

ADVOCATE SETTLEMENT ADMINISTRATOR  
C/O RUST CONSULTING INC - 6040  
PO BOX 2572  
FARIBAULT, MN 55021-9572

**IMPORTANT LEGAL MATERIALS**



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**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

MARIA STAPLETON, et al.,  
Plaintiffs,  
  
v.  
ADVOCATE HEALTH CARE NETWORK  
AND SUBSIDIARIES, et al.,  
Defendants.

**Civil Action No. 1:14-cv-01873  
Hon. Edmond E. Chang**

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, FINAL APPROVAL HEARING, AND  
MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

This notice (“Notice”) advises you of a proposed settlement (the “Settlement”) of a class action lawsuit (“Action”) brought by Plaintiffs Maria Stapleton, Judith Lukas, Sharon Roberts, and Antwain Fox (named as “Antoine Fox” in the Complaint) (the “Named Plaintiffs”) on behalf of themselves, and participants and beneficiaries of the Advocate Health Care Network Pension Plan (the “Advocate Plan” or the “Plan”), and as representatives of the Settlement Class against Defendants (defined below). Plaintiffs allege that the non-profit healthcare system Advocate Health Care Network (“Advocate”) violated the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), with respect to the Plan. You are receiving this Notice because you may be a participant, or a beneficiary of a participant, in the Plan.

**PLEASE READ THIS NOTICE CAREFULLY.  
A FEDERAL COURT AUTHORIZED THIS NOTICE.  
THIS IS NOT A SOLICITATION.  
YOU HAVE NOT BEEN SUED.**

As described in more detail below, this Settlement is made in compromise of claims made by Plaintiffs, for themselves and on behalf of all others similarly situated, against Defendants in the litigation (the “Action”). Plaintiffs claim that the Plan was improperly operated by Advocate as a “church plan” exempt from the requirements imposed by ERISA. Plaintiffs claim that, among other violations, Advocate underfunded the Plan, failed to furnish Plaintiffs or any member of the class with a Pension Benefit Statement, Summary Annual Reports, Notification of Failure to Meet Minimum Funding, or Funding Notices, and failed to provide for participants’ interests in the Plan to timely vest as required by ERISA.

Defendants deny all of these claims and have claimed the Plan is a “church plan” that is exempt from ERISA requirements.

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

**DO NOT CALL THE COURT as they cannot answer your questions.**

Named Plaintiffs, on behalf of themselves and the Class, have agreed to settle all Released Claims (as defined in the Settlement Agreement) against Defendants and other Releasees (as defined in the Settlement Agreement) in exchange for, among other terms, Advocate's guarantee to the Settlement Class, for a period of ten (10) years beginning on January 10, 2018, that the Plan's Trust will have sufficient funds to pay the Settlement Class the level of benefits stated in the Plan, as it is amended from time to time. Should a corporate transaction occur where the Plan's assets and liabilities covering Settlement Class Members transfer to a successor, Advocate will cause the successor to honor this guarantee commitment. While Advocate will retain the right to amend, freeze, or terminate the Plan, for a period of ten (10) years, no amendment or termination will result in a reduction of a Settlement Class Member's Accrued Benefit, and if the Plan is merged or consolidated with another plan, Settlement Class members will be entitled to the same or a greater Accrued Benefit as before the merger or consolidation.

The Settlement also provides a different form of relief to certain former participants whose benefits are not vested under the terms of the Plan because they were employed by Advocate for more than three but less than five years. These former participants will not have vested rights under the Settlement, but the Settlement provides for a one-time payment of three hundred dollars (\$300.00) each to former participants in the Plan who terminated employment on or after January 1, 2013, and on or before September 1, 2017, and completed at least three (3) but less than five (5) years of vesting service.

Additionally, the Settlement provides significant non-monetary equitable consideration, in that current participants in the Plan will receive certain ERISA-like financial and administrative protections for ten years.

