

Tracey Dickens
v.
Sedgwick Claims Management Services, Inc.

NOTICE OF PENDING CLASS ACTION AND PROPOSED SETTLEMENT

**READ THIS NOTICE FULLY AND CAREFULLY; THE PROPOSED SETTLEMENT
MAY AFFECT YOUR RIGHTS!**

**IF YOU HAD A WORKERS' COMPENSATION CLAIM ADMINISTERED BY
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC. ("SEDGWICK"), BETWEEN
SEPTEMBER 12, 2010 AND NOVEMBER 15, 2018, AND YOU SATISFIED SOME
PORTION OF YOUR CORRESPONDING WORKERS' COMPENSATION LIEN AS
PROVIDED FOR UNDER N.J.S.A. 34:15-40 ("SECTION 40"), THEN YOU MAY BE
ENTITLED TO A PAYMENT FROM A CLASS ACTION SETTLEMENT**

The Superior Court of New Jersey, Law Division: Middlesex County has authorized this Notice;
it is not a solicitation from a lawyer.

SUMMARY OF YOUR OPTIONS AND THE LEGAL EFFECT OF EACH OPTION	
DO NOTHING	If you do nothing, you will remain a member of the Settlement Class and will be mailed a settlement payment.
EXCLUDE YOURSELF FROM THE SETTLEMENT; RECEIVE NO PAYMENT BUT RELEASE NO CLAIMS	You can choose to exclude yourself from the Settlement or "opt out." This means you choose not to participate in the Settlement and cannot object to the Settlement. You will keep your individual claims against Sedgwick but you will not receive a payment. Opting out allows you to file a separate individual lawsuit against Sedgwick.
OBJECT TO THE SETTLEMENT	To object to the Settlement, you must submit your objections in writing by filing them with the Court. If your objection is overruled by the Court, then you <u>will</u> receive a payment and you <u>will not</u> be able to separately sue Sedgwick for the claims asserted in this litigation (or the claims that could have been asserted). If the Court agrees with your objection, the Settlement may not be approved.

These rights and options – *and the deadlines to answer them* – along with the material terms of the Settlement are explained in this Notice.

1. What is this lawsuit about?

The lawsuit that is being settled is entitled *Tracey Dickens v. Sedgwick Claims Management Services, Inc.*, pending in the Superior Court of New Jersey, Law Division: Middlesex County, Docket No. MID-L-5305-16. The case is a “class action.” That means that the “Named Plaintiff,” Tracey Dickens, is an individual who is acting on behalf of all persons who, between September 12, 2010 and November 1, 2018 (the “Class Period”) (i) have had a worker’s compensation claim that was administered by Sedgwick and adjudicated by the New Jersey Division of Workers’ Compensation, (ii) who either directly or through counsel received notice from Defendant purporting to require the payment of liens pursuant to *N.J.S.A. 34:15-40* (“Section 40 Lien”) that incorporated employer-allocated fees or expenses, and (iii) who paid any amount of money in satisfaction of that lien. This group is called the “Class,” and individuals within the Class are referred to as “Class Members.” Plaintiff is asserting a claim for unjust enrichment against Sedgwick. Plaintiff alleges that Sedgwick improperly incorporated certain fees and expenses to the value of her lien and seeks a refund of funds paid in satisfaction of her Section 40 Lien. Sedgwick maintains that this practice was in line with prevailing guidelines issued by the New Jersey Compensation Rating and Inspection Bureau, and that in any event, Sedgwick only retained a small portion of those funds collected in satisfaction of the Section 40 Liens it administered with respect to all Class Members.

2. Why did I receive this Notice of this lawsuit?

You received this Notice because Sedgwick’s records indicate that during the Class Period, you (i) had a worker’s compensation claim that was administered by Sedgwick and adjudicated by the New Jersey Division of Workers’ Compensation, (ii) either directly or through counsel received notice from Defendant purporting to require the payment of a Section 40 Lien that incorporated employer-allocated fees or expenses, and (iii) paid some amount of money in satisfaction of that lien. The Court directed that this Notice be sent to all Class Members because each Class Member has a right to know about the proposed settlement and the options available to him or her before the Court decides whether to approve the Settlement.

3. Why did the Parties settle?

The Court did not decide in favor of Plaintiff or Defendants in this lawsuit. Instead, both sides agreed to a settlement. That way, the parties avoided the risks and costs of a trial, including the risk that there would be no recovery, and the Class Members will get compensation. The Settlement Class Representative and the attorneys appointed by the Court for the Settlement Class think the Settlement is best for everyone who is a Settlement Class Member.

WHO IS IN THE SETTLEMENT

4. How do I know if I am part of the Settlement?

If you received this Notice, then Sedgwick’s records indicate that you are a Class Member who is entitled to receive a payment pursuant to the terms of the Settlement Agreement.

YOUR OPTIONS

5. What options do I have with respect to the Settlement?

You have three options: (1) do nothing and await a disbursal of the remaining Settlement Funds; (2) exclude yourself from the Settlement (“opt out” of it); or (3) participate in the Settlement but object to it. Each of these options is described in a separate section below.

6. What are the critical deadlines?

The deadline for sending a letter to exclude yourself from or opt out of the Settlement is **October 11, 2019**.

The deadline to file an objection with the Court is **October 11, 2019**.

7. What has to happen for the Settlement to be approved?

The Court has to decide that the Settlement is fair, reasonable, and adequate before it will approve it. The Court already has decided to provide preliminary approval of the Settlement, which is why you received this Notice. The Court will make a final decision regarding the Settlement at a “Fairness Hearing” or “Final Approval Hearing”, currently scheduled for **November 1, 2019** as explained below in Question 19.

THE SETTLEMENT PAYMENT

8. How much is the Settlement?

Sedgwick has agreed to create a Settlement Fund of \$140,000, and has also changed its practices in aggregating Section 40 lien totals to avoid incorporating any employer-assessed fees or expenses into its lien notices. As discussed separately below, attorneys’ fees, litigation costs, an Incentive Award to the Named Plaintiff, and the costs paid to a third-party Claims Administrator to administer the Settlement (including mailing this Notice) will be paid out of this “Gross Settlement Amount.” The balance of the Settlement Fund (or “Net Settlement Amount”) will be divided among all Class Members as described in Question 11.

9. How much of the Settlement Fund will be used to pay for attorneys’ fees and costs?

Class Counsel has requested that the Court award 33-1/3% (one-third) of the Settlement Fund as attorneys’ fees. Class Counsel has also requested that it be reimbursed approximately \$17,000 in litigation and administration costs incurred in prosecuting the case. The Court makes the decision on the request for attorneys’ fees and costs, and will decide the amount of the attorneys’ fees based on a number of factors, including the risk associated with bringing the case on a contingency basis, the amount of time spent on the case, the amount of costs incurred to prosecute the case, the quality of the work, and the outcome of the case.

10. How much of the Settlement Fund will be used to pay the Named Plaintiff an Incentive Award?

The Named Plaintiff will apply to the Court for an Incentive Award of \$7,500 for her role in

securing this Settlement on behalf of the Class. The Court will decide if an Incentive Award is appropriate and if so, the amount of the award.

11. How much will my payment be?

After payment of attorneys' fees and costs of litigation, the Incentive Award payment to the Named Plaintiff and the costs of the Claims Administrator, the Net Settlement Amount will be disbursed to Class Members pursuant to an agreed-upon Settlement Formula. The Settlement Formula provides that Class Members be assigned one of three "Class Assignments" depending on their "Lien Satisfaction Percentage" (*i.e.*, the amount of money paid in satisfaction of the Section 40 Lien administered by Sedgwick as measured against the total value of the Section 40 Lien):

Class A: For all Class Members with a Lien Satisfaction Percentage of fifty percent (50%) or more, each Class Member shall receive a payment equaling the "individual overcharge."

Class B: For all Class Members with a Lien Satisfaction Percentage of greater than forty percent (40%) and less than fifty percent (50%), each Class Members shall receive a payment equaling 65% of the "individual overcharge."

Class C: For all Class Member with a Lien Satisfaction Percentage of less than forty percent (40%) each Class Member shall be entitled to a pro rata share of the amounts remaining after the payments of Class A and Class B. It is estimated that these payments will be no less than \$40.

Sedgwick's records reflect that in regards to Claim Number [WC_Claim], your Class Assignment is Class [Class] and your estimated payment under the Settlement is [Award].

12. When will I receive my payment?

The Court will hold a Fairness Hearing (explained below in Question 19) on **November 1, 2019** to consider whether the Settlement should be approved. If the Court approves the Settlement, then the Claims Administrator may begin to process claims. However, if someone objects to the Settlement, and the objection is sustained, then there is no settlement. Even if all objections are overruled and the Court approves the Settlement, and objector could appeal and it might take months or even years to have the appeal resolved, which would delay any payment.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. How do I exclude myself from the Settlement?

If you do not want to receive a payment, or if you want to keep any right you may have to sue Sedgwick for the claims alleged in this lawsuit, then you must exclude yourself or "opt out."

To opt out, you must send a letter to the Claims Administrator that you want to be excluded. Your letter can simply say, "I hereby elect to be excluded from the Settlement in the *Dickens v. Sedgwick Claims Management Services, Inc.* class action." Be sure to include your full name, your date of birth, the address, telephone number and email address. Your exclusion or opt out request must be emailed or postmarked by **October 11, 2019**, and sent by email to OptOut@NJWorkersCompensationLienClassAction.com or by mail to:

Class Action Opt Out
Attn: Dickens v. Sedgwick Claims Management, Inc.
P.O. Box 58220
1500 John F. Kennedy Blvd., Suite C31
Philadelphia, PA 19102

Please note that failure to include all necessary information in your exclusion request will invalidate the request, and you will not have successfully removed yourself from the Settlement.

