

NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT, SETTLEMENT HEARING, AND CLAIM, OBJECTION, AND EXCLUSION PROCEDURES

Watkins v. St. Jude Hospital Yorba Linda, et al.
Superior Court of the State of California, County of Orange
Case No. 30-2012-00561240-CU-OE-CXC

If you worked in California as a non-exempt hourly paid employee for St. Jude Hospital Yorba Linda doing business as St. Joseph Heritage Healthcare (“Heritage”) at any time from April 11, 2008, and ending on November 22, 2014 (“Covered Period”), you may be eligible to receive money from a Class Action Settlement.

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHT TO A MONETARY SETTLEMENT ARISING OUT OF YOUR EMPLOYMENT WITH HERITAGE DURING THE COVERED PERIOD.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT INCLUDE THE FOLLOWING:	
RETURN THE CLAIM FORM	This is the ONLY WAY to receive payment from the Settlement. In exchange for receiving payment from the Settlement, you are releasing state and federal claims covered by the Settlement.
DO NOTHING	You WILL NOT receive a payment from the Settlement but you will still release certain state law, but not federal law, claims covered by the Settlement against Heritage.
RETURN THE REQUEST FOR EXCLUSION FORM	You will receive no payment from the Settlement and you will retain all rights as to the state and federal law claims covered by the Settlement that you may have against Heritage.
OBJECT	If you wish to object to the Settlement, you may file with the Court an objection stating why you don’t agree with the Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement, and you will release certain state law claims covered by the Settlement if the Court ultimately approves the settlement.

THIS NOTICE WILL EXPLAIN THE ABOVE OPTIONS IN MORE DETAIL AND INFORM YOU OF IMPORTANT, TIME-SENSITIVE DEADLINES FOR EACH OPTION.

This Notice Is Court Approved. This Is Not A Solicitation From An Attorney.

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

I. WHY DID I GET THIS NOTICE?

You have received this Notice because Heritage's records indicate that you are a class member who may be entitled to money from this Settlement. YOU MUST SUBMIT THE CLAIM FORM BY JULY 7, 2015 TO RECEIVE MONEY FROM THE SETTLEMENT FUND.

This Notice describes a proposed Settlement of the class action lawsuit *Watkins v. St. Jude Hospital Yorba Linda, et al.* (the "Lawsuit"). This Notice is being sent to you by order of the Orange County Superior Court, which preliminarily approved the Settlement and conditionally certified the class on April 8, 2015. This Notice informs you of the terms of the proposed Settlement, describes your rights in connection with the Settlement, and explains what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement, you will be bound to the terms of the Settlement and any final judgment, if finally approved by the Court.

II. WHAT IS THIS LAWSUIT ABOUT?

On April 11, 2012, Shirley Watkins ("Plaintiff") filed this putative class action lawsuit on behalf of herself and other employees similarly-situated against St. Jude Hospital Yorba Linda dba St. Joseph Heritage Healthcare (hereinafter "Heritage" or "Defendant") for: (a) failure to pay wages for all time worked based on allegations of working while "off the clock"; (b) failure to pay wages for all time worked based on allegations of a practice and/or policy of rounding employee time records; (c) failure to pay minimum or overtime wages as a result of alleged rounding or "off the clock work"; (d) failure to timely pay all wages and final wages; (e) failure to provide accurate itemized wage statements; and (f) violation of California Unfair Competition Law, along with claims for interest, attorneys' fees and costs. The most recent complaint also includes claims for violations of the Private Attorneys General Act ("PAGA") and the Fair Labor Standards Act ("FLSA").

Heritage responded to the Lawsuit by denying all claims and contentions alleged by Plaintiff, and raising multiple defenses to the claims. Heritage continues to deny the factual and legal allegations in the Lawsuit.

After engaging in extensive investigation and mediation before an experienced mediator, in which both sides recognized the substantial risks of an adverse result in the Lawsuit for either side, Plaintiff and Heritage agreed on a class settlement that was preliminarily approved by the Court on April 8, 2015. By agreeing to settle, Heritage is not admitting that it has any liability on any of the factual allegations or claims in the Lawsuit or that the Lawsuit can or should proceed as a class action.

Plaintiff and Class Counsel support and recommend the Settlement.