**This Settlement applies to all persons who, as of the date the order finally approving the Settlement becomes Final, are former and/or current participants in the Plan, whether vested or non-vested, and their beneficiaries. The Final Order entered by the Court approving the Settlement will be "Final" when the time for filing appeals of the Final Order has expired, and any appeals have been finally resolved in favor of the Final Order. These terms are defined in the Settlement Agreement and are further explained below.**

The Court in charge of the case still has to decide whether to approve the Settlement. The guarantee, payments and other settlement terms described above will be made only if the Court approves the Settlement and that approval is upheld if there are any appeals. This process is explained in greater detail below.

**Your legal rights are affected if you are a member of the Settlement Class whether or not you act. "Settlement Class" means:** All persons who, as of the Settlement Date (as defined in the Settlement Agreement), are or were Plan participants, whether vested or non-vested, and their beneficiaries.

**Identification of Key Terms:** This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in the Class Action Settlement Agreement (the "Settlement Agreement"). The Settlement Agreement, and additional information with respect to this lawsuit and the Settlement, are available at [www.kellersettlements.com](http://www.kellersettlements.com) and [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement).

**Reasons for the Settlement:** The Settlement resolves all claims in the Action against Defendants regarding the Plan. The Parties agree that the Settlement is not, and should not be construed as, an admission of any fault, liability or wrongdoing whatsoever by any of the Defendants, who continue to deny any and all of the allegations of the Complaint. The Named Plaintiffs and Class Counsel (identified below) believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. The Named Plaintiffs and Class Counsel believe that the Settlement provides greater protection for the benefits to be paid to all Settlement Class members under the Plan as compared to the risks, costs and delays of proceeding with this litigation against Defendants.

**Identification of Claims Administrator and Class Counsel:** Any initial questions regarding the Settlement should be directed to

Advocate Settlement Administrator  
c/o Rust Consulting Inc – 6040  
PO Box 2572  
Faribault, MN 55021-9572  
Toll-Free Telephone: (866) 903-1201

Class Counsel is available also to respond to questions. Please contact: Jennifer Tuato'o, Keller Rohrback, L.L.P., 1201 Third Avenue, Suite 3200, Seattle, WA 98101-3052. Class Counsel has established a toll-free number, (888) 684-6672, if you have questions or comments. Class Counsel may also be contacted via e-mail at [advocatesettlement@kellerrohrback.com](mailto:advocatesettlement@kellerrohrback.com). Please do not contact the Court. The Court personnel will not be able to answer your questions.

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

**DO NOT CALL THE COURT as they cannot answer your questions.**

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU DO NOT NEED TO DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

ACTIONS YOU MAY TAKE IN THE SETTLEMENT	
NO ACTION IS NECESSARY.	If the Settlement is approved by the Court and you are a member of the Settlement Class, you do not need to do anything.
YOU CAN OBJECT NO LATER THAN <b>MAY 30, 2018</b> . WRITTEN OBJECTIONS MUST BE FILED WITH THE COURT BY THIS DATE.	If you wish to object to any part of the Settlement, you can write to the Court and explain why you do not like the Settlement.
YOU CAN GO TO THE HEARING ON <b>JUNE 27, 2018 AT 10:00 A.M. CDT</b> BY FILING A NOTICE OF INTENTION TO APPEAR NO LATER THAN <b>JUNE 6, 2018</b>	If you have submitted a written objection to the Court, you can ask to speak in Court about the fairness of the Settlement. You may enter your appearance in Court through an attorney if you so desire.

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Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)

DO NOT CALL THE COURT as they cannot answer your questions.

The Action was filed in federal district court in Illinois against Advocate and the various other defendants named in the complaint (collectively, the “Defendants”). The Named Plaintiffs and Defendants collectively are referred to herein as the “Parties.”

A copy of the Complaint and other documents relevant to this Settlement, including the comprehensive Settlement Agreement, are available at [www.kellersettlements.com](http://www.kellersettlements.com) and [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement).

