court has not decided the Motions to Dismiss, and they remain pending.

2.6. Defendants deny any and all liability to the Settlement Class Representatives, members of the Settlement Class and/or the Plans, and deny any and all allegations of wrongdoing made in the Action. Defendants aver that the Plans were, have been, and continue to be, properly established, maintained, and/or administered as Church Plans under the appropriate terms of the Plans and as defined in ERISA § 3(33), exempt from coverage under ERISA. This Settlement is not evidence of liability of any type. Nothing in this Settlement Agreement eliminates or restricts Defendants' argument that the Plans qualify for the Church Plan exemption.

2.7. Defendants desire to resolve fully and settle with finality the Action and all the Settlement Class Representatives' Released Claims for themselves, the Settlement Class, and the Plans, thereby avoiding the risk, expense, inconvenience, burden, distraction and diversion of their personnel and resources, and uncertainty of outcome that is inherent in any litigation, associated with the Action.

2.8. The Settlement Class Representatives deny any and all theories of defense asserted in the Motions to Dismiss.

2.9. Class Counsel has conducted an extensive investigation into the facts, circumstances and legal issues associated with the allegations made in the Action. This investigation has included, *inter alia*: (a) inspecting, reviewing and analyzing documents relating to Defendants and the Plans; (b) researching the applicable law with respect to the claims asserted in the Action and the defenses and potential defenses thereto; (c) inspecting, reviewing and analyzing documents concerning the Plans and administration of the Plans; (d) consulting with actuarial experts and (e) participating in lengthy settlement negotiations with Defendants' counsel, presided over by mediator Robert Meyer, Esq.

2.10. Class Counsel believes that the Settlement will provide a benefit to the Settlement Class, and that, when that benefit is weighed against the attendant risks of continuing the prosecution of the Action, the Settlement represents a reasonable, fair, and adequate resolution of the claims of the Settlement Class. In reaching this conclusion, Class Counsel has considered, among other things, the risks of litigation; the time necessary to achieve a complete resolution through litigation; the complexity of the claims set forth in the Complaint; the ability of Defendants to withstand judgment; and the benefit accruing to the Plans' participants under the Settlement.

2.11. Class Counsel believes that the Settlement will provide the Settlement Class with the bulk of the protections they would have received if the cases had been litigated to a conclusion, and Plaintiff had prevailed.

2.12. The Settlement Class Representatives and Defendants have thus reached this Settlement by and through their respective counsel on the terms and conditions set forth here, which they have had a full and meaningful opportunity to consider with the advice of their respective counsel.

3. CONDITIONS PRECEDENT TO EFFECTIVENESS OF THE SETTLEMENT

3.1. *Effectiveness of This Settlement Agreement.* This Settlement Agreement shall not become binding unless and until each and every one of the following conditions in §§ 3.2 through 3.8 has been satisfied.

3.2. *Court Approval.* The Settlement contemplated under this Settlement Agreement shall have been approved by the Court, as provided for in this § 3.2. The Parties agree jointly to recommend to the Court that it approve the terms of this Settlement Agreement and the Settlement contemplated hereunder. The Parties agree to undertake their best efforts, including all steps and efforts contemplated by this Settlement Agreement, and any other steps or efforts which may become necessary by order of the Court (unless such order modifies the terms of this Settlement Agreement) or otherwise, to carry out this Settlement Agreement, including the following:

3.2.1 *Motion for Preliminary Approval of Settlement and of Notices.* The Court shall have approved the preliminary motion to be filed by Plaintiff (“Preliminary Motion”) by issuing an order in substantially the same form as attached hereto as Exhibit 1 (the “Preliminary Approval Order”), including the form of class notice in substantially the form as attached hereto as Exhibit A to the Preliminary Approval Order (the “Class Notice”), and:

- (a) Preliminarily approving this Settlement Agreement;
- (b) Directing the time and manner of the Class Notice; and
- (c) Finding that: (i) the proposed form of Class Notice fairly and adequately: (A) describes the terms and effect of this Settlement Agreement and of the Settlement, (B) gives notice to the Settlement Class of the time and place of the hearing of the motion for final approval of this Settlement Agreement, and (C) describes how the recipients of the Class Notice may object to approval of this Settlement Agreement; and (ii) the proposed manner of communicating the Class Notice to the members of the Settlement Class is the best notice practicable under the circumstances.

3.2.2 *Class Certification.*

(a) The Court shall have certified the Action as a non-opt out class action for settlement purposes only, pursuant to Federal Rules of Civil Procedure 23(b)(1) and/or (b)(2), appointing the defined Settlement Class Representatives as representatives of the class;

appointing IZARD, KINDALL & RAABE LLP and KESSLER TOPAZ MELTZER & CHECK, LLP as Class Counsel; and with a “Settlement Class” as defined in § 1.19.

(b) The Parties stipulate to a certification of the case as a non-opt out class action for settlement purposes only, pursuant to Federal Rules of Civil Procedure 23(b)(1) and/or (b)(2), on the foregoing terms. If the Settlement does not become Final, then no Settlement Class will be deemed to have been certified by or as a result of this Settlement Agreement, and the Action will for all purposes revert to its status as of September 9, 2016 when the Parties had fully submitted their briefing on the Motions to Dismiss.

3.2.3 *Issuance of Class Notice.* On the date and in the manner set by the Court in its Preliminary Approval Order, Defendants will cause notice of the Preliminary Approval Order to be delivered to the Settlement Class in the form and manner approved by the Court. The Parties shall confer in good faith with regard to the form of the Class Notice and agree that notice shall be sent via first-class mail to the last known addresses of all members of the Settlement Class. The Parties agree, and the form of Preliminary Approval Order attached hereto as Exhibit 1 shall provide, that the last known addresses for members of the Settlement Class in the possession of the Plans’ current record-keeper(s) will suffice for all purposes in connection with this Settlement, including, without limitation, the mailing of the Class Notice. Defendants will pay the cost for notice to be sent the Settlement Class.

3.2.4 *Internet/Publication of Class Notice.* Class Counsel also shall have given Notice by publication of the Settlement Agreement and Class Notice on its website.

3.2.5 *The Fairness Hearing.*

- (a) On the date set by the Court in its Preliminary Approval Order, the Parties shall participate in the hearing (the “Fairness Hearing”) during or after which the Court will determine by order (the “Final Approval Order,” attached hereto as Exhibit 2) whether: (i) this Settlement Agreement is fair, reasonable and adequate and should be approved by the Court; (ii) final judgment approving this Settlement Agreement should be entered (“Final Judgment”); (iii) the Settlement Class should be certified as a mandatory non-opt-out class meeting the applicable requirements for a settlement class imposed by Federal Rule of Civil Procedure 23; (iv) the requirements of Federal Rule of Civil Procedure 23 and due process have been satisfied in connection with the distribution of the Class Notice to members of the Settlement Class; (v) the requirements of the Class Action Fairness Act have been satisfied; (vi) to award the Settlement Class Representatives Incentive Fees and if so, the amount; and (vii) to award attorneys’ fees and further expenses to Class Counsel and other attorneys who represent members of the Settlement Class and if so, the amounts.
- (b) The Parties covenant and agree that they will reasonably cooperate with one another in obtaining an acceptable Final Approval Order at the Fairness Hearing and will not do anything inconsistent with obtaining such a Final Approval Order.

3.2.6 *Motion for Final Approval of Class Action Settlement.* On the date set by the Court in its Preliminary Approval Order, Plaintiff shall have filed a motion (the “Final Approval Motion”) for a Final Approval Order. The Final Approval Motion shall seek the Court’s finding that the Final Approval Order is a Final Judgment disposing of all claims in the Action.

3.3. *Finality of Final Approval Order.* The Final Approval Order shall have become Final, as defined in § 1.10 of this Settlement Agreement.

3.4. *Compliance with the Class Action Fairness Act.* The Court shall have determined that Defendants complied with the Class Action Fairness Act of 2005 (“CAFA”) and its notice requirements by providing appropriate federal and state officials with information about the Settlement.

3.5. *Dismissal of Action.* The Action shall have been dismissed with prejudice as against Defendants on the Effective Date of Settlement.

3.6. *No Termination.* The Settlement shall not have terminated pursuant to § 10 below.

3.7. *Materiality of Settlement Agreement Conditions.* The Parties expressly acknowledge that the effectiveness of this Settlement Agreement is specifically conditioned upon the occurrence of each and every one of the foregoing conditions precedent prior to the Effective Date of Settlement, and that a failure of any condition set forth in §§ 3.1 through 3.6 above at any time prior to the Effective Date of Settlement shall make this Settlement Agreement, and any obligation to pay the amounts specified in § 8.1, or any portion thereof, null, void, and of no force and effect.

3.8. *Establishment of Effective Date of Settlement.* If the Parties disagree as to whether each and every condition set forth in § 3 has been satisfied, they shall promptly confer in good faith and, if unable to resolve their differences within five (5) business days thereafter, shall present their disputes for determination to Robert M. Meyer, the Parties’ mediator, who shall retain jurisdiction for this purpose. No portion of the Class Settlement Amount shall be disbursed in the event of such a dispute pending the Court’s ruling. Disbursement shall thereafter be made pursuant to the Court’s order.

