

NOTICE OF A PENDING CLASS ACTION, A PROPOSED SETTLEMENT OF THAT CLASS ACTION AND THE HEARING DATE FOR COURT APPROVAL OF THE PROPOSED SETTLEMENT

COURTNEY THANANE and JONI HOWE v. PROVIDENCE HEALTH & SERVICES –
OREGON, UNITED STATES DISTRICT COURT, DISTRICT OF OREGON, CASE NO. 3:13-CV-01620-MO

TO: All current or former non-exempt employees of Providence Health & Services – Oregon (“Providence”) who worked in Oregon and who used the Oregon Kronos timekeeping system (also known as “Provtime”) to record their hours worked between September 13, 2007 and September 13, 2013.

You are receiving this Notice because Providence’s records reflect that you were employed as a non-exempt employee in Oregon by Providence and that you used the Kronos timekeeping system, also known as “Provtime”, to record your hours worked between September 13, 2007 and September 13, 2013. As a result, you may be eligible to participate in the settlement of a lawsuit.

PLEASE READ THIS NOTICE CAREFULLY. This Notice relates to a proposed settlement of a class action lawsuit and a collective action lawsuit. This notice contains important information about your ability to receive payment as part of that lawsuit, your right to exclude yourself from that lawsuit (and receive no payment), and your right to object to the proposed settlement of that lawsuit.

By order of the United States District Court for the District of Oregon (the “Court”) in the case of *Courtney Thanane, et al. v. Providence Health & Services – Oregon*, Case No. 3:13-CV-01620-MO (the “Lawsuit”), entered on December, 19, 2014, the Preliminary Approval Date, YOU ARE NOTIFIED THAT:

A SETTLEMENT AGREEMENT HAS BEEN REACHED BETWEEN THE PARTIES IN THE LAWSUIT. THE SETTLEMENT CLASS AND THE SETTLEMENT COLLECTIVE ACTION CONSISTS OF ALL CURRENT OR FORMER NON-EXEMPT EMPLOYEES OF PROVIDENCE WHO WORKED IN OREGON AND WHO USED THE OREGON KRONOS TIMEKEEPING SYSTEM (ALSO KNOWN AS “PROVTIME”) TO RECORD THEIR HOURS WORKED BETWEEN SEPTEMBER 13, 2007 AND SEPTEMBER 13, 2013.

BACKGROUND OF THE LAWSUIT

In May 2013, the Oregon Nurses Association (“ONA”) commenced a Grievance against Providence on behalf of ONA bargaining unit members working at the Providence St. Vincent Medical Center (the “Grievance”). In the Grievance, ONA alleged that that supervisors at the St. Vincent facility improperly altered employee start and stop times to ensure that the rounding of the employees’ hours worked, as computed by the Kronos (or “Provtime”) timekeeping system, favored Providence, and that Providence, through the timekeeping system, deducted 30 minutes from employees’ time worked for meal breaks which the employees did not take.

On September 13, 2013, Courtney Thanane and Joni Howe (the “Class Representatives”) filed a complaint in the Court to start the Lawsuit. On November 24, 2014, the Class Representatives filed an amended complaint in the Lawsuit (the “Complaint”). The Complaint alleges Providence used a

Kronos (or “Provtime”) timekeeping system that rounded employees’ start and stop times. The Complaint further alleges that, as a result of the timekeeping system and policies in place at Providence, Providence did not fully compensate employees for the time they actually worked because incidents of rounding adverse to the employees exceeded incidents of rounding favorable to the employees. The Complaint also alleges that management employees at Providence altered employee’s time punches to reduce the employees’ recorded hours worked. Finally, the Complaint alleges that Providence deducted meal breaks from employee work hours without regard to whether an employee actually received a meal break.

The Complaint’s first and third claims for relief allege that Providence engaged in racketeering activity under 18 U.S.C. § 1962 and O.R.S. § 166.720. The second claim for relief alleges that Providence failed to pay all overtime wages due under 29 U.S.C. § 207. The fourth claim for relief alleges that Providence failed to pay wages due under O.R.S. § 652.120. The fifth claim for relief alleges that Providence failed to pay wages due on termination under O.R.S. § 652.140. The sixth claim for relief alleges unlawful withholding of wages under O.R.S. § 652.610. The seventh alleges failure to pay overtime under O.R.S. § 653.261. The eighth claim for relief alleges common law fraud.

