

**Hearing Date and Time: March 17, 2022 at 10:00.m. (ET)**  
**Objection Deadline: March 7, 2022 at 5:00 p.m. (ET)**

**HAYNES AND BOONE, LLP**

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

SAINT VINCENT’S CATHOLIC MEDICAL  
CENTERS OF NEW YORK, *et al.*<sup>1</sup>,

Debtors.

Chapter 11

Case No. 05-14945 (CGM)  
Jointly Administered

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In re:

SAINT VINCENT’S CATHOLIC MEDICAL  
CENTERS OF NEW YORK, *et al.*<sup>2</sup>,

Debtors.

Chapter 11

Case No. 10-11963 (CGM)  
Jointly Administered  
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**NOTICE OF INTENT TO EXPUNGE UNLIQUIDATED CLAIMS AND  
RELEASE REMAINING TRUST FUNDS FOR PAYMENT OF MEDICAL  
MALPRACTICE CLAIMS AS PART OF THE PLANS OF REORGANIZATION  
OF SAINT VINCENT’S CATHOLIC MEDICAL CENTERS OF NEW YORK**

<sup>1</sup> The debtors in these chapter 11 cases (the “SV1 Cases”) include Saint Vincent’s Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers (“SVCMC”), Medical Service of St. Vincent’s Hospital and Medical Center, P.C., Surgical Service of St. Vincent’s, P.C., CMC Cardiology Services P.C., CMC Physician Services P.C., and CMC Radiological Services P.C. (collectively, the “SV1 Debtors”).

<sup>2</sup> In addition to SVCMC, the debtors in these chapter 11 cases (the “SV2 Cases”) include 555 6th Avenue Apartment Operating Corporation, Bishop Francis J. Mugavero Center for Geriatric Care, Inc., Chait Housing Development Corporation, Fort Place Housing Corporation, Pax Christi Hospice, Inc., Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann’s Health Care & Rehabilitation Center, St. Jerome’s Health Services Corporation d/b/a Holy Family Home, and SVCMC Professional Registry, Inc. (collectively, the “SV2 Debtors”).

**PLEASE TAKE NOTICE THAT:**

On July 5, 2005, Saint Vincent's Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers ("SVCMC"), and certain of its above-captioned affiliates (collectively, the "SV1 Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Court") initiating their bankruptcy cases (the "SV1 Cases").

On July 27, 2007, the Court entered the *Order Confirming Debtors' First Amended Chapter 11 Plans of Reorganization and Liquidation, Dated June 5, 2007* approving the SV1 Debtors' plan of reorganization (the "SV1 Plan").

The SV1 Plan contemplated the payment in full of all timely filed "Allowed" proofs of claim asserting medical malpractice liability for which SVCMC was liable either directly or vicariously based on medical malpractice committed by its employees or other healthcare professionals (the "MedMal Claims"), when the particular MedMal Claim became "Allowed." Under the SV1 Plan, a MedMal Claim becomes an "Allowed Claim" only "after the MedMal Claim has been determined by Final Order of a court of competent jurisdiction or by settlement."

Pursuant to the SV1 Plan, SVCMC created and maintained three separate trusts (the "MedMal Trusts") to satisfy its liability for the MedMal Claims *provided that* a holder of a timely filed MedMal Claim liquidated their claim under terms of the SV1 Plan and could not recover from insurance. After consultation with SVCMC, the Tort Claimants' Committee<sup>3</sup> in the SV1 Cases appointed Michael E. Katzenstein as monitor pursuant to each of the MedMal Trusts (the "MedMal Trust Monitor").

On August 30, 2007, the SV1 Plan went effective by its terms.

**PLEASE TAKE FURTHER NOTICE THAT:**

On April 14, 2010, SVCMC and certain of its above-captioned affiliates (collectively, the "SV2 Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Court initiating their bankruptcy cases (the "SV2 Cases").

On June 29, 2012, the Court entered the *Order Confirming Debtors' Second Amended Joint Chapter 11 Plan* approving the SV2 Debtors' plan of reorganization (the "SV2 Plan").

Pursuant to the SV2 Plan and its supplement, the Trust Agreements were amended to provide for any residual funds in the MedMal Trusts to revert to SVCMC and be made available to general unsecured creditors of the SV2 Debtors' estate after the resolution of the remaining MedMal Claims. The SV2 Plan provided the MedMal Trust Monitor with the specific "sole and exclusive authority to reconcile and resolve the SV1 MedMal Claims in accordance with the SV1 Plan, the Amended MedMal Trust Agreements, and the MedMal Trusts Settlement Agreement."

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<sup>3</sup> Capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Motion (as defined below).

