

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

<p>MARY L. BRACE, individually and on behalf of herself and all others similarly situated,</p> <p style="text-align: center;">Plaintiff,</p> <p>vs.</p> <p>METHODIST LE BONHEUR HEALTHCARE, THE BENEFITS COMMITTEE and John Does 1-20,</p> <p style="text-align: center;">Defendants.</p>	<p>Civil Action No. 2:16-cv-02412</p>
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CLASS ACTION SETTLEMENT AGREEMENT

This CLASS ACTION SETTLEMENT AGREEMENT (“Settlement Agreement”) is entered into by and between Plaintiff, as defined in § 1.15 below, on the one hand, and Defendants, as defined in § 1.8 below, on the other. Plaintiff 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: *Brace v. Methodist Le Bonheur Healthcare, et al.*, No. 2:16-cv-02412, an action pending in the United States District Court for the Western District of Tennessee.

1.2. “MLBH” shall mean: Methodist Le Bonheur Healthcare.

1.3. “Case Contribution Award” shall mean: any monetary amounts awarded by the Court in recognition of the Named Plaintiff’s assistance in the prosecution of the Action and payable pursuant to § 8.1 below.

1.4. “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.

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

1.6. “*Complaint*” shall mean: the Class Action Complaint filed in the Action on June 11, 2016.

1.7. “*Court*” shall mean: the United States District Court for the Western District of Tennessee.

1.8. “*Defendants*” shall mean: MLBH, the MLBH Benefits Committee (the “Committee”), and the individual members of the Committee.

1.9. “*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.

1.10. “*ERISA*” shall mean: the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, as amended, including all regulations promulgated thereunder.

1.11. “*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.

1.12. “*Liaison Counsel*” shall mean: Bramlett Law Offices.

1.13. “*Mediator*” shall refer to: David Wade, Esq., the Court-appointed mediator who presided over the negotiations in this Action.

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

1.15. “*Plaintiff*” and “*Named Plaintiff*” shall mean: Mary L. Brace.

1.16. “*Plan*” and “*Covered Plan*” shall mean: the Methodist Healthcare Pension Plan, which is operated as, and claims to be, exempt from ERISA as a Church Plan as of the Effective Date of Settlement.

1.17. “*Plan Document*” shall mean the 2012 Amendment and Restatement of The Methodist Healthcare Pension Plan, as amended.

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

1.19. “*Releasees*” shall mean: the Defendants, the Plan, any Person who served as a trustee, investment manager, service provider, record-keeper, or named or functional fiduciary (including de facto fiduciaries) of the Plan, together with, for each of the foregoing, 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 MLBH, and any and all present or

former Representatives, insurers, reinsurers, consultants, attorneys, administrators, employee benefit plans, investment advisors, investment underwriters, spouses, successors, principals, agents, assigns, heirs, executors, and administrators.

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

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

1.22. “*Settlement Class*” shall mean: all vested or non-vested present and past participants of the Methodist Healthcare Pension Plan (or their beneficiaries) as of the Effective Date of the Settlement.

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

2. RECITALS

2.1. In the Complaint, Plaintiff alleges causes of action on behalf of “[a]ll participants and beneficiaries of the Methodist Healthcare Class Pension Plan” arising under ERISA §§ 101-104, 302, 402, 404, 409, and 502(a).

2.2. Plaintiff alleges and seeks declaratory relief that the Plan is not a Church Plan within the meaning of ERISA § 3(33) and thus is subject to the provisions of Title I and Title IV of ERISA. Plaintiff alleges that Defendants: (a) violated ERISA’s reporting and disclosure provisions; (b) failed to adhere to ERISA’s required minimum funding standards for the Plan; and (c) failed to establish the Plan pursuant to a written instrument meeting the requirements of ERISA § 402. Plaintiff alleges that Defendants breached fiduciary duties owed to the Plan’s participants and beneficiaries, including Plaintiff. Defendants deny each and every allegation of violation and assert that the Plan was and remains a Church Plan exempt from ERISA.