The Complaint asserts these claims on behalf of the Class Representatives and on your behalf as a proposed class action and as a proposed collective action under the Fair Labor Standard Act.

Providence disagrees. Providence disputes all claims asserted in the Grievance and the Lawsuit.

Despite the disagreement, Providence, the ONA and the Class Representatives have expended time and effort in the exchange of information, have met on multiple occasions, and have spent four working days with an experienced settlement judge, to try to resolve the disputes raised in the Grievance and the Lawsuit.

As a result of those efforts, Providence, ONA and the Class Representatives have reached a settlement agreement. Here is a summary of that settlement:

SUMMARY OF THE PROPOSED SETTLEMENT

Payment.

“Participating Class Members” include all class members except for those class members who cannot be found and those who ask to be excluded from the Lawsuit. Providence will pay each Participating Class Member the greatest of the three, alternative amounts described below for which that Participating Class Member qualifies:

(1) All Participating Class Members qualify to receive all unpaid wages they sustained since November 1, 2009 caused by a time punch adjustment of 7 minutes or less that changed the direction of rounding adverse to the Participating Class Member. The hourly wage rate to determine the amount of unpaid wages due will be the current base rate for those Participating Class Members who were current employees as of September 13, 2013, or the last base rate for Participating Class Members who were former employees as of September 13, 2013, except for Participating Class Members who are ONA represented nurses at the Providence St. Vincent Medical Center for the period of two years prior to the September 13, 2013, for whom the rate shall be, where overtime is applicable, the contractual overtime rate at the then current rate for changes made in the two-year period before September 13, 2013. For the period prior September 13, 2011, the applicable rate for the Participating

Class Members who are ONA represented nurses at the Providence St. Vincent Medical Center shall be the current base rate for those who were current employees as of September 13, 2013, or last base rate for those who were former employees as of September 13, 2013. Providence will not investigate the adjustments to determine if a legitimate reason existed for the adjustment. Providence will pay a full quarter of an hour, at the applicable wage rate as described above, in each instance of an adverse adjustment of 7 minutes or less; or

(2) Alternatively, any Participating Class Member who was a current employee of Providence as of September 13, 2013, is qualified to receive \$92.00; or

(3) Alternatively, any Participating Class Member whose employment with Providence ended between September 13, 2011 and September 13, 2013 and who was a full time equivalent employee when their employment ended is qualified to receive \$200, while any Participating Class Member whose employment with Providence ended between September 13, 2011 and September 13, 2013 and who was a part time employee when their employment ended is qualified to receive \$150.00, and any Participating Class Member whose employment with Providence ended between September 13, 2011 and September 13, 2013 and who was an on-call employee when their employment ended is qualified to receive \$65.00. Each class member that participates in the settlement may therefore receive a payment that is different in amount from the payment to other participating class members.

The net amount each Participating Class Member qualifies to receive, as described above, will be reduced in four ways.

First, the Class Representatives in the Lawsuit filed the Lawsuit as both a class action asserting claims based on Oregon state law, and as a collective active asserting claims under federal law, specifically the federal Fair Labor Standards Act ("FLSA"). As part of the settlement, the parties agree that 85% of each individual class member's recovery is allocated to the state law claims which have been certified as a class action. The parties agree that the remaining 15% of each class member's claim is allocated as a payment for the FLSA claim. If you qualify to receive payment under the settlement, then to recover the 85% portion of your individual recovery, you need to take no action. Assuming you can be found in accordance with the procedures set forth in the Settlement Agreement, Providence will send your payment to you with no action on your part. However, to receive the additional 15% of any individual recovery for which you qualify, you must timely sign and return the enclosed Consent to Join Form by April 13, 2015 to the following address:

Tilghman & Co., P.C.
Thanane Settlement Administration
P.O. Box 12723
Birmingham, AL 35202-2723

If you do not timely sign and return the Consent to Join Form your recovery will be reduced by fifteen percent (15%).