4. RELEASES AND COVENANT NOT TO SUE

4.1. “Released Claims” shall mean any and all actual or potential claims, actions, causes of action, demands, obligations, liabilities, attorneys’ fees, expenses and costs arising out of the allegations of the Complaint that were brought or could have been brought as of the date of the Settlement Agreement by any member of the Settlement Class, including any current or prospective challenge to the Church Plan status of the Plans, whether or not such claims are accrued, whether already acquired or subsequently acquired, whether known or unknown, in law or equity, brought by way of demand, complaint, cross-claim, counterclaim, third-party claim, or otherwise. “Released Claims” also shall include any claims under federal, state, parish, county, and/or municipal or any other law, relevant to the lump sum distribution claims identified in Paragraph 6 of the Term Sheet related to the Lump Sum Window Benefit Program in 2016. Additionally, the Settlement Class Representatives, on behalf of themselves and on behalf of the Settlement Class, hereby expressly waive and relinquish, to the fullest extent permitted by law and equity, the provisions, rights and benefits of § 1542 of the California Civil Code, which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor and any and all provisions, rights and benefits of any similar statute, law or principle or common law of the United States, any state thereof, or any other jurisdiction.”

Released Claims are not intended to, and shall not, include the release of any of the following:

4.1.1 Any rights or duties arising out of the Settlement Agreement, including the express warranties and covenants in the Settlement Agreement;

4.1.2 Claims for individual benefits that are not based on the allegations in the Complaint; notwithstanding the language of this subsection, and for the avoidance of any doubt, all claims relevant to the lump sum distribution are dismissed under federal, state, parish, county, and/or municipal law;

4.1.3 Should the Roman Catholic Church ever disassociate itself from the Plan Sponsors, as the term is defined in the Plan documents, unless the Plan Sponsors promptly associate with another church, any claim arising prospectively under ERISA with respect to any event occurring after such action by the Roman Catholic Church;

4.1.4 Any claim arising under ERISA with respect to any event occurring after:

(a) the Internal Revenue Service determines that any of the Plans do not qualify for the Church Plan exemption;

(b) a court of law issues a final ruling that any of the Plans do not qualify as Church Plans;

(c) an amendment to ERISA is enacted and becomes effective as a law of the United States eliminating the Church Plan exemption in ERISA.

4.1.5 Should any of the events mentioned in § 4.1.4 occur, nothing in the Term Sheet or Settlement Agreement eliminates or restricts Defendants' argument that it constitutes a part of the Roman Catholic Church for purposes of the Church Plan exemption.

4.2. *Release by Settlement Class Representatives and the Settlement Class and Covenant Not to Sue.* Subject to § 10 below, upon the Effective Date of Settlement, the Settlement Class Representatives, on behalf of themselves and on behalf of the Settlement Class, absolutely and unconditionally release and forever discharge the Releasees from any and all Released Claims that the Settlement Class Representatives or the Settlement Class directly, indirectly, derivatively, or in any other capacity ever had, now have or hereafter may have. The Settlement Class covenants and agrees: (i) not to file against any of the Releasees any claim based on, related to, or arising from any Released Claim; and (ii) that the forgoing covenants and agreements shall be a complete defense to any such claim against any Releasee.

4.3. *Defendants' Releases of Settlement Class Representatives, the Settlement Class, and Class Counsel.* Subject to § 10 below, upon the Effective Date of Settlement, Defendants absolutely and unconditionally release and forever discharge the Settlement Class Representatives, the Settlement Class and Class Counsel from any and all claims relating to the institution or prosecution of the Action.

4.4. *Releasees' Release of Other Releasees.* Subject to § 10 below, upon the Effective Date of Settlement, each of the Releasees also releases each of the other Releasees from any and all Claims which were asserted in the Complaint or any pleading which would have been required to be filed in the Action or that would be barred by principles of res judicata or collateral estoppel had the claims asserted in the Complaint or any such other pleading in the Action been fully litigated and resulted in a Final Judgment or Final Approval Order.

5. COVENANTS

The Settlement Class Representatives, on their own behalves and on behalf of the members of the Settlement Class and the Plans, on the one hand, and Defendants, on the other, hereby covenants as follows:

5.1. *Taxation of Settlement Payments.* The Settlement Class Representatives acknowledge that Defendants, Releasees and any of their Representatives or Successors-In-Interest shall have no responsibility for any taxes that may be due on the Class Settlement Amount, or on any funds that the Plans, members of the Settlement Class, or Settlement Class Representatives receive from the Class Settlement Amount. Nothing herein shall constitute an admission or representation that any taxes will or will not be due on the Class Settlement Amount or any allocation or disbursement therefrom.

5.2. *Non-Disparagement.* The Parties, their counsel, and their agents shall refrain from making derogatory or disparaging comments as to the Settlement Agreement, the Settlement Class Representatives, Plaintiff's Counsel, any Releasee, Defendants, the Plans, and/or Defendants' Counsel.

6. REPRESENTATIONS AND WARRANTIES

6.1. *Parties' Representations and Warranties.*

6.1.1 The Settlement Class Representatives each represent and warrant that they have not assigned or otherwise transferred any interest in any Released Claims against any Releasee, and further covenant that they will not assign or otherwise transfer any interest in any Released Claims.

6.1.2 The Settlement Class Representatives represent and warrant that they shall have no surviving claim or cause of action against any of the Releasees with respect to the Released Claims.

6.1.3 Each of the Parties represent and warrant that they are voluntarily entering into this Settlement Agreement as a result of arm's-length negotiations among their counsel; in executing this Settlement Agreement they are relying solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent and duration of their rights and claims hereunder and regarding all matters which relate in any way to the subject matter hereof; except as expressly stated herein, they have not been influenced to any extent whatsoever in executing this Settlement Agreement by any representations, statements or omissions pertaining to any of the foregoing matters by any other Party or its Representatives; and each Party assumes the risk of and unconditionally waives any and all claims or defenses arising out of any alleged mistake as to facts or law.

6.1.4 The Parties, and each of them, represent and warrant that they have carefully read the contents of this Settlement Agreement; they have made such investigation of the facts and law pertaining to this Settlement Agreement and all of the matters pertaining thereto as they deem necessary; and this Settlement Agreement is executed freely by each Person executing it on behalf of each of the Parties.

6.2. *Signatories' Representations and Warranties.* Each individual executing this Settlement Agreement on behalf of any other Person does hereby personally represent and warrant to the other Parties that he or she has the authority to execute this Settlement Agreement on behalf of, and fully bind, each principal which such individual represents or purports to represent.

7. NO ADMISSION OF LIABILITY

The Parties understand and agree that this Settlement Agreement embodies a compromise and settlement of disputed claims, and that nothing in this Settlement Agreement, including the furnishing of consideration for this Settlement Agreement, shall be deemed to constitute any finding that ERISA governs the Plans and/or any wrongdoing by any of the Releasees as it pertains to the allegations of the Complaint. This Settlement Agreement and the payments made hereunder are made in compromise of disputed claims and are not admissions of any liability of any kind, whether legal, equitable, or factual. Moreover, the Releasees specifically deny any such liability or wrongdoing. Neither the fact nor the terms of this Settlement Agreement shall be offered or received in evidence in any action or proceeding for any purpose, except in an action or proceeding to enforce this Settlement Agreement or arising out of or relating to the Final Order.

8. SETTLEMENT PAYMENTS

8.1. *The Class Settlement Amount.*

8.1.1 The Operating Entities will contribute a total of one hundred twenty-five million dollars (\$125,000,000) to the Plans over the next five (5) years. Specifically, the Operating Entities will contribute thirty-five million (\$35,000,000) to the Plans in each of the three (3) years following the Effective Date of Settlement, as defined in § 1.8. The Operating Entities will make the first thirty-five million dollar (\$35,000,000) payment no later than the one year anniversary of the Effective Date of Settlement. The second and third payments will be made no later than the second and third anniversary of the Effective Date of Settlement, respectively. In the fourth and fifth years following the Effective Date of Settlement, the Operating Entities will contribute ten million dollars (\$10,000,000) to the Plans in each year. The contributions will be allocated among the Plans as determined by the Operating Entities. At their sole discretion, the Operating Entities may opt to pre-pay any portion of the contribution amounts specified in this paragraph with no penalty.

8.1.2 *Lump Sum Payments.* In addition to the Class Settlement Amount identified in Section 8.1.2, within thirty (30) days after the Final Approval Order approving the settlement becomes Final, Defendants will cause four hundred fifty dollars (\$450.00) to be paid to each of the two thousand eighty-seven (2,087) participants in the Plans (identified on Schedule A) who elected and received a lump sum distribution under the Lump Sum Window Benefit Program by sending payments to the individuals' last known addresses. The Parties agree to act in good faith to attempt to minimize adverse tax consequences of these Lump Sum Payments subject to the covenants in § 5.1.

8.1.3 *Class Settlement Amount.* The contributions described in § 8.1.1 totaling one hundred and twenty-five million dollars (\$125,000,000) and the Lump Sum Payments described in § 8.1.2 together shall constitute the "Class Settlement Amount."

8.1.4 *Payment to Settlement Class Counsel and the Settlement Class Representatives.* Defendants will not oppose the Settlement Class Representatives' application to the Court for an award of attorney fees that shall not exceed one million dollars (\$1,000,000). Also, Defendants will not oppose the Settlement Class Representatives' application for reimbursement of litigation expenses actually incurred and/or for Case Contribution Awards for the Settlement Class Representatives, provided that the reimbursement of actually incurred expenses and Case Contribution Award will not exceed \$35,000 in the aggregate. Defendants will cause these amounts to be paid in addition to the payments described in §§ 8.1.1 and 8.1.2 of this Settlement Agreement as set forth in § 8.1.5. Settlement Class Counsel's attorney fees, expenses, and Case Contribution Award for the Settlement Class Representatives will be subject to the discretion and approval of the Court.

