

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES  
(Case No. BC 354246)**

*A court authorized this notice. This is not a solicitation.  
This is not a lawsuit against you and you are not being sued.  
However, your legal rights are affected whether you do or do not act.*

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT, PRELIMINARY APPROVAL AND FINAL HEARING  
ON PROPOSED SETTLEMENT**

If you were employed by SOUTHERN CALIFORNIA PERMANENTE MEDIAL GROUP (“SCPMG”) in California as a Certified Registered Nurse Anesthetist at any time during the period of June 21, 2002 and May 28, 2008 you may get money from a class action settlement. This Proposed Class Action Settlement resolves and provides compensation for current and former Certified Registered Nurse Anesthetists for overtime pay and other alleged wage and hour violations. If you take no action in response to this notice, you will be bound by the class settlement and you will not receive any settlement compensation

**IMPORTANT: YOU MUST SIGN & MAIL OR FAX THE ENCLOSED GREEN CLAIM FORM ON OR BEFORE THE DEADLINE, AUGUST 25, 2008, TO RECEIVE YOUR SHARE OF THE SETTLEMENT.**

*PLEASE READ THIS NOTICE CAREFULLY.*

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**I. What is the purpose of this Notice?**

The purpose of this notice is to let you know that there is a class action lawsuit pending in the Superior Court of California, County of Los Angeles and you may be a member of the Class. This lawsuit was filed by Plaintiff Eileen Cavanaugh in the Superior Court of California, County of Los Angeles, Case No. BC 354246 (“the lawsuit”). The lawsuit alleged that SCPMG misclassified its Certified Registered Nurse Anesthetists, failed to properly pay for overtime, failed to provide certain requisite meal and/or rest breaks or compensation in lieu thereof, failed to timely pay all wages on termination, and engaged in recordkeeping and wage reporting violations.

There was a mediation on February 7, 2008 that resulted in an agreement between the Parties to the lawsuit to settle the above claims on a class basis. On May 28, 2008, in Department 322 of the Superior Court of California, County of Los Angeles, the Court held a hearing in which it approved the Parties’ motion for a court order that does the following:

- 1) temporarily and conditionally certifies the Class Action for settlement purposes only;
- 2) grants preliminary Court approval of the proposed settlement;

- 3) grants Court approval of this notice, which includes setting a schedule and procedure for filing claim forms and exclusion notices; and
- 4) schedules a Final Fairness Determination Hearing for final Court approval of the Settlement for September 22, 2008, 9:30 a.m. in Department 322 of the Superior Court of California, County of Los Angeles, located at 600 South Commonwealth Avenue, Los Angeles, California 90005.

## **II. Why does Plaintiff Seek Settlement Approval?**

Plaintiff seeks approval of the Settlement because she has reached a proposed Settlement with SCPMG that she believes to be fair, reasonable, adequate and in the best interests of the members of the Class and all parties.

## **III. What is SCPMG's Position on Settlement?**

SCPMG views this Settlement as a compromise. SCPMG is not admitting to the allegations in the case and is not giving up its right to object to any allegation for any reason. SCPMG denies that any of its practices at issue in this lawsuit were or are unlawful and reserves the right to object to all claims if the settlement fails for any reason. The Court file has the settlement documents with more information on the lawsuit. You may also review settlement documents related to the lawsuit at [www.abmlawyers.com](http://www.abmlawyers.com).

## **IV. Why Did I Get this Notice?**

You received this notice because SCPMG's records identify you as a member of the settlement class. You may submit the enclosed green Claim Form to get money from this settlement if you worked for SCPMG at any time during the period June 21, 2002 and May 28, 2008 ("Class Period") and were employed as a Certified Registered Nurse Anesthetist.

## **V. Who are the Parties in this Class Action?**

Eileen Cavanaugh, is the Plaintiff who brought the action on behalf of herself and on behalf of all similarly situated current and former Certified Registered Nurse Anesthetists employed by Defendants during the period from June 21, 2002 through May 28, 2008.

SCPMG and Kaiser Foundation Hospitals are the Defendants, but all the class members were employed by and received wages from SCPMG.

