

**IN THE THIRD JUDICIAL DISTRICT
MADISON COUNTY, ILLINOIS**

If You Treated A Patient Covered By A Pekin Automobile Or Workers' Compensation Insurance Policy And Your Bill was Reduced By A PPO Discount, You May Be Entitled To Benefits Under This Settlement. Please Read This Notice Carefully, As It Affects Your Legal Rights

*The Circuit Court of the Third Judicial District, Madison County, Illinois, authorized this notice.
This is not a solicitation from a lawyer.*

- This Settlement concerns a lawsuit alleging that Pekin improperly discounted the bills of licensed healthcare providers who treated persons covered by an automobile or workers' compensation Pekin insurance policy.
- Under the terms of the Settlement, class members may obtain a cash payment as compensation for the PPO discounts taken by Defendant.
- Your legal rights are affected whether you act or don't act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do NOTHING	If you do nothing and the Court grants final approval of the Settlement, you will automatically be included in the Settlement Class. This means you are bound by the Court's orders in the case and give up your right to be part of any lawsuit concerning the claims in this case. You may not be eligible to receive monetary relief unless you submit a Request Form.
PARTICIPATE IN THE SETTLEMENT	If you wish to participate in the proposed Settlement, you need to complete and return the accompanying Request Form, postmarked no later than September 30, 2011 . If you fail to submit the Request Form by the deadline, then you may be eligible for a pro-rata distribution pursuant to paragraph 6.2 of the Settlement Agreement.
EXCLUDE YOURSELF	You will not be entitled to participate in the Settlement if you choose this option.
OBJECT OR COMMENT WHILE REMAINING IN THE CLASS	Write the Court about why you do, or do not, like the Settlement. You must remain in the class and Settlement to object or comment.
ATTEND THE HEARING	Ask to speak to the Court about the fairness of the Settlement.

- These rights and obligations – and the **deadlines** to exercise them – are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. The ability to potentially receive monetary payment will be available only if the Court approves the Settlement and after any appeals are resolved. Please be patient.

1. **THE LITIGATION:** The lawsuit (Bemis et al. v. Pekin Insurance Company, Case No. 05-L-165 in the Circuit Court for the Third Judicial Circuit, Madison County, Illinois), was filed on February 14, 2005, and concerns PPO discounts taken by Defendant on the Class Members' bills.

The lawsuit alleges that Defendant wrongfully reduced payments to preferred providers who treated Pekin automobile medpay or workers' compensation claimants by taking PPO discounts.

2. **PEKIN'S POSITION:** Pekin has denied and continues to deny all charges of wrongdoing or liability against it arising out of the allegations and claims asserted in the lawsuit.
3. **PURPOSE OF THIS NOTICE:** This notice is designed to inform members of the class defined below of the pendency of this litigation and of the proposed Settlement and to describe class members' rights and options.
4. **SETTLEMENT CLASS:** The Court has certified for settlement purposes a class (hereinafter, the "Class") consisting of:

All licensed healthcare providers in Illinois, Indiana, Iowa, Ohio, and Wisconsin who, from January 1, 1998 until May 24, 2011: (a) submitted a bill for medical services covered by a Pekin automobile or workers compensation insurance policy; and (b) received less than the billed amount based on a PPO discount.

To represent the above Class for purposes of the Settlement, the Court has appointed the named plaintiffs in this lawsuit as class representatives and has appointed the following attorneys to serve as Class Counsel: LakinChapman, LLC, 300 Evans Avenue, P.O. Box 27, Wood River, Illinois 62095 (Lead Class Counsel). In addition, the law firm of Campbell & McGrady, 3017 Godfrey Road, P.O. Box 505, Godfrey, Illinois 62035, is Additional Counsel representing the Class.

5. **SETTLEMENT BENEFITS:** The following description of the settlement benefits is qualified in its entirety by reference to the Class Action Settlement Agreement, a copy of which is on file with the Court.

Cash Payments. Each Settlement Class Member shall have the opportunity to receive up to 100% of the PPO discounts taken by Defendant, subject to a pro rata reduction, by submitting a Request Form with the necessary supporting documentation. Under the proposed Settlement, Defendant has agreed to deposit \$500,000 into a Settlement Fund for the benefit of the Settlement Class to settle the lawsuit. Any distribution to the Settlement Class from the Settlement Fund shall commence only after the Effective Date.

Your actual payment cannot be determined yet. The amount of money you are eligible to receive will depend upon the documents you submit and the total number of Class Members that remain in the Class.