8.1.5 *Application for Fees, Expenses, and Case Contribution Awards for the Settlement Class Representatives.* Settlement Class Counsel shall petition the Court no later than thirty-one (31) days prior to the Fairness Hearing for an award of attorneys' fees and reimbursement of litigation expenses and Case Contribution Awards for the Settlement Class Representatives, as

specified in § 8.1.4. As provided in § 8.1.4 above, thirty (30) days after the Order approving the settlement becomes Final, Defendants shall pay the amount specified in § 8.1.4.

8.2. *Cost of Notice.* Defendants shall pay the cost for class notice in addition to the amounts specified in § 8.1.

8.3. *Sole Monetary Contributions.* The payments provided for in § 8.1 and § 8.2 shall be the full and sole consideration made by or on behalf of the Releasees in connection with the Action and this Settlement Agreement. The amount specified in § 8.1.4 specifically satisfies any claims for costs and attorneys' fees by Class Counsel and claims for Case Contribution Awards to the Settlement Class Representatives. Except as set forth above, the Parties shall bear their own costs and expenses (including attorneys' fees).

9. AGREED UPON PLAN PROVISIONS.

9.1. *Scope.* The provisions of the Settlement Agreement shall apply to the Plans. Each of the Plans defined in § 1.14 is referred to singularly as a Plan.

9.2. *Benefits Commitment.* For a period of fifteen (15) years commencing on the Effective Date of Settlement, and provided that the Plans continue to be maintained and established by the Operating Entities, the Plans will pay the accrued benefits payable to Participants under the terms of the Plans. However, the Plan Sponsors may freeze the Plans as to any future accruals or participation. The Plan Sponsors may also terminate and/or annuitize some or all benefits provided by the Plans as long as there are sufficient assets in the Plans to meet the accrued benefits (as defined by the Plans), earned by Participants at the time of Plan termination. Should the Plans be unable to pay the accrued benefits specified in this Paragraph, the Operating Entities will guarantee those benefit payments for a period of fifteen (15) years beginning on the Effective Date of Settlement.

9.3. *Continuing Obligations.* Any continuing obligations hereunder agreed to by Defendants and/or the Operating Entities shall cease in the following circumstances: (a) the Internal Revenue Service determines (prior to the expiration of the period of time that such obligations are in effect) that any of the Plans do not qualify for the Church Plan exemption; (b) a court of law issues a final ruling (prior to the expiration of the period of time that such obligations are in effect) that any of the Plans do not qualify as Church Plans; (c) an amendment to ERISA is enacted and becomes effective as a law of the United States (prior to the expiration of the period of time that such obligations are in effect) eliminating the Church Plan exemption; (d) the Roman Catholic Church disassociates itself from the Plan Sponsors (prior to the expiration of the period of time that such obligations are in effect) unless the Plan Sponsors promptly associate with another church; or (e) the Plan Sponsors elect ERISA coverage for the Plans (prior to the expiration of the period of time that such obligations are in effect).

10. TERMINATION OF THE SETTLEMENT AGREEMENT

10.1. *Termination By Defendants.* Defendants may terminate this Settlement Agreement if, before the issuance of the Final Approval Order, a member of the Settlement Class brings a claim against any of the Releasees, or notifies any Releasee that it intends to file such a claim.

10.2. *Automatic Termination.* This Settlement Agreement shall automatically terminate, and thereupon become null and void, in the following circumstances:

10.2.1 If the Court declines to approve the Settlement, and if such order declining approval has become Final, then this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the date that any such order becomes Final, provided, however, that if the Court declines to approve the Settlement for any reason, the Parties shall negotiate in good faith to cure any deficiency identified by the Court, and further provided that if necessary to cure any such deficiency, Class Counsel shall re-submit within a reasonable time the Preliminary or Final Approval Motion with an additional or substitute member of the Settlement Class as a named Class Representative.

10.2.2 If the Court issues an order in the Action modifying the Settlement Agreement, and if within thirty-one (31) days after the date of any such ruling the Parties have not agreed in writing to proceed with all or part of the Settlement Agreement as modified by the Court or by the Parties, then, provided that no Review Proceeding is then pending from such ruling, this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the thirty-first day after issuance of the order referenced in this § 10.2.2.

10.2.3 If the Fifth Circuit reverses the Court's order approving the Settlement, and if within ninety-one (91) days after the date of any such ruling the Parties have not agreed in writing to proceed with all or part of the Settlement Agreement as modified by the Fifth Circuit or by the Parties, then, provided that no Review Proceeding is then pending from such ruling, this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the ninety-first day after issuance of the Fifth Circuit order referenced in this § 10.2.3.

10.2.4 If the Supreme Court of the United States reverses or remands a Fifth Circuit order approving the Settlement, and if within thirty-one (31) days after the date of any such ruling the Parties have not agreed in writing to proceed with all or part of the Settlement Agreement as modified by the Supreme Court or by the Parties, then this Settlement Agreement shall automatically terminate, and thereupon become null and void, on the thirty-first day after issuance of the Supreme Court order referenced in this § 10.2.4.

10.2.5 If a Review Proceeding is pending of an order declining to approve the Settlement Agreement or modifying this Settlement Agreement, this Settlement Agreement shall not be terminated until Final resolution or dismissal of any such Review Proceeding, except by written agreement of the Parties.

10.3. *Consequences of Termination of the Settlement Agreement.* If the Settlement Agreement is terminated and rendered null and void for any reason, the following shall occur:

10.3.1 The Action shall for all purposes with respect to the Parties revert to their status as of September 9, 2016, the date on which the Parties had fully briefed the Motions to Dismiss.

10.3.2 All Releases given or executed pursuant to the Settlement Agreement shall be null and void; none of the terms of the Settlement Agreement shall be effective or enforceable; neither the fact nor the terms of the Settlement Agreement shall be offered or received in evidence in the Action or in any other action or proceeding for any purpose, except in an action or proceeding arising under this Settlement Agreement.

11. MISCELLANEOUS PROVISIONS

11.1. *Jurisdiction.* The Court shall retain jurisdiction over all Parties, the Action, and this Settlement Agreement to resolve any dispute that may arise regarding this Settlement Agreement or the orders and notice referenced in § 3 above, including any dispute regarding validity, performance, interpretation, administration, enforcement, enforceability, or termination of the Settlement Agreement and no Party shall oppose the reopening and reinstatement of the Action on the Court's active docket for the purposes of effecting this § 11.1.

11.2. *Mediator.* Robert Meyer, mediator in the Action, will act as the final arbiter of any disagreements with respect to the Term Sheet and the provisions of the Settlement Agreement.

11.3. *Governing Law.* This Settlement Agreement shall be governed by the laws of the United States, including federal common law, except to the extent that, as a matter of federal law, state law controls, in which case Louisiana law will apply without regard to conflict of law principles.

11.4. *Severability.* The provisions of this Settlement Agreement are not severable.

11.5. *Amendment.* Before entry of a Final Approval Order, this Settlement Agreement may be modified or amended only by written agreement signed by or on behalf of all Parties. Following entry of a Final Approval Order, the Settlement Agreement may be modified or amended only by written agreement signed on behalf of all Parties and approved by the Court.

11.6. *Waiver.* The provisions of this Settlement Agreement may be waived only by an instrument in writing executed by the waiving Party. The waiver by any Party of any breach of this Settlement Agreement shall not be deemed to be or construed as a waiver of any other breach of this Settlement Agreement, whether prior, subsequent, or contemporaneous with this Settlement Agreement.

11.7. *Construction.* None of the Parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against a drafter.

11.8. *Principles of Interpretation.* The following principles of interpretation apply to this Settlement Agreement:

11.8.1 *Headings.* The headings of this Settlement Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Settlement Agreement.

11.8.2 *Singular and Plural.* Definitions apply to the singular and plural forms of each term defined.

11.8.3 *Gender.* Definitions apply to the masculine, feminine, and neuter genders of each term defined.

11.8.4 *References to a Person.* References to a Person are also to the Person's permitted successors and assigns.

11.8.5 *Terms of Inclusion.* Whenever the words "include," "includes" or "including" are used in this Settlement Agreement, they shall not be limiting but rather shall be deemed to be followed by the words "without limitation."

11.9. *Further Assurances.* Each of the Parties agrees, without further consideration, and as part of finalizing the Settlement hereunder, that they will in good faith execute and deliver such other documents and take such other actions as may be necessary to consummate and effectuate the subject matter and purpose of this Settlement Agreement.

11.10. *Survival.* All representations, warranties and covenants set forth in this Settlement Agreement shall be deemed continuing and shall survive the Effective Date of Settlement.

