

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
ALBANY DIVISION**

Brandi Edwards, and all others similarly situated,)	
)	
)	
Plaintiff,)	
)	
v.)	Civ. Action No. 1:15-CV-75
)	
Phoebe Putney Health System, Inc.; and)	
Phoebe Putney Health System Summary)	
of Benefits Medical and Prescription)	
)	
)	
Defendants.)	

STIPULATION OF SETTLEMENT

Plaintiff Brandi Edwards (“Ms. Edwards” or “Plaintiff”), and Defendants Phoebe Putney Health System, Inc. (“PPHS”) and Phoebe Putney Health System Summary of Benefits Medical and Prescription (the “Plan”) (collectively, the “Defendants”), (“Plaintiff” and “Defendants” collectively are the “Parties”), enter into this Stipulation of Settlement (the “Agreement” or the “Stipulation”).

RECITALS

A. On or about April 30, 2015, Plaintiff filed a complaint (the “Complaint”) against Defendants in the United States District Court for the Middle District of Georgia (the “District Court”), alleging Defendants violated several provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), 29 U.S.C. § 1001 *et seq.* (the “Action”). The Action is captioned *Edwards v. Phoebe Putney Health System, Inc. et al.*, Civil Action No. 1:15-CV-75 (M.D. Ga.).

B. In the Complaint, Plaintiff alleges that PPHS selected Phoebe Putney Health Partners (“Health Partners”), a 50% subsidiary of PPHS, as the network provider for the Plan. (Complaint, ¶ 1.) Plaintiff asserts that the amount paid by the Plan for medical services rendered at Phoebe Putney Memorial Hospital through the Health Partners network “far exceeded what would have been paid if [PPHS] had selected another managed care network such as Blue Cross Blue Shield of Georgia or United HealthCare (collectively ‘alternative networks’).” (*Id.*, ¶ 17.) Plaintiff also contends that “there was no difference in quality between the alternate networks that would justify selection of Health Partners given this cost disparity” and that Health Partners receives, for the same service, “on average, a 33.3% greater reimbursement under the Health Partners network as compared to the alternate network.” (*Id.*, ¶ 18.) Plaintiff asserts that “the managed care contract with Health Partners was far more profitable for Health System than its contract with the alternate networks.” (*Id.*, ¶ 19.) Plaintiff also alleges that “one of Health System’s motivations in selecting the Health Partners was to improve its negotiating position relative to all managed care companies and to support networks that it believed would pay the hospital more.” (*Id.*, ¶ 22.) Plaintiff further contends that “one of the reasons that Health Partners was chosen to improve the financial health of Health Partners as a 50% subsidiary of Health System.” (*Id.*, ¶ 23.) Plaintiff also alleges that “[t]he selection of Health Partners as a network provider not only meant that the Plan paid more for services than it would have if an alternate network had been selected but also meant that Plan participants and beneficiaries paid more for co-insurance and deductibles than they would have had to pay if an alternate network had been selected.” (*Id.*, ¶ 25.)

C. Plaintiff contends that PPHS “caused the Plan to enter into prohibited transactions under ERISA § 406(b) when it: (a) entered into an agreement with Health Partners, a party in

interest, to provide network and administrative services, (b) paid Health Partners for administrative services using Plan assets and (c) paid itself for medical services rendered to Plan participants and beneficiaries with Plan assets.” (*Id.*, ¶ 44 (Count I).) Plaintiff also alleges that “[c]ompensation received by [Phoebe Putney Memorial Hospital] from the Plan for performing medical services for Plan participants was excessive and unreasonable in comparison with what the Plan would have paid if an alternate network had been chosen” and that the payment of this compensation is “a prohibited transaction under §406(a) of ERISA and is not exempted under the provisions of ERISA § 408(b)(2).” (*Id.*, ¶ 51 (Count II).) Finally, Plaintiff alleges that PPHS breached its fiduciary duty under ERISA by selecting Health Partners to provide services for the Plan. (*Id.*, ¶¶ 53-63 (Count III).)

D. On July 20, 2015, Defendants moved to dismiss the Complaint on the basis that Plaintiff failed to exhaust her administrative remedies. (Dkt. No. 5.)

E. The Parties agreed to mediate their disputes arising from the claims asserted in the Complaint. On July 20, 2015, the Parties filed a Joint Motion to Stay the Proceedings pending mediation. (Dkt. No. 6.) On July 22, 2015, the District Court granted the Joint Motion to Stay the Proceedings pending mediation. (Dkt. No. 7.)

F. In preparation for mediation, the Parties agreed to exchange documents. Specifically, Plaintiff’s counsel provided Defendants’ counsel a detailed and comprehensive list of documents they deemed relevant to the issues presented in this matter, and Defendants produced more than a thousand pages of documents in response to this request.

G. The Parties jointly selected mediator Ken Kendrick, Esq. of Kendrick Conflict Resolution, LLC. The Parties engaged in a full-day mediation session with Mr. Kendrick in Atlanta, Georgia on November 11, 2015. The Parties, through their respective counsel,

conducted extensive, arm's-length negotiations concerning a possible compromise and settlement of the claims asserted in the Complaint. The mediation session on November 11, 2015 lasted until after 9:00 p.m. and, by and through their respective counsel, the Parties reached an agreement in principle to the terms of the proposed settlement more fully described herein (the "Settlement").

H. Plaintiff brings the Action on behalf of a proposed Class. The terms "Settlement Class" or "Members of the Settlement Class" as used in this Agreement shall include:

All individuals who are or were participants in the Plan, and their beneficiaries, during the period May 1, 2009 to December 31, 2015.

The "Class Period" as used in this Agreement is May 1, 2009 to December 31, 2015.

I. Defendants vigorously deny each and every allegation of wrongdoing made in the Complaint and contend that they did nothing wrong in the design and operation of the Plan and have no liability in the Action. Defendants specifically deny the allegations that Defendants breached any fiduciary duties under ERISA or committed any prohibited transactions, and deny they violated any other provisions of ERISA or any other state or federal law in connection with the Plan.

J. Plaintiff's counsel have conducted an exhaustive investigation into the facts, circumstances, and legal issues associated with the Action. This investigation has included: (i) inspecting, reviewing, and analyzing numerous documents concerning the Plan and the administration of the Plan, and (ii) researching the applicable law with respect to the claims asserted in the Action and the potential defenses thereto.

K. Defendants' counsel have also conducted a thorough investigation into Plaintiff's claims, the underlying events and transactions alleged in the Complaint, and the operation and administration of the Plan. Defendants' counsel have reviewed numerous documents and made a

thorough study of the legal principles applicable to Plaintiff's actual and potential claims in the Action.

L. Based on their investigation of the merits of this Action, and their knowledge and experience pursuing such actions generally, Plaintiff's counsel believe that the Settlement will provide substantial benefits to the Settlement Class. When the benefits conferred by the Settlement are weighed against the attendant risks of continuing the prosecution of the Action, Plaintiff's counsel believe that the Settlement represents a reasonable and fair resolution of the claims of the Settlement Class. In reaching such a conclusion, Plaintiff's counsel have considered, among other things, the risks of litigation, the time necessary to achieve a final resolution through litigation and any appeals, the complexity of the claims set forth in the Complaint, the ability of Defendants to withstand judgment, the existence of insurance coverage, and the benefits accruing to the Plan's participants under the Settlement.

