

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

IN RE: ) ORPHANS' COURT DIVISION  
)  
ST. FRANCIS HEALTH SYSTEM, ) No. 5695 of 2002  
ST. FRANCIS MEDICAL CENTER, )  
ST. FRANCIS HOSPITAL OF )  
NEW CASTLE, )  
ST. FRANCIS HOSPITAL CRANBERRY, )  
ST. FRANCIS HEALTH CARE )  
SERVICES, INC., )  
ST. FRANCIS PLAZA, INC., )  
ST. FRANCIS FOUNDATION, )  
SISTERS OF ST. FRANCIS )  
OF MILLVALE, PENNSYLVANIA, and )  
MILLVALE FRANCISCANS, INC., )  
)  
Petitioners. )

**ORDER**

AND NOW, this 2<sup>nd</sup> day of October 2006, upon consideration of the Liquidating Receiver's **PETITION FOR APPROVAL OF FINAL SETTLEMENT REGARDING PAYMENTS TO PENSIONERS** (the "Petition"), any and all objections and responses to such Petition, and the testimony and evidence presented at a hearing in open court held on October 2, 2006, regarding the Petition, it is hereby **ORDERED** that the settlement described in the Petition, as modified by the Supplement to the Petition filed by the Liquidating Receiver on September 28, 2006, is approved. More specifically the Court (capitalized terms have the meanings ascribed to them in the Petition):

(a) approves the Pensioners' Counsel's agreement to release their rights under the Global Settlement Agreement to, for the benefit of the Class, seek a share of any amounts in excess of \$15 million that may be available to pay unsecured claims asserted against the Receiver Entities;

(b) authorizes and directs the Liquidating Receiver to cause the Pension Plan's trustee to make a final distribution of \$1,950,000 to the Class (which distribution process is described in more detail in paragraph (f) below) and transfer any remaining assets (estimated to be approximately \$100,000) to the Receiver Entities in full satisfaction of the Pension Plan's obligation to fund one-half of the unreimbursed Administrative Expenses;

(c) approves the Receiver Entities' agreement to release the Pension Plan from its current reimbursement obligation to the extent it exceeds the amount transferred to the Receiver Entities under paragraph (b) above;

(d) authorizes and directs the Receiver Entities to pay without seeking reimbursement from the Pension Plan all future Administrative Expenses, which are estimated to be \$223,500;

(e) authorizes and directs the Receiver Entities to fund a \$100,000 reserve to be held by the Portiuncula Foundation for a period of five years to be used to pay any legitimate pension claims that are made after the Pension Plan assets have been distributed in full, with any portion of the \$100,000 reserve remaining after such five-year term to be directed by the Portiuncula Foundation to health-care related programs in Allegheny County that are consistent with the teachings of the Catholic Church; and

(f) authorizes and directs the Liquidating Receiver to (i) cause the Pension Plan's actuary to calculate the final lump sums to be paid to the Class based on a total distribution of \$1,950,000; (ii) within 30 days of the date those calculations are completed by the Pension Plan's actuary, cause notice of the final distribution to be mailed to the Class, which notice is to inform each Pension Plan participant of the amount of his or her final lump sum distribution, as well as the procedures and time frame that apply to the payment of such lump

sum distribution, and (iii) cause the Pension Plan's trustee to make distributions to the Class within 60 days of the date of the above-described notice to the Class.

BY THE COURT:

  
Frank J. Lucchino, A.J.