11.11. *Notices.* Any notice, demand or other communication under this Settlement Agreement (other than notices to members of the Settlement Class) shall be in writing and shall be deemed duly given if it is addressed to each of the intended recipients as set forth below and personally delivered, sent by registered or certified mail (postage prepaid), sent by confirmed facsimile, or delivered by reputable express overnight courier:

A. IF TO NAMED PLAINTIFF:

Robert A. Izard
Mark P. Kindall
Douglas P. Needham
IZARD, KINDALL & RAABE LLP
29 South Main Street, Suite 305
West Hartford, CT 06107
Telephone: (860) 493-6292
Facsimile: (860) 493-6290
rizard@ikrlaw.com
mkindall@ikrlaw.com
dneedham@ikrlaw.com

Edward W. Ciolko
Mark K. Gyandoh
Julie Siebert-Johnson
KESSLER TOPAZ MELTZER
& CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
Tel: (610) 667-7706

Fax: (610) 667-7056
Email: eciolko@ktmc.com
Email: mgyandoh@ktmc.com
Email: jsjohnson@ktmc.com

B. IF TO DEFENDANTS:

Jolee Bollinger
General Counsel
Franciscan Missionaries of Our Lady Health System
4200 Essen Ln
Baton Rouge, LA 70809
Tel. (225) 922-7447
E-mail: Jolee.Bollinger@fmlhs.org

Howard Shapiro
Stacey C.S. Cerrone
Proskauer Rose LLP
650 Poydras Street, Suite 1800
New Orleans, LA 70130
Tel. (504) 310-4088
Fax: (504) 310-2022
E-mail: howshapiro@proskauer.com
scerrone@proskauer.com

Robert Rachal
Holifield, Janich, Rachal & Associates, PLLC
6415 West End Blvd.
New Orleans, LA 70124
Tel. (504) 301-1248
Fax. (865) 566-0119
Email: rrachal@holifieldlaw.com

Any Party may change the address at which it is to receive notice by written notice delivered to the other Parties in the manner described above.

11.12. *Entire Agreement.* This Settlement Agreement contains the entire agreement among the Parties relating to the settlement of the Action. It specifically supersedes any settlement terms or settlement agreements relating to Defendants that were previously agreed upon orally or in writing by any of the Parties, including the terms of the Term Sheet and any and all discussions, representations, warranties or the like prior to the Effective Date of Settlement.

11.13. *Counterparts.* This Settlement Agreement may be executed by exchange of faxed executed signature pages, and any signature transmitted by facsimile for the purpose of executing this Settlement Agreement shall be deemed an original signature for purposes of this Settlement

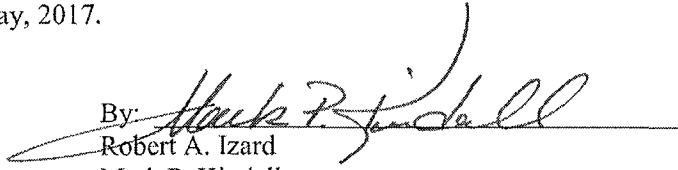
Agreement. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same instrument.

11.14. *Binding Effect.* This Settlement Agreement binds and inures to the benefit of the parties hereto, their assigns, heirs, administrators, executors and Successors-in-Interest.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement on the dates set forth below.

FOR NAMED PLAINTIFF, SETTLEMENT CLASS REPRESENTATIVES AND THE SETTLEMENT CLASS

Dated this the 4th day of May, 2017.

By: 

Robert A. IZARD
Mark P. Kindall
Douglas P. Needham
IZARD, KINDALL & RAABE, LLP
29 South Main Street, Suite 305
West Hartford, CT 06107
Telephone: (860) 493-6292
Facsimile: (860) 493-6290

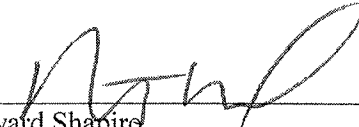
Edward W. Ciolko
Mark K. Gyandoh
Julie Siebert-Johnson
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
Telephone: 610-667-7706
Facsimile: 610-667-7056

Class Counsel

FOR ALL DEFENDANTS AND THE OPERATING ENTITIES

Dated this the 5 th day of May 2017.

By: _____


Howard Shapiro
Stacey C.S. Cerrone
Proskauer Rose LLP
650 Poydras Street, Suite 1800
New Orleans, LA 70130
Tel. (504) 310-4088
Fax: (504) 310-2022
E-mail: howshapiro@proskauer.com
scerrone@proskauer.com

Robert Rachal
Holifield, Janich, Rachal & Associates, PLLC
6415 West End Blvd.
New Orleans, LA 70124
Tel. (504) 301-1248
Fax. (865) 566-0119
Email: rrachal@holifieldlaw.com

EXHIBIT 1

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA**

LAURIE NICHOLSON, individually and on
behalf of herself and all others similarly situated,

Plaintiff,

vs.

Franciscan Missionaries of Our Lady Health
System, Franciscan Missionaries of Our Lady
Health System Investment Committee, and John
Does 1-20,

Defendants.

No.: 3:16-cv-00258-SDD-EWD

**[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, NOTICE
PROCEDURES AND CONFIRMING FINAL SETTLEMENT HEARING**

This litigation involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, et seq. (“ERISA”), with respect to: (a) the Retirement Plan of Our Lady of the Lake Hospital and Affiliated Organizations; (b) the Pension Plan for Employees of Our Lady of Lourdes Regional Medical Center, Inc.; and (c) the Retirement Plan for Employees of St. Francis Medical Center, Inc., each of which Defendants claim is a Church Plan¹.

Presented to the Court for preliminary approval is a settlement of the litigation with the Defendants. The terms of the Settlement are set forth in the Class Action Settlement Agreement (the “Settlement” or “Settlement Agreement”), executed by counsel on _____, 2017 on behalf of the Parties. Plaintiff has filed a Motion for Preliminary Approval of the Settlement, pursuant to which the Court has considered the Settlement to determine, among other things, whether to approve preliminarily the Settlement, certify preliminarily a Settlement Class, authorize the dissemination of Class Notice to members of the Settlement Class, and set a date

¹ Capitalized terms not otherwise defined in this order shall have the same meaning as ascribed to them in the Class Action Settlement Agreement.

and time for the Fairness Hearing. Upon reviewing the Settlement Agreement, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. Class Findings. The Court preliminarily finds that the requirements of the Federal Rules of Civil Procedure, the United States Constitution, the Rules of the Court and any other applicable law have been met as to the “Settlement Class” defined below, in that:

a) The Court preliminarily finds that the Settlement Class is ascertainable from records kept with respect to the Plan and from other objective criteria, and the members of the Settlement Class are so numerous that their joinder before the Court would be impracticable. Rule 23(a)(1) is satisfied.

b) The Court preliminarily finds that there are one or more questions of fact and/or law common to the Settlement Class. Rule 23(a)(2) is satisfied.

c) The Court preliminarily finds that Cynthia Francis and named Plaintiff Laurie Nicholson are members of the Settlement Class and their claims are typical of the claims of the Settlement Class. Rule 23(a)(3) is satisfied.

d) The Court preliminarily finds that Cynthia Francis and named Plaintiff Laurie Nicholson will fairly and adequately protect the interests of the Settlement Class in that: (i) their interests and the nature of claims alleged are consistent with those of the members of the Settlement Class; (ii) there appear to be no conflicts between or among the proposed Class Representatives and the Settlement Class; and (iii) the proposed Class Representatives and the members of the Settlement Class are represented by qualified, reputable counsel who are experienced in preparing and prosecuting large, complicated ERISA class actions. Rule 23(a)(4) is satisfied.

e) The Court preliminarily finds that the prosecution of separate actions by individual members of the Settlement Class would create a risk of: (i) inconsistent or varying adjudications as to individual class members that would establish incompatible standards of conduct for Defendants; or (ii) adjudications as to individual class members that would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications, or substantially impair or impede those persons' ability to protect their interests. Rule 23(b)(1) is satisfied.

f) Alternatively, the Court preliminarily finds that Defendants have acted or refused to act on grounds generally applicable to the Settlement Class, and such conduct may be subject to appropriate final injunctive relief or corresponding declaratory relief with respect to the Settlement Class as a whole. Rule 23(b)(2) is satisfied.

g) The Court preliminarily finds that Izard, Kindall & Raabe LLP and Kessler Topaz Meltzer & Check, LLP (collectively, "Class Counsel") are capable of fairly and adequately representing the interests of the Settlement Class. Class Counsel have done extensive work identifying or investigating potential claims in the action, have litigated the validity of those claims through the motion to dismiss the case. Class Counsel are experienced in handling class actions, other complex litigation, and claims of the type asserted in the Action. Class Counsel are knowledgeable about the applicable law, and have committed the necessary resources to represent the Settlement Class. Rule 23(g) is satisfied.

2. Class Certification. Based on the findings set forth above, the Court preliminarily certifies the following class under Federal Rules of Civil Procedure 23(b)(1) and/or (2) and 23(e) in this litigation (the "Settlement Class"):

All present or past participants of the Plans (both vested and non-vested) including those participants who accepted a lump sum or annuity benefit

under the Lump Sum Window Benefit Program in 2016, and beneficiaries of the Plan as of the Effective Date of Settlement, including any beneficiaries designated or added by a Settlement Class member participant after the Effective Date of Settlement.

The Court preliminarily appoints Laurie Nicholson and Cynthia Francis as representatives for the Settlement Class, and Izard, Kindall & Raabe LLP and Kessler Topaz Meltzer & Check, LLP as Class Counsel for the Settlement Class, and Tarca & Associates as Liaison Counsel.

3. Preliminary Findings Regarding Proposed Settlement. The Court preliminarily finds that: (a) the proposed Settlement resulted from informed, extensive arm's-length negotiations, including participating in mediation; (b) Class Counsel has concluded that the proposed Settlement is fair, reasonable, and adequate; and (c) the proposed Settlement is sufficiently fair, reasonable, and adequate to warrant sending notice of the Settlement to the Settlement Class.

4. Fairness Hearing. A hearing is scheduled for _____, 2017, at _____.m. (the "Fairness Hearing") to determine, among other things:

- a) Whether the Settlement should be approved as fair, reasonable, and adequate;
- b) Whether the Complaint should be dismissed with prejudice pursuant to the terms of the Settlement Agreement;
- c) Whether the Class Notice provided for by the Settlement Agreement: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise members of the Settlement Class of the pendency of the litigation, their right to object to the Settlement, and their right to appear at the Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to

notice; and (iv) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;

d) Whether Class Counsel adequately represented the Settlement Class for purposes of entering into and implementing the Settlement Agreement;

e) Whether the application for payment for attorneys' fees and expenses to Class Counsel should be approved; and

f) Whether the application for Case Contribution Awards for the Class Representatives should be approved.

