

GARFUNKEL WILD, P.C.
ATTORNEYS AT LAW

111 GREAT NECK ROAD • GREAT NECK, NEW YORK 11021
TEL (516) 393-2200 • FAX (516) 466-5964

ROBERT ANDREW WILD *
FREDRICK I. MILLER *
JUDITH A. EISEN *
LEONARD M. ROSENBERG *
JEFFREY S. BROWN **†
ANDREW H. BLUSTEIN **†
BURTON S. WESTON *
DAVID J. BIEHL *
MICHAEL J. KEANE **
HAYDEN S. WOOL *
GREG E. BLOOM **
ROY W. BREITENBACH **
LOURDES MARTINEZ **
STEVEN R. ANTICO **
JEFFRY ADEST **
STEVEN J. CHANANIE *
PETER M. HOFFMAN *
ANDREW L. ZWERLING *
SUZANNE M. AVENA *
KEVIN G. DONOGHUE *

STEVEN D. GORELICK **
STACEY L. GULICK **
B. SCOTT HIGGINS *
BARBARA D. KNOTHE **
EVE GREEN KOOPERSMITH *
SEAN P. LEYDEN **
DORIS L. MARTIN *
JOHN G. MARTIN *
PATRICK J. MONAHAN II #
ALAN H. PERZLEY **
GREGG D. REISMAN *
ROBERT E. SCHILLER *
ANDREW J. SCHULSON *
DEBRA A. SILVERMAN *
CHRISTINA VAN VORT *

OF COUNSEL
GEORGE M. GARFUNKEL *
STUART M. HOCHRON, M.D. †

JOHN BECKER *
SHANNON CARROLL **
MATTHEW COLFORD
ZACHARY B. COHEN **
WILHELMINA A. DE HARDER *
ROBERT A. DEL GIORNO *
THERESA A. HARRIS **
JASON Y. HSI *
TRACY D. HUBBELL **
KIMBERLY KEMPTON-SERRA **†
JAY C. KLEAR *
STACEY P. KLEIN **
ROBERT B. KOONIN *
SALVATORE PUCCIO *
STEPHANIE RESTIFO *
COURTNEY A. ROGERS *
MOLLY M. RUSH *
MICHAEL D. SAILY *
MICHELLE LEWIS SALZMAN *
ALEXANDER C. SANTEE †
GREGORY R. SMITH *

DAYNA B. TANN **
COLLEEN M. TARPEY *
JUSTIN M. VOGEL *
ALICIA M. WILSON *
DAVID E. ZABELL *
MADELIN L. ZWERLING *

SENIOR ATTORNEYS
LARA JEAN ANCONA *
JACQUELINE H. FINNEGAN *
JOHN P. KRALJIC *
LAUREN M. LEVINE **
MARIANNE MONROY **
KAREN L. RODGERS *
AFSHEEN A. SHAH *

* LICENSED IN NEW YORK
‡ LICENSED IN NEW JERSEY
LICENSED IN CONNECTICUT
† RESPONSIBLE PARTNERS FOR
NEW JERSEY OFFICE

FILE NO.: 8626.0835
REPLY TO: New York

WRITER'S EMAIL: rwild@garfunkelwild.com
WRITER'S DIRECT DIAL: (516) 393-2222

February 23, 2012

ADDRESS

Re: Saint Vincent's Catholic Medical Centers - Donated Funds

Dear [NAME]:

We are counsel to Saint Vincent's Catholic Medical Centers ("SVCMC"). SVCMC was blessed to have received, throughout its long existence, charitable donations in support of its core Mission — to reflect God's love by advancing Christ's healing ministry, with respect, integrity, compassion and excellence to all who came to SVCMC, especially the poor. Tragically, that Mission came to an end in April, 2010, when, despite heroic efforts to save it, SVCMC was forced to close its main hospital in Manhattan and commence bankruptcy proceedings, permitting it to liquidate its remaining assets for the benefit of its creditors.

Since the bankruptcy filing, many individuals and entities have reached out to SVCMC to understand what will happen to the charitable donations that have been made, which were intended to benefit particular programs, departments, or research or treatment areas. This letter is intended to respond severally to those inquiries.

The funds representing donations to SVCMC restricted by the donors to a particular purpose (*i.e.*, not intended for its general operations), have not been included in the bankruptcy. Accordingly, through the process described below, SVCMC will petition the New York State Supreme Court in New York County to protect the charitable purposes of the remaining restricted funds representing those donations to the greatest extent possible.

SVCMC has prepared an extensive petition that will be filed in the Court asking the Court to exercise its "cy pres" powers to determine the final disposition of the remaining

NEW YORK

NEW JERSEY

CONNECTICUT

SVCMC restricted charitable assets. “Cy pres” is an ancient term, meaning “as near as can be.” SVCMC will advise the Court that it is holding funds restricted by the donors to particular purposes, and the Court will determine to which other charitable entities those donations should go, in order to, “as near as can be,” fulfill the intent of the donors.

The cy pres process has thus far involved many months of internal analysis of the restricted assets being held by SVCMC, and has resulted in preparation of a petition that is nearly ready to be filed with the Court. As to the restricted assets listed in the petition, SVCMC’s internal analysis has taken into account that, with regard to many restricted donations, some or all of the restrictions may have been already fulfilled, or the funds may have been adversely affected by market conditions. SVCMC intends to take essentially no position on the disposition of the remaining restricted net assets, but will petition the Court for the appropriate method of providing notice to donors (those of whom can be located), to allow them the opportunity to express their views on the disposition of the assets.¹ While the application will set forth for the Court a total amount of all restricted net assets presently held by SVCMC, net of any market declines, the Court also will be provided with an analysis of the individual programs to which donated funds were allocated, depending upon the donor’s intent (e.g., cancer research, community medicine, pediatric care, etc.).

In addition to donors like you, the New York State Attorney General (the “AG”) is a necessary party to the proceeding, pursuant to statute, and it is customary to work with the AG’s Charities Bureau to review the cy pres petition and obtain the Attorney General’s consent to the relief requested prior to filing it with the Court. This approach streamlines the court process. SVCMC hopes to meet with personnel in the Charities Bureau within the next several weeks to finalize the petition and obtain the AG’s consent. It would be inappropriate for us to share the petition with you until such time as the AG has had the opportunity to review it, comment, and, if necessary, make any changes that are necessary and appropriate.

Once the AG review process is complete, we will file the cy pres petition with the Court and provide you with notice of the action. We hope that the Court filing will occur sometime in the Spring of 2012, but given the complexity of the issues, the AG may require additional time to review the petition and/or request more information. In the interim, should you have any questions, please feel free to contact us.

Very truly yours,

Robert Andrew Wild
Colleen M. Tarpey

¹ To the extent that money was received by SVCMC for a particular program, and that program and its practitioners have moved to another not-for-profit facility, SVCMC will provide the Court with that information and may suggest that the money go to that program in its new home, as this would, “as near as can be” fulfill what SVCMC understands to be the original intention of the donors.

February 23, 2012

Page 3

cc: Steven R. Korf
Jennifer Coffey, Esq.
Andrew L. Zwerling, Esq.

GARFUNKEL WILD, P.C.