## SUMMARY OF SETTLEMENT

The Settlement provides that Named Plaintiffs, on behalf of themselves and the Class, have agreed to settle all Released Claims (as defined in the Settlement Agreement) against Defendants and other Releasees (as defined in the Settlement Agreement) in exchange for, among other terms, Advocate’s guarantee to the Settlement Class, for a period of ten (10) years beginning on January 10, 2018, that the Plan’s Trust will have sufficient funds to pay the Settlement Class the level of benefits stated in the Plan, as it is amended from time to time. Settlement Agreement § 7.1.2. Should a corporate transaction occur where the Plan’s assets and liabilities covering Settlement Class Members transfer to a successor, Advocate will cause the successor to honor this guarantee commitment. *Id.* § 7.1.3. While Advocate will retain the right to amend, freeze, or terminate the Plan, for a period of ten (10) years no amendment or termination will result in a reduction of a Settlement Class Member’s Accrued Benefit. *Id.* § 8.2. For a period of ten years, if the Plan is merged or consolidated with another plan, participants and beneficiaries who are Settlement Class members will be entitled to the same or a greater Accrued Benefit post-merger or after a consolidation event as they enjoyed before the merger or consolidation. *Id.* § 8.1

The Settlement also provides a different form of relief to certain former participants whose benefits are not vested under the terms of the Plan because they were employed by Advocate for more than three but less than five years. These former participants will not have vested rights under the Settlement, but the Settlement provides for a one-time payment of three hundred dollars (\$300.00) each to former participants in the Plan who terminated employment on or after January 1, 2013, and on or before September 1, 2017, and completed at least three (3) but less than five (5) years of vesting service. Settlement Agreement at § 7.1.4.

The Settlement further establishes equitable provisions that mimic certain provisions of ERISA concerning plan administration, summary plan descriptions, notices, and the Plan’s claim review procedure. *Id.* §8.4. For a period of ten (10) years, Plan participants will have access to information about the retirement benefits that they have accrued. *Id.* § 8.4. The Plan will name a Plan fiduciary (*id.* §8.4.1); provide for how administrative responsibilities are allocated and Plan amendments are made (*id.*); describe the calculation of benefits (*id.*); and provide a joint and survivor annuity (*id.* §8.4.1). Advocate will maintain a funding policy (*id.* § 8.4.2); make available for the Plan’s participants information about the Plan (*id.* §8.4.3) and their vested or non-vested account balances (*id.* § 8.4.4); and provide a claims review procedure (*id.* § 8.4.5)

**Attorneys’ Fees and Expenses:** Court-appointed Class Counsel will file a motion for an award of attorneys’ fees, expenses, and incentive awards for Named Plaintiffs that will be considered by the Court at the Final Approval Hearing. Class Counsel will apply for a total award not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) (the “Maximum Total Fee”). Any such award will be at the sole discretion of the Court. Any Court-awarded fees, expenses, and incentive awards will be paid by Advocate, and will be paid *in addition to* the guarantee and other provisions of the Settlement.

This Settlement represents the best possible result that could be achieved for the Class in light of the significant risks Plaintiffs faced in the Action. As with any litigation, the Parties would face an uncertain outcome if the case were to continue. Continued litigation of this case against the Defendants may result in a judgment or verdict greater or less than the recovery under the Settlement Agreement, or in no recovery at all. Throughout the litigation, Plaintiffs and Defendants have disagreed on both liability and damages. Defendants, among other things, maintain that the Plan has been and continues to be properly administered as a Church Plan under the Plan’s terms and as defined in ERISA § 3(33) and is exempt from coverage under ERISA. Defendants deny any and all liability to the Plaintiffs, members of the Settlement Class and the Plan, deny any and all allegations of wrongdoing, and believe they will prevail in this case if it is litigated to conclusion.

Named Plaintiffs and Class Counsel, among other things, (1) have conducted an extensive investigation into the facts, circumstances, and legal issues associated with the allegations made in the Action; (2) believe, based on the risks of the litigation, the time necessary to achieve a complete resolution through litigation, the complexity of the claims set forth in the Complaint, and the benefits accruing to the Plan’s participants and beneficiaries under the Settlement, that the Settlement will provide a benefit to the Settlement Class, and that, when this benefit is weighed against the risks of continuing the prosecution of the Action, the Settlement represents a reasonable, fair, and adequate resolution of the claims of the Settlement Class; and (3) believe that the Settlement will provide the Settlement Class with additional protections for their retirement benefits they may not have received if the cases had been litigated to a conclusion.