5. Class Notice. A proposed form of Class Notice is attached as Exhibit A. With respect to such form of Class Notice, the Court finds that such form fairly and adequately: (a) describes the terms and effect of the Settlement Agreement; (b) notifies the Settlement Class that Class Counsel's attorneys' fees and expenses, and Class Representatives' Case Contribution Awards, will be determined in the sole discretion of the Court and paid according to § 8.1.4 of the Settlement Agreement; (c) gives notice to the Settlement Class of the time and place of the Fairness Hearing; and (e) describes how the recipients of the Class Notice may object to any of the relief requested. The Court directs that Class Counsel shall:

a) By no later than seventy-five (75) days before the Fairness Hearing, cause the Class Notice, with such non-substantive modifications thereto as may be agreed upon by the Parties, to be sent to each Person within the Settlement Class who can be identified by the Plan's current recordkeeper. Such notice shall be in a form that the Parties have deemed to be cost effective and sent to the last known address for members of the Settlement Class. Defendants will pay the cost for sending notice to the Settlement Class as part of the Settlement administration.

b) By no later than seventy-five (75) days before the Fairness Hearing, Plaintiffs will cause the Settlement Agreement and the Class Notice to be published on the website identified in the Class Notice.

c) At or before the Fairness Hearing, Class Counsel shall file with the Court a proof of timely compliance with the foregoing Class Notice mailing and publication requirements.

d) By no later than thirty-one (31) days before the Fairness Hearing, Class Counsel shall file motions for final approval of the Settlement, attorneys' fees and expenses, and Case Contribution Awards for the Settlement Class Representatives.

6. Objections to Settlement. Any member of the Settlement Class who wishes to object to the fairness, reasonableness, or adequacy of the Settlement, to any term of the Settlement Agreement, to the application for payment of attorneys' fees and expenses, or to the application for Case Contribution Awards for the Settlement Class Representatives, may timely file an Objection in writing no later than _____ [fourteen (14) days prior to the Fairness Hearing]. All written objections and supporting papers must: (a) clearly identify the case name ("*Nicholson v. Franciscan Missionaries of Our Lady Health System*") and number (Case No.16-cv-258); (b) be filed with the Court and postmarked and mailed to Class Counsel and Defendants' Counsel at the addresses below on or before fourteen (14) days before the Fairness Hearing; (c) set forth the objector's full name, current address, and telephone number; (d) set forth a statement of the position the objector wishes to assert, including the factual and legal grounds for the position; (e) set forth the names and a summary of testimony of any witnesses that the objector might want to call in connection with the Objection; (f) provide copies of all documents that the objector wishes to submit in support of his/her position; (g) provide the

name(s), address(es) and phone number(s) of any attorney(s) representing the objector; (h) state the name, court, and docket number of any class action litigation in which the objector and/or his/her attorney(s) has previously appeared as an objector or provided legal assistance with respect to an objection; and (i) include the objector's signature.

The addresses for filing objections with the Court and service on counsel are as follows:

To the Court:
Clerk of the Court
United States District Court
Middle District of Louisiana
777 Florida Street
Baton Rouge, LA 70801

Re: *Nicholson v. Franciscan Missionaries of Our Lady of Health Systems*
Case No. 16-cv-258

To Class Counsel:

Robert A. Izard
Mark Kindall
Douglas Needham
IZARD, KINDALL & RAABE LLP
29 South Main Street, Suite 305
West Hartford, Connecticut 06107
Fax: (860) 493-6290

Edward W. Ciolko
Mark K. Gyandoh
Julie Siebert-Johnson
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
Fax: (610) 667-7056

To Defendants' Counsel:

Howard Shapiro
Stacey C.S. Cerrone
Proskauer Rose LLP
650 Poydras Street, Suite 1800
New Orleans, LA 70130
Fax: (504) 310-2022

Robert Rachal
Holifield, Janich, Rachal & Associates, PLLC
6415 West End Blvd.
New Orleans, LA 70124
Fax: (865) 566-0119

If an objector hires an attorney to represent him or her for the purposes of making such objection pursuant to this paragraph, the attorney must both effect service of a notice of appearance on counsel listed above and file it with the Court by no later than fourteen (14) days before the date of the Fairness Hearing. Any member of the Settlement Class or other Person who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement, and any untimely objection shall be barred. Any responses to objections shall be filed with the Court no later than seven (7) days before the Fairness Hearing. There shall be no reply briefs.

7. Appearance at Fairness Hearing. Any objector who files and serves a timely, written objection in accordance with paragraph 6 above, may also appear at the Fairness Hearing either in person or through counsel retained at the objector's expense. Objectors or their attorneys intending to appear at the Fairness Hearing must effect service of a notice of intention to appear setting forth the name, address, and telephone number of the objector (and, if applicable, the name, address, and telephone number of the objector's attorney) on Class Counsel and on the Defendants' counsel (at the addresses set out above). The objector must also file the notice of intention to appear with the Court by no later than fourteen (14) days before the date of the Fairness Hearing. Any objector who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at the Fairness Hearing, except for good cause shown.

8. Additional Briefs. Any additional briefs the Parties may wish to file in support of the Settlement shall be filed no later than seven (7) days before the Fairness Hearing.

9. Notice Expenses. The expense of printing and mailing all notices required shall be paid by the Defendants as provided in § 8.2 of the Settlement Agreement.

10. Service of Papers. Defendants' Counsel and Class Counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

11. Termination of Settlement. This Order shall become null and void, and shall be without prejudice to the rights of the parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if the Settlement is terminated in accordance with the Settlement Agreement. In such event, Section 10 of the Settlement Agreement shall govern the rights of the Parties.

12. Use of Order. If this Order becomes of no force or effect, it shall not be construed or used as an admission, concession, or declaration by or against the Defendants, the Class Representatives or the Settlement Class.

13. Continuance of Hearing. The Court may continue the Fairness Hearing without further written notice.

SO ORDERED this ____ day of _____, 2017

Hon. Shelly D. Dick
U.S. District Judge

EXHIBIT A

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA**

LAURIE NICHOLSON, individually and on
behalf of herself and all others similarly situated,

Plaintiff,

vs.

Franciscan Missionaries of Our Lady Health
System, Franciscan Missionaries of Our Lady
Health System Investment Committee, and John
Does 1-20,

Defendants.

No.: 3:16-cv-00258-SDD-EWD

**NOTICE OF PROPOSED SETTLEMENT OF ERISA CLASS ACTION LITIGATION
AND SETTLEMENT FAIRNESS HEARING**

This notice (“Notice”) advises you of a proposed settlement (the “Settlement”) of a class action lawsuit by Laurie Nicholson and Cynthia Francis on behalf of themselves, the Plans (referred to below), and as representatives of the Settlement Class against Defendants, alleging that they breached their fiduciary duties and violated the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

**PLEASE READ THIS NOTICE CAREFULLY.
A FEDERAL COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION.
YOU HAVE NOT BEEN SUED.**

As described in more detail below, the case concerns allegations that Defendants violated ERISA by operating the Plans (listed below) as “church plans” and, in doing so wrongfully denied ERISA protections to the Plans’ participants. Defendants (listed below) contend that the Plans are ERISA-exempt “church plans” and deny that they did anything illegal, but are settling this case to avoid uncertainty and litigation expense. Defendant Franciscan Missionaries of Our Lady Health System, Inc. is the sole member of, and has sole voting control over, Our Lady of Lake Hospital, Inc., Our Lady of Lourdes Regional Medical Center, Inc. and St. Francis Medical

Center, Inc. (the “Operating Entities”). The Settlement requires the Operating Entities to contribute one hundred and twenty-five million dollars (\$125,000,000) to the Plans over a five-year period. Because the Plans are defined benefit pension plans, and not defined contribution plans like a 401(k) plan with individual accounts, the funding amounts will be contributed to the Plans as a whole, rather than to the individual accounts of the Plans’ participants and beneficiaries. The Plans’ participants who elected and received a lump sum distribution under the Lump Sum Window Benefit Program in 2016, and thus no longer have a claim to receive annualized benefits under their Plans, will each receive an additional lump-sum payment of four hundred fifty dollars (\$450.00). Additionally, the Settlement provides non-monetary equitable consideration, in that the Plans’ participants will receive certain ERISA-like financial protections for the next fifteen (15) years. The Plans will still operate as “church plans.”

The Court in charge of this case still has to decide whether to approve the Settlement. This process is explained in greater detail below.

Your legal rights might be affected if you are a member of the Settlement Class.

“Settlement Class” means: All present or past participants of the Plans (both vested and non-vested) including those participants who accepted a lump sum or annuity benefit under the Lump Sum Window Benefit Program in 2016, and beneficiaries of the Plan as of the Effective Date of Settlement, including anyone added or designated by Settlement Class members as a beneficiary after the Effective Date of the Settlement.

Identification of Key Terms: This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in the Class Action Settlement Agreement (the “Settlement Agreement”). The Settlement Agreement, and additional information with respect to this lawsuit and the Settlement, are available at [\[WEBSITE\]](#).