M. Although Defendants continue to deny they did anything wrong and all liability with respect to any and all of the claims alleged in the Complaint, Defendants nevertheless consider it desirable that any and all possible controversies and disputes arising out of or during the Class Period which relate to the matters, transactions, and occurrences referenced in the Complaint be conclusively settled and terminated on the terms and conditions set forth below. The settlement of the Action and the attendant final dismissal of the Complaint will avoid the substantial expense, inconvenience, and risk of continued litigation and will bring Plaintiff's claims and potential claims to an end.

N. The Parties have reached this Settlement, by and through their respective undersigned counsel, on the terms and conditions set forth in this Agreement.

O. Defendants, by entering into this Agreement, do not admit to the truth of any allegation contained in the Action or to any fault, liability, or wrongdoing whatsoever.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by the Parties, in consideration of the promises, covenants, and agreements herein described, and the Parties, intending to be legally bound, do hereby mutually agree as follows, subject to the approval of the Court:

Stipulation to Certification of the Settlement Class

1. The Parties stipulate and agree that for settlement purposes only this Action shall proceed as a non-opt out class action pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(1) with Plaintiff's counsel Norris A. Adams, II, Edward G. Connette, Del Percilla, Jr. and Robert M. Beauchamp as co-lead class counsel ("Class Counsel"), and with a Settlement Class as defined in Paragraph H of this Agreement.

Preliminary Approval

2. Promptly after the execution of this Agreement by the Parties, Plaintiff shall file a Motion for Preliminary Approval with the Court, seeking entry of an order substantially in the form attached hereto as Exhibit 1 (the "Preliminary Approval Order") and approval of notice to be disseminated to the Members of the Settlement Class, substantially in the form attached hereto as Exhibit 2 (the "Class Notice"). Plaintiff shall request that a final fairness hearing be held at least one hundred (100) days from the date of the entry of the Preliminary Approval Order for the Court to consider whether the terms of this Settlement are fair, reasonable, and adequate and thus should be finally approved and implemented by the Court pursuant to Federal Rule of Civil Procedure 23(e). Defendants shall in good faith support the motion for preliminary approval and will not oppose the motion, provided it is consistent with the terms and conditions of the Settlement. Pursuant to the Class Action Fairness Act of 2005 ("CAFA"), Defendants shall prepare and provide the notices to the appropriate federal and state officials required by

CAFA, as specified by 28 U.S.C. § 1715, within ten (10) calendar days of filing the Motion for Preliminary Approval of Settlement. Class Counsel will be copied on any and all notices provided by Defendants pursuant to this Paragraph.

3. If the Settlement (including any modification thereto made with the consent of the Parties as provided for herein) is approved preliminarily by the Court, Defendants shall retain at their discretion a person or firm to administer Class Notice to the Members of the Settlement Class (the “Settlement Administrator”). The Settlement Administrator shall cause the Class Notice to be disseminated to Members of the Settlement Class in the manner and on the dates set in the Preliminary Approval Order. Pursuant to the Court’s approval of the Preliminary Approval Order, the Settlement Administrator will send the Class Notice to the last known addresses maintained by the Plan’s administrator via U.S. Mail. The Settlement Administrator will be responsible for attempting to locate new addresses through commercially available and reasonable methods, should any Class Notice be returned as undeliverable.

Final Approval

4. If the Settlement (including any modification thereto made with the consent of the Parties as provided for herein) is preliminarily approved by the Court, Plaintiff shall move the Court to enter an Order and Final Judgment substantially in the form attached hereto as Exhibit 3 (the “Final Approval Order”), which among other things:

(a) approves the Settlement, adjudges the terms thereof to be fair, reasonable, adequate, and in the best interests of the Settlement Class, and directs consummation of the Settlement in accordance with the terms and conditions of the Stipulation;

(b) certifies the Settlement Class as a non-opt-out class meeting the applicable requirements for a settlement class imposed by Federal Rule of Civil Procedure 23;

(c) determines that 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 the Settlement Class;

(d) dismisses the Action with prejudice as to Defendants and operates to extinguish, discharge, and release any and all Released Claims (as defined in Paragraph 7 of this Agreement) against the Releasees (as defined in Paragraph 8 of this Agreement), without costs except as herein provided, said dismissal being subject only to compliance by the Parties with the terms of this Agreement and any order of the Court concerning this Agreement; and

(e) bars and enjoins Members of the Settlement Class and the Plan from the institution and prosecution, either directly or indirectly, of any other actions in any court asserting any and all Released Claims against any and all Releasees.

5. Class Counsel shall file with the Court a motion for entry of the Final Approval Order no later than twenty-eight (28) calendar days before the final fairness hearing, as determined by the Court.

Date of Complete Settlement Approval

6. For purposes of this Agreement, “Complete Settlement Approval” shall occur when all of the following have taken place: (a) entry of the Final Approval Order approving the Settlement; and (b) the expiration of all applicable appeal periods for any appeals of the Final Approval Order, without any appeal having been filed or, if an appeal is taken, upon entry of an order affirming the Final Approval Order, and the expiration of any applicable period for the reconsideration, rehearing, or appeal of such affirmance without any motion for reconsideration,

rehearing, or further appeal having been filed. Upon Complete Settlement Approval, the Settlement shall become “Final.”

Release

7. Upon Complete Settlement Approval, Plaintiff, Members of the Settlement Class and the Plan (subject to review and approval by an independent fiduciary) shall release any and all claims of any nature whatsoever (including claims for any and all losses, damages, penalties, unjust enrichment, attorney’s fees, disgorgement of fees, litigation costs, injunction, declaration, contribution, indemnification or any other type or nature of legal or equitable relief), including, for the avoidance of any doubt, all claims asserted in the Complaint, for losses suffered by the Plan, Plan participants, or beneficiaries, whether accrued or not, whether already acquired or acquired in the future, whether known or unknown, in law or equity, brought by way of demand, complaint, cross-claim, counterclaim, third-party claim or otherwise, arising out of any or all of the acts, omissions, facts, matters, transactions or occurrences that are, were or could have been alleged, asserted, or set forth in the Complaint, so long as they are related to any of the allegations or claims asserted in the Complaint, or would be barred by principles of *res judicata* had the claims asserted in the Complaint been fully litigated and resulted in a final judgment or order, including, but not limited to, claims that Defendants breached any fiduciary duties to the Plan and/or participated in any prohibited transactions under ERISA (“Released Claims”).

8. Released Claims shall extend to Defendants, as well as their respective agents, attorneys, insurers, representatives, heirs and assigns (collectively, the “Releasees”).

9. Upon Complete Settlement Approval, Plaintiff, Members of the Settlement Class, and the Plan expressly waive and relinquish, to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by (a) § 1542 of the California Civil Code, which

provides that a “general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor,” and (b) any similar state, federal, or other law, rule or regulation or principle of common law of any domestic or foreign governmental entity. Plaintiff, Members of the Settlement Class, and the Plan may hereafter discover facts other than or different from those that they know or believe to be true with respect to the subject matter of the Released Claims with respect to any Releasees, but Plaintiff, Members of the Settlement Class, and the Plan hereby expressly waive and fully, finally and forever settle and release any known or unknown, suspected or unsuspected, asserted or unasserted, contingent, or non-contingent claim with respect to the Released Claims, without regard to the subsequent discovery or existence of such other or different facts.

