

Honorable Sean P. O'Donnell
Hearing Date: April 28, 2017
Hearing Time: 9:30 a.m.

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

DOUGLAS L. MOORE, MARY CAMP,
GAYLORD CASE, and a class of similarly
situated individuals,

Plaintiffs,

v.

HEALTH CARE AUTHORITY and STATE
OF WASHINGTON,

Defendants.

NO. 06-2-21115-4 SEA

ORDER APPROVING FINAL
DISTRIBUTION OF SETTLEMENT FUND

This matter came before the Court on April 28, 2017 for an order approving final distribution of the settlement fund. The Court has considered the Settlement Agreement, the record and prior proceedings in this case, and the materials submitted concerning the proposed final distribution of the settlement fund. The Court makes the following findings of fact and conclusions of law and approves the final distribution of the settlement fund:

FINDINGS OF FACT

1. The Court previously approved the Settlement Agreement in this action. After the Court approved the settlement, the State sent the \$80 million settlement fund to the Class Action Administrator, Rust Consulting, Inc. ("Rust"). After deducting class counsel's court approved common fund fee, the remaining \$56 million was invested in a secure interest bearing account with the interest to benefit the class. The account has earned \$33,612 in interest through the end of March 2017. The Settlement has thus resulted in an approximate \$55.7

1 million settlement fund to be distributed to eligible class members after deducting the costs for
2 Rust, which are addressed below.

3 2. The approximate \$55.7 million settlement fund will be distributed to class
4 members who submitted a claim form on a *pro rata* basis that is based on a ratio of the eligible
5 class member's total number of eligible months compared to the total number of eligible
6 months for class members who submit claim forms multiplied by the total distribution amount.

7 3. Under the Settlement Agreement approved by the Court a claim form was sent
8 to eligible class members to verify the class members' identities and addresses before checks
9 are issued and for tax purposes. Because the class includes more than 10,000 individuals and
10 covers the time back to 2000, in order to ensure a broad response to the claim form process,
11 Rust and class counsel undertook extensive efforts to locate all eligible class members and to
12 re-mail claim forms to those class members who did not initially return the claim forms.

13 4. In order to generate a broad response rate to the claim process, there were also
14 three mailings of the claim form. Along with the claim form a postage-paid return envelope
15 was sent to the class members in which to return the claim form. The instructions also included
16 a toll-free phone number for individuals to call Rust with questions about the claim form and
17 the internet address for class counsel's website that had a specific webpage for Frequently
18 Asked Questions (FAQs) about the settlement.

19 5. During the claim process both class counsel and Rust have answered class
20 members' questions regarding the case and the claim form process. Rust responded to over
21 4,000 phone calls regarding the case. Class members have expressed their interest to receive
22 their shares of the settlement fund as soon as possible.

23 6. As of April 19, 2017, Rust has processed a total of 7,604 class member claims.
24 This represents approximately 64% of the 11,807 total eligible class members and
25 approximately 67% of the total months (90,485 months out of a total of 135,989).

26 7. From April 2016 through January 10, 2017, Rust incurred charges of
27 \$196,715.80 for settlement notification services and claims administration. These charges are
itemized in the invoice attached as appendix A to the declaration of Chris Pikus and are

1 approved by class counsel. Rust's estimated charges for remaining claims administration work
2 is a little over \$92,000. The remaining work and Rust's charges for that work are described in
3 greater detail in the invoice attached as appendix B to the declaration of Chris Pikus. This work
4 includes distributing the funds and issuing IRS Form 1099s.

5 8. Class counsel has agreed that Rust should accept late claims up to April 28,
6 2017. After that it will take approximately two weeks for Rust to complete the work necessary
7 to start distributing the settlement funds, including withdrawing the funds from the interest
8 bearing account and placing them in a non-interest bearing account from which the *pro rata*
9 distributions to class members may be made.

10 9. Based on the total number of claim forms submitted, each eligible month a class
11 member had without health insurance will be valued at approximately \$618.00 (\$55.7 million
12 settlement fund divided by 90,485 eligible months). Class members with three (3) eligible
13 months will thus receive a check for over \$1,800. For those class members who did not receive
14 health insurance for years and have, for example, 48 eligible months, they will receive a check
15 for over \$29,000.

16 CONCLUSIONS OF LAW

17 1. The claim process for distributing the settlement fund to class members is fair
18 and reasonable.

19 2. The costs incurred by Rust in administering the claim process, and which will be
20 incurred going forward, are fair and reasonable.

21 ORDER

22 Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby ordered:

23 1. The approximate \$55.7 settlement fund shall be distributed to those eligible
24 class members who timely submitted a claim form by April 28, 2017. Any claim form received
25 by Rust after April 28, 2017 is not valid and that class member shall not be entitled to receive
26 any portion of the settlement fund.

27 2. Rust shall promptly start the process for issuing the *pro rata* distributions to the
eligible class members who timely submitted claim forms.

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DATED this 28th day of April, 2017.



THE HONORABLE SEAN O'DONNELL
Superior Court Judge

Presented by:

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