## **VI. Who are the Attorneys for Parties?**

### **Counsel for Plaintiff, Eileen Cavanaugh**

I. Benjamin Blady  
**APPLETON, BLADY & MAGNANIMO, LLP**  
12301 Wilshire Blvd, Suite 202  
Los Angeles, California 90025  
Phone: (310) 474-7022  
Fax: (310) 474-7023

### **Counsel for Defendants**

Thomas R. Kaufman and Jennifer N. Sloane  
**SEYFARTH SHAW LLP**  
2029 Century Park East, Suite 3300  
Los Angeles, CA 90067-3063  
Phone: (310) 277-7200  
Fax: (310) 201-5219

## **VII. Is There a Trial Date for This Class Action?**

No trial date has been set at this time.

## **VIII. What is the Proposed Settlement?**

SCPMG has agreed to pay a maximum settlement amount of up to \$6,000,000 to the approximate 480 members of the Settlement Class. This sum includes payment of all expenses and fees of the Claims Administrator which is anticipated to be no more than \$50,000; an enhancement of \$60,000 to Plaintiff for her services, including the initiation and prosecution of the lawsuit, detriment and risks undertaken in the event she was unsuccessful, and certain other claims resolved; and attorneys' fees of up to one-third of the Settlement Amount. At the hearing on the motion for preliminary approval, the Court denied the requested incentive amount without prejudice to Plaintiff moving for this amount at the time of Final Approval.

The following is a summary of the Settlement provisions. The specific and complete terms of the proposed Settlement are stated in the Joint Stipulation of Settlement and Release Between Plaintiff and Defendants, ("Settlement Agreement"), a copy of which is filed with the Clerk of the Court, and which may be obtained and viewed at [www.abmlawyers.com](http://www.abmlawyers.com).

**Settlement Payment.** SCPMG has agreed to pay all valid and timely claims through the Claims Administrator in accordance with the terms of the Settlement Agreement, after Final Approval of the Class Action Settlement. These settlement payments will be distributed approximately fifteen (15) days after the effective date of the Final Approval, provided there is no appeal of the Court's Final Approval of the Class Action Settlement.

After the deduction of the Court-approved expenses from the Settlement Amount, the remaining sum ("net settlement amount") estimated to be \$3,845,000 will be available to pay each member of the Settlement Class who submits a valid and timely Claim Form ("Qualified Claimant") his or her pro-rata share of the net settlement amount based on the following settlement formula. Forty-eight percent (48%) of the net settlement amount will be distributed among qualified claimants on a proportional basis based upon each Qualified Claimant's regular hours worked as a percentage of the total regular hours worked by all class members. Forty-eight percent (48%) of the net settlement amount will be distributed among qualified claimants on a proportional basis based upon each Qualified Claimant's CRNA overtime hours worked as a percentage of total CRNA overtime hours worked by all class members. Four percent (4%) of the net settlement amount will be distributed equally among all former employees in the class to account for the waiting time penalties claim that only applies to the former employees in the class. It is presently estimated that you will receive an estimated \$ [REDACTED]. However, the actual amount may vary depending upon the number of Class Members who opt out of the Settlement and whether less than 60% of the net settlement amount is claimed. If the Settlement Class claims less than 60% of the net settlement amount, then SCPMG has agreed to pay 60% of the net settlement amount to the Qualified Claimants who will share the entirety of that 60% payment on pro-rata basis.

## **IX. What Are My Rights with Regard to This Matter?**

If you fit the description of a Class Member, you have four options. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, follows.

### **A. Option One. Participation as a Class Member.**

To get money from the Settlement you **must** complete the enclosed green "CLAIM FORM," **sign it** under penalty of perjury, and return it to Claims Administrator, SIMPLURIS, INC., at 3176 Pullman Street, Suite 123, Costa Mesa, California 92626, **post-marked or faxed to the number shown on the bottom of each page of this Notice, on or before August 25, 2008.**

*It is strongly recommended that you retain proof of your timely mailing or fax transmission until receipt of your settlement payment.*

Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent you. The Claims Administrator will process the Claim Form and send you a check at a later date. **If you fail to timely return a completed and signed Claim Form, you will not receive any money from the Settlement and you will not be permitted to assert any claims based on the allegations in the class action.**

### **B. Option Two. You Can Exclude Yourself ("Opt Out") From the Settlement.**

If you do not wish to participate in or be bound by the Settlement, you must return to the Claims Administrator, Simpluris, Inc., at the address provided below or by fax, the enclosed "Request for Exclusion from the Class Action Settlement," **post-marked or faxed on or before August 25, 2008.** This Request for Exclusion must be signed and dated with your Social Security Number inserted.