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

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The Parties have taken into account the uncertainty and risks inherent in this litigation, particularly its complex nature, and have concluded that it is desirable that the Action be fully and finally settled on the terms and conditions set forth in the Settlement Agreement.

Please visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement) if you have additional questions.

## BASIC INFORMATION

### 1. Why did I get this Notice package?

Either you or someone in your family may be a Plan participant, or a beneficiary of a participant, whether vested or non-vested, as of the Settlement Date. The Court has directed that this Notice be sent to you because, as a potential member of the Settlement Class, you have a right to know about the proposed Settlement with Defendants before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and all related objections and appeals are favorably resolved, Advocate will guarantee to the Settlement Class, for a period of ten (10) years beginning on January 10, 2018, that the Plan's Trust will have sufficient funds to pay the Settlement Class the level of benefits stated in the Plan, as it is amended from time to time. Should a corporate transaction occur where the Plan's assets and liabilities covering Settlement Class Members transfer to a successor, Advocate will cause the successor to honor this guarantee commitment. While Advocate will retain the right to amend, freeze, or terminate the Plan, for a period of ten (10) years no amendment or termination will result in a reduction of a Settlement Class Member's Accrued Benefit, and if the Plan is merged or consolidated with another plan, Settlement Class members will be entitled to the same or a greater Accrued Benefit as before the merger or consolidation.

The Settlement also provides a different form of relief to certain former participants whose benefits are not vested under the terms of the Plan because they were employed by Advocate for more than three but less than five years. These former participants will not have vested rights under the Settlement, but the Settlement provides for a one-time payment of three hundred dollars (\$300.00) each to former participants in the Plan who terminated employment on or after January 1, 2013, and on or before September 1, 2017, and completed at least three (3) but less than five (5) years of vesting service.

Additionally, the Settlement provides significant non-monetary equitable consideration, in that current participants in the Plan will receive certain ERISA-like financial and administrative protections for ten years.

This Notice explains the Action, the Settlement, and your legal rights. The purpose of this Notice is to inform you of a hearing (the "Fairness Hearing") to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement, and to consider the application of Class Counsel for their attorneys' fees and reimbursement of litigation expenses as well as an application for an incentive fee to the Named Plaintiffs.

The Fairness Hearing will be held on June 27, 2018, at 10:00 a.m. CDT, before the Honorable Edmond E. Chang in the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, IL 60604, to determine:

- (a) Whether the Settlement should be approved as fair, reasonable, and adequate and should be approved by the Court;
- (b) Whether final judgment approving the Settlement Agreement should be entered;
- (c) Whether the Settlement Class should be certified as a mandatory non-opt-out class meeting the applicable requirements for a settlement class imposed by Federal Rule of Civil Procedure 23;
- (d) Whether the requirements of Federal Rule of Civil Procedure 23 and due process have been satisfied in connection with the distribution of the Class Notice to members of the Settlement Class;
- (e) Whether the requirements of the Class Action Fairness Act have been satisfied;
- (f) Whether to award incentive fees to the Named Plaintiffs and if so, the amount; and
- (g) Whether to award attorneys' fees and litigation expenses to Class Counsel and other attorneys who represent members of the Settlement Class and if so, the amounts.

The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, the Settlement provisions will become effective after all related appeals, if any, are favorably resolved. It is always uncertain whether such appeals can be favorably resolved, and resolving them can take time, perhaps more than a year. Please be patient.

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

**DO NOT CALL THE COURT as they cannot answer your questions.**

## 2. How do I know whether I am part of the Settlement?

The Court has certified the Action as a class action preliminarily. You are a member of the Settlement Class if, as of the date on which the final order approving the Settlement becomes Final, you are or were a former and/or current participant in the Plan, whether vested or non-vested, or the beneficiary of such a participant.