Reasons for the Settlement: The Settlement resolves all claims in the Action against Defendants. The Settlement is not, and should not be construed as, an admission of any fault, liability or wrongdoing whatsoever by any of the Defendants, who continue to deny any and all of the allegations of the Complaint. Laurie Nicholson and Cynthia Francis, the individuals representing the proposed Settlement Class (the “Settlement Class Representatives”) and Class Counsel believe that the Settlement provides substantial financial and administration protections for the Settlement Class, and, when considered in light of the risks involved in the litigation, the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class.

Identification of Class Counsel: Any questions regarding the Settlement should be directed to Class Counsel: Mark Kindall or Douglas Needham of IZARD, KINDALL & RAABE, LLP, 29 South Main Street, Suite 305, West Hartford, Connecticut 06107, or Mark Gyandoh or Julie Siebert-Johnson of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087. **Please do not contact the Court.** The Court cannot answer your questions.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU DO NOT NEED TO DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

<i>YOUR LEGAL RIGHTS AND OPTIONS</i>	
DO NOTHING	You do not need to do anything in response to this Notice. If the Settlement is approved by the Court and you are a member of the Settlement Class, you will receive the benefits of the Settlement without having to file a claim or take any other action.

FILE AN OBJECTION	If you want to submit comments or objections to the any aspect of the Settlement, you may write to the Court and the Parties' attorneys. <i>See</i> Question [12] below.
GO TO A HEARING	If you submit comments or objections to the Settlement to the Court, you and/or your attorney may appear at the Fairness Hearing and ask to speak to the Court. <i>See</i> Question [19] below.

This litigation (the "Action") was filed in federal district court against Franciscan Missionaries of Our Lady Health System, the Franciscan Missionaries of Our Lady Health System Investment Committee and the individual members of the Committee (together, the "Defendants") concerning: (a) the "Retirement Plan of Our Lady of the Lake Hospital and Affiliated Organizations"; (b) the "Pension Plan for Employees of Our Lady of Lourdes Regional Medical Center, Inc."; and (c) the "Retirement Plan for Employees of St. Francis Medical Center, Inc.," (together, the "Plans"). The Settlement Class Representatives and Defendants are referred to herein as the "Parties."

A copy of the Class Action Complaint ("Complaint") and other documents related to this Settlement are available at [WEBSITE].

SUMMARY OF SETTLEMENT

The Settlement provides for two types of monetary relief: contributions to the Plans and payments to participants who elected and received a lump sum distribution under the Lump Sum Window Benefit Program.

For participants that did not accept a lump sum payout of their future pension, Our Lady of Lake Hospital, Inc., Our Lady of Lourdes Regional Medical Center, Inc. and St. Francis Medical Center, Inc. will jointly contribute a total of one hundred twenty-five million dollars (\$125,000,000) to the Plans over five (5) years after the Order approving the Settlement becomes final and non-appealable. Defendants will contribute thirty-five million dollars (\$35,000,000) to the Plans in the first, second and third year after the Court approves the Settlement and ten million dollars (\$10,000,000) in the fourth and fifth year, for a total of one hundred twenty-five million dollars (\$125,000,000). There is no specific formula for how these contributions will be allocated among the Plans and, at their sole discretion, Our Lady of Lake Hospital, Inc., Our Lady of Lourdes Regional Medical Center, Inc. and St. Francis Medical Center, Inc. may opt to pre-pay into the Plans any portion of the contribution amounts.

Any participant who elected and received a lump sum or annuity distribution under the Lump Sum Window Benefit Program, will receive a payment in the amount of four hundred fifty dollars (\$450.00).

While the Plans will continue to operate as "church plans," the Settlement provides significant non-monetary equitable consideration, in that the participants in the Plan will receive certain ERISA-like protections relating to the payment of their benefits for the next fifteen (15)

years. Defendants have also agreed to pay one million dollars (\$1,000,000) to be used to fund Class Counsel's requested attorneys' fees and no more than thirty-five thousand dollars (\$35,000) for expenses actually incurred by Class Counsel and/or Case Contribution Awards to the Settlement Class Representatives. The Court has the sole discretion as to whether, and/or in what amounts to award attorney's fees, expenses, and/or Case Contribution Awards.

As with any litigation, the Parties would face an uncertain outcome if the Action were to continue against Defendants. Continued litigation of the Action against Defendants could result in a judgment or verdict greater or less than the recovery under the Settlement Agreement, or in no recovery at all. Throughout this Action, the Settlement Class Representatives and Defendants have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the Settlement Class Representatives were to prevail at trial. Defendants, among other things: (1) have denied, and continue to deny, the material allegations of the Complaint; (2) have denied, and continue to deny, any wrongdoing or liability whatsoever; (3) believe that they acted at all times reasonably and prudently with respect to the Plans, all participants and beneficiaries, and the Settlement Class; (4) would assert numerous defenses if this Settlement is not consummated; and (5) are entering into the Settlement solely to avoid the cost, disruption, and uncertainty of litigation. Nevertheless, the Parties have taken into account the uncertainty and risks inherent in this litigation, particularly its complex nature, and have concluded that it is desirable that the Action be fully and finally settled on the terms and conditions set forth in the Settlement Agreement.

Please visit [WEBSITE] if you have additional questions.

BASIC INFORMATION

1. Why did I get this Notice package?

Either you or someone in your family may have been a participant in or beneficiary of the Plans during the Class Period. The Court has directed that this Notice be sent to you because, as a potential member of the Settlement Class, you have a right to know about the proposed Settlement with Defendants before the Court decides whether to approve the Settlement.

This Notice explains the Action, the Settlement, and your legal rights. The purpose of this Notice is to inform you of a hearing (the "Fairness Hearing") to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement, and to consider the application of Class Counsel for their attorneys' fees and reimbursement of litigation expenses as well as an application for Case Contribution Awards for the Settlement Class Representatives.

The Fairness Hearing will be held at ____ .m. on _____, 2017 before the Honorable Shelly D. Dick in the United States District Court for the Middle District of Louisiana, 777 Florida Street, Suite 301, Baton Rouge, LA, to determine:

- a) Whether the Settlement should be approved as fair, reasonable, and adequate;
- b) Whether the Complaint should be dismissed with prejudice pursuant to the terms of the Settlement;

c) Whether the Class Notice provided for by the Settlement Agreement: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise members of the Settlement Class of the pendency of the litigation, their right to object to the Settlement, and their right to appear at the Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice; and (iv) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;

d) Whether the Settlement Class should be certified pursuant to Federal Rule of Civil Procedure 23(a) and (b) for purposes of the Settlement and, with respect thereto, whether Izard, Kindall & Raabe, LLP and Kessler Topaz Meltzer & Check, LLP should be appointed as Class Counsel pursuant to Federal Rule of Civil Procedure 23(g) and Tarca & Associates should be appointed as Liaison Counsel;

The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, a contribution to the Plan will be made after all related appeals, if any, are favorably resolved. It is always uncertain whether such appeals can be favorably resolved, and resolving them can take time, perhaps more than a year. Please be patient.

2. How do I know whether I am part of the Settlement?

The Court has certified the Action as a class action. You are a member of the Settlement Class if you were a participant in or beneficiary of the Plans on or before the Effective Date of Settlement (the "Class Period").

3. What does the Settlement Agreement provide?

The Settlement provides that Our Lady of the Lake Hospital, Inc., Our Lady of Lourdes Regional Medical Center, Inc. and St. Francis Medical Center, Inc., the entities that sponsor the Plans, will contribute a total of one hundred twenty-five million dollars to the Plans within five years of when the Final Approval Order approving the Settlement becomes Final and non-appealable.

In addition to the \$125,000,000 in contributions to the Plans, each member of the Settlement Class who elected and received a lump sum or annuity distribution in 2016 as part of the Lump Sum Window Benefit Program will receive an additional lump-sum payment of four hundred fifty dollars (\$450.00).

While the Plans will continue to operate as a "church plans," the Settlement provides significant non-monetary equitable consideration, in that Plan participants will receive certain ERISA-like protections for the next fifteen (15) years. Specifically, if the Plans have insufficient funds to pay full benefits to Plan Participants at any time in the next fifteen years, the Operating Entities will contribute sufficient funds to make up any shortfall.

The above description of the Settlement is only a summary. The governing provisions are set forth in the Settlement Agreement, which may be obtained at [URL].

4. What is the lawsuit about? What has happened so far?

On April 21, 2016, a putative class action complaint was filed in the Court against Franciscan Missionaries and other Defendants alleging violations of ERISA. The Complaint alleged that Defendants denied the Plans' participants and beneficiaries the protections of ERISA by claiming the Plans were "church plans" that were exempt from ERISA. The Complaint alleged that the Plans did not qualify as "church plans."

On July 25, 2016, Defendants filed motions to dismiss the Complaint, and Plaintiffs responded on August 26, 2016.

On September 22, 2016, the Parties attempted to resolve the case through mediation. In preparation for the mediation session, Plaintiff reviewed the terms of each of the Plans and the Plans' financial conditions, and consulted with an actuarial expert about how much money needed to be contributed to the Plans to comply with ERISA. The Parties hired an experienced mediator who helped the Parties negotiate. At the end of the mediation session on September 22, 2016, the Parties reached an agreement in principle on many of the terms of the Settlement. Defendants subsequently provided Plaintiff with additional information, and additional negotiations took place over the course of the next five months concerning all of the details of the Settlement.

The Settlement is the product of intensive, arm's-length negotiations between Class Counsel and Defense Counsel, with the assistance of a professional mediator.

