

**Weiss & Zarett, P.C., Negotiates Settlement to Protect St. Vincent's Physicians, House Staff,
Clinical Staff and Patients from Uninsured Medical Malpractice Claims**

NEW HYDE PARK, NY (12/7/2010) – Weiss & Zarett, P.C., is pleased to announce that Bankruptcy Judge Cecilia G. Morris recently approved a settlement in the St. Vincent's bankruptcy case – reached by the firm on behalf of hundreds of former St. Vincent's medical residents and attending physicians – challenging the hospital's initial refusal to purchase "tail" medical malpractice insurance coverage for those former physician employees. Absent this settlement, hundreds of the hospital's prior residents and attending physicians would have been uninsured for future potential medical malpractice losses and accompanying damages. The Order was issued on October 21, 2010, out of the Southern District of New York Bankruptcy Court, following motion practice and settlement negotiations orchestrated by Weiss & Zarett, P.C., partner Michael D. Brofman, Esq.

Initially, Mr. Brofman filed a motion on behalf of the Committee of Interns and Residents/SEIU (the collective bargaining agent for approximately 400 residents, interns and fellows) and more than 100 former staff attending physicians, seeking to compel the hospital to purchase extended reporting liability ("tail") coverage as a priority administrative expense of the bankruptcy estate. After reviewing the motion, the hospital then entered into settlement negotiations with Mr. Brofman, which were quickly concluded and approved by the court.

Under the terms of the settlement, the automatic stay precluding the continued prosecution of malpractice actions not covered by insurance was extended in favor of the former St. Vincent's medical professionals. The order further imposes an obligation on the hospital to implement as part of its Plan of Reorganization a claim resolution process to resolve any future uninsured medical malpractice claims, where monetary damages are to be limited to a predetermined cap. As part of the overall reorganization plan, the hospital will also contribute substantially to a \$3,100,000 fund, which in the aggregate will be used to cover all malpractice claims that can be filed against the former medical residents and attending physicians that are resolved through the claim resolution process. The settlement also requires the hospital to seek and obtain a permanent injunction in its Plan of Reorganization to prevent any other uninsured malpractice claims from being prosecuted against any of its former staff physicians and residents who agree to participate in the fund.

Without this settlement, hundreds of the prior residents, students and attending physicians would have been left without medical malpractice insurance coverage, and the concomitant and potentially catastrophic risks of "going naked." Given the size of the group of professionals represented by the firm, and the substantial contribution by the hospital to the \$3.1 million aggregate fund being established under the terms of the settlement, each client's actual out-of-pocket cost to obtain this protection from future potential claims will be a fraction of the cost of an individual tail policy, even assuming such insurance was available to be purchased.

The motion practice leading up to the settlement was meaningfully supported by an amicus brief filed by the Medical Society of the State of New York and its general counsel, Donald Moy, Esq. and Matthew Talty, Esq.

About Weiss & Zarett, P.C.

Weiss & Zarett, P.C., is an eight-attorney law firm located in New Hyde Park, New York, which focuses its practice on representing physicians in legal, regulatory and administrative matters. Mr. Brofman, a partner at the firm who handles its bankruptcy matters, was assisted by associates Joshua Boxer and Russell Sass. For more information, visit www.weisszarett.com.