2.3. On August 25, 2016, the Court issued an order appointing the law firms of Kessler Topaz Meltzer & Check, LLP and IZARD, KINDALL & RAABE LLP as interim co-lead counsel for the class, and the Bramlett Law Offices as Interim Liaison Class Counsel.

2.4. On August 29, 2016 Defendants filed an Answer to the Complaint and asserted eleven affirmative defenses (Dkt. No. 44). On September 19, 2016, the Court appointed David Wade, Esq., to mediate the case pursuant to Local Rule 5.4(c)(1). In preparation for the mediation session, Plaintiff conducted expedited discovery on items related to the financial condition of the Plan. Based on the documents produced by Defendants, and after consultation with their own expert, Plaintiff determined that the value of the Plan’s trust fund presently complies with ERISA’s funding requirements. Following conference calls with the court-appointed mediator, the Parties submitted confidential mediation submissions and met in Memphis on November 10, 2016 for a mediation session. At the conclusion of the session, the Parties reached an agreement in principle on the components of a settlement.

2.5. Defendants deny any and all liability to Plaintiff, members of the Settlement Class, and/or the Plan, and deny any and all allegations of wrongdoing made in the Action. Defendants aver that the Plan was, has been, and continues to be, properly established, maintained, and/or administered as a Church Plan under the appropriate Plan terms 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 any argument Defendants may have that MLBH constitutes a church or part of a church for purposes of the Church Plan exemption.

2.6. Defendants desire to resolve fully and settle with finality the Action and all of Plaintiff's Released Claims, thereby avoiding the risk, expense, inconvenience, burden, distraction and diversion of their personnel and resources, and the uncertainty of outcome that is inherent in any litigation.

2.7. Plaintiff denies any and all theories of defense asserted by Defendants in their Answer and affirmative defenses (Dkt. No. 44).

2.8. 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 Plan; (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 Plan and administration of the Plan; (d) consulting with actuarial experts; and (e) participating in settlement negotiations with Defendants' counsel, facilitated by the Court-appointed mediator David Wade, Esq.

2.9. Class Counsel believes that the Settlement will provide a significant 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; and the benefit accruing to the Plan's participants under the Settlement.

2.10. Class Counsel believes that the Settlement will provide the Settlement Class with the bulk of the protections they would have received if the Action had been litigated to a conclusion and Plaintiff had prevailed, for a period of fifteen years.

2.11. Plaintiff and Defendants have thus reached this Settlement by and through their respective counsel on the terms and conditions set forth herein, 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 shall have 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 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), with Plaintiff as the named Settlement Class representative; IZARD, KINDALL & RAABE, LLP and KESSLER TOPAZ METZLER & CHECK, LLP as Class Counsel, and the BRAMLETT LAW OFFICES as Liaison Counsel; and with a “Settlement Class” as defined in § 1.22.

(b) The Parties shall have stipulated 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 shall 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 November 9, 2016.

3.2.3 *Issuance of Class Notice.* On the date and in the manner the Court shall have set forth 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 have conferred 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 Plan's current record-keeper will suffice for all purposes in connection with this Settlement, including, without limitation, the mailing of the Class Notice. Defendants shall pay the cost for notice to 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 the websites of Class Counsel.

3.2.5 *The Fairness Hearing.*

- (a) On the date set by the Court in its Preliminary Approval Order, the Parties shall have participated 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 ("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 Plaintiff a Case Contribution Award 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 and all Parties.

3.3. *Finality of Final Approval Order.* The Final Approval Order shall have become Final, as defined in § 1.11 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 by the Effective Date of Settlement.

3.6. *No Termination.* The Settlement shall not have terminated pursuant to § 9 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 null, void, and of no force and effect.

3.8. *Establishment of Effective Date of Settlement.* If Plaintiff and Defendants 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 the Mediator, who shall retain authority for this purpose.