## 3. What does the Settlement provide?

The Settlement provides that Named Plaintiffs, on behalf of themselves and the Class, have agreed to settle all Released Claims (as defined in the Settlement Agreement) against Defendants and other Releasees (as defined in the Settlement Agreement) in exchange for, among other terms, Advocate's guarantee to the Settlement Class, for a period of ten (10) years beginning on January 10, 2018, that the Plan's Trust will have sufficient funds to pay the Settlement Class the level of benefits stated in the Plan, as it is amended from time to time. Settlement Agreement § 7.1.2. Should a corporate transaction occur where the Plan's assets and liabilities covering Settlement Class Members transfer to a successor, Advocate will cause the successor to honor this guarantee commitment. *Id.* § 7.1.3. While Advocate will retain the right to amend, freeze, or terminate the Plan, for a period of ten (10) years no amendment or termination will result in a reduction of a Settlement Class Member's Accrued Benefit. *Id.* § 8.2. For a period of ten years, if the Plan is merged or consolidated with another plan, participants and beneficiaries who are Settlement Class members will be entitled to the same or a greater Accrued Benefit post-merger or after a consolidation event as they enjoyed before the merger or consolidation. *Id.* § 8.1

The Settlement also provides a different form of relief to certain former participants whose benefits are not vested under the terms of the Plan because they were employed by Advocate for more than three but less than five years. These former participants will not have vested rights under the Settlement, but the Settlement provides for a one-time payment of three hundred dollars (\$300.00) each to certain former participants in the Plan who terminated employment on or after January 1, 2013, and on or before September 1, 2017, and completed at least three (3) but less than five (5) years of vesting service. Settlement Agreement at § 7.1.4.

The Settlement further establishes equitable provisions that mimic certain provisions of ERISA concerning plan administration, summary plan descriptions, notices, and the Plan's claim review procedure. *Id.* §8.4. For a period of ten (10) years, Plan participants will have access to information about the retirement benefits that they have accrued. *Id.* § 8.4. The Plan will name a Plan fiduciary (*id.* §8.4.1); provide for how administrative responsibilities are allocated and Plan amendments are made (*id.*); describe the calculation of benefits (*id.*); and provide a joint and survivor annuity (*id.* §8.4.1). Advocate will maintain a funding policy (*id.* § 8.4.2); make available for the Plan's participants information about the Plan (*id.* §8.4.3) and their vested or non-vested account balances (*id.* § 8.4.4); and provide a claims review procedure (*id.* § 8.4.5).

The above description of the operation of the Settlement is only a summary. The governing provisions are set forth in the Settlement Agreement, which may be obtained at [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/Advocate-settlement](http://www.cohenmilstein.com/Advocate-settlement).

## 4. What is the lawsuit about? What has happened so far?

On March 17, 2014, the Named Plaintiffs, participants in the Plan, filed a putative class action complaint in this Court against Advocate and various other corporate and individual defendants, alleging violations of ERISA. The complaint alleges that Defendants denied ERISA protections to the participants and beneficiaries of the Plan, which is a defined benefit pension plan sponsored by Advocate, by claiming that the Plan qualifies as an ERISA-exempt "church plan." The complaint further alleges that asserting this exemption caused Defendants to deny the Plan's participants the protections of ERISA. These include, among other violations: underfunding the Plan, failing to furnish Plaintiffs or any member of the class with a Pension Benefit Statement, Summary Annual Reports, Notification of Failure to Meet Minimum Funding, or Funding Notices, and failure to provide an ERISA-compliant schedule for vesting.

Defendants moved to dismiss the Complaint, and on December 31, 2014, the Court denied the motion to dismiss, ruling as a matter of law that an ERISA-exempt "church plan" must be established by a church. On January 21, 2015, the Court granted Defendants leave to file an interlocutory appeal of that ruling and stayed proceedings pending the appeal. The Seventh Circuit Court of Appeals affirmed the District Court's decision on March 17, 2016; however, the Supreme Court then accepted review of the Seventh Circuit's decision. After oral argument on March 27, 2017, the Supreme Court issued its decision on June 5, 2017, holding that pension plans need not be established by churches in order to qualify as ERISA-exempt church plans, though they still had to satisfy other conditions. *Advocate Health Care Network v. Stapleton*, 137 S. Ct. 1652 (2017) ("*Advocate*"). The Supreme Court did not decide Plaintiffs' other theories of liability. While Plaintiffs advance

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other strong arguments and theories not decided by the Supreme Court's opinion, it nevertheless is true that Plaintiffs' case was negatively impacted by that decision.