On June 29, 2012 (the “SV2 Effective Date”), the SV2 Plan was substantially consummated and the effective date occurred by its terms. Upon the SV2 Effective Date, Eugene I. Davis was appointed as the Liquidating Trustee. The Liquidating Trustee is responsible for, among other things, “administering the Liquidating Trust, maintaining the Liquidating Trust Reserves, liquidating the Liquidating Trust Assets and making distributions under the Plan.” SV2 Plan, § 5.7(b).

**PLEASE TAKE FURTHER NOTICE THAT:**

The MedMal Trust Monitor has worked diligently to fulfill his duties relative to the MedMal Trusts including, among other things, settling, closing, or otherwise resolving the MedMal Claims and coordinating with the MedMal Trustee for disbursements from the MedMal Trusts for the benefit of holders of MedMal Claims. Notwithstanding the MedMal Trust Monitor’s extensive good faith efforts, holders of forty (40) of the MedMal Claims have failed to liquidate their claims to become “Allowed Claims,” as defined in the SV1 Plan and as required to receive a distribution from the MedMal Trusts (collectively, the “Unliquidated MedMal Claims”).

**PLEASE TAKE FURTHER NOTICE THAT:**

On February 4, 2022, the MedMal Trust Monitor filed its *Motion for Entry of an Order: (I) Enforcing the SV2 Confirmation Order, (II) Releasing the MedMal Trust Funds, and (III) Granting Related Relief* (the “Motion”) with the Court in both the SV1 Cases and the SV2 Cases. A copy of the Motion and other documents filed in both the SV1 Cases and the SV2 Cases may be obtained through the applicable claims agent website free of charge: (i) for the SV1 Debtors: <https://dm.epiq11.com/case/svc/dockets>; and (ii) for the SV2 Debtors: <https://dm.epiq11.com/case/svcmc2010/info>.

Through the Motion, the MedMal Trust Monitor requests the Court enter an order: (i) authorizing the MedMal Trust Monitor to discontinue reserving the remaining funds in the MedMal Trusts for the Unliquidated MedMal Claims; (ii) expunging the Unliquidated MedMal Claims; (iii) authorizing the MedMal Trust Monitor to direct the MedMal Trustee to release the residual funds in the MedMal Trusts to the Liquidating Trustee for payment to the SV2 General Unsecured Creditors, but reserving certain amounts as described in the Motion; (iv) dissolving the MedMal Trusts and discharging the MedMal Trustee from its responsibilities with respect to the MedMal Trusts, and (v) extending the SV2 Plan exculpation to the MedMal Trust Monitor, the MedMal Trustee, and the Liquidating Trustee.

The Motion is scheduled for a hearing before the Court on March 17, 2022, at 10:00 a.m. (prevailing Eastern Time) before the Honorable Cecelia G. Morris, Chief United States Bankruptcy Court for the Southern District of New York, 355 Main Street, Poughkeepsie, NY 12601 (the “Hearing”).

**PLEASE TAKE FURTHER NOTICE THAT:**

Any holders of Unliquidated MedMal Claims that do not want their MedMal Claims expunged or to be forever barred from recovery should consider responding or objecting to the Motion, which shall (i) be in writing; (ii) conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York; (iii) be filed with the Court (a) by registered users of the Bankruptcy Court's case filing system, electronically in accordance with General Order M-399 (which can be found at <http://www.nysb.uscourts.gov>) and (b) by all other parties in interest, on a CD-ROM, in text searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Court and General Order M-399, to the extent applicable, and (iv) served upon the following parties: (a) the above-captioned Debtors and their counsel; (b) the Liquidating Trustee, Eugene I. Davis, and his counsel; (c) the MedMal Trustee, Wilmington Savings Fund Society, FSB, successor to Christiana Bank & Trust Company, and its counsel; (d) the MedMal Trust Monitor and his counsel; (e) counsel to the SV2 Post-Effective Date Committee; (f) the Office of the United States Trustee; and (g) any other party that has submitted a request for electronic notice. Objections must be actually received on or before March 7, 2022 at 5:00 p.m. (prevailing Eastern Time) (collectively, the "Objection Procedures").

**UPON ENTRY OF AN ORDER APPROVING THE MOTION, HOLDERS OF UNLIQUIDATED MEDMAL CLAIMS WILL BE FOREVER BARRED FROM RECOVERING FROM THE MEDMAL TRUSTS. ANY HOLDERS OF UNLIQUIDATED MEDMAL CLAIMS SHOULD CONSULT AN ATTORNEY REGARDING MATTERS IN CONNECTION WITH THIS NOTICE.**

**PLEASE TAKE FURTHER NOTICE THAT:** Notwithstanding anything in this notice, the MedMal Trust Monitor reserves all of his rights and does not waive any rights.

Dated: February 4, 2022  
New York, New York

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