Settlement Consideration and Prospective Relief

10. In full settlement of the claims asserted in the Action against Defendants and in consideration of the releases specified in Paragraphs 7-9 above, Defendants agree to implement the prospective relief described in Paragraphs 11 through 15 of this Agreement (the “Prospective Relief”), and incur the costs associated with implementing the Prospective Relief which shall be referred to herein as the “Settlement Amount.” Plaintiff, on behalf of the Settlement Class and the Plan, agree to settle and resolve fully the claims asserted in the Action against the Releasees, including the Released Claims, for the Prospective Relief and Settlement Amount.

11. After Complete Settlement Approval, PPHS agrees to appoint, and compensate, an independent fiduciary of the Plan to do the following:

(a) As of the one year anniversary date of Final Approval, the independent fiduciary shall confirm that the discount received by the Plan for services provided by

Phoebe Putney Memorial Hospital is as good as or better than the discount offered to any other self-funded plan and/or insurance network. Thereafter, the independent fiduciary shall be responsible for ensuring this discount continues to be as good as or better than the discount offered to any other self-funded plan and/or insurance network at reasonable intervals determined by the independent fiduciary; and

(b) Within a year after Final Approval, the independent fiduciary shall oversee a Request for Proposal (“RFP”) process to select a Third Party Administrator (“TPA”) for the Plan. Once responses from the RFP have been received, the independent fiduciary shall select an appropriate TPA for the Plan to commence as soon as possible, subject to the termination provisions of the current Welforce contract. The independent fiduciary shall thereafter be entitled to conduct additional RFPs when it deems appropriate, so long as such RFPs are no more frequent than every three years.

12. PPHS agrees that, within 30 days after Complete Settlement Approval, PPHS shall amend the Plan to remove the subrogation terms of the Plan.

13. Defendants agree that, within 30 days after Complete Settlement Approval, then-current participants shall each receive a \$300 credit to be used at the Phoebe Employee Health Clinic (the “Clinic”) within two years of the date of issuance of the credit. This credit may be used by participants and beneficiaries pursuant to the existing policy for usage of the Clinic.

14. Defendants agree that, within 30 days after Complete Settlement Approval, then-former participants shall each receive a \$100 credit to be used at the Clinic within two years of the date of issuance of the credit. Usage of this credit by former employees shall be limited to such employees (not their dependents).

15. Defendants agree not to increase any of the costs of the Plan to participants during

the 2016 fiscal year, including but not limited to premiums, co-insurance, copays, and individual or family out-of-pocket maximums.

16. Defendants agree that the Plan shall remain in existence and operated consistent with the terms of this Settlement through fiscal/plan year 2017. There are no additional obligations imposed upon Defendants by this Settlement to guarantee the continuance of the Plan beyond July 31, 2017, beyond those existing pursuant to the terms of the Plan, or by law, if any.

Payment of Fees and Expenses of the Settlement Administrator

17. Defendants agree to pay all reasonable expenses associated with: (a) identifying the Members of the Settlement Class; (b) effecting dissemination of the Class Notice required by the Court in the Preliminary Approval Order; and (c) locating correct addresses for undeliverable Class Notices (the “Settlement Administrator Expenses”).

Payment of Attorneys’ Fees and Expenses

18. No later than twenty-eight (28) calendar days prior to the final fairness hearing, Class Counsel may apply to the Court for a collective award of attorneys’ fees and reimbursement of litigation expenses. Class Counsel agree to request, and Defendants agree to pay, attorneys’ fees and expenses as approved by the Court in an amount not to exceed \$350,000. Defendants shall take no position directly or indirectly on Class Counsel’s application for attorneys’ fees and expenses, provided that Class Counsel do not request an award of attorneys’ fees higher than \$350,000. Defendants shall leave the proper amount to the sound discretion of the Court.

19. The Court’s consideration of requests for Class Counsel’s fees and expenses are matters separate and apart from the Settlement between the Parties, and the Court’s decision

concerning the attorneys' fees and expenses of Class Counsel shall not affect the validity of the Agreement or finality of the Settlement in any manner.

20. Class Counsel shall be solely responsible for allocating the Class Counsel's fees and expenses among Plaintiff's counsel. Any award of attorneys' fees shall be allocated among Plaintiff's counsel in a fashion which, in the opinion of Class Counsel, fairly compensates Plaintiff's counsel for their respective contributions in the prosecution of the Action. Defendants shall bear no responsibility for this allocation or be subject to any claims or suit under this Agreement or otherwise.

Payment of Case Contribution Award to Plaintiff Edwards

21. No later than twenty-eight (28) calendar days prior to the final fairness hearing, Class Counsel may apply to the Court for a case contribution award to Ms. Edwards, in an amount not to exceed \$5,000. Defendants agree to pay a case contribution award to Ms. Edwards as approved by the Court in an amount not to exceed \$5,000. Defendants shall take no position directly or indirectly on Class Counsel's application for a case contribution award for Ms. Edwards, provided that Class Counsel do not request an award of higher than \$5,000. Defendants shall leave the proper amount to the sound discretion of the Court.

22. In addition, Defendants agree to waive any subrogation claim against Ms. Edwards. To the extent Ms. Edwards has paid any of Welforce's attorney fees in connection with the subrogation claim, the amount of such payments shall be refunded to her.

Payment of Fees and Expenses of the Independent Fiduciary

23. Defendants shall select and retain an independent fiduciary (the "Independent Fiduciary") to review and consider the Settlement on behalf of the Plan and determine whether the Settlement is reasonable and fair, as more fully described in Paragraph 25(b) below.

Defendants or Defendants' insurance carrier shall pay all fees and expenses incurred by the Independent Fiduciary in the course of evaluating the Settlement (as described in Paragraph 25(b) of this Agreement), including fees and expenses incurred by attorneys, consultants, and advisers retained or employed by the Independent Fiduciary (the "Independent Fiduciary Fees Amount").

Right to Withdraw from the Settlement

24. Each of the Parties shall have the option to withdraw unilaterally from and terminate the Settlement in the event that: (a) either the Preliminary Approval Order or the Final Approval Order referred to above is not entered substantially in the forms specified herein, including such modifications thereto as may be ordered by the Court with the consent of the Parties; or (b) the Settlement is not approved by the Court or is disapproved or materially modified upon appeal.

25. Defendants shall have the right to withdraw from this Settlement and terminate the Agreement if:

(a) on or before fourteen (14) calendar days before the Court's final fairness hearing, the United States Department of Labor files any objection to the Agreement or Settlement in any court, brings a claim against any Releasees relating to the Released Claims, or notifies any Releasee that it intends to file such a Claim; or

(b) the Independent Fiduciary retained by the Plan's current fiduciaries evaluates but fails to approve the Settlement on or before fourteen (14) calendar days prior to the Court's final fairness hearing. The Settlement is contingent upon the Independent Fiduciary's: (i) approving the Settlement and giving a release in its capacity as a fiduciary of the Plan and for and on behalf of the Plan coextensive with

the release from the Plaintiff and the Members of the Settlement Class; (ii) authorizing the Settlement in accordance with Prohibited Transaction Class Exemption 2003-39; and (iii) finding that the Settlement does not constitute a prohibited transaction under ERISA § 406(a). Defendants agree to move promptly to engage such an Independent Fiduciary and seek to obtain this authorization or finding. All Parties shall cooperate in providing information to the Independent Fiduciary upon request.

