

AMERICAN ARBITRATION ASSOCIATION

CINDIUS ROMNEY, as the personal representative of the Estate of Dr. Michael Romney; FARON BAUER; and KRISTEN CHILDRESS, individually and on behalf of all others similarly situated,

Claimants,

v.

FRANCISCAN MEDICAL GROUP, a Washington Corporation; FRANCISCAN HEALTH SYSTEM, a Washington Corporation; FRANCISCAN HEALTH VENTURES, a Washington Corporation; FRANCISCAN NORTHWEST PHYSICIANS HEALTH NETWORK, LLC, a Washington Corporation; and CATHOLIC HEALTH INITIATIVES, a Colorado Corporation,

Respondents.

Case No. 01-18-0001-4763

PRELIMINARY APPROVAL ORDER

Hearing Date: August 12, 2022

Hearing Time: 9:00 AM PDT

Arbitrator: Louise A. LaMothe, APC

This matter has come before the Honorable Louise A. LaMothe, APC, Arbitrator for the American Arbitration Association (“AAA”), on May 10, 2022, by the motion of Claimants Cindius Romney, as the personal representative of the Estate of Dr. Michael Romney; Faron Bauer; and Kristen Childress (“Claimants”) for preliminary approval of the class settlement with Respondents Franciscan Medical Group, Franciscan Health System, Franciscan Health Ventures, Franciscan Northwest Physicians Health Network, LLC, and Catholic Health Initiatives (“Respondents”). The Arbitrator, having considered the briefs, arguments of counsel, and all matters presented to the Arbitrator, and good cause appearing pursuant to Rule 8 of the AAA Supplementary Rules for Class Actions, hereby GRANTS Claimants’ Unopposed Motion for Preliminary Approval of Class Action Settlement Agreement.

IT IS HEREBY ORDERED:

1. The Arbitrator preliminarily approves the Class Action Settlement Agreement and Release (“Agreement”) attached as Exhibit 1 to the Declaration of Scott Blankenship in Support of Claimants’ Unopposed Motion for Preliminary Approval of Class Action Settlement Agreement. This is based on the Arbitrator’s determination that the Settlement set forth in the Agreement is within the range of possible final approval.

2. This Order incorporates by reference the definitions in the Agreement, and all terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

3. The Gross Settlement Amount is a maximum of Two Million Five Hundred Thousand Dollars (\$2,500,000). It appears to the Arbitrator on a preliminary basis that the settlement amount and terms are fair, adequate, and reasonable as to all potential Class Members when balanced against the probable outcome of further litigation and the significant risks relating to certification, liability, and damages issues. It further appears that investigation and research have been conducted such that counsel for the Parties are able to reasonably evaluate their respective positions. It further appears to the Arbitrator that settlement at this time will avoid substantial additional costs by all Parties, as well as avoid the delay and risks that would be presented by the further prosecution of the Action. It further appears that the Settlement has been reached as the result of serious and non-collusive, arms-length negotiations. The Arbitrator therefore preliminarily finds that the Settlement is fair, adequate, and reasonable when balanced against the probable outcome of further litigation and the significant risks relating to certification, liability, and damages issues.

4. The Agreement provides for a Class Counsel Fees Payment of one-third of the Maximum Gross Settlement Amount, a Class Counsel Litigation Expenses Payment, and a proposed Class Representative Service Payment to each Class Representative in an amount not to

exceed \$20,000. The Arbitrator will not consider the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment until the Final Approval Hearing.

5. The Arbitrator previously granted Claimants' Motion for Class Certification and certified a class of all Washington physicians, physician's assistants, and advanced registered nurse practitioners who entered into contracts with Respondents providing that they received compensation "per hour" for time worked at any of Respondents' prompt care or urgent care facilities from November 13, 2010, to present.

6. The Arbitrator has appointed Class Representatives as the class representatives of the Class. The Arbitrator has appointed Scott C.G. Blankenship and Richard E. Goldsworthy of The Blankenship Law Firm, PLLC as Class Counsel for the Class.

