

DOCKET NO: 13-486-01

IN RE APPLICATION FOR JOINT : STATE OF CONNECTICUT  
VENTURE BETWEEN GREATER :  
WATERBURY HEALTH NETWORK, INC. : OFFICE OF THE ATTORNEY  
and VANGUARD HEALTH SYSTEMS, : GENERAL  
INC. :  
: OCTOBER 3, 2014

**ATTORNEY GENERAL'S THIRD SET OF INTERROGATORIES  
AND REQUESTS FOR PRODUCTION**

BY AUTHORITY OF THE STATE OF CONNECTICUT, and more particularly, pursuant to the Nonprofit Hospital Conversion Act, (the "Conversion Act"), Conn. Gen. Stat. § 19a-486 et seq., and the authority granted the Attorney General for the State of Connecticut by virtue of § 19a-486c(b)(2) of the General Statutes, the Greater Waterbury Health Network, Inc. ("GWHN") and Vanguard Health Systems, Inc. ("Vanguard")(collectively, the "Applicants") are hereby commanded to present to the Attorney General, UNDER OATH, by delivering to the Office of the Attorney General, 55 Elm Street, P.O. Box 120, Hartford, Connecticut, 06141-0120, Attn: Gary W. Hawes, on or before 5:00 in the afternoon of the 24th day of October, 2014, written answers to the interrogatories herein and documentary materials, in connection with the Application submitted to the Attorney General and the Office of Health Care Access ("OHCA") relating to the joint venture between the Applicants (the "Joint Venture").

**DEFINITIONS**

**As Used Herein:**

(A) "You" or "your" shall mean the Applicants, each subsidiary, division, affiliate, or sub-unit thereof.

(B) "The State" shall mean and include the Office of the Attorney General and the Office of Health Care Access.

(C) "Identify," "identity," or "identification," when used in reference to a natural person, means to state his or her full name and present or last known address, present or last known position and business affiliation and each position with you.

(D) "Identify," "identity," or "identification," when used with respect to a person who is not a natural person, means to state with respect to each such person its full and correct name; its registered address and its principal place of business; its business structure (e.g., partnership, limited liability company, corporation, etc.); its date and state of formation; its owners, shareholders, directors, officers, members, managers, and/or partners, as appropriate; its agent for service of process; and its federal tax identification number.

(E) "Identify," "identity," or "identification," when used with respect to a fact or event, means to describe the fact or event with reasonable particularity; identify each person believed to have knowledge with respect to the fact or event; and identify each document that refers or relates to the fact or event.

(F) "Person" or "persons" include natural persons, firms, partnerships, associations, joint ventures, corporations, and any other legal entity.

(G) "Any" or "all" means each and every.

(H) "Relating to" or "relate to" means in whole or in part constituting, referring to, commenting on, in respect of, about, regarding, discussing, showing, describing, analyzing, or forming the basis of.

(I) "And" or "or" shall mean and/or so that they both have conjunctive and disjunctive meaning such as to make them terms of inclusion rather than terms of exclusion.

(J) The "JV Hospital" shall mean the limited liability company that is to own the hospital assets, 80% of which will be owned by Vanguard and 20% of which will be owned by GWHN.

(K) The "Foundation" shall mean GWHN after the Applicants have executed the proposed transaction.

(L) The "Agreement" shall mean any and all necessary and material documents evidencing and constituting the understanding of GWHN and Vanguard regarding the Joint Venture.

(M) All charitable funds identified in these interrogatories shall be referred to by the name of the donor.

## INTERROGATORIES

1. Several of the charitable gift documents listed in the Excel Spreadsheet provided as a part of your Application are included in more than one section. Most often, this double designation occurs in the situation of bed funds, where the gift document is listed both in Schedule A (Hospital Held Restricted Use Assets) and in Schedule D (Permanent Bed Funds). It is unclear, therefore, how those duplicate entries are reflected in the asset values reported in your Application. (Bates No. 45.)

As such, please list all bed funds in Schedule D, whether held by GWHN or 3<sup>rd</sup> party trustees, remove them from either Schedule A or B, and adjust the asset values accordingly. If the funds listed in both sections are actually different funds, please differentiate them for us.

The donor funds we have identified as in both Schedules A and D are as follows:

- a. Flora S. Page and George W. Smith,
- b. Mary L. Meigs,
- c. Ruth Sperry,
- d. Dwight H. Terry and Martha J. Terry,
- e. Merrit Heminway,
- f. Margery K. Hayden,
- g. Olive Rogers Warner (Richard V. Warner Memorial Fund), and
- h. Elizabeth K. Hayden.

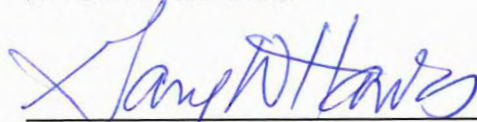
The funds we have identified as in both Schedules B and D are as follows:

- a. Edith Blakesley,
  - b. Abbie C. Hopkins,
  - c. W. Easton Smith,
  - d. Edyth Blakesley (1961),
  - e. Estate of Oscar L. Warner, and
  - f. Rhoda Hellman.
2. How has GWHN administered the bed funds in the past ten years? For example, how has GWHN identified potential recipients for bed fund distributions, verified that a potential recipient was an appropriate beneficiary for a bed fund, and accounted for the use of specific bed funds for their specifically targeted beneficiaries.
  3. Please identify why the Scovill-Kingsbury Bed Fund (1915) is listed in Schedule A and not listed in Schedule D, Bed Funds.