5. Why is this case a class action?

In a class action, one or more plaintiffs sue on behalf of people who have similar claims. All of the individuals on whose behalf the plaintiff in this Action is suing are "Class members," and they are also referred to in this Notice as members of the Settlement Class. The Court resolves the issues for all Class members. U.S. District Judge Shelly D. Dick is presiding over this case.

6. Why is there a settlement?

Under the proposed Settlement, the Court will not decide the merits of the Action in favor of either the Plaintiff or the Defendants. By agreeing to a Settlement, both the Plaintiff and the Defendants avoid the costs, risks and delays of litigating the Action.

This Settlement is the product of extensive arm's-length negotiations between Class Counsel and the Defendants' counsel, including utilizing the services of an experienced mediator. Throughout the Settlement negotiations, the Plaintiff and the Defendants were advised by various consultants and experts, including individuals with expertise in ERISA's funding

requirements. Class Counsel believe that the proposed Settlement is fair, reasonable, and adequate and in the best interest of the Class.

7. What rights am I giving up in the Settlement?

If the Settlement is approved, the Court will enter a judgment. This judgment will fully, finally, and forever release, relinquish, dismiss, and discharge the allegations of the Complaint that the Plans failed to comply with the requirements of ERISA and/or did not qualify as an ERISA-exempt “church plan” that were brought or could have been brought as of the date of the Settlement Agreement. Plaintiff, on behalf of herself and on behalf of the Settlement Class, will expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of § 1542 of the California Civil Code, which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor and any and all provisions, rights and benefits of any similar statute, law or principle or common law of the United States, any state thereof, or any other jurisdiction.”

Released Claims are not intended to include the release of any of the following: (a) any rights or duties arising out of the Settlement Agreement; (b) claims for individual benefits that are not based on the allegations in the case; (c) if the Roman Catholic Church ever disassociates itself from the Plans' sponsors, unless the Plans' sponsors promptly associate with another church, any claim arising prospectively under ERISA; and (d) any claim arising under ERISA with respect to any event occurring after: (i) the IRS determines that any of the Plans are not church plans; (ii) a court of law determines that any of the Plans do not qualify as church plans; or (iii) ERISA is amended to eliminate the church plan exemption.

9. Can I exclude myself from the Settlement?

You do not have the right to exclude yourself from the Settlement. For settlement purposes, the Action was certified under Federal Rule of Civil Procedure 23(b)(1) and/or 23(b)(2) (non-opt-out class) because the Court determined the requirements of that rule were satisfied. Thus, it is not possible for any of the member of the Settlement Class to exclude himself/herself from the Settlement. As a member of the Settlement Class, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action against the Defendants or are otherwise included in the release under the Settlement.

Although members of the Settlement Class cannot opt-out of the Settlement, they can object to the Settlement and ask the Court not to approve the Settlement.

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in this case?

The law firms of Izard, Kindall & Raabe, LLP and Kessler Topaz Meltzer & Check, LLP represent the Settlement Class Representatives and the Settlement Class (“Class Counsel”), and Tarcza & Associates act as Liaison Class Counsel. You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

11. How will the lawyers be paid?

To date, Class Counsel have not received any payment for their services in prosecuting this Action on behalf of the Settlement Class, nor have counsel been reimbursed for their out-of-pocket expenses. If the Court approves the Settlement, Class Counsel will apply to the Court for an award of attorneys’ fees and expenses, to be paid by Defendants. The Class will not be responsible for any payments to Class Counsel, and the Court will determine the actual amount of the award, if any, to be paid to Class Counsel by Defendants.

OBJECTING TO THE SETTLEMENT

12. How do I tell the Court if I don’t like the Settlement?

Any member of the Settlement Class who wishes to object to the fairness, reasonableness, or adequacy of the Settlement, to any term of the Settlement Agreement, may file an Objection in writing. All written objections and supporting papers must: (1) clearly identify the case name and number “*Nicholson v. Franciscan Missionaries of Our Lady of Health Systems, Case No. 16-cv-258*;” (2) be filed with the Court and postmarked and mailed to Class Counsel and Defendants’ Counsel at the addresses below on or before fourteen (14) days before the Fairness Hearing; (3) set forth your full name, current address, and telephone number; (4) set forth a statement of the position you wish to assert, including the factual and legal grounds for the position; (5) set forth the names and a summary of testimony of any witnesses that you might want to call in connection with the Objection; (6) provide copies of all documents that you wish to submit in support of his/her position; (7) provide the name(s), address(es) and phone number(s) of any attorney(s) representing you; and (8) state the name, court, and docket number of any class action litigation in which you and/or your attorney(s) has previously appeared as an objector or provided legal assistance with respect to an objection; and (9) include your signature.

The addresses for filing objections with the Court and service on counsel are listed below. Your written objection must be filed with the Court, and mailed to the counsel listed below, postmarked (and sent via facsimile) by no later than [REDACTED], 2017:

File with the Clerk of the Court:

Clerk of the Court
United States District Court
Middle District of Louisiana
777 Florida Street

Baton Rouge, LA 70801

Re: *Nicholson v. Franciscan Missionaries of Our Lady of Health Systems*
Case No. 16-cv-258

To Class Counsel:

Robert A. Izard
Mark P. Kindall
Douglas P. Needham
IZARD, KINDALL & RAABE, LLP
29 South Main Street, Suite 305
West Hartford, Connecticut 06107
Fax: (860) 493-6290

Edward W. Ciolko
Mark K. Gyandoh
Julie Siebert-Johnson
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
Fax: (610) 667-7056

To Defendants' Counsel:

Howard Shapiro
Stacey C.S. Cerrone
Proskauer Rose LLP
650 Poydras Street, Suite 1800
New Orleans, LA 70130
Fax: (504) 310-2022

Robert Rachal
Holifield, Janich, Rachal & Associates, PLLC
6415 West End Blvd.
New Orleans, LA 70124
Fax: (865) 566-0119

UNLESS OTHERWISE ORDERED BY THE COURT, ANY MEMBER OF THE SETTLEMENT CLASS WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION TO THE PROPOSED SETTLEMENT.

THE COURT'S FAIRNESS HEARING

13. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at _____.m. on _____, 2017, at the United States District Court for the Middle District of Louisiana, 777 Florida Street, Baton Rouge, Louisiana.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

14. Do I have to come to the Fairness Hearing?

IF YOU DO NOT WISH TO OBJECT TO THE PROPOSED SETTLEMENT OR THE YOU NEED NOT ATTEND THE FAIRNESS HEARING. Class Counsel will answer any questions the Court may have. You are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You may also have your own lawyer attend the Fairness Hearing at your expense, but such attendance is not necessary.

15. May I speak at the Fairness Hearing?

If you are a member of the Settlement Class and you have filed a timely objection, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a “Notice of Intention to Appear at Fairness Hearing in “*Nicholson v. Franciscan Missionaries of Our Lady of Health System*, Case No. 16-cv-258.” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the attorneys listed above, postmarked and sent via facsimile no later than _____, 2017 and must be filed with the Clerk of the Court, postmarked no later than _____, 2017.

The Fairness Hearing may be delayed by the Court without further notice to the Class. If you wish to attend the Fairness Hearing, you should confirm the date and time with a member of Class Counsel.

IF YOU DO NOTHING

16. What happens if I do nothing at all?

If you do nothing and you are a Settlement Class member, you will release and dismiss your claims against Defendants and receive the benefits of the Settlement as described above in this Notice if the Settlement is approved.

GETTING MORE INFORMATION

17. How do I get more information?

This Notice summarizes the proposed Settlement. Full details of the Settlement are set forth in the Settlement Agreement. You may obtain a copy of the Settlement Agreement by making a written request to a member of Class Counsel listed above under item 12. Copies of the Settlement Agreement, as well as the Motion for Preliminary Approval seeking preliminary approval of the Settlement Agreement, and the Preliminary Approval Order, may also be viewed at [URL].

Dated: _____, 2017

BY ORDER OF THE COURT

EXHIBIT 2

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

LAURIE NICHOLSON, individually and on
behalf of herself and all others similarly situated,

Plaintiff,

vs.

Franciscan Missionaries of Our Lady Health
System, Franciscan Missionaries of Our Lady
Health System Investment Committee, and John
Does 1-20,

Defendants.

No.: 3:16-cv-00258-SDD-EWD

[PROPOSED] ORDER AND FINAL JUDGMENT

This litigation involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, et seq. (“ERISA”), set forth in Plaintiff’s Class Action Complaint dated April 21, 2016, with respect to the Plans.¹

This matter came before the Court for a hearing pursuant to Federal Rule of Civil Procedure 23(e) and to the Order of this Court entered on _____, 2017, on the application of the Parties for approval of the Settlement set forth in the Class Action Settlement Agreement, executed on May __, 2017, on behalf of the Parties. Due and adequate notice having been given to the Settlement Class as required in the Preliminary Approval Order, and the Court having considered the Settlement Agreement, all papers filed and proceedings held herein, and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

¹ This Judgment incorporates by reference the definitions in the Class Action Settlement Agreement (“Settlement” or “Settlement Agreement”), and all terms used herein shall have the same meanings as set forth in the Settlement Agreement unless set forth differently herein. The terms of the Settlement are fully incorporated in this Judgment as if set forth fully here.

1. The Court has jurisdiction over the subject matter of this action and all Parties to the Action, including all members of the Settlement Class.

2. On _____, 2017, pursuant to Federal Rule of Civil Procedure 23(a) and (b)(1) or alternatively (b)(2), the Court preliminarily certified the following Settlement Class:

All present or past participants of the Plans (both vested and non-vested) including those participants who accepted a lump sum or annuity benefit under the Lump Sum Window Benefit Program in 2016, and beneficiaries of the Plans as of the Effective Date of Settlement, including any beneficiaries designated or added by a Settlement Class member participant after the Effective Date of Settlement.