Following the *Advocate* decision, on July 13, 2017, the Parties reported to the Court that they were prepared to resume active litigation. Before returning to litigation, the parties agreed to attempt to settle the case through mediation. On August 23, 2017, the Court continued further proceedings in the case for 60 days to allow for mediation and the parties proceeded to mediation on September 15, 2017, with the assistance of an experienced JAMS mediator in hopes of resolving the case. The parties appeared before nationally-renowned mediator Robert A. Meyer, Esq., of JAMS in Chicago, Illinois. Mr. Meyer has substantial experience mediating cases involving ERISA and retirement plan issues, including cases involving the church plan exemption. The matter was not resolved at the September 15, 2017 mediation, but the parties agreed to continue settlement discussions, and the Court, at the parties' request, continued proceedings until early January, 2018 to allow for further settlement discussions. The Court simultaneously set a schedule for Defendants to answer the Complaint and for the parties to proceed with discovery should settlement not be reached.

After further negotiations with the assistance of Mr. Meyer, the parties met for an additional mediation session in New York on December 13, 2017, but the parties were not able to reach a final agreement. The parties continued their discussions, with Mr. Meyer continuing in the role of mediator, and the parties finally accepted a mediator's proposal and reached an agreement in principle to settle the case. On January 10, 2018, the parties signed a Term Sheet containing the primary terms resolving this matter. The Settlement Agreement is a comprehensive agreement based on the Term Sheet. The Settlement Agreement was executed by all parties on February 16, 2018.

The Settlement is the product of intensive, arm's-length negotiations between Class Counsel and Defendants' Counsel, with the assistance of an experienced third-party mediator.

#### **5. Why is this case a class action?**

In a class action, one or more plaintiffs, called "named plaintiffs," sue on behalf of people who have similar claims. All of the individuals on whose behalf the Named Plaintiffs in this Action are suing are "Class Members," and they are also referred to in this Notice as members of the Settlement Class. The Honorable Edmond E. Chang, United States District Judge, is presiding over this case.

#### **6. Why is there a Settlement?**

Under the proposed Settlement, the Court will not decide the merits of the case in favor of either the Plaintiffs or the Defendants. By agreeing to a Settlement, both the Plaintiffs and the Defendants avoid the costs, risks, and delays of litigating the Action. In this case particularly, the risks of ongoing litigation involved the consequences of the Supreme Court's ruling that church plans need not be established by churches in order to qualify as ERISA-exempt plans.

This Settlement is the product of extensive arm's-length negotiations between Class Counsel and the Defendants' Counsel, including utilizing the services of an experienced mediator. Class Counsel believes that the proposed Settlement is fair, reasonable, and adequate, and in the best interest of the Class.

#### **7. How will the Settlement be distributed?**

Because the Plan is a defined benefit pension plan and not a defined contribution plan with individual accounts, like a 403(b) plan or 401(k) plan, *the guarantee, if ever paid in the future, will be contributed to the Plan's trust fund as a whole, rather than to individual Plan participants and beneficiaries. Your pension benefit will not increase as a result of the Settlement.* You will remain entitled to the benefit you have accrued pursuant to the Plan's terms, and under the Settlement, for ten years, the Plan cannot be amended to reduce your Accrued Benefit. The Settlement also provides significant non-monetary equitable consideration, in that current participants in the Plan will receive certain ERISA-like administrative protections, including access to certain information, for ten years.

If you are a member of the Settlement Class with more than three years but less than five years of service with Advocate, and you terminated employment on or after January 1, 2013, and on or before September 1, 2017, you will not have a vested pension benefit, but you will receive the one-time cash payment of \$300.00 described in Section 3, above.

Members of the Settlement Class do not need to do anything in order to obtain the benefits and protections provided by the Settlement in this case.

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

**DO NOT CALL THE COURT as they cannot answer your questions.**

## **8. What rights am I giving up in the Settlement?**

If the Settlement is approved, the Court will enter a judgment. This judgment will fully, finally, and forever release, relinquish, and discharge any and all actual or potential claims, actions, causes of action, demands, obligations, liabilities, attorneys' fees, expenses and costs under federal or state laws arising out of the allegations of the Complaint that were brought or could have been brought as of the date the Settlement Agreement becomes effective, including any current or prospective challenge to the "church plan" status of the Plan, whether or not such claims are accrued, whether already acquired or subsequently acquired, whether known or unknown, in law or equity, brought by way of demand, complaint, cross-claim, counterclaim, third-party claim, or otherwise.