Second, regardless of whether you consent to join, your recovery, if any, will be reduced by any amounts you have been already paid in response to any complaint about unpaid wages or as the result any audit or investigation into any unpaid wages that may have occurred during the time period covered by the Lawsuit.

Third, your recovery, if any, will be reduced by fifteen percent (15%), which is the amount being paid to the lawyers representing you and the other class members in the Lawsuit.

Fourth, your net recovery, if any, will be reduced by any necessary tax withholding, which will be reported on an IRS Form W-2. Providence will issue, as appropriate, tax forms to those who receive payments under the settlement agreement.

Your Release of Claims.

You and other class members, except those who request to be excluded from the Lawsuit, will surrender and release Providence and all Providence-related companies from the following "Released Claims" in exchange for the settlement payment:

"Released Claims" means any and all wage claims, rights, demands, liabilities and causes of action of every nature and description, whether known or unknown, arising during the period from September 13, 2007 to the Preliminary Approval Date. The Released Claims include, but are not limited to, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, based on or arising out the following categories of allegations: (a) any alleged failure to pay wages; (b) any alleged failure to timely pay wages due at termination; (c) any alleged failure to timely pay wages; (d) any alleged improper deduction from wages (including any alleged failure to provide itemized wage statement); and (d) any alleged failure to provide meal or rest periods or compensation in lieu thereof. The Released Claims include, without limitation, all claims asserted in the Complaint or the Grievance. The Released Claims include, without limitation, all claims under Oregon Revised Statutes ("O.R.S.") 652.010 et. seq.; 653.010 et. seq.; 166.720 et seq., 164.377 et seq., 29 U.S.C. § 201 et. seq., 18 U.S.C. § 1962, 18 U.S.C. § 1343, and any other provision of Oregon or federal law governing or potentially governing wages or penalties, (other than claims for work place injury covered by Oregon Workers' Compensation statutes). The Released Claims in any of the categories listed above include wage claims which you do not know or suspect may exist in your favor against Providence as of the Preliminary Approval Date.

Under the terms of the settlement agreement your release extends not only to Providence but to all other Providence-related companies, and all employees and other individuals who have worked for those companies.

Reasonableness of Settlement.

The Court has given preliminary approval of the settlement and has appointed the Class Representatives and Class Counsel to represent you. The ONA, Class Counsel, the Class Representatives and Providence support this settlement. Among the reasons for support of the settlement are the defenses to liability potentially available to Providence, the risk of denial of class certification by the Court, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

A. Excluding Yourself from the Settlement.

If you believe you have an individual claim against Providence pertaining to your employment, you should consult with your own counsel and decide whether you want to participate in the settlement, or whether you wish to exclude yourself from the settlement so you may bring your own lawsuit. If you do not wish to participate in the settlement, you must exclude yourself by sending a request for exclusion to the Administrator at the following address:

Tilghman & Co., P.C.
Thanane Settlement Administration
P.O. Box 12723
Birmingham, AL 35202-2723

To exclude yourself, you must sign, date and return by first class U.S. Mail, or the equivalent, a written request stating that you wish to be excluded from the settlement no later than April 13, 2015. You must send your request to be excluded by United States Postal Service first class mail or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request for exclusion. Any person who sends a request for exclusion will not receive a payment from the settlement. If you do not exclude yourself, and the Court grants final approval of the class action and the settlement, then you will be bound by the Court's final judgment.

Do not submit both the Consent to Join form and a request for exclusion. If you submit both a Consent to Join form and a request for exclusion, then your request for exclusion will be invalid, you will be included in the settlement, and you will be bound by the terms of the settlement agreement, including the release of claims.

Objection to Settlement.

You can object to the terms of the settlement before final approval. However, if the court rejects your objection, you will still be bound by the terms of the settlement unless you have submitted a valid and timely request for exclusion.