If for any reason the settlement fails, Heritage reserves the right to contest all factual and legal allegations in the Lawsuit. The pleadings on file with the Court contains the settlement documents that provide more information about the Lawsuit and the settlement.

III. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. Shirley Watkins is the Class Representative or Named Plaintiff, and she asserts claims on behalf of herself and the class. Heritage is the Defendant. A class action allows the Court to resolve the claims of all the class members at the same time. A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file his or her own lawsuit on the same claims that were decided in the class action. One court resolves the issues for all class members who choose not to exclude themselves from the class.

IV. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All current and former non-exempt, hourly paid employees who have been employed by Heritage in the State of California between April 11, 2008 and November 22, 2014.

V. WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

In exchange for the release of claims against it Heritage has agreed to pay \$515,000.00 ("Settlement Amount") to fully resolve the claims in the Lawsuit. After attorneys' fees and costs, service payment award to the Named Plaintiff, payment to the California Labor and Workforce Development Agency ("LWDA"), and settlement administration costs are deducted from the Settlement Amount, the remaining amount will constitute the Net Settlement Amount ("Net Settlement Amount") and will be distributed to Participating Class Members who submit timely Claim Forms. Subject to Court approval, the Net Settlement Amount will be allocated as follows:

1. **Individual Settlement Payments:** Participating Class Members who submit a valid Claim Form by July 7, 2015, will be deemed "Claimants" and are eligible to receive money from the Settlement. Each Individual Settlement Payment is a pro-rata share of the Net Settlement Amount based on the percentage of that individual's weeks worked as compared to all weeks worked by all Claimants during the covered period. This is a non-reversionary settlement such that the aggregate of all Individual Settlement Payments paid to Claimants is no less than the Net Settlement Amount. Your estimated minimum payment is listed on the Claim Form.

For example, if an individual Claimant worked 100 work weeks for Defendant during the Covered Period, he or she will be credited 100 work weeks and, if there are 10,000 work weeks attributable to all participating Claimants, then that individual Claimant's share will be 1% of the Net Settlement Amount.

Appropriate tax forms (such as an IRS Form W-2 and/or an IRS Form 1099) will be issued to Claimants who participate in the Settlement. The Individual Settlement Payments will be allocated as follows for tax purposes: 30% to wages, 10% to interest, and 60% to penalties. From each Claimant's wage portion, payroll deductions will be made for state and federal withholding taxes and any other applicable payroll deductions. Claimants who receive a settlement payment are responsible for correctly characterizing the settlement payment for tax purposes and for paying all taxes due. Defendant will be responsible for paying the employer portion of applicable taxes, including the employer FICA, FUTA, and SDI contributions.

To the extent any tax liability arises from the tax apportionment described above, Heritage will maintain liability for employer portions of any and all tax liability, and Claimants will maintain liability for employee portions of any and all tax liability.

2. **Class Representative Service Payment:** Named Plaintiff will request an individual award of up to \$15,000 from the Settlement Amount in recognition of her efforts and risks in assisting with the prosecution of the Lawsuit and in return for executing a General Release of Heritage. This amount will be paid from the Settlement Amount, and any amount not awarded will revert to the Net Settlement Amount.
3. **Class Counsel Award for Attorney's Fees & Costs:** Class Counsel will request up to thirty percent (30%) of the Settlement Amount (currently \$154,500) as attorneys' fees for litigation and resolution of this Lawsuit and actual costs of approximately \$12,000. The award for fees will be split 50/50 between the two law firms. The award for costs will be split according to the actual expenses incurred by each firm. This amount will be paid from the Settlement Amount, and any amount not awarded will revert to the Net Settlement Amount.
4. **Settlement Administration:** The cost of settlement administration is approximately \$23,180 which pays for tasks such as mailing this Notice, mailing checks and tax forms, reporting to the parties and the Court, and tracking submitted Claim Forms and Request for Exclusion Forms.
5. **Payment to LWDA:** \$4,000 of the Settlement Amount is allocated for alleged violations of PAGA as follows: one payment of \$3,000 will be made to the LWDA for LWDA's portion of the Settlement allocated for alleged violations of PAGA, and \$1,000 will revert to the Net Settlement Amount.
6. **Non-Economic Benefit:** Heritage has discontinued the use of the plus or minus seven- and three- minute rounding functions on the Kronos and/or other time keeping software used to record Class Members' time entries. Heritage will submit a declaration at final approval confirming this change.