4. With respect to the Edith F. Poole fund (1928), the bed fund is listed in Schedule A, but not in Schedule D, even though the bed fund documentation is provided in connection with Schedule D. Please list this bed fund in Schedule D and remove it from Schedule A.
5. The Edith M. Chase Fund (1972) is listed in both Schedule A and D. We believe this charitable gift document should be listed only in Schedule A because it requires that the charitable funds be used for a dispensary. In addition, please identify how distributions from this fund were determined. Please include a description of any and all restrictions that GWHN has historically imposed on the use of these charitable assets.
6. You have included the charitable gift document for the Katherine Pomeroy Bed Fund but do not have it listed in the Schedule D. Please include it in Schedule D.
7. There are numerous instances for which you have provided us an excerpt from a will or trust or even from a letter that purports to be the granting language of the gift document. See Attachment 1. Because we do not have complete documents for these funds, we cannot confirm this language or the status or existence of any successor language. Please identify why you did not provide the charitable gift documents corresponding to the charitable funds identified in Attachment 1. To the extent those documents can be found, please produce them. To the extent those documents cannot be found, please identify the due diligence undertaken to find them.
8. With respect to the Florence Nightingale Cot Fund, you did not specify whether this fund was an endowment and whether it was use restricted. Our understanding is that as a bed fund, it is both.
9. With respect to the Sarann B. Kazanjian Fund (1974), it appears that there are two separate funds provided for in the will. First, the Article III Medical Equipment Fund appears to be a restricted use endowment. Second, the Article VI Residuary Trust Fund appears to have been a fully expendable, general use gift.
  - a. With respect to the Article III Medical Equipment Fund, please identify how distributions from this fund were determined. Please include a description of any and all restrictions that GWHN has historically imposed on the use of these charitable assets.
  - b. With respect to the Article VI Residuary Trust Fund, please identify whether any assets remain in the fund and, if so, their value.
10. With respect to the Henry Peck Fund (1918), there appear to be two funds under this designation. First, the Paragraph 16 Building Fund appears to be a use restricted, fully expendable fund. Second, the Paragraph 18 Fund appears to have been an unrestricted endowment fund.

- a. With respect to the Paragraph 16 Building Fund, please identify whether any assets remain in the fund and, if so, their value.
- b. With respect to the Paragraph 18 Fund, please identify the Fund's value.
11. With respect to the Kenneth J. Stoughton Fund (1977), please identify the purpose and historical use of Waterbury Hospital's equipment fund.
12. With respect to the Junior League Fund (1937), please identify how distributions from this fund were determined. Please include a description of any and all restrictions that GWHN has historically imposed on the use of these charitable assets.
13. With respect to the Kazanjian Student Nurse Fund, please identify how distributions from this fund were determined. Please include a description of any and all restrictions that GWHN has historically imposed on the use of these charitable assets.
14. With respect to the Dr. M.H. Merriman Fund, please identify how distributions from this fund were determined. Please include a description of any and all restrictions that GWHN has historically imposed on the use of these charitable assets.
15. With respect to the Mary Kingsbury Bull Fund, please identify how distributions from this fund were determined. Please include a description of any and all restrictions that GWHN has historically imposed on the use of these charitable assets.

GEORGE JEPSEN  
ATTORNEY GENERAL



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## Attachment 1

### Excerpt of Relevant Will or Trust Provision, No copy of will or trust document – Schedule D

- Adt, Eugene C. Fund (Adele M. Adt)
- Benedict, George H. Fund (George H. Benedict)
- Bull, Helen Smith
- Coffin, Henrietta Louise Adrienne Free Bed Fund
- Curtis, Mary A. Bed Fund
- Field, Edward Bed Fund
- Fitzsimmons, Louis E.
- Graves, Anna E. Bed Fund
- Greenburg, William B. Fund
- Harvey, George S.
- Kellogg, Stephen Wright and Lucia Hosmer Fund
- Leavenworth, Cynthia Free Bed Fund
- Lott, Rose A.
- Montague, Nellie M.
- Peck, Franklin L. Fund
- Shipley, Alfred J.
- Smith, Richard Memorial Bed Fund
- Spencer, Julia V. Warner Fund
- Upton, Jennie (First Congregational Bed Fund)
- Wade, Henry L. Bed Fund
- Welton, Nelson J. Bed Fund

### Excerpt of Relevant Will or Trust Provision, No copy of will or trust document – Schedule A

- Charles F. Brooker Will and Codicil (Charles F. Booker Fund)
- Marguerite B. Fulling

### Excerpt of Relevant Will or Trust Provision, No copy of will or trust document – Schedule C

- Thomas P. Crean

### Partial Will, Succession Language Unknown – Schedule D

- Burdsall, Margaret and Burritt, Harriett Bed Funds
- Burritt, Edith & Melrose Bed Fund
- Castle, Margaret F. Memorial Bed Fund
- Hart, Bertha Platt
- Hayden, Elizabeth K. Fund
- Judson, Winnifred H. Free Room Fund
- Merriman, William Buckingham, Jr. Bed Fund

- Merriman, William Buckingham and Sarah Kingsbury Parsons Memorial Bed Fund
- Merchant, May Lew and Bennett Merchant Fund
- Swenson, John