14. What happens if I opt out of the Settlement?

If you opt out of the Settlement, you will preserve and not give up any of your rights to sue Sedgwick for the claims alleged in this case. However, you will not be entitled to receive a payment from this Settlement.

15. If I exclude myself, can I obtain a payment?

No. If you exclude yourself, you will not be entitled to a payment.

OBJECTING TO THE SETTLEMENT

16. How do I notify the Court that I do not like the Settlement?

You can object to the Settlement or any part of it that you do not like *IF* you do not exclude yourself or opt out from the Settlement. (Class Members who exclude themselves from the Settlement have no right to object to how other Class Members are treated.) To object, you must send a written document to the Court and the Claims Administrator at the address below saying that you want to object to *Tracey Dickens v. Sedgwick Claims Management Services Inc.*, MID-L-5305016. Be sure to include your name, address, your telephone number and your email address, if you have one. Your objection should say that you are a Class Member, that you object to the Settlement, and the factual and legal reasons why you object. In your objection, you must include your name, address, telephone number, email address (if applicable) and your signature, and whether you intend to appear at the Fairness Hearing.

All objections must be post-marked no later than **October 11, 2019**, and must be mailed as follows:

COURT	CLAIMS ADMINISTRATOR
Clerk of Court Middlesex County Courthouse 56 Paterson Street New Brunswick, NJ 08903	<i>Dickens v. Sedgwick Claims Management, Inc.</i> Claims Administrator 1650 Arch Street, Suite 2210 Philadelphia, PA 19103

17. What's the difference between objecting and requesting exclusions from the Settlement?

Objecting is simply telling the Court that you do not like something about the Settlement. Opting-

out is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you cannot object because the case no longer affects you.

18. What happens if I object to the Settlement?

If the Court sustains your objection, or the objection of any other Class Member, then there is no settlement. If you object, but the Court overrules your objection and any other objection(s), then you will be part of the Settlement.

THE COURT'S FAIRNESS HEARING

19. When and where with the Court decide whether to approve the Settlement?

The Court will hold a Final Approval or Fairness Hearing at 9 a.m. on November 1, 2019 at the Superior Court of New Jersey, Middlesex County Courthouse, located at 56 Paterson Street, New Brunswick, NJ 08903, Room 306. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court may also decide how much to award Class Counsel for attorneys' fees and expenses and how much the Named Plaintiff should get as an "Incentive Fee" for acting as the class representative.

20. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. You may attend if you desire to do so. If you have submitted an objection on time and in compliance with this notice the Court will consider it whether you come to the hearing or not. You may also pay your own lawyer to attend.

21. May I speak at the hearing?

If you have objected, you may ask the Court for permission to speak at the Final Approval Hearing as provided in Question 19. You cannot speak at the Hearing if you excluded yourself.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

You do not need to submit a claim form or any documentation to qualify for a settlement payment if you are a Settlement Class Member. All Settlement Class Members for whom an address can be found will receive a settlement payment. IF you do nothing you will remain a member of the Settlement Class and be subject to and participate in any finally approved settlement. You will give up claims against Sedgwick for the conduct alleged in the Lawsuit.

THE LAWYERS REPRESENTING YOU

23. Do I have a lawyer in this case?

The Court ordered that the lawyers and their firm referred to in this Notice as "Class Counsel" will

represent you and the other Class Members for the purposes of facilitating this Settlement. They are:

Alfred M. Anthony
James A. Barry
Locks Law Firm, LLC
801 North Kings Highway
Cherry Hill, NJ 08034
Tel: (853) 663-8200

These attorneys and their firm are called Settlement Class Counsel. You will not be charged personally for these lawyers, but they will ask the Court to award them a fee to be paid out of the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense. You can hire a lawyer to represent you and to consult about this Notice and the proposed Settlement.

24. How will the lawyers be compensated?

Settlement Class Counsel will ask the Court to award them attorney's fees of not more than 1/3 of the Settlement Fund, after expenses of litigation and administration are deducted from the Settlement Fund. Counsel anticipates the total amount of fees and costs requested in this matter will not exceed \$58,000. The Court will be asked to approve the amount of attorneys' fees at the Fairness Hearing.

GETTING MORE INFORMATION

This Notice only summarizes the proposed settlement. More details are contained in the Settlement Agreement, which can be viewed/obtained online at www.NJWorkersCompensationLienClassAction.com.

To change your address for purposes of receiving a payment, you should contact the Claims Administrator either by email AddressUpdate@NJWorkersCompensationLienClassAction.com or by mail:

Dickens v. Sedgwick Claims Management Services, Inc. Claims Administrator
1650 Arch Street, Suite 2210
Philadelphia, PA 19103

For more information you can also contact the Class Counsel at the address listed in Question 23.

PLEASE DO NOT CONTACT THE COURT OR ANY REPRESENTATIVE OF SEDGWICK CONCERNING THIS NOTICE OF THE SETTLEMENT.