VI. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT?

To participate in this Settlement and receive your share of the Net Settlement Amount, you **MUST** sign a Claim Form under penalty of perjury and **RETURN** it to the Claims Administrator **BY July 7, 2015**. The Claims Administrator is:

Watkins v. St. Jude Hospital Yorba Linda, et al.
Phoenix Settlement Administrators
P.O. Box 27907
Santa Ana, Ca. 92799-7907
Tel: 888-613-5553
Fax:949-209-203

www.phoenixclassaction.com/WatkinsStJude

Email: classmember@phoenixclassaction.com

The Claim Form that you receive with this Notice includes information about your beginning and end dates of employment and the number of Compensable Work Weeks that Heritage records show you worked during the Covered Period. Your estimated Settlement Payment is calculated using that Compensable Work Week information. If you dispute the information on your Claim Form, you must advise the Claims Administrator and provide documents to substantiate your dispute.

To be valid, the Claim Form **must be postmarked, faxed, or e-mailed** to the Claims Administrator by July 7, 2015. If you submit a Claim Form, you will be bound by the terms of the Settlement Agreement and you will receive an Individual Settlement Payment. If you do not submit a Claim Form or a Request for Exclusion Form, you will still be bound by the terms of the Settlement Agreement with respect to state law claims, but will not receive any payment. If you need another Claim Form, contact the Claims Administrator.

VII. WHAT AM I GIVING UP TO GET A PAYMENT?

Unless you exclude yourself from the Settlement by returning a valid and timely Request for Exclusion Form, you will be a Participating Class Member, and that means you cannot sue or continue to sue Heritage for the claims covered by this Settlement. It also means that all of the Court's orders will apply to you and legally bind you. Unless you exclude yourself from the Settlement, you will be releasing all claims covered by this Settlement, whether you submit a Claim Form or not, except for federal Fair Labor Standards Act claims, which will only be released to the extent you submit a valid Claim Form. The legal claims that you will give up, or release, if you do not exclude yourself from the Settlement by returning a valid and timely Request for Exclusion Form, are described as follows:

Except for those who return a valid and timely Request for Exclusion Form, the remaining Participating Class Members shall fully and finally release and discharge Defendant and its former and present parents, subsidiaries and affiliated corporations and their officers, directors, employees, partners, shareholders and agents, and any other successors, assigns or legal representatives ("Released Parties"), from all applicable California wage and hour claims, rights, demands, liabilities and causes of action of every nature and description, whether known or unknown, alleged in the complaint in the Lawsuit, or those causes of action that could have been brought in the pending action with respect to the matter in controversy, and all of the following recoverable or potentially recoverable under those claims: damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, and other relief under California Business & Professions Code § 17200. The claims alleged in the complaint in the Lawsuit are the following; (a) failure to pay wages for all hours worked, including but not limited to such claims based on allegations of working while "off the clock"; and/or Defendant's practice and/or policy of rounding employee time records; (b) claims for the failure to pay minimum or overtime wages, including but not limited to such claims resulting from rounding and/or "off the clock work"; (c) claims for waiting time penalties under Labor Code § 203; and (d) claims for failure to provide accurate wage statements. There is no release of claims for the following, which is not an all-inclusive list: discrimination, harassment, hostile workplace, termination of employment (although claims under Labor Code section 203 are released as stated above), Workers' Compensation, and personal injury.

Participating Class Members will also waive and release any and all claims for penalties pursuant to the Private Attorneys General Act of 2004 ("PAGA") arising out of the aforementioned released claims.

Further, Participating Class Members who submit valid Claim Forms will be deemed to have fully released any and all claims under the FLSA based on any alleged (a) failure to pay wages for all hours worked, including claims based on allegations of working while “off the clock”; (b) failure to pay wages for all hours worked arising from or based on Defendant’s practice and/or policy of rounding employee time records; (c) failure to pay minimum or overtime wages as a result of alleged rounding or “off the clock” work; and/or (d) failure to provide accurate wage statements.

VIII. DO I HAVE A LAWYER IN THIS CASE?

The lawyers who brought this Lawsuit on behalf of Plaintiff and those similarly situated have been designated by the Court as Class Counsel. These lawyers, listed below, represent you and other Participating Class Members. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your expense.