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, including allegations that the Plan failed to comply with the requirements of ERISA and/or did not qualify as an ERISA-exempt “church plan” pursuant to 29 U.S.C. § 1003(b), whether or not 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. Plaintiff, on behalf of herself and on behalf of the Settlement Class, hereby expressly waives and 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.”

Nothing in the Settlement Agreement eliminates or restricts any argument by MLBH that it constitutes a church or part of a church for purposes of the church plan exemption.

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 State law claims for benefits under the Plan;

4.1.3 Should MLBH ever cease to be affiliated with the United Methodist Church, any claim arising prospectively under ERISA with respect to any event occurring after such change in MLBH’s affiliation; and

4.1.4 Following the expiration of the period set forth in 29 U.S.C. § 1002(33)(D)(iii), any claim arising under ERISA solely for any act, error, omission or event committed or occurring entirely after the Internal Revenue Service issues a written ruling that the Plan does not qualify as a Church Plan; the United States Supreme Court holds that a Church Plan must be established by a church or a convention or association of churches and such holding renders ERISA's church plan exemption inapplicable to the Plan; or an amendment to ERISA is enacted and becomes effective as a law of the United States specifying that a Church Plan must be established by a church or a convention or association of churches and such amendment renders ERISA's church plan exemption inapplicable to the Plan.

4.1.5 Should any of the events mentioned in § 4.1.4 occur, nothing in the Settlement Agreement eliminates or restricts any argument by MLBH that it constitutes a church or part of a church for purposes of the church plan exemption.

4.2. *Release by Plaintiff and Settlement Class.* Subject to § 9 below, upon the Effective Date of Settlement, Plaintiff and the Settlement Class, on behalf of themselves and their respective spouses, heirs, successors, principals, agents, assigns, executors and administrators (in their capacities as such), absolutely and unconditionally hereby release and forever discharge the Releasees from any and all Released Claims that Plaintiff 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 Plaintiff, the Settlement Class, and Class Counsel.* Subject to § 9 below, upon the Effective Date of Settlement, Defendants absolutely and unconditionally release and forever discharge Plaintiff, the Settlement Class, and Class and Liaison Counsel from any and all claims relating to the institution or prosecution of the Action.

5. REPRESENTATIONS AND WARRANTIES

5.1. Parties' Representations and Warranties.

5.1.1 Plaintiff represents and warrants that she has not assigned or otherwise transferred any interest in any Released Claims, and further covenants that she will not assign or otherwise transfer any interest in any Released Claims.

5.1.2 Plaintiff represents and warrants that she shall have no surviving claim or cause of action against any of the Releasees with respect to the Released Claims.

5.1.3 The Parties, and each of them, 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, as well as 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.

5.1.4 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.

5.2. *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.

6. 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 Plan and/or of any wrongdoing by any of the Releasees as it pertains to the allegations of the Complaint. This Settlement Agreement is 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.

7. DEFENDANTS' COMMITMENTS

7.1. *Benefits Commitment.* For a period of fifteen (15) years commencing on the Effective Date of the Settlement, and provided that the Plan continues to be maintained and established by MLBH, the Plan will pay the accrued benefits payable to Participants under the terms of the Plan. However, the Plan Sponsor may terminate and/or annuitize some or all benefits provided by the Plan provided there are sufficient assets in the Plan to meet the accrued benefits (as defined by the Plan), earned by Participants at the time of Plan termination. Should the Plan be unable to pay the accrued benefits specified in this Paragraph, MLBH will guarantee those benefit payments for a period of fifteen (15) years commencing on the Effective Date of Settlement.

7.2. *Plan Mergers.* If the Plan is merged with or into another plan during a period of fifteen (15) years commencing on the Effective Date of the Settlement, Plan participants will be entitled to the same (or greater) benefits post-merger as they enjoyed before the merger.