In the event that there remain any funds in the Settlement Fund after the process described in paragraph 6.1.1 of the Settlement Agreement, there will be a pro rata distribution of such remaining funds to all Settlement Class Members. If the pro rata distribution results in a payment of less than \$5 per Settlement Class Member, then there shall be no pro rata distribution and the remaining funds shall be distributed pursuant to paragraph 6.2 of the Settlement Agreement.

All cash payments to Settlement Class Members (as defined in paragraph six (6) of the Settlement Agreement), Costs of Notice, Costs of Administration, Incentive Awards (as defined in paragraph (10) of the Settlement Agreement), and Attorneys' Fees and Expenses (as defined in paragraph nine (9) of the Settlement Agreement) shall be paid from the Settlement Fund.

More details are in the Settlement Agreement, available at www.pposettlements.com.

6. **ATTORNEYS' FEES AND EXPENSES:** From the filing of the litigation in 2005 to the present, Class Counsel have not received any payment for their services in prosecuting the case, nor have they been reimbursed for any out-of-pocket costs. If the Court approves the proposed Settlement, Class Counsel will seek approval from the Court for an award of attorneys' fees in an amount not to exceed 40% of the total class benefit. Class Counsel will also apply for incentive awards to be paid out of the Settlement Fund in an amount not to exceed \$2,500 to each class representative for their initiative and effort in pursuing the litigation on behalf of the Class. Under no circumstances will you be personally liable for Class Counsel's attorneys' fees or expenses or any incentive awards.
7. **RESULT IF COURT APPROVES SETTLEMENT:** If you fall within the Class definition and remain in the Class, and the Settlement is approved, the Court will enter a judgment dismissing the lawsuit with prejudice, and releasing any and all claims that you may have against Defendant whether known or unknown, arising from PPO discounts taken by Pekin.
8. **YOUR OPTIONS:** If you are a member of the Class, you have the following options.
 - (a) **PARTICIPATE IN THE SETTLEMENT – MAKE A CLAIM:** If you wish to participate in the proposed Settlement, you must complete and submit the accompanying Request Form, along with any required documentation, **postmarked no later than September 30, 2011, to Bemis v. Pekin Insurance Settlement, P.O. Box 2511, Faribault, MN 55021-9511.** If you fail to submit the Request Form by the deadline, you may not be entitled to any Settlement payment but will still be bound by the Settlement and the judgment, including the release of your claims. If you wish to comment in favor of the Settlement, you may send your comment to Robert W. Schmieder II, of LakinChapman, LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095 (Lead Class Counsel). At the start of your comment, please include a reference to Bemis v. Pekin, Case No. 05-L-165.
 - (b) **REQUEST TO BE EXCLUDED:** If you do not want to stay in the Class, then you must send a written notice of your request to exclude yourself from the Class, so that it is received no later than **July 22, 2011**, to Bemis v. Pekin Insurance Settlement, P.O. Box 2511, Faribault, MN 55021-9511. Your exclusion request must include (i) your full name, address, and telephone number; (ii) a statement that you request exclusion from the Class and Settlement in Bemis v. Pekin, Case No. 05-L-165; and (iii) your signature. If you validly and timely request exclusion from the Class, (1) you will be excluded from the Class; (2) you will not be entitled to a Settlement payment; (3) you will not be bound by the terms of the Settlement, the judgment dismissing the lawsuit, or the release of claims provided by the Settlement; and (4) you will not be entitled to comment on the proposed Settlement or be heard at the fairness hearing described in Paragraph 9 below.
 - (c) **OBJECT OR COMMENT:** If you are a member of the Class and you do not request to be excluded, you may object to or offer comment in favor of the terms of the Settlement or to Class Counsel's request for attorneys' fees and expenses. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your own attorneys' fees and costs.