26. In the event that the Settlement is terminated pursuant to Paragraphs 24 or 25 of this Agreement, then: (a) the Settlement proposed herein shall be of no further force and effect; (b) the agreements and stipulations in this Agreement concerning class definition or class certification will not be used as evidence or argument to support class certification or class definition, and Defendants will retain all rights to oppose class certification; and (c) this Agreement and all negotiations, proceedings, and statements relating thereto, and any amendment thereof, shall be null and void, shall not be submitted or admitted in the Action or any other proceeding, and shall be without prejudice to any party hereto, and each party shall be restored to his, her, or its respective position as it existed prior to the execution of this Stipulation.

Severability

27. The provisions of this Agreement are not severable.

Authority

28. Each of the individuals executing the Agreement on behalf of one or more of the Parties hereto warrants and represents that he or she has been duly authorized and empowered to execute this Stipulation on behalf of his or her respective Party.

Independent Legal Advice

29. Except as may be set forth in the Agreement, no statement or representation, written or oral, express or implied, has been made to the Plaintiff, or any of her agents, representatives, employees, attorneys, or any other person, by the Defendants or any of the Defendants' respective agents, representatives, employees, attorneys, officers, directors, or any other person regarding the federal or state income tax consequences of the Agreement. Plaintiff expressly acknowledges that she understands and agrees that: (a) the Defendants are not providing any tax, accounting or legal advice to her or to Members of the Settlement Class, and that the Defendants are not making any representations regarding tax obligations or consequences related to or arising from this Settlement; (b) Plaintiff and Members of the Settlement Class will assume such federal, state and/or local tax obligations or consequences, if any, which arise from this settlement, and they will not seek any indemnification from the Defendants or any of the Releasees in regard thereto; and (c) this Settlement may result in taxable income to them, under applicable federal, state and local income tax laws, and the Defendants will be required to make reports to the appropriate taxing authorities of the payment of that amount.

Stipulation of Settlement Not an Admission

30. The provisions contained in this Agreement and all negotiations, statements and proceedings in connection therewith shall not be deemed a presumption, a concession, or an admission by Defendants of any fault, liability, or wrongdoing as to any fact or claim alleged or asserted in the Action or any other actions or proceedings and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in these or any other actions or proceedings, whether civil, criminal or administrative, except in a

proceeding to enforce the terms or conditions of this Stipulation. Defendants have denied and continue to deny each and every claim alleged in the Action. Furthermore, this Agreement shall not be construed as or received in evidence as an admission, concession, or presumption against any Plaintiff or any of the Members of the Settlement Class that any of their claims are without merit, or that any defenses asserted by Defendants have any merit, or that damages recoverable under the Action would not have exceeded the Settlement Amount. Accordingly, neither this Agreement nor the Settlement nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or invalidity of any Released Claim, or of any wrongdoing or liability or lack thereof of any Releasee; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission or lack thereof of any Releasee in any civil, criminal, or administrative proceeding in any court, administrative agency or other tribunal. The Releasees may file the Agreement and/or the Final Approval Order in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, claim or issue preclusion, release, good-faith settlement, judgment bar, or reduction or any other similar defense or counterclaim. The Parties and their counsel, and each of them, agree, to the extent permitted by law, that all agreements made relating to the confidentiality of information shall survive and be unaffected by this Agreement.

Counterparts

31. This Stipulation may be executed in any number of actual or telecopied (including without limitation, by pdf) counterparts and by each of the different parties thereto on several counterparts, each of which when so executed and delivered shall be an original. The executed

signature page(s) from each actual or telecopied counterpart may be joined together and attached to one such original and shall constitute one and the same instrument.

Waiver

32. The waiver by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

Arm's-Length Negotiations

33. The Parties represent and warrant that they are voluntarily entering into this Agreement as a result of arm's-length negotiations among their counsel, that in executing this Agreement they are relying solely upon their own judgment, belief, and knowledge, and the advice and recommendations of their own independently selected counsel. Each Party assumes the risk of mistake as to facts or law. None of the Parties hereto shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

Entire Agreement; Amendments

34. This Agreement and the attached Exhibits, incorporated herein by reference, constitute the entire agreement of the Parties with respect to the subject matter hereof, and may not be amended, or any of their provisions waived, except by a writing executed by all Parties hereto. The Parties: (a) acknowledge that it is their intent to consummate this Agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation. The Parties intend this Agreement to be a final and

complete resolution of all disputes between them, relating to or arising out of, the subject matter of the Action, or which otherwise constitute Released Claims. Accordingly, the Parties agree that the terms of the Agreement represent a good-faith settlement of the claims, reached voluntarily after consultation with experienced counsel.

Successors and Assigns

35. This Agreement, upon becoming operative, shall be binding upon and inure to the benefit of the Parties hereto, Releasees, and Plaintiff Released Parties and their respective successors, assigns, heirs, estates, executors and administrators and upon any corporation, partnership or entity into or with which any such person or entity may merge or consolidate.

Governing Law

36. This Agreement shall be governed by the laws of the United States, including federal common law, except to the extent that, as a matter of federal law, state law controls, in which case Georgia law will apply without regard to conflict of law principles.

Continuing Jurisdiction

37. The administration, effectuation, and enforcement of the Stipulation as provided for herein will be under the authority of the Court. The Court will retain continuing and exclusive jurisdiction over the Parties and the Members of the Settlement Class and over the administration, effectuation, and enforcement of the terms of the Stipulation and the benefits to Members of the Settlement Class hereunder, and for such other matters that may properly come before the Court, including any dispute or controversy arising with respect to the interpretation, enforcement, or implementation of the Stipulation or any of its terms. Any such dispute or controversy must be brought to the attention of the Court by written motion. The Parties and each of the Members of the Settlement Class consent to the jurisdiction of the Court with respect

to any proceedings brought to enforce or interpret this Settlement and hereby waive all objections to venue and personal and subject matter jurisdiction in that regard.

Best Efforts

38. The Parties hereto and their attorneys agree to cooperate fully with one another in seeking the Court's approval of this Agreement and the Settlement and to use their best efforts to effect the confirmation of this Agreement and the Settlement.

39. The Parties hereto and their attorneys agree to cooperate fully with one another in obtaining the information necessary for the Settlement Administrator to administer this Settlement.


This 13 day of January, 2016.

BY PLAINTIFF:


BRANDI EDWARDS


Brandi Edwards

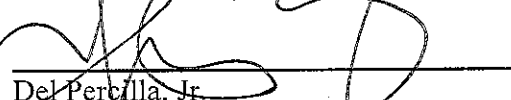
NORRIS A. ADAMS, II


Norris A. Adams, II
Counsel for Plaintiff

EDWARD G. CONNETTE


Edward G. Connette
Counsel for Plaintiff

DEL PERCILLA, JR.


Del Percilla, Jr.
Counsel for Plaintiff

ROBERT M. BEAUCHAMP


Robert M. Beauchamp
Counsel for Plaintiff

BY DEFENDANTS:

PHOEBE PUTNEY HEALTH SYSTEM,
INC.

By: _____

PHOEBE PUTNEY HEALTH SYSTEM
SUMMARY OF BENEFITS MEDICAL
AND PRESCRIPTION

By: _____

H. DOUGLAS HINSON

H. Douglas Hinson
Counsel for Defendants

BY PLAINTIFF:

BRANDI EDWARDS

Brandi Edwards

NORRIS A. ADAMS, II

Norris A. Adams, II
Counsel for Plaintiff

EDWARD G. CONNETTE

Edward G. Connette
Counsel for Plaintiff

DEL PERCILLA, JR.

Del Percilla, Jr.
Counsel for Plaintiff

ROBERT M. BEAUCHAMP

Robert M. Beauchamp
Counsel for Plaintiff

BY DEFENDANTS:

PHOEBE PUTNEY HEALTH SYSTEM,
INC.

By: 

PHOEBE PUTNEY HEALTH SYSTEM
SUMMARY OF BENEFITS MEDICAL
AND PRESCRIPTION

By: 

H. DOUGLAS HINSON

H. Douglas Hinson
Counsel for Defendants

EXHIBIT 1
(Proposed Preliminary Approval Order)

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
ALBANY DIVISION**

Brandi Edwards, and all others similarly situated,)	
)	
)	
Plaintiff,)	
)	
v.)	Civ. Action No. 1:15-CV-75
)	
Phoebe Putney Health System, Inc.; and)	
Phoebe Putney Health System Summary)	
of Benefits Medical and Prescription)	
)	
)	
Defendants.)	

[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT

Currently before the Court for preliminary approval is a Settlement (the “Settlement”) of this class action (the “Action”) brought by Plaintiff Brandi Edwards (“Ms. Edwards” or “Plaintiff”) asserting claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.* (“ERISA”) against Phoebe Putney Health System, Inc. (“PPHS”) and Phoebe Putney Health System Summary of Benefits Medical and Prescription (the “Plan”) (collectively, “Defendants”) (“Plaintiff” and “Defendants” collectively are the “Parties”). The terms of the Settlement are set out in a Stipulation of Settlement executed on _____, 2015 (the “Stipulation”), which has been signed by Plaintiff and her Counsel on behalf of the proposed Settlement Class, and Defendants and their Counsel. Capitalized terms not otherwise defined in this Order shall have the same meaning as ascribed to them in the Stipulation. The “Settlement Class” is defined in this Order below.

The Court having considered Plaintiff’s Motion for Preliminary Approval of Proposed Settlement and the Stipulation attached thereto in order to determine, among other things, whether

the Settlement is sufficient to warrant the issuance of notice to members of the proposed Settlement Class, it is hereby **ORDERED, ADJUDGED AND DECREED** as follows:

Jurisdiction. The Court has jurisdiction over the subject matter of this Action and over all Parties to this Action, including all Members of the Settlement Class.

Class Findings. The Court preliminarily finds, for purposes of the Settlement, that the requirements of the Federal Rules of Civil Procedure, the Rules of the Court and any other applicable law have been met as to the Settlement Class, in that:

- (a) The Members of the Settlement Class are so numerous that their joinder before the Court would be impracticable.
- (b) Based on allegations in Plaintiff's Complaint (the "Complaint"), the Court preliminarily finds that there are one or more questions of fact and/or law common to the Settlement Class.
- (c) Based on allegations in Plaintiff's Complaint, the Court preliminarily finds that the claims of Plaintiff are typical of the claims of the Settlement Class.
- (d) Based on allegations in Plaintiff's Complaint, the Court preliminarily finds that Plaintiff will fairly and adequately protect the interests of the Settlement Class in that: (i) the interests of Plaintiff and the nature of her alleged claims are consistent with those of the Members of the Settlement Class; (ii) there are no significant conflicts between or among Plaintiff and the Settlement Class; and (iii) Plaintiff is represented by qualified, reputable counsel who are experienced in preparing and prosecuting large, complex ERISA class actions of this type.
- (e) Based on allegations in Plaintiff's Complaint, the Court preliminarily finds that the prosecution of separate actions by individual Members of the Settlement Class would create a risk of: (i) inconsistent or varying adjudications as to individual class members would establish incompatible standards of conduct for the parties opposing the claims asserted in the Action; and/or (ii) adjudications as to individual class members that would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications, or substantially impair or impede those persons' ability to protect their interests.

Class Certification. Based on the findings set out above, the Court PRELIMINARILY CERTIFIES the following Settlement Class for settlement purposes under Federal Rule of Civil Procedure 23(b)(1) in this litigation (hereinafter the “Settlement Class”):

All individuals who are or were participants in the Plan, and their beneficiaries, during the period May 1, 2009 to December 31, 2015.

The Court finds that the Settlement Class is sufficiently well-defined and cohesive to warrant certification as a non-opt-out class under Fed. R. Civ. P. 23(a) and 23(b)(1).

As required by Fed. R. Civ. P. 23(g), the Court has considered: (i) the work Class Counsel has done in identifying or investigating potential claims in this Action; (ii) Class Counsel’s experience in handling class actions, other complex litigation, and claims of the type asserted in this Action; (iii) Class Counsel’s knowledge of the applicable law and, in particular, its knowledge of ERISA as it applies to claims of the type asserted in this Action; and (iv) the resources Class Counsel has committed to representing the Class. Based on these factors, the Court finds that Class Counsel has and will continue to represent fairly and adequately the interests of the Settlement Class. Accordingly, pursuant to Federal Rule of Civil Procedure 23(g)(2) the Court preliminarily designates Norris A. Adams, II, Edward G. Connette, Del Percilla, Jr. and Robert M. Beauchamp as co-lead class counsel (“Class Counsel”) with respect to the Settlement Class in this Action.

As indicated above, the Court finds that Plaintiff Brandi Edwards is an adequate and typical class representative for the Settlement Class and, therefore, hereby appoints Ms. Edwards as the representative of the Settlement Class.

The Court having determined preliminarily that this Action may proceed as a non-opt out class action under Fed. R. Civ. P. 23(a) and 23(b)(1), Members of the Settlement Class shall be bound by any judgment concerning the Settlement in this Action, subject to the Court’s final

determination as to whether this Action may so proceed.

Preliminary Approval of Settlement. The Settlement documented in the Stipulation of Settlement is hereby PRELIMINARILY APPROVED, as the Court preliminarily finds that: (a) the proposed Settlement resulted from arm's-length negotiations; (b) the Stipulation of Settlement was executed only after Class Counsel had researched and investigated multiple legal and factual issues pertaining to Plaintiff's claims; (c) there is a genuine controversy between the Parties involving Defendants' compliance with the requirements of ERISA; (d) the Settlement appears on its face to be fair, reasonable, and adequate; and (e) the Settlement evidenced by the Stipulation is sufficiently fair, reasonable, and adequate to warrant sending notice of the Action and the Settlement to the Settlement Class.