7.3. *Disclosures.* For a period of fifteen (15) years commencing on the Effective Date of the Settlement, MBLH shall provide participants:

7.3.1 Summary Plan descriptions substantially complying with ERISA's disclosure obligations;

7.3.2 Summaries of material modifications to the Plan in the form and manner required under ERISA;

7.3.3 Annual funding notices setting forth the current funded status of the Plan.

7.4. *Continuing Obligations.* Any continuing obligations hereunder agreed to by Defendants shall cease if, prior to the expiration of the period of time such obligations are in effect, the Internal Revenue Service issues a written ruling that the Plan does not qualify as a Church Plan, the United States Supreme Court holds that a Church Plan must be established by a church or a convention or association of churches and such holding renders ERISA's church plan exemption inapplicable to the Plan; or an amendment to ERISA is enacted and becomes effective as a law of the United States specifying that a Church Plan must be established by a church or a convention or association of churches and such amendment renders ERISA's church plan exemption inapplicable to the Plan.

8. ATTORNEYS' FEES, COSTS AND PAYMENTS

8.1. In the event that the Court approves the Settlement, Plaintiff will also request that the Court award her a case contribution award for her role representing the class in this litigation. Defendants reserve the right to oppose this request in whole or in part. Plaintiff agrees to accept as full payment, and Defendant agrees to pay, whatever amount, if any, is awarded by the Court as a case contribution award pursuant to a Final Order.

8.2. In the event that the Court approves the Settlement, Plaintiff will apply to the Court for an award of attorneys' fees, costs and litigation expenses. Defendants reserve the right to oppose this request in whole or in part. Plaintiff agrees to accept as full payment, and Defendant agrees to pay, whatever such amount, if any, is awarded by the Court pursuant to a Final Order.

8.3. *Sole Monetary Contributions.* The payments provided for in § 8.1 and § 8.2, which shall be due and payable within ten (10) business days after the Effective Date of Settlement, 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 amounts referenced in § 8.1 and § 8.2 specifically satisfy any claims for costs and attorneys' fees by Class Counsel and Liaison Counsel and claims for a Case Contribution Award to Plaintiff. Except as set forth above, the Parties shall bear their own costs and expenses (including attorneys' fees).

9. TERMINATION OF THE SETTLEMENT AGREEMENT

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

9.1.1 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 and undertake their best efforts to cure any deficiency identified by the Court.

9.1.2 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 § 9.1.2.

9.1.3 If the Sixth 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 Sixth 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 Sixth Circuit order referenced in this § 9.1.3.

9.1.4 If the Supreme Court of the United States reverses or remands a Sixth 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 § 9.1.4.

9.1.5 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.

9.2. *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:

9.2.1 The Action shall for all purposes with respect to the Parties revert to its status as of November 9, 2016.

9.2.2 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.

10. MISCELLANEOUS PROVISIONS

10.1. *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 § 10.1.

10.2. *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 Tennessee law will apply without regard to conflict of law principles.

10.3. *Severability.* The provisions of this Settlement Agreement are not severable, provided, however, that no decision by the Court with respect to the award of attorneys' fees and expenses or a Case Contribution Award to Plaintiff under § 8 of this Settlement shall provide cause for either Party to withdraw, void, or nullify the Settlement.

10.4. *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.

10.5. *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 the waived breach.

10.6. *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.

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

10.7.1 *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.

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

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

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

10.7.5 *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."

10.8. *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.

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

10.10. *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
IZARD, KINDALL & RAABE, LLP
29 South Main Street, Suite 305
West Hartford, CT 06107
Telephone: (860) 493-6292

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

B. IF TO DEFENDANTS:

Brian T. Ortelere
Mara E. Slakas
MORGAN, LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103
Telephone: 215-963-5150

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.

10.11. *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.

10.12. *Counterparts.* This Settlement Agreement may be executed by exchange of faxed or emailed executed signature pages, and any signature transmitted by facsimile or email 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.

