NOTICE OF SETTLEMENT

*****Please read this Notice Carefully; Your rights may be affected*****

NEW YORK STATE WORKERS' COMPENSATION BOARD V. COMPENSATION RISK MANAGERS, LLC, ET AL. (New York State Supreme Court, Albany County; Index No.: 10288-09); and NEW YORK STATE WORKERS' COMPENSATION BOARD V. SGRISK, LLC, ET AL. (New York State Supreme Court, Albany County; Index No.: 4620-2011)

TO: All former member-employers of The Healthcare Industry Trust of New York ("HITNY"), The Wholesale and Retail Workers' Compensation Trust of New York (formerly known as the Grocery Industry Trust of New York) ("WRWCT"), the Transportation Industry Workers' Compensation Trust (formerly known as The Transportation Trust of New York) ("TIWCT"), the Trade Industry Workers' Compensation Trust for Manufacturers (formerly known as the Manufacturing Industry Workers' Compensation Trust of New York) ("TRADE"), the Real Estate Management Trust of New York ("REMTNY"), the Public Entity Trust of New York ("PETNY"), The New York State Cemeteries Trust (formerly known as The New York Association of Cemeteries Trust Workers) ("NYSCT"), and the Elite Contractors Trust of New York ("ECTNY") (these trusts are hereinafter collectively referred to as the "Trusts").

PURPOSE OF THIS NOTICE: This Notice of Settlement is intended to provide its recipients (hereinafter the "Notice Parties"), who were all former members of one or more of the Trusts, with notice that the New York State Workers' Compensation Board ("NYSWCB") has filed a special proceeding pursuant to Article 77 of the New York Civil Practice Law & Rules ("Article 77 Action") seeking an Order of the Court (among other things):

1. Approving a settlement agreement entered into by and between the NYSWCB and the defendants Daniel G. Hickey, Sr., Daniel G. Hickey, Jr., Martin D. Rakoff, Louis J. Viglotti, Mark J. Bottini, James J. Scardino, Chester J. Walczyk, Robert Polansky, Joseph F. Taylor, David Birsner, Keith S. Hynes, Philip J. Magnarella and Salvatore A. Patafio (hereinafter the "CRM Individual Defendants") in the case *New York Workers' Compensation NYSWCB v. Compensation Risk Managers, LLC, et al.*, New York State Supreme Court, Albany County (Index No. 10288-09); and approving a settlement agreement entered into by and between the NYSWCB and the defendant SGRisk LLC (hereinafter "SGRisk") in the case *New York State Workers' Compensation Board v. SGRisk LLC*, New York State Supreme Court, Albany County (Index No. 4620-2011) (these two actions are hereinafter collectively referred to as the "Subject Actions");

2. Declaring that the above-referenced settlement agreements are final and binding on the Notice Parties;

3. Declaring that all claims that have been asserted by the Notice Parties against SGRisk and/or the CRM Individual Defendants relative to their respective involvement in the Trusts, shall be dismissed with prejudice and be deemed fully and finally extinguished and satisfied; and permanently enjoining and forever prohibiting the Notice Parties from asserting any future lawsuits, claim(s), legal proceedings, and/or cause(s) of action against the CRM Individual Defendants or SGRisk relative to their respective involvement in the Trusts;

4. Approving the NYSWCB's allocation of the monies to be realized from the CRM Individual Defendants and SGRisk in the settlement of the Subject Actions, as well as monies recovered by the NYSWCB in the bankruptcy case *In Re Majestic Capital Ltd., et al.*, Case No. 11-36225 (Bankr. SDNY) (hereinafter the "CRM Bankruptcy"), in which CRM LLC, the group administrator of the Trusts, and CRM LLC's affiliated entities, filed for bankruptcy protection, to the Trusts based upon a pro rata allocation of the respective deficits of the Trusts (the proceeds to be received by the NYSWCB from the CRM Individual Defendants, SGRisk and from the CRM Bankruptcy are hereinafter referred to collectively as the "Settlement Proceeds"); and

5. Approving the NYSWCB's determination that no surplus exists for each respective Trust and, therefore, that the Settlement Proceeds are not to be distributed to the Notice Parties' who previously entered into settlement agreements with the NYSWCB.

All of the legal papers filed by the NYSWCB in support of the Article 77 Action, including a full and complete copy of the Order to Show Cause, Verified Petition and Memorandum of Law, together with all exhibits attached thereto, can be found online at:

http://www.wcb.ny.gov/content/terminated-self-insured-trusts/DocumentsToPrint/HITNY_Trust/HealthcareIndustry_Trust.jsp

RELEVANT BACKGROUND: The Trusts were all group self-insured trusts that previously operated in New York and provided workers' compensation coverage to the Notice Parties. At various times between January 2008 and April 2010, the NYSWCB assumed the administration of the respective Trusts due to the fact that the Trusts had each become insolvent. Thereafter, the NYSWCB commenced and prosecuted certain legal actions against the persons and entities deemed responsible for the insolvency of the Trusts, including the Individual CRM Defendants, SGRisk and CRM LLC. After a series of negotiations, and in order to avoid protracted litigation and to maximize the recovery on behalf of the Trusts and their respective members, the NYSWCB has agreed to accept the net sum of $5,333,875 from the CRM Individual Defendants and SGRisk in order to resolve the Subject Actions, and was able to recover $7,719,376.16 in the CRM Bankruptcy, for a total recovery of $13,053,251.16.

PROCEDURES FOR OBJECTION: Any Notice Party wishing to object to the Article 77 Proceeding, and the relief requested therein, **must file and serve their opposition papers no later than _____ _____, 2017,** consistent with the instructions contained within the Order to Show Cause, which can be found on the dedicated website referenced above. **After this date, any right to object to the relief requested in the Article 77 Action shall be deemed waived, and any claims by any former trust members, their successors and assigns, against any of the parties to the settlement agreements shall be prohibited.**

FURTHER INFORMATION: If you have any questions concerning this Notice of Settlement or if you have any problems accessing the dedicated website, please contact Andrew McNamara, Esq., Senior Attorney, New York State Workers' Compensation NYSWCB, at (518) 388-1867 or at andrew.mcnamara@wcb.ny.gov.