For Settlement Class members only, Released Claims are not intended to include the release of any of the following:

- a. Any rights or duties arising out of the Settlement Agreement, including the express warranties and covenants in the Settlement Agreement;
- b. Individual claims for benefits brought under state law, provided that no Settlement Class member shall challenge the Plan's status as a church plan exempt from ERISA in any such claim;
- c. Any claim arising under ERISA with respect to any event occurring after there is a final adjudication that the Plan is no longer a Church Plan.

## **9. Can I exclude myself from the Settlement?**

You do not have the right to exclude yourself from the Settlement. For settlement purposes, the Action was certified under Federal Rule of Civil Procedure 23(b)(1) and/or 23(b)(2) (non-opt-out class) because the Court determined the requirements of that rule were satisfied. Thus, it is not possible for any of the members of the Settlement Class to exclude themselves from the Settlement. As a member of the Settlement Class, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action against Defendants or are otherwise included in the release under the Settlement. The Court resolves the issues for all Class Members.

Although members of the Settlement Class cannot opt-out of the Settlement, they can object to the Settlement and ask the Court not to approve the Settlement.

### **THE LAWYERS REPRESENTING YOU**

## **10. Do I have a lawyer in the case?**

The law firms of Keller Rohrback L.L.P and Cohen Milstein Sellers & Toll, PLLC represent the Named Plaintiffs and the Settlement Class ("Class Counsel"). You will *not* be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

## **11. How will the lawyers be paid?**

Prior to the Fairness Hearing, Class Counsel will apply for an award of attorneys' fees and expenses, and incentive awards for the Named Plaintiffs. The total amount that Class Counsel will seek for fees, expenses, and incentive awards will not exceed \$1.25 million. Advocate will be responsible for payment of this amount. Any payment of attorneys' fees, expenses, and incentive awards to Named Plaintiffs will not reduce the amount of the guarantee or the one-time payments to be made to certain Class members whose benefits are not vested.

To date, Class Counsel has not received any payment for their services in prosecuting this Action on behalf of the Settlement Class, nor have Class Counsel been reimbursed for their out-of-pocket expenses. The fee requested by Class Counsel would compensate all of Plaintiffs' counsel for their efforts in achieving the Settlement for the benefit of the Settlement Class and for their risk in undertaking this representation on a contingency basis. The Court will determine the actual amount of the award.

### **OBJECTING TO THE SETTLEMENT**

## **12. How do I tell the Court if I don't like the Settlement?**

Any member of the Settlement Class who wishes to object to the fairness, reasonableness, or adequacy of the Settlement, to any term of the Settlement Agreement, to the application for payment of attorneys' fees and expenses, or to the application for

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

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an incentive fee for the Named Plaintiffs, may file an Objection in writing. All written objections and supporting papers must: (1) clearly identify the case name and number “*Stapleton v. Advocate Health Care Network*, Case No. 14-cv-01873;” (2) be filed with the Court and either postmarked and mailed or faxed to Class Counsel and Defendants’ Counsel at the addresses below on or before May 30, 2018; (3) set forth your full name, current address, and telephone number; (4) set forth a statement of the position you wish to assert, including the factual and legal grounds for the position; (5) set forth the names and a summary of testimony of any witnesses that you might want to call in connection with the Objection; (6) provide copies of all documents that you wish to submit in support of your position; (7) provide the name(s), address(es) and phone number(s) of any attorney(s) representing you; (8) state the name, court, and docket number of any class action litigation in which you and/or your attorney(s) has previously appeared as an objector or provided legal assistance with respect to an objection; and (9) include your signature.