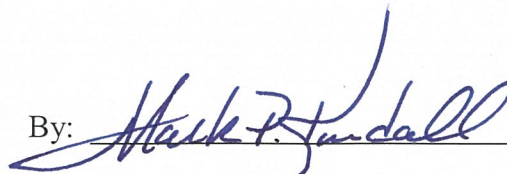
10.13. *Binding Effect.* This Settlement Agreement binds and inures to the benefit of the parties hereto, their assigns, heirs, administrators, executors, and Successors-in-Interest.

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

FOR NAMED PLAINTIFF AND THE SETTLEMENT CLASS

Dated this the 28th day of March, 2017.

By: _____




Robert A. IZARD
Mark P. Kindall
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
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

Dated this the 29th day of March, 2017.

By: 

Brian T. Ortelere
Mara E. Slakas
MORGAN, LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103
Telephone: 215-963-5150

Attorneys for Defendants

Brace v. Methodist Le Bonheur Healthcare et al.
No. 2:16-cv-02412

Settlement Agreement

EXHIBIT 1

Proposed Preliminary Approval Order

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

MARY L. BRACE, individually and on behalf
of herself and all others similarly situated,

Plaintiff,

vs.

METHODIST LE BONHEUR
HEALTHCARE, THE BENEFITS
COMMITTEE and John Does 1-20,

Defendants.

Civil Action No. 2:16-cv-02412

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

This litigation involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001, *et seq.* (“ERISA”), with respect to the Methodist Healthcare Pension Plan, which Defendants maintain is an ERISA-exempt Church Plan¹ as of the date the Settlement becomes Final.

Presented to the Court for preliminary approval is a settlement of the litigation as against all Defendants. The terms of the Settlement are set forth in the Class Action Settlement Agreement (the “Settlement Agreement”), executed by counsel on _____ 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, preliminarily certify a Settlement Class, authorize the

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

dissemination of Class Notice to members of the Settlement Class, and set a date 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 the Named Plaintiff’s claims are typical of the claims of the Settlement Class. Rule 23(a)(3) is satisfied.

d) The Court preliminarily finds that the Named Plaintiff will fairly and adequately protect the interests of the Settlement Class in that: (i) the Named Plaintiff’s 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 Named Plaintiff and the Settlement Class; and (iii) the Named Plaintiff 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 adequately identified and investigated potential claims in the action. 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. The Court preliminarily finds that the Bramlett Law Offices are experienced and capable of acting as Liaison Counsel for the 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 vested or non-vested present and past participants of the Methodist Healthcare Pension Plan (or their beneficiaries) as of the Effective Date of the Settlement.

The Court preliminarily appoints Mary L. Brace, the Named Plaintiff, as the representative for the Settlement Class, Izard, Kindall & Raabe, LLP and Kessler Topaz Meltzer & Check, LLP as Class Counsel, and the Bramlett Law Offices as Liaison Counsel, for the Settlement Class.

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 ____ (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.

5. Class Notice. A proposed form of Class Notice is attached to the Settlement Agreement 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 Named Plaintiff's Case Contribution Award, will be determined in the sole discretion of the Court and paid according to Section 8 of the Settlement Agreement; (c) gives notice to the Settlement Class of the time and place of the Fairness Hearing; and (d) 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, 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 (30) days before the Fairness Hearing, Class Counsel shall file a motion for final approval of the Settlement. Class Counsel shall file any Motion for Attorneys' Fees, Costs and Expenses, together with any request for a Case Contribution Award to Plaintiff, within thirty (30) days of the Court's Final Approval Order.