Fairness Hearing. A hearing (the "Fairness Hearing") pursuant to Fed. R. Civ. P. 23(e) is hereby SCHEDULED to be held before the Court on _____, 2016, at _____m. at the C.B. King United States Courthouse, 201 West Broad Avenue, Albany, Georgia 31701 to determine finally, among other things:

- (a) Whether the Settlement should be approved as fair, reasonable, and adequate;
- (b) Whether the Settlement Class satisfies the requirements of Fed. R. Civ. P. 23, and should be finally certified as preliminarily found by the Court;
- (c) Whether the litigation should be dismissed with prejudice pursuant to the terms of the Stipulation;
- (d) Whether the Final Approval Order attached to the Stipulation should be entered and whether the Releasees should be released of and from the Released Claims, as provided in the Stipulation;
- (e) Whether the notice and notice methodology implemented pursuant to the

- Stipulation (i) were reasonably calculated, under the circumstances, to apprise Members of the Settlement Class of the pendency of the litigation, their right to object to the Settlement, and their right to appear at the Fairness Hearing;
- (ii) were reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice; and (iii) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;
- (f) Whether Class Counsel adequately represents the Settlement Class for purposes of entering into and implementing the Stipulation as required by Fed. R. Civ. P. 23(g) and as preliminarily found by the Court;
- (g) Whether the Settlement has been negotiated at arm's length by Class Counsel on behalf of the Plan and the Settlement Class, whether Plaintiff has acted independently, whether Plaintiff's interests are identical to the interests of the Settlement Class, and whether the negotiations and consummation of the Settlement by Plaintiff on behalf of the Plan and the Settlement Class does not constitute "prohibited transactions" as defined by ERISA §§ 406(a) or (b) and/or qualify for a class exemption from the prohibited transaction rules, including Prohibited Transaction Exemption 2003-39; and
- (h) Any other issues necessary for approval of the Settlement.

Class Notice. The Parties have presented to the Court a proposed Class Notice which is appended to the Stipulation as Exhibit 2. The Court APPROVES the form and content of the Class Notice finding that it fairly and adequately: (1) describes the terms and effect of the Stipulation and of the Settlement; (2) gives notice to the Settlement Class of the time and place of the Fairness Hearing; and (3) describes how the recipients of the Class Notice may object to

approval of the Settlement. The Parties have proposed communicating the notice to Members of the Settlement Class via U.S. mail, and the Court finds that such proposed manner is adequate. The Court directs that Defendants shall, by no later than 60 days before the Fairness Hearing, cause the Class Notice, with such non-substantive modifications thereto as may be agreed upon by the Parties, to be disseminated pursuant to the Stipulation, to the last known address of each Member of the Settlement Class who can be identified by reasonable effort.

At or before the Fairness Hearing, Defendants shall file with the Court a proof of timely compliance with the foregoing mailing requirements.

Objections to Settlement. “Objector” shall mean any Member of the Settlement Class who wishes to object to the fairness, reasonableness, or adequacy of the Settlement or to any term of the Stipulation of Settlement. Any Objector must file with the Court a statement of his, her, or its objection(s), specifying the reason(s), if any, for each such objection made, including any legal support and/or evidence that such Objector wishes to bring to the Court’s attention or introduce in support of such objection. Any objection must be signed by the Settlement Class member. The Objector must also mail the objection and all supporting law and/or evidence to counsel for the Parties, as stated below. The addresses for filing objections with the Court and service on counsel are as follows:

COURT COUNSEL
Clerk, U.S. District Court
201 West Broad Avenue
Albany, GA 31701

CLASS COUNSEL
Norris A. Adams, II
Essex Richards, P.A.
1701 South Boulevard
Charlotte, NC 28203

DEFENDANTS’ COUNSEL
H. Douglas Hinson
Alston & Bird, LLP
950 F St. NW
Washington, DC 20004

The Objector, or, if represented by counsel, his, her, or its counsel, must both effect service of the objection on counsel listed above and file the objection with the Court at least twenty-one (21) calendar days prior to the Fairness Hearing, or by no later than _____ ,

2016. Any Member of the Settlement Class or other person who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement and any untimely objection shall be barred.

Appearance at Fairness Hearing. An Objector who files and serves a timely, written objection in accordance with the paragraph above may also appear at the Fairness Hearing either in person or through counsel retained at the Objector's expense. Objectors or their attorneys intending to appear at the Fairness Hearing must effect service of a "Notice of Intention to Appear" setting forth, among other things, the name, address, and telephone number of the Objector (and, if applicable, the name, address, and telephone number of the Objector's attorney) or counsel identified above and file it with the Court at least twenty-one (21) calendar days prior to the Fairness Hearing, or by no later than _____, 2016. Any Objector who does not timely file and serve a "Notice of Intention to Appear" in accordance with this paragraph shall not be permitted to appear at the Fairness Hearing, except for good cause shown. The Parties' counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

Response to Objectors. The Parties shall respond to any Objector at least seven (7) calendar days prior to the Fairness Hearing, or by no later than _____, 2016.

Compliance with Class Action Fairness Act. Defendants shall, on or before ten (10) calendar days prior to the Fairness Hearing, file with the Court proof of compliance with the Class Action Fairness Act of 2005, as specified in 28 U.S.C. § 1715 and paragraph 2 of the Stipulation.

Class Notice and Class Notice Expenses. The Court understands that Defendants have retained or will retain a Settlement Administrator who will be responsible for disseminating the

Class Notice. All reasonable expenses incurred by the Settlement Administrator in disseminating the Class Notice and locating corrected addresses for any Class Notices returned as undeliverable shall be paid by Defendants as set forth in the Stipulation.

Fees and Expenses Incurred by the Independent Fiduciary. The Court understands that Defendants have retained or will retain an Independent Fiduciary for the purpose of evaluating the Settlement to determine whether to authorize the Settlement on behalf of the Plan. As set forth in the Stipulation, Defendants or Defendants' insurance carrier will pay all fees and expenses incurred by the Independent Fiduciary (including fees and expenses incurred by consultants, attorneys, and other professional retained or employed by the Independent Fiduciary) in the course of evaluating and authorizing the Settlement on behalf of the Plan.

Motion for Final Approval of Settlement. Class Counsel shall file with the Court a motion for entry of the Final Approval Order and approval at least twenty-eight (28) calendar days prior to the Fairness Hearing, or by no later than _____, 2016.

Injunction. Pending final determination of whether the Settlement should be approved, all Members of the Settlement Class and the Plan are each hereby BARRED AND ENJOINED from instituting or prosecuting any action that asserts any Released Claim against any Releasees.

Termination of Settlement. If the Settlement is terminated in accordance with the Stipulation of Settlement or does not become Final under the terms of the Stipulation of Settlement for any other reason, this Order and all Class Findings shall become null and void, and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order.

Use of Order. In the event this Order becomes of no force or effect, no part of it shall be construed or used as an admission, concession, or declaration by or against Defendants of any

fault, wrongdoing, breach, or liability, nor shall the Order be construed or used as an admission, concession, or declaration by or against Plaintiff or the Settlement Class that their claims lack merit or that the relief requested in the Action is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims he, she, or it may have.

Continuance of Hearing. The Court reserves the right to continue the Fairness Hearing without further written notice.

SO ORDERED this _____ day of _____, 2016.

Hon. Leslie J. Abrams
United States District Judge

EXHIBIT 2
(Proposed Class Notice)

WHAT THIS NOTICE CONTAINS

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BASIC INFORMATION

1. Why did I get this Notice?

This is a Notice about a class action called *Edwards v. Phoebe Putney Health System, Inc. et al.*, Civil Action No. 1:15-CV-75 (M.D. Ga.). This case was filed in the United States District Court for the Middle District of Georgia before Judge Leslie J. Abrams.

You are receiving this Notice because records indicate you are or were a participant in the Phoebe Putney Health System Summary of Benefits Medical and Prescription (the “Plan”), or a beneficiary of the Plan, sometime between May 1, 2009 and December 31, 2015 and, therefore, are a member of a Settlement Class in this case.

The Court ordered this Notice be sent to you because you have a right to know about a proposed Settlement and all of the options available to you regarding the Settlement before the Court decides whether to approve the Settlement. This Notice describes the litigation, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about?

This lawsuit claims that Phoebe Putney Health System, Inc. (“PPHS”) and the Plan (“Defendants”) breached certain fiduciary duties owed to the Plan and the Plan’s participants under the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”). Defendants deny these claims, but are settling this case to avoid the burden and cost of further litigation.

3. Who is a Member of the Settlement Class?

You are a Member of the Settlement Class and your rights are affected if you were a participant in the Plan, or a beneficiary of the Plan, sometime between May 1, 2009 and December 31, 2015.

BENEFITS OF THE SETTLEMENT

4. What Relief is Provided to Settlement Class Members?

Under the terms of the Settlement, Defendants will provide certain credits to members of the Settlement Class, to be used at the Phoebe Employee Health Clinic (the “Clinic”). Members of the Settlement Class who are *current participants* will receive a \$300 credit to be used at the Clinic within two years of the date of issuance of the credit. Members of the Settlement Class who are *former participants* will receive a \$100 credit to be used at the Clinic within two years of the date of issuance of the credit. Use of these credits are subject to certain conditions and limitations, which are described in the Stipulation of Settlement (“Stipulation”).

In addition, Defendants have agreed to appoint an independent fiduciary: (1) to confirm that the discount received by the Plan for services provided by Phoebe Putney Memorial Hospital is as good as or better than the discount offered to any other self-funded plan and/or insurance

network; and (2) to select a Third Party Administrator (“TPA”) for the Plan. In addition, Defendants have agreed: (1) to remove the subrogation terms from the Plan; (2) not to increase any of the costs of the Plan to participants during the 2016 fiscal year; and (3) to pay Class Counsel’s attorneys’ fees and expenses (up to a certain amount and subject to Court approval).

The parties have agreed that an independent fiduciary (the “Settlement Independent Fiduciary”) will review and consider the Settlement on behalf of the Plan and confirm that the Settlement is reasonable and fair.

5. How do I get my credit?

If the Settlement is given final approval, you will **not** have to do anything to get a credit from the Settlement. Your credit will be mailed to the address at which you received this Notice.

Defendants have engaged _____ to administer the settlement in this matter (“the Settlement Administrator”). If you move or would like to update your address, please contact the Settlement Administrator at _____.

If there is an appeal, the final approval may take a year or more. Please be patient. **There will be no credits distributed if the Settlement is terminated.**

The Settlement may be terminated on several grounds, which are described in the Stipulation. In the event any of these conditions occur, there will be no settlement payment made, and the litigation will resume.

6. Who is paying the costs associated with the Settlement?

Costs incurred by the Settlement Administrator associated with mailing this Notice and administration of the Settlement will be paid by Defendants (the “Settlement Administrator Fees Amount.”) In addition, costs associated with the Settlement Independent Fiduciary will also be paid by Defendants.

YOUR LEGAL RIGHTS

7. May I exclude myself from the Settlement Class?

No. In some class actions, class members have the opportunity to exclude themselves from the Settlement. This is sometimes referred to as “opting out” of the Settlement. Because of the legal issues involved in the Action, however, the class of Plan participants and beneficiaries affected by this Settlement has been preliminarily certified as a mandatory class. This means you cannot opt out of the benefits of the Settlement in order to pursue your own claims or for any other reason. **Therefore, you will be bound by any judgments or orders that are entered in this Action, and if the Settlement is approved, you will be deemed to have released Defendants from any and all claims that are released in accordance with the terms of the Stipulation.**

Although you cannot opt out of the Settlement, you can object to the Settlement and ask the Court not to approve the Settlement, as described below.

8. How do I object to the Settlement?

The Court will hold a fairness hearing to determine if the proposed Settlement is fair, reasonable and adequate on _____, **2016** at __:**00** **.m.** in Courtroom __, C.B. King United States Courthouse, 201 West Broad Avenue, Albany, Georgia, 31701. If you are a Member of the Settlement Class, you or your counsel has the right to appear before the Court and object to the Settlement.

To object to the Settlement, you **must** submit a statement of your objection (“Objection”) that specifies the reasons for your objection and includes (1) your full name and address; and (2) all arguments, citations, and evidence supporting your objection. Be sure to include the following case caption and notation: *Edwards v. Phoebe Putney Health System, Inc. et al.*, Civil Action No. 1:15-CV-75 (M.D. Ga.). You **must** sign your Objection. You **must** file your Objection with the Clerk of Court at least twenty-one (21) calendar days prior to the fairness hearing, or by no later than _____, **2016** at the following address:

Clerk of Court
United States District Court
Middle District of Georgia
201 W. Broad Ave.
Albany, Georgia, 31701

You **must** also deliver your Objection by mail, hand, or overnight delivery service at least twenty-one (21) calendar days prior to the fairness hearing, or by no later than _____, **2016** to counsel for the parties at the following addresses:

CLASS COUNSEL

Norris A. Adams, II
Essex Richards, P.A.
1701 South Boulevard
Charlotte, NC 28203

DEFENDANTS’ COUNSEL

H. Douglas Hinson
Alston & Bird, LLP
950 F St. NW
Washington, DC 20004

If you fail to submit a timely or complete Objection, you are considered to have waived all objections to the Settlement and will not be permitted to object to the Settlement at the fairness hearing, and will not be able to challenge the Settlement by appeal or otherwise. Only Members of the Settlement Class can object to the Settlement.

If you file and serve a timely, written Objection you are not required to attend the fairness hearing, however, you may appear at the fairness hearing either in person or through counsel retained at your expense. If you file an Objection and would like to appear at the fairness hearing (either in person or through counsel) you must serve a “Notice of Intention to Appear” setting forth, among other things, your name, address, and telephone number (and, if applicable, the name, address, and telephone number of your attorney) on the counsel identified above and file it with the Court at least twenty-one (21) calendar days prior to the fairness hearing, or by no later than _____, **2016**. If you do not timely file and serve a “Notice of Intention to Appear” you will not be permitted to appear at the fairness hearing.

9. What claims are being released?

As a Member of the Settlement Class, all Court orders apply to you, and you give Defendants and all of their heirs and assigns (the “Releasees”), a “release” for claims arising out of or relating to Defendants’ administration of the Plan up until the date of final approval of the Settlement Agreement, including but not limited to all claims that were brought or could have been brought in this lawsuit. A release means you cannot sue or be part of any other lawsuit against the Releasees about the claims or issues in this lawsuit ever again. The full release is available in the Settlement Agreement.

THE LAWYERS REPRESENTING YOU

10. Who represents me?

This Court has decided that Norris A. Adams, II, Edward G. Connette, Del Percilla, Jr. and Robert M. Beauchamp are qualified to represent you and all Settlement Class Members. Together the law firms are called “Class Counsel.” You do not need to hire your own lawyer because Class Counsel is working on your behalf but, if you want your own lawyer, you may hire one at your own expense.