To object, you must file with the Court, Written Objections and a Notice of Intention to Appear at the Final Approval Hearing. The Court has set the Final Approval Hearing for June 12, 2015, at 10:00 a.m., before Judge Michael W. Mosman. To file objections with the Court you must file your objections with the Clerk of the United States District Court, 1000 SW Third Avenue, Portland, Oregon 97204, and send copies to the following:

Class Counsel:
Thomas K Doyle
Bennett, Hartman, Morris & Kaplan
210 SW Morrison St., Ste. 500
Portland, OR 97204

Providence's Counsel:
Christopher F. McCracken
Davis Wright Tremaine LLP
1300 SW 5th Ave., Ste. 2400
Portland, OR 97201

Any written objections must state each specific reason in support of your objection and any legal support for each objection. Your objections must also state the case name and number, your full name, address, date of birth, and dates of your employment with Providence. To be valid and effective, any

objections to final approval of the settlement must be filed with the Clerk of the Court and served on each of the above-listed attorneys no later than April 13, 2015, which is 30 days after the date of the initial mailing of this Notice. You may also enter an appearance in this case through your own attorney if you so desire.

DO NOT TELEPHONE PROVIDENCE'S COUNSEL, THE COURT, OR THE OFFICE OF THE CLERK FOR MORE INFORMATION REGARDING OBJECTIONS.

EFFECT OF THE SETTLEMENT

The parties intend the settlement to settle all claims against Providence and the other released parties that have been asserted or could have been asserted in the Grievance or the Lawsuit regarding the employment relationship of the class members with Providence, including, without limitation, claims for unpaid wages, meal breaks, penalties, interest, liquidated damages, and attorney fees. By participating in the settlement, you acknowledge your understanding of the release and agree to abide by it.

If the Lawsuit is not approved by the Court or does not become final for some other reason, the Lawsuit may continue.

FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in the United States District Court, 1000 SW Third Avenue, Portland, Oregon 97204, in the courtroom of The Honorable Michael W. Mosman, on June 12, 2015 at 10:00 a.m. to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to make a final ruling on class counsel's request for attorney fees and an enhanced payment to the two Class Representatives. This hearing date may be continued or changed without further notice to you. It is not necessary for you to appear at this hearing unless you have timely filed an objection with the Clerk of the Court and wish to be heard by the Court with respect to your objection.

ADDITIONAL INFORMATION

This Notice provides just a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed "Joint Motion for Preliminary Approval of Settlement" which is on file with the Clerk of the Court and which contains a copy of the parties' settlement agreement. The pleadings and other records in the Lawsuit may be examined at any time. Instructions on how to do that can be found at:

www.ord.uscourts.gov/index.php/public/researching-court-cases.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THE SETTLEMENT OR THE CLAIMS PROCESS.

BY ORDER OF THE COURT.

CONSENT TO JOIN FLSA COLLECTIVE ACTION

COMPLETE THIS FORM IF YOU WISH TO OBTAIN THE ADDITIONAL 15% SETTLEMENT ALLOCATED TO THE FLSA CLAIMS AS EXPLAINED IN THE NOTICE OF A PENDING CLASS ACTION, A PROPOSED SETTLEMENT OF THAT CLASS ACTION AND THE HEARING DATE FOR COURT APPROVAL OF THE PROPOSED SETTLEMENT

1. I hereby opt-in and consent to join a collective action as a party plaintiff against Providence Health & Services – Oregon to assert claims for unpaid wages as specified in the Complaint and as identified in the Notice of Pendency of Class Action which I have received.
2. I understand that certain claims in the Lawsuit are brought under the Fair Labor Standards Act, 29 U.S.C. § 201-219. I understand that by consenting to join this collective action I agree to be bound by any judgment of this Court and by the terms of any Settlement Agreement that the parties have or will enter into. I have received notice of the Settlement Agreement, and I release my claims against Providence as set forth in the Settlement Agreement, which is explained in the Notice of Pendency of Class Action, which I have also received.
3. I understand that by this Consent I agree to be represented by the attorneys at Bennett, Hartman, Morris & Kaplan, LLP.

[Print Your Name]

[Signature and Date]

[Street Address]

[City, State and Zip Code]

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