

CorVel Settlement Administrator  
P.O. Box 2730  
Portland, OR 97208-2730

IN THE CIRCUIT COURT FOR THE TWENTIETH JUDICIAL CIRCUIT  
ST. CLAIR COUNTY, ILLINOIS

**If you are an Illinois Medical Provider (Excluding Hospitals) who was a Member of CorVel Corporation's Preferred Provider Organization ("PPO") That treated a Patient and had your bill reduced by the Application of a PPO Reduction or a Usual and Customary Reduction, 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 Twentieth Judicial Circuit, St. Clair County, Illinois, authorized this Notice. This is not a solicitation from a lawyer.*

- The lawsuit (*Kathleen Roche, D.C. v. CorVel Corporation*, Case No. 05 L 101, Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois), was filed on February 15, 2005, and concerns PPO discounts taken pursuant to CorVel's PPO (or PPOs leased by CorVel) and bill reviews performed by CorVel or utilizing CorVel's software. The lawsuit alleges that CorVel Corporation (Defendant) improperly advised its insurance company/payor clients that they could apply PPO discounts to the bills of medical providers who had signed preferred provider agreements, because Defendant and the payor clients allegedly did not adequately refer or channel patients to the providers. The lawsuit also alleges that Defendant used biased computer software in reviewing whether the medical bills were usual and customary and otherwise reflected proper charges. Defendant denies the claims and allegations made in the lawsuit.
- Under the terms of the Settlement, Class Members will receive a cash payment as compensation for any PPO or Usual and Customary reductions taken by Defendant. The proposed Settlement will not release any claims you may have against Defendant's insurance company/payor clients.
- Your legal rights may be affected whether you act or don't act. Please read this Notice carefully.

[www.freedweiss.com](http://www.freedweiss.com)

## YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

### DO NOTHING AND YOU AUTOMATICALLY PARTICIPATE IN THE SETTLEMENT

If you do nothing and the Court grants final approval of the Settlement, you will automatically be included in the Settlement Class and will automatically be sent a check without having to fill out any claim forms. It also means you are bound by the Court's orders in the case and give up your right to be part of any other lawsuit against CorVel concerning the claims in this case. You **will** receive monetary relief even if you do nothing, unless you exclude yourself from the Settlement, as described below.

### EXCLUDE YOURSELF

You can ask the Court to exclude you from the settlement. If you do so, you will not be entitled to participate in the Settlement, you will not receive any money, and you will not release your right to sue the Defendant. Instructions for filing a Request for Exclusion are provided below.

### OBJECT OR COMMENT WHILE REMAINING IN THE CLASS

You may comment on the Settlement or you may object to the Settlement, but you may not also file a request for exclusion from the Settlement. If you comment or object, you will still receive the Settlement payments, if they are approved by the Court, and your claims against the Defendant will be released. Instructions for filing a comment or objection are provided below.

### ATTEND THE HEARING

You can attend the Final Approval Hearing and 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 or not to approve the Settlement at the Final Approval Hearing. The payment of the Settlement Benefits must be approved by the Court and may be delayed if an appeal is taken. Please be patient.

1. **The Litigation.** The lawsuit (*Kathleen Roche, D.C. v. CorVel Corporation*, Case No. 05 L 101, Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois), was filed on February 15, 2005, and concerns PPO discounts taken pursuant to Defendant's PPO (or PPOs leased by Defendant) and bill reviews performed by Defendant or utilizing Defendant's software, including Usual and Customary Reductions.

The lawsuit alleges that Defendant improperly advised its insurance company/payor clients that they could apply PPO discounts to the amounts of medical bills paid to healthcare providers who had signed preferred provider agreements with CorVel, when those insurance company/payor clients allegedly did not adequately refer or channel patients to the providers. The lawsuit also alleges that Defendant used biased computer software in reviewing whether the medical bills were usual and customary and otherwise reflected proper charges.

2. **Defendant's Position.** Defendant has denied and continues to deny these claims asserted in the lawsuit. Defendant contends that the PPO discounts and Usual and Customary Reductions taken by its payor clients fully complied with its preferred provider agreements and applicable law and that its bill review services were proper.

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 Illinois licensed medical providers, excluding hospitals, that between February 15, 1995 and September 24, 2008 (i) were or are members of Defendant's PPO network pursuant to a pre-2006 CorVel CorCare provider contract and (ii) who had their medical bills reduced by application of one or more PPO reductions and/or usual and customary reductions.**

To represent the above Class for purposes of the Settlement, the Court has appointed the named Plaintiff in this lawsuit as the Class representative and has appointed the following attorneys to serve as Class Counsel: Freed & Weiss LLC, and Becker, Paulson, Hoerner & Thompson, P.C.

5. **Settlement Benefits.** The Settlement Benefits to be paid in this case are more fully described in the Class Action Settlement Agreement, a copy of which is on file with the Court, and will be available on line at [www.freedweiss.com](http://www.freedweiss.com). Under the Settlement, the Settlement Administrator will mail checks to every member of the Settlement Class described above that submitted bills under a single Tax Identification Number used by the member. Members of the Settlement Class who submitted bills under a single Tax Identification Number ("TIN") shall be considered a single member of the Settlement Class entitled to a one-time payment of \$500, \$300 or \$100 for each TIN as follows: (i) the approximately 7,000 members of the Settlement Class will be ranked in order of the total dollar amount of PPO and usual and customary reductions taken from February 15, 1995 to September 24, 2008 and then divided into three groups; (ii) the first group with the largest total dollar amounts of PPO and usual and customary reductions during this period (consisting of approximately one-third of the members of the Settlement Class) will receive a one-time payment of \$500; (iii) the second group with the next largest total dollar amounts of PPO and usual and customary reductions during this period (consisting of approximately one-third of the members of the Settlement Class) will receive a one-time payment of \$300; and (iv) the third group with the lowest total dollar amounts of PPO and usual and customary reductions during this period (consisting of approximately one-third of the members of the Settlement Class) will receive a one-time payment of \$100. Total Settlement Payments by CorVel under this Settlement will be approximately \$2,100,000.00. This amount is in addition to other payments to be made by CorVel, including all attorneys' fees and costs and costs of administering the Settlement.

6. **Attorneys' Fees and Expenses.** From the filing of the litigation in 2005 to the present, Class Counsel has 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 apply to the Court for an award of attorneys' fees and reimbursement of expenses in the total amount of \$700,000 based upon the monetary benefit of approximately \$2,100,000 the Class will receive. Class Counsel will also ask the Court to have CorVel pay Kathleen Roche, the Class Representative an incentive award of \$5,000 for the work she has devoted in pursuing the litigation on behalf of the class. Any award of attorneys' fees and expense and any incentive award will be paid by Defendant, and will not come out of Class Settlement Benefits but be in addition to them. Under no circumstances will you be personally liable for Class Counsel's attorneys' fees or expenses or any incentive award.

7. **Result If Court Approves Settlement.** If the Court approves the Settlement the Court will enter a judgment ordering the Settlement Administrator to make the payments to the Class, dismiss the lawsuit, and releasing any and all claims that you may have against Defendant for matters raised in the litigation concerning the PPO and usual and customary reductions taken from the payment of your medical bills.

8. **Your Options.** If you are a member of the Class, you have the following options:

a. **Participate in the Settlement – Receive a Payment of \$100, \$300 or \$500.** If you wish to participate in the proposed Settlement, you do **not** have to do anything. You will receive the Settlement Payments ordered by the Court.

b. **Request to be Excluded from the Settlement.** If you do not want to participate in the Settlement, then you must send a written Request for Exclusion postmarked no later than January 10, 2011, to CorVel Settlement Administrator, P.O. Box 2730, Portland, OR 97208-2730. Your Request for Exclusion request must include (i) your full name, address, and telephone number; (ii) your Taxpayer Identification Number; (iii) a statement "I hereby request to be excluded from the Settlement Class and I understand that by excluding myself I will not receive any benefits from the Settlement."; and (iv) your signature. If you properly and timely file your Request for Exclusion from the Class: (1) you will be excluded from the Class; (2) 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 or object to the Settlement, or be heard at the fairness hearing described in paragraph 9 below.

c. **Object or Comment.** If you are a member of the Settlement Class and you do not request to be excluded, you may still object to or comment on the terms of the Settlement including objections or comments regarding Class Counsel's request for attorneys' fees and expenses or the incentive award. 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 January 10, 2011: (1) file your objection with the Clerk of the Circuit Court, Twentieth Judicial Circuit, St. Clair County, Illinois, located at the St. Clair County Building, 10 Public Square, Belleville, Illinois 62220, and (2) serve on Richard J. Burke, Freed & Weiss LLC, 111 W. Washington St., Suite 1331, Chicago, Illinois 60602 (Class Counsel) and James H. Bowhay, Figliulo & Silverman, P.C., 10 S. LaSalle St., Suite 3600, Chicago, Illinois 60603 (Defendant's Counsel), a written objection, including (i) your full name, address, and telephone number; (ii) your Taxpayer Identification Number; (iii) a statement confirming that you are a member of the Settlement Class; (iv) a written statement of all grounds for your objection, accompanied by any legal support for your objection; (v) copies of any papers, briefs, or other documents on which the objection is based; (vi) a list of all person who will be called to testify in support of your objection (if any); (vii) a statement of whether you intend to appear at the Fairness Hearing; and (viii) your signature or your Counsel's signature. Also, in your objection please include a reference to *Roche v. CorVel Corporation*, Case No. 05-L-101. If you intend to appear at the fairness hearing through your own counsel, your objection must also state the identity of all attorneys representing you who will appear at the Fairness Hearing and they must enter their appearance no later than January 10, 2011. 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 January 21, 2011, at 10:00 a.m., in the courtroom of the Honorable Lloyd A. Cueto, or any judge sitting in his stead, Twentieth Judicial Circuit, St. Clair County, Illinois, located at the St. Clair County Building, 10 Public Square, Belleville, Illinois 62220, the Judge 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 and the incentive award 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 October 29, 2010, available upon request made to Richard J. Burke, Freed & Weiss LLC, 111 W. Washington St., Suite 1331, Chicago, Illinois 60602 (Class Counsel). 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, Twentieth Judicial Circuit, St. Clair County, Illinois, located at the St. Clair County Building, 10 Public Square, Belleville, Illinois 62220.

11. **Additional Information.** You can obtain a copy of the Complaint, the Class Action Settlement Agreement, and this Notice at [www.freedweiss.com](http://www.freedweiss.com); copies of the requested document(s) will be sent to you as attachments to an email responding to the address from which the request was made. You can also direct inquiries to Class Counsel at [Info@FreedWeiss.com](mailto:Info@FreedWeiss.com) or by mail at Richard J. Burke, Freed & Weiss LLC, 111 West Washington Street, Suite 1331, Chicago, Illinois 60602. Please include the reference *Roche v. CorVel Corporation*, Case No. 05-L-101.

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

DATED: DECEMBER 8, 2010

BY ORDER OF THE  
CIRCUIT COURT FOR THE TWENTIETH JUDICIAL  
CIRCUIT, ST. CLAIR COUNTY, ILLINOIS