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(A Member of the Bar of this Court)  
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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

DONNA GARBACCIO, individually	)	
and on behalf of all others similarly	)	
situated,	)	Civil Action
	)	
Plaintiff,	)	No. 2:16-cv-02740(JMV)(JBC)
	)	
v.	)	Honorable John Michael Vazquez
	)	United States District Judge
ST. JOSEPH’S HOSPITAL AND	)	
MEDICAL CENTER AND	)	
SUBSIDIARIES, <i>et al.</i> ,	)	Honorable James B. Clark
	)	United States Magistrate Judge
Defendants.	)	
	)	CLASS ACTION

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**DECLARATION OF KAREN L. HANDORF**  
**IN SUPPORT OF PLAINTIFF’S UNOPPOSED MOTION FOR**  
**PRELIMINARY APPROVAL OF THE CLASS ACTION SETTLEMENT**  
**AGREEMENT**

I, Karen L. Handorf, declare under penalty of perjury as follows:

1. I am an attorney licensed to practice in Wisconsin and the District of Columbia.

2. I am a partner in the law firm of Cohen Milstein Sellers & Toll PLLC (“Cohen Milstein”), located at 1100 New York Ave, N.W., East Tower, Suite 500, Washington, D.C. 20005, attorneys of record for Plaintiff and the proposed Settlement Class in this consolidated case. I have personal knowledge of the facts set forth below and, if called as witness, I could and would testify competently thereto.

3. Attached hereto as Exhibit 1 is a true and correct copy of the Class Action Settlement Agreement for the case.

4. Attached hereto as Exhibit 2 is a [Proposed] Order Preliminarily Approving the Settlement, Certifying the Class, Approving Notice to the Class, and Scheduling Final Approval Hearing (“Preliminary Approval Order”).

5. Attached hereto as Exhibit 3 is the draft Notice of Proposed Settlement of ERISA Class Action Litigation, Settlement Fairness Hearing, and Motion for Attorneys’ Fees and Reimbursement of Expenses (“Class Notice”).

6. Attached hereto as Exhibit 4 is the draft [Proposed] Order and Final Judgment.

7. Attached hereto as Exhibit 5 is a true and correct copy of Cohen Milstein's firm resume.

8. Attached hereto as Exhibit 6 is a true and correct copy of the firm resume provided by Keller Rohrback, L.L.P.

9. In the spring of 2017, the Parties engaged Robert A. Meyer, Esq., a highly experienced mediator affiliated with JAMS, Inc. to assist with negotiating a potential settlement of this litigation. Mr. Meyer has previously served as mediator for several other cases involving the church plan exemption litigated by Interim Class Counsel.

10. In advance of the mediation, both sides spoke with Mr. Meyer regarding their respective positions. Plaintiff supplied a draft term sheet to Defendants setting out the central terms that she wanted to be covered in a potential settlement. Defendants produced to Plaintiff actuarial data regarding the Plan's funded status and Plan participants.

11. The Parties met in person with Mr. Meyer on May 24, 2017, at Mr. Meyer's office in Los Angeles.

12. During the mediation session, both sides exchanged proposals and counter-proposals concerning potential settlement terms.

13. At the end of the May 24, 2017 in-person mediation session, the Parties reached an agreement to settle and on that day executed a preliminary "term

sheet” stating the key terms of the agreement, with the mutual intention to further supplement that initial term sheet.

14. Following the in-person mediation session, the Parties continued to negotiate regarding several additional terms of the Settlement.

15. On July, 5, 2016, the Parties amended one paragraph of the term sheet; this amendment dealt only with the deadlines to execute the Settlement Agreement and to file the instant Motion.

16. The Parties continued to negotiate key parts of the Settlement Agreement after the term sheet was signed, with both sets of counsel zealously advocating for their clients.

17. During the mediation process, the mediator was in contact with the Parties both orally and in writing, and oversaw the exchange of multiple settlement proposals between the Parties.

18. The Parties’ negotiations were informed by numerous documents produced during informal discovery and mediation, a review of publicly-available sources, and extensive legal research into the claims and potential defenses.

19. The Parties drafted a detailed, comprehensive Settlement Agreement based on the term sheet, executed by both sides on July 20, 2017.

20. Negotiations in mediation with Mr. Meyers were adversarial and thorough, and occurred between experienced attorneys well-versed in class action

litigation, litigation concerning the ERISA “church plan” exemption in particular, and the unique legal and factual issues of this case.

21. Based on Interim Class Counsel’s investigation, I estimate that the \$42.5 million Class Settlement Amount will reduce the underfunding of the St. Joseph’s Healthcare System Pension Plan (“Plan”) by approximately 50%. This contribution improves the security of the Plan participants’ accrued pension benefits.

22. After the Term Sheet was executed on May 24, 2017, Defendants advised Interim Class Counsel that St. Joseph’s on June 1, 2017 made a \$45 million contribution to the Plan, in satisfaction of the agreed \$42.5 million Class Settlement Amount.

23. Prior to filing the Complaint, Plaintiff and Interim Class Counsel engaged in extensive factual and legal research pertaining to their claims, which ultimately resulted in a 60-page Complaint.

24. During the negotiation process, Interim Class Counsel was informed by the informal discovery and research that was undertaken in this matter, including Defendants’ production of documents and actuarial data concerning the Plan and its administration.

25. Plaintiff and Interim Class Counsel consulted with an actuarial expert to assist with the evaluation of the actuarial and Plan data provided by Defendants in connection with the mediation process.

26. At this time, Interim Class Counsel is not aware of any objections to the proposed Settlement. Should any objections arise, Interim Class Counsel will address them at the final approval stage.

27. Interim Class Counsel has extensive experience in handling ERISA class action cases and Church Plan cases in particular.

28. Interim Class Counsel served as co-counsel in all three of the appellate court cases that went before the Supreme Court, and represented those plaintiffs before the Supreme Court.

29. Interim Class Counsel serve, or have served, as co-counsel in roughly twenty cases pending across the country involving claims by other hospital systems that their plans qualify as Church Plans.

30. Based on my experience and knowledge of this area of law, Interim Class Counsel's experience litigating and settling cases in this area of ERISA litigation is unparalleled.

31. As Interim Class Counsel, we possess a comprehensive understanding of both the strengths and the weaknesses of Plaintiff's claims. I, along with my co-

counsel, believe that the Settlement is fair, reasonable, and in the best interests of the Plan and the Settlement Class.

32. Defendants have informed Interim Class Counsel that there were 7,934 current or former participants in the Plan at fiscal year-end 2016.

33. Interim Class Counsel possess sufficient resources to diligently prosecute this case on behalf of the proposed Class.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 3rd day of August, 2017 in Washington, D.C.

Respectfully submitted,



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Karen L. Handorf (admitted *pro hac vice*)  
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