6. Objections to Settlement. Any member of the Settlement Class who wishes to object to the fairness, reasonableness, or adequacy of the Settlement or to any term of the Settlement Agreement may timely file an Objection in writing no later than fourteen (14) days before the Fairness Hearing. All written objections and supporting papers must: (a) clearly identify the case name and number "*Brace v. Methodist Le Bonheur Healthcare*, Case No. 16-cv-02412;" (b) be filed with the Court and postmarked and mailed to Class Counsel and Defendants' Counsel at the addresses below on or before fourteen 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
Western District of Tennessee
Western Divisional Office
167 N. Main Street
Memphis, TN 38103

Re: *Brace v. Methodist Le Bonheur Healthcare*, Case No. 16-cv-02412

To Class Counsel:

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

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

To Defendants' Counsel:

Brian T. Ortelere
Mara E. Slakas
MORGAN, LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103
Fax: (215) 963-5001

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 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.

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 affect service of a notice of intention to appear setting forth, among other things, 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 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. 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.

9. 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 9 of the Settlement Agreement shall govern the rights of the parties.

10. 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 Named Plaintiff or the Settlement Class.

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

SO ORDERED this _____ day of _____, 2017

HON. SHERYL H. LIPMAN
UNITED STATES DISTRICT JUDGE

Brace v. Methodist Le Bonheur Healthcare et al.
No. 2:16-cv-02412

Preliminary Approval Order

EXHIBIT A

Class Notice

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

MARY L. BRACE, individually and on behalf
of herself and all others similarly situated,

Plaintiff,

vs.

METHODIST LE BONHEUR
HEALTHCARE, THE BENEFITS
COMMITTEE and John Does 1-20,

Defendants.

Civil Action No. 2:16-cv-02412

**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 brought by plaintiff Mary L. Brace (the “Named Plaintiff” or “Plaintiff”) on behalf of herself, the Plan (referred to below), and as a representative 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 and that Defendants’ claim that the Plan is exempt from ERISA’s protections because it is a “church plan” is improper. The Settlement provides that Methodist Le Bonheur Healthcare

(“MLBH”) will guarantee full payment of benefits for participants in the Methodist Healthcare Pension Plan for a period of fifteen years, as well as providing information to Plan Participants similar to what is required of ERISA 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 vested or non-vested present and past participants of the Methodist Healthcare Pension Plan (or their beneficiaries) as of the Effective Date of 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 [\[URL\]](#).

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. The Named Plaintiff and Class Counsel believe that the Settlement provides substantial financial and administrative protections for the 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 Class.

Identification of Class Counsel: Any questions regarding the Settlement should be directed to Class Counsel: Douglas Needham or Mark Kindall 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. It will not be able to 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 NEED NOT 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 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 15 below.

This litigation (the "Action") was filed in federal district court against MLBH, the Benefits Committee of the Methodist Healthcare Pension Plan (the "Plan"), and the individual members of the Committee. The Named Plaintiff and Defendants are referred to herein as the "Parties."

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

SUMMARY OF SETTLEMENT

The Settlement provides that if the Plan has insufficient funds to pay full benefits to Plan Participants at any time in the next fifteen (15) years, MLBH will contribute sufficient funds to make up any shortfall. During the same fifteen-year time period, the Settlement further provides that MLBH will provide participants with summary plan descriptions, summaries of material modifications to the Plan and annual funding notices substantially similar to the documents that are required to be provided by ERISA plans.

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 greater or less than the recovery under the Settlement Agreement, or in no recovery at all. Throughout this Action, the Named Plaintiff and Defendants have disagreed on liability. 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 Plan, its participants and beneficiaries, and the Settlement Class; (4) would assert certain other 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 [[URL](#)] 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 Plan 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 an Incentive Fee to the Named Plaintiff.

The Fairness Hearing will be held at ____ .m. on _____, 2017 before the Honorable Sheryl H. Lipman in the United States District Court for the Western District of Tennessee, 167 N. Main Street, Memphis, Tennessee, 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 the Bramlett Law Office 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, the terms of the settlement will become effective 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 Methodist Healthcare Pension Plan on or before the Effective Date of Settlement (the "Class Period").