7. The Arbitrator hereby approves, as to form and content, the Notice of Proposed Settlement of Class Action and Hearing Date for Final Arbitrator Approval ("Class Notice") attached to the Agreement as Exhibit A. The Arbitrator finds that the Class Notice appears to fully and accurately inform the Class of all material elements of the proposed Settlement, of the Class Members' right to be excluded from the Class by submitting a written opt-out request, and of each member's right and opportunity to object to the Settlement. The Arbitrator further finds that the distribution of the Class Notice substantially in the manner and form set forth in the Agreement and this Order meets the requirements of due process, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The Arbitrator orders the mailing of the Class Notice by first class mail pursuant to the terms set forth in the Agreement.

9. The Arbitrator hereby appoints Simpluris as Settlement Administrator. No later than 14 calendar days after the Preliminary Approval Date, Respondents shall provide to the Settlement Administrator an electronic spreadsheet with the Class Data. The Settlement Administrator will perform address updates and verifications as necessary prior to the mailing of the Class Notice. Using best efforts to mail it as soon as possible, and in no event later than 14 days after receiving the Class Data, the Settlement Administrator will mail the Class Notice to all Class Members via first-class U.S. Mail.

10. The Arbitrator hereby preliminarily approves the proposed procedure for exclusion from the Settlement. Any Class Member may individually choose to opt out of and be excluded from the Class as provided in the Class Notice by following the instructions for requesting exclusion from the Class that are set forth in the Class Notice. All Elections Not to Participate in Settlement must be postmarked by no later than forty-five (45) calendar days after the date of the mailing of the Class Notice and received by the Settlement Administrator. Any such person who chooses to opt out of and be excluded from the Class will not be entitled to any recovery under the Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Class Members who have not requested exclusion shall be bound by all determinations of the Arbitrator, the Agreement, and the Judgment. An Election Not to Participate in Settlement may opt out only that particular individual, and any attempt to affect an opt out of a group, class, or subclass of individuals is not permitted and will be deemed invalid.

11. Any Class Member who has not opted out may appear at the Final Approval Hearing and may object or express the Class Member's views regarding the Settlement, and may present evidence and file briefs or other papers that may be proper and relevant to the issues to be heard and determined by the Arbitrator as provided in the Class Notice. Class Members will

have forty-five (45) days from the date of the mailing of the Class Notices to submit their written objections to the Arbitrator and counsel for both parties in accordance with the instructions in the Class Notice. Any Class Member who has objected in writing may also appear at the Final Approval Hearing.

12. A Final Approval Hearing shall be held before this Arbitrator on August 12, 2022 via Zoom to determine all necessary matters. All papers in support of the motion for Final Approval and the motion for attorneys' fees, costs and service awards shall be filed with the Arbitrator and served on counsel no later than sixteen (16) days before the Final Approval Hearing.

13. Neither the Settlement nor any exhibit, document, or instrument delivered thereunder shall be construed as a concession or admission by Respondents in any way that the claims asserted have any merit or that this Action was properly brought as a class or representative action, and shall not be used as evidence of, or used against Respondents as, an admission or indication in any way, including with respect to any claim of any liability, wrongdoing, fault, or omission by Respondents or with respect to the truth of any allegation asserted by any person. Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit, document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence as, received as or deemed to be evidence for any purpose adverse to the Respondents, including, but not limited to, evidence of a presumption, concession, indication, or admission by Respondents of any liability, fault, wrongdoing, omission, concession, or damage.

14. In the event the Settlement does not become effective in accordance with the terms of the Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become effective for any reason, this Order shall be rendered null and void and shall be vacated,

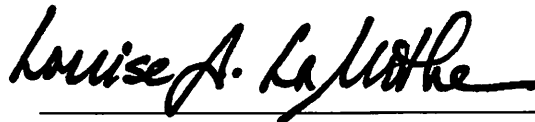
and the Parties shall revert to their respective positions as of before entering into the Agreement, and expressly reserve their respective rights regarding the prosecution and defense of this Action, including all available defenses and affirmative defenses. In such an event, the Arbitrator's orders regarding the Settlement, including this Order, shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of the Agreement with respect to the effect of the Agreement if it is not approved.

15. The Arbitrator reserves the right to adjourn or continue the date of the Final Approval Hearing and all dates provided for in the Agreement without further notice to Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

16. The Action is stayed and all trial and related pre-trial dates are vacated, and Class Representatives and the Class Members are hereby enjoined from further prosecuting the Action, subject to further orders of the Arbitrator at the Final Approval Hearing.

IT IS SO ORDERED.

Dated: May 10, 2022



LOUISE A. LAMOTHE, APC
ARBITRATOR