If you object to the Settlement, you must, on or before **July 22, 2011**: (1) file with the Clerk of the Circuit Court, Third Judicial Circuit, Madison County, Illinois, located at the Madison County Courthouse, 155 North Main Street, Suite 120, Edwardsville, Illinois 62025, and (2) serve on Robert W. Schmieder II of LakinChapman, LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095 (Class Counsel); and Michael A. Clarke, Pretzel & Stouffer, Chartered, One South Wacker Drive, Suite 2500, Chicago, Illinois 60606 (Counsel for Defendant), a written objection, including (i) your full name, address, and telephone number; (ii) documentation showing you are a Class Member; (iii) a written statement of all grounds for your objection, accompanied by any legal support for your objection; (iv) copies of any papers, briefs, or other documents on which the objection is based; (v) a list of all persons who will be called to testify in support of your objection (if any); (vi) a statement of whether you intend to appear at the fairness hearing; and (vii) your

signature or your counsel's signature. Also, at the start of your objection, please include a reference to Bemis v. Pekin, Case No. 05-L-165. If you intend to appear at the fairness hearing through counsel, your objection must also state the identity of all attorneys representing you who will appear at the fairness hearing. Class Members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard at the fairness hearing or have the right to appeal from approval of the Settlement.

9. **FAIRNESS HEARING:** On August 23, 2011, at 9:00 a.m., in the courtroom of the Honorable William A. Mudge, Circuit Judge of the Circuit Court, Third Judicial Circuit, Madison County, Illinois, located at the Madison County Courthouse, 155 North Main Street, Edwardsville, Illinois 62025, Judge William A. Mudge will hold a fairness hearing for the purpose of deciding (a) whether the Settlement should be approved as fair, reasonable, and adequate for the Class; (b) whether a judgment granting approval of the Settlement and dismissing the lawsuit with prejudice should be entered; and (c) whether Class Counsel's application for attorneys' fees and expenses should be granted. The hearing may be postponed, adjourned, or rescheduled by the Court without further notice to the Class. You do not need to attend this hearing to remain a Class Member or participate in the Settlement.
10. **EXAMINATION OF PAPERS FILED IN THE CASE:** This Notice is a summary and does not describe all details of the Settlement. For full details of the matters discussed in this Notice, you may wish to review the Class Action Settlement Agreement dated May 12, 2011, available online at www.pposettlements.com. A complete copy of the Class Action Settlement Agreement and all other pleadings and papers filed in the lawsuit are also available for inspection and copying during regular business hours at the Office of the Clerk of the Circuit Court, Third Judicial Circuit, Madison County, Illinois, located at the Madison County Courthouse, 155 North Main Street, Suite 120, Edwardsville, Illinois 62025.
11. **ADDITIONAL INFORMATION:** You can view and print the Class Action Settlement Agreement, this Notice, and the Request Form at www.pposettlements.com. You can also direct inquiries to Class Counsel at ppo.classaction@lakinchapman.com or by mail at LakinChapman LLC, 300 Evans Ave., P.O. Box 229, Wood River, IL 62095. Please include the reference Bemis v. Pekin. Answers to frequently asked questions are available at www.pposettlements.com.

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS
ABOUT THIS NOTICE.**

DATED: MAY 24, 2011 BY ORDER OF THE CIRCUIT COURT
THIRD JUDICIAL DISTRICT
MADISON COUNTY, ILLINOIS



FOR OFFICE USE ONLY



REQUEST FORM

01

To make a claim for a settlement payment, complete and sign this form and mail it to the address listed on the reverse side of this form, postmarked no later than September 30, 2011:

A. YOUR INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: (____) _____ - _____

Social Security Number: _____ - _____ - _____

OR Tax Identification Number: _____ - _____

B. CLAIM INFORMATION

I am enclosing or attaching documentation showing itemization of all applicable charges for which PPO reductions or discounts purportedly were taken by Pekin. Such itemization must be accomplished by submitting 1) a copy of the explanation of review(s) ("EOR") that itemizes charges, discounts or reductions, and the reasons therefore; on 2) any other materials received from Pekin or the bill review company that itemized charges, discounts or reductions; and the reasons therefore, sufficient to ascertain the specific charges billed, their dates, the patient for whom the services were provided, and the specific PPO and reductions taken by or on behalf of Pekin.

I am enclosing or attaching documentation showing \$_____ in PPO reductions or discounts taken by or on behalf of Pekin from January 1, 1998 through May 24, 2011.

Under penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure, the undersigned certifies that the statements set forth in the instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

____ / ____ / _____
Date

Signature

Mail a copy of this claim form and any required documentation, postmarked no later than September 30, 2011, to:

Bemis v. Pekin Insurance Settlement
P.O. Box 2511
Faribault, MN 55021-9511

www.pposettlements.com



BEMIS V. PEKIN INSURANCE SETTLEMENT
PO BOX 2511
FARIBAULT, MN 55021-9511

IMPORTANT LEGAL DOCUMENTS ENCLOSED.

