
CAIN BROTHERS

Divestiture Trustee Status Report

June 10, 2016

Status Update – Summary of Major Events

In accordance with Section II.D.5. of the Order to Maintain Assets and Appointing a Monitor and a Divestiture Trustee (Case No. 1:13-cv-00116-BLW) filed December 10, 2015 (the “Order”), Cain Brothers (the “Divestiture Trustee” or “Trustee”) is providing this report to update the parties and the Court on: (i) our efforts to effect the divestiture and (ii) St. Luke’s and Saltzer’s compliance with the Order

■ Received Phase I Proposals

- > Received Phase I proposals submitted by potential partners the week of June 6th

■ Finalized Quality of Earnings (“QofE”) Report

- > Reviewed and finalized QofE report in advance of distributing the report to second round participants

■ Prepared for Phase II Diligence

- > Worked closely with the management team of Saltzer and Consilium to collect and organize the diligence materials that will be shared with second round participants
- > Continued conference calls with Consilium to review the due diligence data materials and organize the data
- > Coordinated review of diligence materials by Sheppard Mullin

■ Prepared for Management Presentations

- > Worked with a communications expert along with management to draft the Management Presentation
- > Coordinated weekly meetings with a communications expert to assist in coaching management in delivering the presentation

■ Set up and participated in various additional calls related to the sale process

- > Continued conversations with interested potential partners who have reviewed the CIM
- > Conversated regularly with the Sheppard Mullin team and St. Luke’s internal counsel to facilitate the review of diligence materials
- > Worked with Saltzer management and Consilium to address interested potential partners information requests
- > Communicated frequently with the Monitor to share information and provide each other with regular updates on any developments with Saltzer

Key Workstreams for Coming Month

Evaluate Phase I Proposals

- Evaluate Phase I proposals received the week of June 6th and facilitate a discussion with the Government Plaintiffs, Saltzer and St. Luke's to determine which parties to invite to Phase II

Launch Phase II

- Open electronic data room to distribute diligence items including the QofE report to potential partners invited to Phase II
- Schedule Saltzer management presentations with potential partners

Finalize Management Presentation

- Work with a communications expert and the management team of Saltzer to finalize management presentations for Second Round participants


Continue Dialogue with Potential Partners


- Host follow-up calls with potential partners to help facilitate Phase II due diligence
- Answer questions and provide requested information in response to Phase II due diligence requests from potential partners


Bluebird Process Update

Monthly Forward Calendar as of June 10, 2016

June 2016							July 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24 31	25	26	27	28	29	30

 = Holiday

 = Management Presentations

 = Receive Phase II Proposals

Date	Events
Week of June 6, 2016	<ul style="list-style-type: none"> Evaluate Phase I proposals from potential partners Hold drafting sessions for Management Presentation preparation Receive finalized QofE analysis from KPMG Prepare electronic data room for Phase II diligence
Week of June 13, 2016	<ul style="list-style-type: none"> Invite select potential partners to Phase II Open Phase II data room to distribute diligence items including the QofE report Continue diligence dialogue with potential partners Continue Management Presentation preparation
Weeks of June 20, 2016 – July 4, 2016	<ul style="list-style-type: none"> Continue diligence dialogue with potential partners to review items in electronic data room Respond to supplemental diligence requests in advance of Management Presentations Continue preparing Management Presentation
Week of July 11, 2016 – July 18, 2016	<ul style="list-style-type: none"> Host Management Presentations Respond to final diligence requests in advance of submission of Phase II proposals
Week of July 25, 2016	<ul style="list-style-type: none"> Phase II proposals due week of July 25th Select party(s) to invite to Phase III of the process

Preliminary Timeline

The timetable below is our current estimate, although could shift depending upon many factors