3. What does the Settlement Agreement provide?

The Settlement provides that if the Plan has insufficient funds to pay full benefits to Plan Participants at any time in the next fifteen years, MLBH will contribute sufficient funds to make up any shortfall. During the same fifteen-year time period, the Settlement further provides that MLBH will provide participants with summary plan descriptions, summaries of material modifications to the Plan and annual funding notices substantially similar to the documents that are required to be provided by ERISA plans.

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 June 11, 2016, a putative class action complaint was filed in the Court against MLBH and other defendants alleging violations of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The complaint alleged that Defendants denied the Plan's participants and beneficiaries the protections of ERISA by claiming the Plan qualified as an ERISA exempt "church plan." The complaint alleged that the Plan did not qualify as an ERISA exempt church plan.

On August 29, 2016 Defendants filed an Answer to the Complaint and asserted eleven affirmative defenses to Plaintiffs' claims. On September 19, 2016, the Court appointed David Wade, Esq., to attempt to resolve the case through mediation. In preparation for the mediation session, Plaintiff conducted expedited discovery on items related to the financial condition of the Plan. Based on the documents produced by Defendants, and after consultation with their own expert, Plaintiff determined that the value of the Plan's trust fund presently complies with ERISA's funding requirements. Following conference calls with the court-appointed mediator,

the Parties submitted confidential mediation submissions and met in Memphis on November 10, 2016 for a mediation session. At the conclusion of the session, the Parties reached an agreement in principle on the components of a settlement. The Parties subsequently negotiated the full terms of the Settlement Agreement.

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, called "named plaintiffs," sue on behalf of people who have similar claims. All of the individuals on whose behalf the Named 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 Sherly H. Lipman 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 who was appointed by the Court. 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, and discharge the allegations of the Complaint, including that the Plan 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, hereby expressly waives and relinquishes, 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: (1) Any rights or duties arising out of the Settlement Agreement, including the express warranties and

covenants in the Settlement Agreement; (2) State law claims for benefits under the Plan; (3) Should MLBH ever cease to be affiliated with the United Methodist Church, any claim arising prospectively under ERISA with respect to any event occurring after such change in MLBH's affiliation; and (4) following the expiration of a statutory compliance period, any claim arising under ERISA solely for any act, error, omission or event committed or occurring entirely after the Internal Revenue Service issues a written ruling that the Plan does not qualify as a Church Plan; the United States Supreme Court holds that a Church Plan must be established by a church or a convention or association of churches and such holding renders ERISA's church plan exemption inapplicable to the Plan; or an amendment to ERISA is enacted and becomes effective as a law of the United States specifying that a Church Plan must be established by a church or a convention or association of churches and such amendment renders ERISA's church plan exemption inapplicable to the Plan.

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 Named Plaintiff and the Settlement Class ("Class Counsel"), and the Bramlett Law Offices 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 “*Brace v. Methodist Le Bonheur Healthcare, Case No. 16-cv-02412;*” (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 _____, 2017:

File with the Clerk of the Court:

Clerk of the Court
United States District Court
Western District of Tennessee
Western Divisional Office
167 N. Main Street
Memphis, TN 38103

Re: *Brace v. Methodist Le Bonheur Healthcare*, Case No. 16-cv-02412

To Class Counsel:

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

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

To Defendants’ Counsel:

Brian T. Ortelere
Mara E. Slakas
MORGAN, LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103
Fax: (215) 963-5001

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 Western District of Tennessee, 167 N. Main Street, Memphis, Tennessee.