11. What is Class Counsel’s opinion of the Settlement?

The Court approved and appointed Class Counsel who has investigated the Settlement Class claims and defenses that may be asserted against those claims. Class Counsel and Defendants’ Counsel completed mediation before Ken Kendrick of Kendrick Conflict Resolution, LLC who, in his capacity as neutral mediator, expressed his views about the case and the Settlement. Based on their investigation and this process, Class Counsel believes that the Settlement is fair, reasonable and adequate and in the best interests of the Settlement Class. Class Counsel recognizes the expense and length of continued proceedings necessary to continue to prosecute this case through verdict, judgment and appeals. Class Counsel have also taken into account the uncertainty and the risk of the outcome of continued litigation, especially in complex actions such as these as well as the difficulties and delays inherent in such actions.

THE COURT’S FAIRNESS HEARING

12. When will the Court determine the fairness of the Settlement?
--

The Court will hold a fairness hearing to determine if the proposed Settlement is fair, reasonable and adequate. The Court will hear any objections or arguments at that time. The hearing will be held on _____, **2016** at **__:00 .m.** in Courtroom __, C.B. King United States Courthouse, 201 West Broad Avenue, Albany, Georgia, 31701. The Court will consider any timely objections filed at that time. If the hearing is relocated or rescheduled, notice will be mailed to all Members of the Settlement Class. If the Settlement is not approved, the lawsuit will proceed as if no Settlement had been attempted. There can be no

assurance that if the Settlement is not approved, the Settlement Class will recover more than is provided in the Settlement or, indeed, anything.

13. Must I attend the Fairness Hearing?

No. Attendance is not required, but you or your personal attorney, or both, are welcome to attend the fairness hearing at your own expense. As long as an objection was postmarked before the deadline, the Court will consider it.

GETTING MORE INFORMATION

14. Where do I obtain more information?

For more information regarding the Settlement, or if you have any questions, please feel free to contact Class Counsel by calling (704) 377-4300 and asking for Norris Adams; by emailing Norris Adams at NAdams@essexrichards.com or by writing to:

Essex Richards, P.A.
ATTN: Norris A. Adams, II Esq.
1701 South Boulevard
Charlotte, NC 28203

Documents are also available at the office of the Clerk located at C.B. King United States Courthouse, 201 West Broad Avenue, Albany, Georgia, 31701.

DATED:

EXHIBIT 3
(Proposed Final Approval Order)

The Court determines that Plaintiff Brandi Edwards (“Ms. Edwards” or “Plaintiff”) has asserted claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.* (“ERISA”) against Phoebe Putney Health System, Inc. (“PPHS”) and Phoebe Putney Health System Summary of Benefits Medical and Prescription (“the Plan”) (collectively, “Defendants”) on behalf of current and former participants and beneficiaries of the Plan.

The Court determines that the Settlement, which includes certain Prospective Relief detailed in Paragraphs 11 through 15 of the Stipulation, and the payment of the costs associated with implementing the Prospective Relief (the “Settlement Amount”), has been negotiated vigorously and at arm’s length by Class Counsel, and further finds that, at all times, Plaintiff has acted independently and that her interests are identical to the interests of the Plan and the Settlement Class. The Court further finds that the Settlement arises from a genuine controversy between the Parties and is not the result of collusion, nor was the Settlement procured by fraud or misrepresentation.

The Court finds that the Plan’s participation in the Settlement is on terms no less favorable than Plaintiff’s and the Settlement Class’s and that the Plan does not have any additional claims above and beyond those asserted by Plaintiff that are released as a result of the Settlement.

The Court determines that the Settlement is not part of an agreement, arrangement, or understanding designed to benefit a party in interest, but rather is designed and intended to benefit the Plan, Plan participants, and Plan beneficiaries.

Accordingly, the Court determines that the negotiation and consummation of the Settlement by Plaintiff on behalf of the Plan and the Settlement Class does not constitute “prohibited transactions” as defined by ERISA §§ 406(a) or (b), 29 U.S.C. §§ 1106(a) or (b).

Further, the Court finds that in light of the analysis and opinion provided by the Independent Fiduciary, to the extent any of the transactions required by the Settlement constitute a transaction prohibited by ERISA § 406(a), 29 U.S.C. § 1106(a), such transactions satisfy the provisions of Prohibited Transaction Exemption 2003-39. 68 Fed. Reg. 75632 (2003).

The Court determines that the Class Notice transmitted to the Settlement Class, pursuant to the Preliminary Approval Order concerning the Settlement and the other matters set forth therein, is the best notice practicable under the circumstances and included individual notice to all Members of the Settlement Class who could be identified through reasonable efforts. Such Class Notice provides valid, due and sufficient notice of these proceedings and of the matters set forth therein, including the Settlement described in the Stipulation to all persons entitled to such Class Notice, and such Class Notice has fully satisfied the requirements of Federal Rule of Civil Procedure 23 and the requirements of due process.

The Court hereby approves the maintenance of the Action as a non-opt-out class action pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(1) with the Settlement Class being defined as:

All individuals who are or were participants in the Plan, and their beneficiaries, during the period May 1, 2009 to December 31, 2015.

Pursuant to Federal Rule of Civil Procedure 23(g), the Court hereby confirms its prior appointment of Norris A. Adams, II, Edward G. Connette, Del Percilla, Jr. and Robert M. Beauchamp as co-lead class counsel ("Class Counsel").

Based on the Settlement, the Court hereby dismisses the Complaint and the Action against Defendants with prejudice. The Court retains jurisdiction to enforce the terms of the Settlement.

As of the date of Complete Settlement Approval, Plaintiff, the Plan, and each Member of the Settlement Class on their own behalf and on behalf of their present or former agents,

employees, attorneys, accountants, representatives, advisers, investment bankers, trustees, parents, heirs, estates, executors, administrators, successors, and assigns, shall be deemed to have released each and all of the Releasees from the Released Claims.

As of the date of Complete Settlement Approval, all release provisions shall be given full force and effect in accordance with each and all of their express terms and provisions, including those terms and provisions relating to unknown, unsuspected, or future claims, demands, or causes of action. Further, Plaintiff assumes for herself, and on behalf of the Settlement Class, and Defendants assume the risk of any subsequent discovery of any matter, fact, or law, that, if now known or understood, would in any respect have affected or could have affected any such Person's entering into the Stipulation.

The Court further determines that Defendants have fully complied with the notice requirements of the Class Action Fairness Act of 2005, to the extent possible.

All members of the Settlement Class and the Plan are hereby barred and enjoined from the institution and prosecution, either directly or indirectly, of any other actions in any court asserting any and all Released Claims against any and all Releasees.

The attorney's fees and expenses sought by Class Counsel in the amount of \$350,000.00 are reasonable in light of the successful results achieved by Class Counsel, the benefits obtained in this Action, the substantial risks associated with the Action, Class Counsel's skill and experience in class action litigation of this type, and the fee awards in comparable cases. Accordingly, Class Counsel is awarded attorneys' fees and expenses in the amount of \$ 350,000.00 which shall be paid by Defendants within thirty (30) days of the date of this Order.

Plaintiff Brandi Edwards is hereby awarded a case contribution award in the amount of \$5,000.00 which shall be paid by Defendants within thirty (30) days of the date of this Order.

SO ORDERED this _____ day of _____, 2016.

Hon. Leslie J. Abrams
United States District Judge