If you request exclusion, you will neither receive any money from the Settlement, nor will you be considered to have released your claims alleged in the class action. If you request exclusion from the Class Action Settlement, you may not pursue any recovery under the Class Action Settlement. You may, however, pursue other remedies separate and apart from the Class Action Settlement that may be available to you.

Do NOT return both a Claim Form and a Request for Exclusion Form. Should you do so, your Request for Exclusion will be invalidated and you will be bound by the terms of the Settlement and paid according to SCPMG's records and the terms of the Settlement.

C. Option Three You Can Do Nothing.

If you do not send in a claim form but do not request exclusion either, then you will forfeit your provisional share of the settlement, but you will nonetheless be bound by the release that is part of the parties' agreement.

D. Option Four. You May Object to the Settlement.

If you are a Class Member, and you do not exclude yourself from the Settlement Class (opt out), or otherwise have proper standing, you may object to the settlement before final approval of the settlement by the Court. If you choose to object to the settlement, you may enter an appearance in propria persona (meaning you choose to represent yourself), or through an attorney that you hire and pay for yourself.

In order to object to the settlement, or any portion of it, you must file and serve any such written objection on or before **August 25, 2008**. Objections must be timely filed in the Superior Court of California, County of Los Angeles, 600 South Commonwealth Avenue, Los Angeles, California 90005, and timely served on the attorneys for Plaintiff and the attorneys for SCPMG and Kaiser Foundation Hospitals, to be considered by the Court. If you intend to object to the Settlement, but wish to receive your share of the settlement proceeds, **you must timely return the enclosed Claim Form as indicated herein**. If the Court approves the Settlement despite any objections and you have not returned the enclosed Claim Form, you will NOT receive your share of the Settlement proceeds.

The judgment will bind all Settlement Class Members who do not request exclusion. Any member who does not request exclusion may, if the member so desires, enter an appearance through his or her own lawyer.

X. How Much Money Will I Get If I Make a Proper Claim and Do Not Request Exclusion?

SCPMG has agreed to pay a maximum gross settlement amount of \$6,000,000 in consideration for this settlement and a release of all claims asserted in the lawsuit by the Settlement Class against it. After the Court-approved deduction listed above, if all Settlement Class Members returned valid and timely Claim Forms, \$3,845,000 would be distributed to the Settlement Class on a pro-rata basis as described above in Section VIII. Based thereon, it is estimated that you will receive \$          . In the event the Court approves less than the full amount requested for attorneys' fees and/or costs or the enhancement, then the amount not awarded will be redistributed to class members who make claims on a pro-rata basis.

XI. Additional Important Information.

You will receive your share of the Settlement Proceeds only if you return a signed and dated Claim Form **post-marked or faxed on or before August 25, 2008**.

It is your responsibility to **ensure that the Claims Administrator has received** your timely Claim Form. You may contact the Claims Administrator at the toll-free number listed at the bottom of each page to confirm it has been timely received. It also is your responsibility to **keep a current address on file** with the Claims Administrator to ensure that you receive your settlement payment should the Court order final approval of the settlement.

XII. Who can I contact if I have further questions?

The court-appointed Administrator for this Class Action Settlement is as follows:

*Cavanaugh v. Southern California Permanente Medical Group, Inc., et al.*  
Class Action Claims Administrator  
c/o Simpluris, Inc.  
3176 Pullman Street, Suite 123  
Costa Mesa, California 92626

If you have questions, you may call the Claims Administrator, toll free at (800) 779-2104. Ask about the *Cavanaugh v. Southern California Permanente Medical Group, Inc., et al.* Class Settlement. You may also call any of the attorneys for Plaintiff listed in Section VI above. **PLEASE DO NOT CALL THE COURT.**