3. The Court finds that the Settlement Class meets all requirements of Federal Rules of Civil Procedure 23(a) for certification of the class claims alleged in the Complaint, including (a) numerosity; (b) commonality; (c) typicality; and (d) adequacy of the class representatives and Class Counsel.

4. Additionally, the prerequisites of Rule 23(b)(1) have been satisfied, since the prosecution of separate actions by individual members of the Settlement Class would create a risk of (i) inconsistent or varying adjudications which would establish incompatible standards of conduct for Defendants; and (ii) adjudications with respect to individual Settlement Class members, which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or would substantially impair or impede their ability to protect their interests.

5. Alternatively, the prerequisites of Rule 23(b)(2) have been satisfied, since Defendants have acted or refused to act on grounds generally applicable to the Settlement Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Settlement Class as a whole.

6. Pursuant to Federal Rule of Civil Procedure 23(a) the Court finds that Cynthia Francis and named Plaintiff Laurie Nicholson are members of the Settlement Class, their claims are typical of those of the Settlement Class and they fairly and adequately protected the interests of the Settlement Class in this Action. Accordingly, the Court hereby appoints Cynthia Francis and Laurie Nicholson as Class Representatives.

7. Having considered the factors set forth in Federal Rule of Civil Procedure 23(g)(1), the Court finds that Class Counsel have fairly and adequately represented the Settlement Class for purposes of entering into and implementing the Settlement, and thus, hereby appoints IZARD, KINDALL & RAABE LLP and KESSLER TOPAZ MELTZER & CHECK, LLP as Class Counsel and TARCZA & ASSOCIATES as Liaison Counsel to represent the members of the Settlement Class.

8. Class Counsel is hereby awarded attorneys' fees pursuant to Federal Rule of Civil Procedure 23(h), in the amount of _____ which the Court finds to be fair and reasonable, and _____ in reimbursement of Class Counsel's reasonable expenses incurred in prosecuting the Action. All fees and expenses paid to Class Counsel shall be paid pursuant to the timing requirements described in the Settlement Agreement.

9. Class Counsel has moved for Case Contribution Awards for Class Representatives Laurie Nicholson and Cynthia Francis. The Court hereby [grants in the amount of \$ ____] [denies] Class Counsel's motion for Case Contribution Awards to the Settlement Class Representatives.

10. The Court directed that Class Notice be given pursuant to the notice program proposed by the Parties and approved by the Court. In accordance with the Court's Preliminary Approval Order and the Court-appointed notice program: (1) On or about _____, 2017,

Class Counsel posted the Settlement Agreement and Class Notice to the Settlement website: www._____.com; and (2) on or about _____, 2017, Defendants mailed approximately ____ copies the Notice of Class Action Settlement to members of the Settlement Class.

11. The Class Notice and Internet/Publication of Class Notice (collectively, the “Class Notices”) advised members of the Settlement Class of the: terms of the Settlement, Fairness Hearing and the right to appear at such Fairness Hearing; inability to opt out of the Settlement Class; right to object to the Settlement, including the right to object to the Settlement or the application for an award of attorneys’ fees and reimbursement of expenses, or the Case Contribution Awards to the Class Representatives; the procedures for exercising such rights; and the binding effect of this Judgment, whether favorable or unfavorable, to the Settlement Class, including the scope of the Released Claims described in Section 4 of the Settlement Agreement.

12. The Class Notices met all applicable requirements of the Federal Rules of Civil Procedure, the United States Code, the United States Constitution, and any other applicable law. The Court further finds that Notice in the form approved by the Court complied fully with the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 (“CAFA”), and that it constituted the best practicable notice under the circumstances. The Court also finds that Defendants complied with their CAFA responsibilities. The Court further finds that the form of notice was concise, clear, and in plain, easily understood language, and was reasonably calculated under the circumstances to apprise Class Members of the pendency of the Action, the claims, issues and defenses of the Settlement Class, the definition of the Settlement Class certified, the right to object to the proposed Settlement, the right to appear at the Fairness Hearing, through counsel if desired, and

the binding effect of a judgment on members of the Settlement Class, including the scope of the Released Claims described in Section 4 of the Settlement Agreement.

13. The Court finds after a hearing and based upon all submissions of the Parties and interested persons that the Parties' proposed Settlement is fair, reasonable, and adequate. The Court also finds that the proposed Settlement is consistent with and in compliance with all applicable requirements of the Federal Rules of Civil Procedure, the United States Code, and the United States Constitution, and other applicable law. In so finding, the Court has considered and found that:

- a) The Settlement provides for significant funding of the Plan.
- b) The Settlement further provides for significant corporate "backstops" by providing that should the Plans be unable to pay the accrued benefits specified by the Plans Documents, the Defendant-Operating Entities will guarantee those benefit payments for a period of fifteen (15) years beginning on the Effective Date of Settlement.
- c) The terms and provisions of the Settlement were entered into by experienced counsel and only after extensive, arm's-length negotiations conducted for over three months in good faith and with the assistance of a mediator. The Settlement is not the result of collusion.
- d) Those negotiations followed Defendants' filing of a motion to dismiss which included voluminous documents, all of which Class Counsel reviewed. The absence of formal discovery in this case in no way undermines the integrity of the Settlement given the extensive investigation that has occurred as a result of proceedings thus far.
- e) Those proceedings gave Class Counsel the opportunity to adequately assess this case's strengths and weaknesses – and thus to structure the Settlement in a way that

adequately accounts for those strengths and weaknesses. Class Counsel were cognizant that there was no guarantee of a successful litigation outcome.

f) Approval of the Settlement will result in substantial savings of time, money and effort for the Court and the Parties, and will further the interests of justice. Defendants denied and continue to deny Plaintiff's claims and allegations against it, and raised various factual and legal arguments in support of its vigorous defense in this Action.

14. All members of the Settlement Class are bound by this Judgment and by the terms of the Settlement, including the scope of the Released Claims described in Section 4 of the Settlement Agreement.

15. None of the Settlement Agreement, this Judgment, nor the fact of the Settlement itself constitutes any admission by any of the Parties of any liability, wrongdoing or violating of law, damages or lack thereof, or of the validity or invalidity of any claim or defense asserted in the Action. If the Settlement Agreement is not upheld on appeal, or is otherwise terminated for any reason, the Settlement and all negotiations, proceedings, and documents prepared, and statements made in connection therewith, shall be without prejudice to any Party and shall not be deemed or construed to be an admission by an party of any fact, matter, or position of law; all Parties shall stand in the same procedural position as if the Settlement Agreement had not been negotiated, made, or filed with the Court.

16. The Court hereby dismisses with prejudice the action and all Released Claims identified in Section 4 of the Settlement Agreement against each and all Releasees and without costs to any of the Parties as against the others. The Court hereby orders that on the Effective Date of this Settlement Agreement the Class Representatives, Cynthia Francis and Laurie Nicholson, as well as the members of the Settlement Class release any and all actual or potential

claims, actions, causes of action, demands, obligations, liabilities, attorneys' fees, expenses and costs arising out of the allegations of the Complaint that were brought or could have been brought as of the date of the Settlement Agreement by any member of the Settlement Class, including any current or prospective challenge to the Church Plan status of the Plans, whether or not such claims are accrued, whether already acquired or subsequently acquired, whether known or unknown, in law or equity, brought by way of demand, complaint, cross-claim, counterclaim, third-party claim, or otherwise. Released Claims also shall include any claims under federal, state, parish, county, and/or municipal or any other law, relevant to the lump sum distribution claims resulting from the Lump Sum Window Benefit Program in 2016. Notwithstanding the foregoing, Released Claims are not intended to include the release of any of the following: (a) any rights or duties arising out of the Settlement Agreement; (b) claims for individual benefits that are not based on the allegations in the case; notwithstanding this subsection, and for the avoidance of any doubt, all claims relevant to the lump sum distribution are dismissed under federal, state, parish, county, and/or municipal law; (c) if the Roman Catholic Church ever disassociates itself from the Plans' sponsors, unless the Plans' sponsors promptly associate with another church, any claim arising prospectively under ERISA; and (d) any claim arising under ERISA with respect to any event occurring after: (i) the IRS determines that any of the Plans are not church plans; (ii) a court of law determines that any of the Plans do not qualify as church plans; or (iii) ERISA is amended to eliminate the church plan exemption. Should any events occur as described above in Paragraph 16(c) and/or Paragraph 16(d), any continuing obligations agreed to by Defendants and/or the Operating Entities in the Settlement Agreement shall cease.

17. In connection with the Released Claims, as of the Effective Date of the Settlement Agreement, each member of the Settlement Class is deemed to have waived any and all

provisions, rights, and benefits conferred by § 1542 of the California Civil Code relinquishes, to the fullest extent permitted by law and equity, the provisions, rights and benefits of § 1542 of the California Civil Code, which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor and any and all provisions, rights and benefits of any similar statute, law or principle or common law of the United States, any state thereof, or any other jurisdiction.”

18. The Court retains jurisdiction over the implementation, administration and enforcement of this Judgment and the Settlement, and all matters ancillary thereto.

19. The Court finds that no reason exists for delay in ordering final judgment, and the Clerk is hereby directed to enter this Judgment forthwith.

SO ORDERED this _____ day of _____, 2017

Hon. Shelly D. Dick
U.S. District Court Judge