The addresses for filing objections with the Court and service on counsel are listed below. **Your written objection must be filed with the Court, and mailed or faxed to the counsel listed below by no later than May 30, 2018:**

**File with the Clerk of the Court:**

Clerk of the Court  
United States District Court  
Northern District of Illinois  
219 South Dearborn Street  
Chicago, IL 60604

**And, by the same date, serve copies of all such papers by mail or fax to each of the following:**

**CLASS COUNSEL:**

Lynn Lincoln Sarko  
Lynn Lincoln Sarko  
Erin M. Riley  
KELLER ROHRBACK L.L.P.  
1201 Third Avenue, Suite 3200  
Seattle, WA 98101  
Fax: (206) 623-3384

Karen L. Handorf  
Michelle C. Yau  
Mary J. Bortscheller  
COHEN MILSTEIN SELLERS  
& TOLL, PLLC  
1100 New York Avenue, N.W.  
Suite 500, West Tower  
Washington, DC 20005  
Fax: (202) 408-4699

Ron Kilgard  
Chris Graver  
KELLER ROHRBACK L.L.P.  
3101 North Central Avenue, Suite 1400  
Phoenix, AZ 85012  
Fax: (602) 248-2822

**DEFENDANTS’ COUNSEL:**

Amy L. Blaisdell  
Daniel J. Schwartz  
Heather M. Mehta  
GREENSFELDER, HEMKER & GALE, P.C.  
10 South Broadway, Suite 2000  
St. Louis, Missouri 63102  
Facsimile: 314-345-4792

David B. Goodman  
Courtney Adair  
GREENSFELDER, HEMKER & GALE, P.C.  
200 West Madison Street, Suite 3300  
Chicago, IL 60606  
Facsimile: 312-241-8624

**UNLESS OTHERWISE ORDERED BY THE COURT, ANY MEMBER OF THE SETTLEMENT CLASS WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION TO THE PROPOSED SETTLEMENT AND THE APPLICATION FOR ATTORNEYS’ FEES AND EXPENSES AND AN INCENTIVE FEE TO THE NAMED PLAINTIFFS.**

**THE COURT’S FAIRNESS HEARING**

**13. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Fairness Hearing on June 27, 2018, at 10:00 A.M. CDT, at the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, IL 60604, Courtroom 2119.

**IF YOU DO NOT WISH TO OBJECT TO THE PROPOSED SETTLEMENT OR THE APPLICATION FOR ATTORNEYS’ FEES AND EXPENSES AND INCENTIVE FEES TO THE NAMED PLAINTIFFS, YOU NEED NOT ATTEND THE FAIRNESS HEARING.**

**Questions? Visit [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement)**

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At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement. The Court will also rule on the motions for attorneys' fees and expenses and an incentive fee to the Named Plaintiffs. We do not know how long these decisions will take.

**14. Do I have to come to the hearing?**

Class Counsel will answer questions Judge Chang may have. You are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You may also have your own lawyer attend the Fairness Hearing at your expense, but such attendance is not necessary.

**15. May I speak at the hearing?**

If you are a member of the Settlement Class and you have filed a timely objection, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *Stapleton v. Advocate Health Care Network*, Case No. 14-cv-01873." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the attorneys listed above, postmarked and mailed or sent via facsimile no later than June 6, 2018, and must be filed with the Clerk of the Court, postmarked no later than June 6, 2018.

The Fairness Hearing may be delayed by the Court without further notice to the Class. If you wish to attend the Fairness Hearing, you should confirm the date and time with a member of Class Counsel.

**IF YOU DO NOTHING**

**16. What happens if I do nothing at all?**

If you do nothing and you are a Class Member, you will participate in the Settlement as described above in this Notice if the Settlement is approved.

**GETTING MORE INFORMATION**

**17. How do I get more information?**

This Notice summarizes the proposed Settlement. Full details of the Settlement are set forth in the Settlement Agreement. You may obtain a paper copy of the Settlement Agreement by making a written request to a member of Class Counsel listed above under item 12. Copies of the Settlement Agreement, as well as the motion seeking preliminary approval of the Settlement Agreement, and the Preliminary Approval Order, may also be viewed at [www.kellersettlements.com](http://www.kellersettlements.com) or [www.cohenmilstein.com/advocate-settlement](http://www.cohenmilstein.com/advocate-settlement).

DATED: March 28, 2018

By Order of the Court

Hon. Edmond E. Chang  
United State District Judge  
Northern District of Illinois

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