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 SETTLEMENT AGREEMENT 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 *Brace v. Methodist Le Bonheur Healthcare, Case No. 16-cv-02412*." 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 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

Brace v. Methodist Le Bonheur Healthcare et al.
No. 2:16-cv-02412

Settlement Agreement

EXHIBIT 2

Proposed Order and Final Judgment

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

<p>MARY L. BRACE, individually and on behalf of herself and all others similarly situated,</p> <p style="text-align: center;">Plaintiff,</p> <p>vs.</p> <p>METHODIST LE BONHEUR HEALTHCARE, THE BENEFITS COMMITTEE and John Does 1-20,</p> <p style="text-align: center;">Defendants.</p>	<p>Civil Action No. 2:16-cv-02412</p>
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[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 June 11, 2016, with respect to the Plan.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 _____, on behalf of the Parties. Due and adequate notice having been given to the Settlement Class as required in the 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 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 (vested or non-vested) or beneficiaries of the Methodist Healthcare Pension Plan as of the Effective Date of Settlement.

3. The Court finds that the Settlement Class meets all requirements of Federal Rule of Civil Procedure 23(a) for certification of the class claims alleged in the Complaint, including (1) numerosity, (2) commonality, (3) typicality, and (4) adequacy of the Plaintiff who will serve as the representative for the Settlement Class and of 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 (1) inconsistent or varying adjudications, which would establish incompatible standards of conduct for Defendants, and (2) 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 Plaintiff Mary L. Brace is a member of the Settlement Class, her claims are typical of those of the

Settlement Class and she fairly and adequately protected the interests of the Settlement Class throughout the proceedings in this Action. Accordingly, the Court hereby appoints Mary L. Brace as the representative for the Settlement Class.

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 for the Settlement Class. The Court further appoints the Bramlett Law Offices to serve as Liaison Counsel for the Settlement Class.

8. 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, approximately ____ copies the Notice of Class Action Settlement were mailed to members of the Settlement Class.

9. The Class Notice and Internet/Publication of Class Notice (collectively, the "Class Notices") advised members of the Settlement Class of the: (1) terms of the Settlement, Fairness Hearing and the right to appear at such Fairness Hearing; (2) inability to opt out of the Settlement Class; (3) right to object to the Settlement; (4) procedures for exercising such rights; and (5) 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.

10. 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 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.

11. The Court finds after the Fairness 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 financial protection for Class Members for a period of fifteen (15) years.
- b) The Settlement further provides for significant Plan administrative provisions which will enhance the retirement security of the members of the Settlement Class, in essence, substantively complying with certain key ERISA provisions.

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 several months in good faith and with the assistance of the Court-appointed Mediator. The Settlement is not the result of collusion.

d) The amount of discovery in this case, coupled with the investigation and negotiations that have occurred as a result of proceedings thus far, were sufficient to give counsel 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 success.

e) 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.

12. 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.

13. 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.

14. 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 Plaintiff, Mary L. Brace, 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, including allegations that the Plan failed to comply with the requirements of ERISA and/or did not qualify as an ERISA-exempt "church plan" pursuant to 29 U.S.C. § 1003(b), whether or not 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. Notwithstanding the foregoing, Released Claims are not intended to, and shall not, include the release of any of the following: (a) any rights or duties arising out of the Settlement Agreement, including the express warranties and covenants in the Settlement Agreement; (b) State law claims for benefits under the Plan; and (c) should MLBH ever cease to be affiliated with the United Methodist Church, any claim arising prospectively under ERISA with respect to any event occurring after such change in MLBH's affiliation; and following the expiration of the period set forth in 29 U.S.C. § 1002(33)(D)(iii), any claim arising under ERISA solely for any act, error, omission or event committed or occurring entirely after the Internal Revenue Service issues a written ruling that the Plan does not qualify as a Church Plan; the United States Supreme Court holds that a Church Plan must be established by a church or a convention or association of churches and such holding renders

ERISA's church plan exemption inapplicable to the Plan; or an amendment to ERISA is enacted and becomes effective as a law of the United States specifying that a Church Plan must be established by a church or a convention or association of churches and such amendment renders ERISA's church plan exemption inapplicable to the Plan.

15. In connection with the Released Claims, as of the Effective Date of this 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.”

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

17. 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. SHERYL H. LIPMAN
U.S. DISTRICT COURT JUDGE