CLASS COUNSEL	
Ira Spiro, Esq. SPIRO LAW CORP. 11377 W. Olympic Blvd., 5th Floor Los Angeles, California 90064 Telephone: (310) 235-2350 Facsimile: (310) 235-2351	Kashif Haque, Esq. Samuel Wong, Esq. Jessica Campbell, Esq. AEGIS LAW FIRM 9811 Irvine Center Drive, Ste. 100 Irvine, California 92618 Telephone: (949) 379-6250 Facsimile: (949) 379-6251

IX. WHAT IF I DON’T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request to be excluded from the Settlement. To do so, you must complete the “Request for Exclusion Form” enclosed in this Notice Packet and submit it to the Claims Administrator by U.S. mail, fax, or email. You must mail, fax or email the Request for Exclusion Form by July 7, 2015. Unless you return a valid and timely Request for Exclusion Form, you will be bound by the judgment upon final approval of the Settlement, including the Release described in this Notice.

If you return a valid and timely Request for Exclusion Form, you will not be entitled to receive any payment under the Settlement, and, if you wish to pursue any claims against Heritage, you will have to do so at your own expense and at your own risk. Counsel for the class will not represent your interests if you request to be excluded.

X. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member who has not returned a valid and timely Request for Exclusion Form may object to the Settlement and appear at the hearing where the Court will make a final decision whether or not to approve the settlement (the "Final Approval Hearing"). The Final Approval Hearing is scheduled to take place on August 8, 2015, at 1:30p.m.in Courtroom Dept. CX-104 of the Orange County Superior Court – Civil Complex Center, located at 751 West Santa Ana Blvd., Santa Ana, California 92701.

To be valid, the written objection must be signed by the Participating Class Member and state: (1) the full name of the Participating Class Member; (2) the dates of employment of the Participating Class Member; (3) the last four digits of the Participating Class Member’s Social Security number and/or the Employee ID number; (4) the basis for the objection; and (5) whether the Participating Class Member intends to appear at the Final Approval Hearing. A Participating Class Member who wishes to object must file his or her objection with the Court and serve a copy of the objection on the Claims Administrator by July 7, 2015. Mail the objection to both of the following places:

CLAIMS ADMINISTRATOR Phoenix Settlement Administrators P.O. Box 27907 Santa Ana, Ca. 92799-7907	THE COURT Clerk of Court Superior Court of California, County of Orange Civil Complex Center Division 751 West Santa Ana Blvd., Santa Ana, California 92701
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You have the right to retain your own attorney, at your own expense, to submit an objection or appear on your behalf at the Final Approval Hearing.

Filing an objection will *not* exclude you from the Settlement Class. You will still have the right to submit a Claim Form before the deadline to receive an Individual Settlement Payment.

XI. WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The Settlement, if finally approved by the Court, will bind all Participating Class Members whether or not they receive or timely cash their Individual Settlement Payments. Final approval of the Settlement will bar any Participating Class Member from hereafter initiating a claim or lawsuit which was raised in this Lawsuit or could have been raised in this Lawsuit, based on the allegations in this Lawsuit, during the period between April 11, 2008 and November 22, 2014. Section VII, above, and the Settlement Agreement itself contains additional details about the scope of the release.

XII. FURTHER INFORMATION

The foregoing is only a summary of the settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by calling or writing the Claims Administrator at:

CLAIMS ADMINISTRATOR

Phoenix Settlement Administrators

P.O. Box 27907

Santa Ana, Ca. 92799-7907

Tel: 888-613-5553

Fax: 949-209-203

www.phoenixclassaction.com/WatkinsStJude

classmember@phoenixclassaction.com

A copy of the Settlement Agreement and other records in the litigation are on file with the Office of the Clerk of the Superior Court of California, County of Orange, located at Civil Complex Center, 751 West Santa Ana Boulevard, Santa Ana, California 92701, and may be examined during regular business hours. This information is also available online at <http://www.occourts.org/online-services/case-access>.

You may obtain more information about this case at www.phoenixclassaction.com/WatkinsStJude

. If you have any questions about the settlement, you can also contact Class Counsel listed above.

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT.