

## EXHIBIT 3

KELLER ROHRBACK L.L.P.

Laurie B. Ashton AZ, CO\*\*
Jerald Bien-Willner AZ, CA
Ian S. Birk WA
Kenneth A. Bloch WA
Karen E. Boxx WA\*\*
Gretchen Freeman Cappio WA
Alison Chase AZ, CA
T. David Copley AZ, NY, WA
Rob J. Crichton NY, WA
Maureen M. Falecki WA
Juli Farris CA, WA
Raymond J. Farrow WA
Eric J. Fierro AZ
William L. Fleming WA
Alison S. Gaffney WA
Glen P. Garrison ID, WA
Laura R. Gerber WA
Matthew M. Gerend WA

Gary A. Gotto AZ, MT
Benjamin Gould CA, WA
Christopher Graver AZ
Mark A. Griffin AZ, WA
Irene M. Hecht WA
Scott C. Henderson WA
Michael G. Howard WA
Dean N. Kawamoto CA, DC, WA
Erika M. Keech WA
Ron Kilgard AZ, DC, NY
Kathryn M. Knudsen WA
David J. Ko WA
Tanya Korkhov NY
Eric R. Laliberte WA
Benjamin J. Lantz WA
Luke M. LaRiviere WA
Cari Campen Laufenberg WA
Elizabeth A. Leland WA

Jeffrey Lewis CA
Tana Lin DC, IL, MI, WA
Derek W. Loeser NY, WA
Holly E. Lynch WA
Ryan McDevitt WA
Daniel Mensher OR, WA
Ian J. Mensher WA
Michael W. Meredith WA
Rachel Morowitz DC, WA
Gretchen S. Obrist WA
Robert S. Over WA
Dudley B. Panchot WA\*\*
David S. Preminger NY
Matthew J. Preusch CA, OR
Erin M. Riley WA, WI
Steven N. Ross WA\*\*
Isaac Ruiz WA
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Mark D. Samson AZ, DC
Lynn Lincoln Sarko DC, WA, WI
William C. Smart WA
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Havila C. Unrein CA, MT, WA\*\*
Gabe E. Verdugo WA
Amy Williams-Derry MA, WA
Michael Woerner WA
Benson D. Wong WA
Edwin G. Woodward WA\*\*
Laura Zanzig-Wong WA

\*\* OF COUNSEL

\_\_\_\_\_, 2018

NAME AND ADDRESS

MONTHLY DIFFERENCE: \_\_\_\_\_

SETTLEMENT AMOUNT: \_\_\_\_\_

Re: Cleary v. Retirement Plan for Employees of Northern Montana Hospital
Case No: 4:16-cv-00061-BMM-JCL
United States District Court for the District of Montana
Great Falls Division

Dear \_\_\_\_\_:

You are receiving this letter because you are eligible to receive a payment in the proposed settlement of the lawsuit referenced above.

The lawsuit was commenced in June 2016 because the Plaintiff, Joel Cleary M.D., a former employee of Northern Montana Hospital (the "Hospital"), was informed that he was not eligible for a pension from the Retirement Plan for Employees of Northern Montana Hospital (the "Plan"). Plaintiff sued the Plan, the Hospital and three individuals who were fiduciaries of the Plan (the "Defendants").

In a nutshell, the Plaintiff has asserted three claims under the Employee Retirement Income Security Act of 1974, known as ERISA, which is the federal law that governs the Plan. Those claims are: (1) his and other peoples' pension benefits were miscalculated; (2) the Hospital has not complied with a provision of ERISA concerning maintenance of certain records; and, (3) the Plan does not

comply with ERISA's rules concerning the processing of benefit claims. The Defendants deny that these claims have any merit and maintain they have no liability.

As often happens in litigation, the parties, after exchanging pertinent documents and doing depositions, reached agreement on a settlement. As here the settlement is a compromise which the parties believe is in everyone's best interest because there is no guarantee who will win and the continuing costs and attorney's fees would be considerable.

As far as monetary relief is concerned, Plaintiff has contended that 187 people (in addition to himself) may have had their benefits miscalculated and Defendants have agreed to make payments to these individuals or, if deceased, their beneficiaries or their estates. You are receiving this letter because you are one of these.

These individuals fall into four categories: (1) people who have already received a lump sum from the Plan; (2) people who are already getting monthly benefits from the Plan; (3) people who are entitled to commence getting benefits in the future; and, (4) the beneficiaries or estates of the foregoing.

The additional monthly amount of your benefit as calculated for the settlement is set forth at the beginning of this letter (the Monthly Difference). The amount below it (the Settlement Amount) is the present value of the Monthly Difference – that is the current value of all the Monthly Difference payments you could expect to receive based on the mortality table and interest rates which the Internal Revenue Service requires be used for this calculation. If you are already receiving an annuity, the Settlement Amount also includes retroactive payments of the Monthly Difference plus interest to make up for the fact that you have not been receiving the Monthly Difference all along. These amounts vary widely from person to person because they depend on the Plan's benefit formula which is based on years of employment and compensation.

Accompanying this letter is a Notice which explains the Settlement in more detail. As you will see, one provision of the Settlement is a Bar Order which will preclude you from bringing the claims which the Plaintiff asserted if the Court approves the Settlement. The Notice also explains how to object to the settlement if you wish to do so and how to get additional information.

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**KELLER ROHRBACK L.L.P.**

**Importantly, the Bar Order does not otherwise affect your rights under the Plan. If you are currently receiving benefits, you will continue to receive them. If you are entitled to benefits in the future, you will get them.**

Sincerely,

Keller Rohrback L.L.P.

Enclosure

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MONTANA  
GREAT FALLS DIVISION

JOEL CLEARY, M.D., individually  
and on behalf of all others similarly  
situated,

Plaintiff,

vs.

RETIREMENT PLAN FOR  
EMPLOYEES OF NORTHERN  
MONTANA HOSPITAL, et al.,

Defendants.

Case No. 4:16-cv-00061-BMM

**NOTICE OF PROPOSED SETTLEMENT OF ERISA LITIGATION,  
PROPOSED BAR ORDER, AND SETTLEMENT FAIRNESS HEARING**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

**The Court has preliminarily approved a proposed settlement of a lawsuit brought under the Employee Retirement Income Security Act (the “Settlement”). The lawsuit involves certain claims with respect to the administration of the Retirement Plan for Employees of Northern Montana Hospital (the “Plan”), including the calculation of certain benefits thereunder. The Settlement is with all of the defendants in the litigation. The terms of the Settlement are contained in a Settlement**

**Stipulation dated as of \_\_\_\_, 2018 (the “Settlement Stipulation”), a copy of which is available by contacting Plaintiff’s Counsel identified below. Capitalized terms used in this Notice and not defined herein have the meanings assigned to them in the Settlement Stipulation. The Settlement will provide for payments to the Plaintiff in the Action and to the Covered Participants described herein. The Settlement is summarized below.**

**The Settlement provides for an injunction with respect to certain aspects of the operation of the Plan in the future. The Settlement also provides for an injunction that will bar Covered Participants from asserting certain claims against the Defendants.**

**The Court has scheduled a hearing to evaluate the fairness and adequacy of the Settlement, at which the Court will consider Plaintiff’s Motion for Final Approval of the Settlement. That hearing, before the Hon. Brian M. Morris, has been scheduled for \_\_\_\_\_, at \_\_\_\_\_ in Courtroom \_\_, of the United States District Court for the District of Montana, \_\_\_\_\_.**

**Any objections to the settlement must be served in writing on Plaintiff’s Counsel. The procedures for objecting are described below.**

**This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in the Settlement Stipulation. The Settlement Stipulation is available from Plaintiff’s Counsel listed on Page 4 below.**

**PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A COVERED PARTICIPANT, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU NEED NOT APPEAR IN COURT, AND YOU NEED NOT HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.**

**Your Legal Rights and Options in the *Settlement*:**

<p><b>You May Do Nothing. No Action is Necessary to Participate in the Settlement.</b></p>	<p>If the Settlement is approved by the Court and you are a Covered Participant, you do not need to do anything to participate in the Settlement. If the Settlement becomes Final, you will receive payment within 30 days of the Effective Date of Settlement.</p>
<p><b>You May Object (to be postmarked by _____)</b></p>	<p>If you wish to object to any part of the Settlement, write to the Court and counsel about what you find objectionable. The Court will decide whether or not it agrees with your objection at the hearing on whether the Settlement is to be approved.</p>
<p><b>You May Attend the Hearing (to be held on _____)</b></p>	<p>You may (but do not have to) attend the Court hearing about Settlement. If you wish to attend the Court hearing and to address the Court at the hearing, you must submit a written objection to the Court and counsel and state in that objection that you intend to attend the hearing and whether you wish to address the Court at the hearing.</p>

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case still has to decide whether to grant final approval to the Settlement. Payments will be made only if the Court grants final approval of the Settlement and that approval is upheld in the event of any appeals.

Further information regarding the litigation and this Notice may be obtained by contacting Plaintiff's Counsel:

David S. Preminger  
Keller Rohrback LLP  
1140 Avenue of the Americas, Ninth floor  
New York, NY 10036  
Phone: (800) 684-9353  
Fax: (646) 380-6692



**WHAT THIS NOTICE CONTAINS**

**Summary of Settlement .....**

1. Why did I get this Notice package? .....
2. What is the lawsuit about? .....
3. Why is there a Settlement? .....
4. How do I know whether I am part of the Settlement? .....
5. What does the Settlement provide? How much will I receive?.
6. How can I get a payment? .....
7. When would I get my payment? .....
8. Can I get out of the Settlement? .....
9. Do I have a lawyer in the case? .....
10. How will the lawyers be paid? .....
11. How do I tell the Court if I don't like the Settlement? .....
12. When and where will the Court decide whether to approve the Settlement? .....
13. Do I have to come to the hearing? .....
14. May I speak at the hearing? .....
15. What happens if I do nothing at all? .....
16. How do I get more information? .....

This litigation (the “Action”) is a case that concerns allegations about the Retirement Plan for Employees of Northern Montana Hospital (the “Plan”). In essence, because his claim for benefits from the Plan was denied, the Plaintiff in the case, Joel Cleary, M.D., filed this lawsuit and has asserted that his benefits and those of others were miscalculated; that Northern Montana Hospital (the “Hospital”) has failed to maintain certain records which the law<sup>1</sup> requires it to maintain; and that there are certain deficiencies in the way the Plan processes benefit claims. Copies of the Complaint (the “Complaint”) and certain other documents filed in the Action are available from Plaintiff’s Counsel identified above. The defendants in the Action (“Defendants”) are the Plan, the Hospital and David Henry, Kim Lucke and Bonnie O’Neill -all of who are or were Plan fiduciaries.

### **SUMMARY OF SETTLEMENT**

1. Plaintiff will be paid his pension benefits.
2. If the Settlement is approved by the Court, payments will be made to each Covered Participant. The method of calculating the amount of each payment is described in Section 5 below. The amount a

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<sup>1</sup> The applicable law in this case is the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). It is the federal law that governs the pension plans of private companies.

Covered Participant will receive is set forth in the letter that accompanies this Notice

3. The Settlement provides for the entry of an injunction with respect to the administration of the Plan that will require (1) the Hospital to maintain records in accordance with ERISA and (2) require the Plan to inform anyone who seeks benefits from the Plan of their right to be provided with the data used to calculate the benefit as well as the rights provided by law with respect to processing claims and appealing the denial of claims.
4. The Settlement provides for an injunction (the Bar Order) barring all Covered Participants who receive a payment under the Settlement from bringing any Barred Claim against any Defendant. Barred Claim means any claim that any Covered Participant may have against any of the Defendants arising out of the facts alleged in the Complaint.
5. The Settlement provides that Plaintiff's Counsel may seek from the Court an award of attorney's fees and costs. Any such award will be payable by the Defendants and will have no effect on the amount payable to Plaintiff or any Covered Participant under the Settlement.

As with any litigation, Plaintiff would face an uncertain outcome if the Action were to continue against the Defendants. Continued litigation of the Action could result in a judgment or verdict greater or lesser than the recovery under the Settlement Stipulation, or in no recovery at all. The Plaintiff has concluded that the Settlement is reasonable and that it is in the best interests of the Covered Participants to accept the Settlement rather than face the risks associated with continued litigation of the Action.

Throughout this litigation, the Plaintiff and the Defendants have disagreed on both liability and damages. The Defendants have denied and continue to deny the claims and contentions alleged by the Plaintiff. Nevertheless, the Defendants have taken into account the uncertainty and risks inherent in any litigation and have concluded that it is desirable that the Action be fully and finally settled on the terms and conditions set forth in the Settlement Stipulation.

#### 1. Why did I get this Notice package?

You or someone in your family is/are or may have been a Plan Participant. The Court ordered that this Notice be sent to you because, if you fall within that group, you have a right to know about the Settlement and about all of your options before the Court decides whether to approve the Settlement. If the Court grants final approval of the Settlement, and after any objections and appeals are resolved, and subject to certain conditions in the Settlement Stipulation, you may be entitled to

receive a payment. This Notice package describes this Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

## 2. What is the lawsuit about?

The Action claims that Plaintiff's benefits and those of others were miscalculated; that the Hospital has failed to maintain certain records as required by ERISA; and that the way the Plan processes benefit claims does not comply with ERISA's claims procedure rules.

The Defendants deny that they breached any duty or took any wrongful actions in regards to the Plan and deny they have liability to the Plan or its participants or beneficiaries. If the litigation were to continue, the Defendants would continue to assert numerous defenses to liability, including that contrary to law, Plaintiff failed to exhaust the Plan's claims procedures prior to commencing this lawsuit, that some or all of the claims are barred as untimely under applicable statutes of limitations, that Plaintiff's contention concerning the Hospital's responsibility for maintenance of records is flawed and that the Plan's claims procedures do comply with ERISA.

### 3. Why is there a Settlement?

This Settlement is the product of extensive, arm's-length negotiations between the parties, Plaintiff's Counsel and the Defendants' counsel, including the services of the Hon. Jeremiah C. Lynch, a United States Magistrate Judge, who served as a mediator. The Court has not reached any final decisions on the merits of Plaintiff's claims against the Defendants or the Defendants' defenses to those claims. Instead, the Plaintiff and the Defendants have agreed to a settlement to end the lawsuit. In reaching the Settlement, they have avoided the risk, cost and time of a trial. As with any litigation, the Plaintiff would face an uncertain outcome if this case went to trial and any final decision would likely not be made for several years.

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

If you are a Covered Participant you will receive a payment if the Court approves the Settlement and it becomes effective. Covered Participants are those persons entitled to receive a payment under the Settlement.

### 5. What does the Settlement provide? How Much Will I Receive?

The Settlement provides for payment of Plaintiff's pension benefit and for payments for each Covered Participant. The amount which any Covered Participant would receive if the Settlement is finally approved by the Court is set forth on the individualized cover letter that accompanies this Notice. The Settlement also

provides that any Covered Participant who receives a payment will be subject to a Bar Order that will forever enjoin him or her from bringing a Barred Claim. Barred Claims are those claims arising from the facts alleged in the Complaint. If the Court does not approve the Settlement, whether or not there are any objections, you will not be subject to the Bar Order but you will also not receive a payment.

**Importantly, the Bar Order does not otherwise affect your rights under the Plan. If you are currently receiving benefits, you will continue to receive them. If you are entitled to benefits in the future, you will get them.**

The amount payable to each Covered Participant has been determined as follows:

1. Benefit amounts are based on dates of employment, hours worked and compensation. The parties reviewed these data with respect to each Covered Participant as well as other current and former Plan participants.
2. Based on this data, Plaintiff surmised that certain individuals' benefits had been miscalculated because, for example, they were entitled to additional vesting credit or the hours used were too few.
3. Plaintiff then provided his conclusions and calculations to Defendants who agreed as to many individuals but raised disagreements as to others.

4. The parties then engaged in extensive discussions as to their disagreements and ultimately reached agreement with respect to 187 individuals – these are the Covered Participants.

5. The amount which is to be paid to a Covered Participant is the present value of the amount by which his/her benefit was miscalculated plus any retroactive amount with interest. For example, if the parties agreed that a person is entitled to an extra \$10.00 per month and that person is expected to live for 20 years, s/he can be expected to receive an additional \$2400. However, the settlement provides that a lump sum amount will be paid (the present value) which accounts for the fact that the money may be invested so that it will be the equivalent of \$2400 paid at the rate of \$10.00 per month over 20 years. This hypothetical person will receive the lump sum present value rather than having the \$10.00 added on to his/her pension amount because this is a settlement. Defendants deny that this money is owed but have nonetheless agreed to settle. Having the money paid in one lump sum is a negotiated term of the Settlement.

The Settlement Stipulation may be terminated on several grounds, including if the Court does not approve or modifies the Settlement. Should the Settlement Stipulation be terminated, the Settlement will be terminated, and the Action will proceed as if the Settlement had not been reached.



The above description of the operation of the Settlement is only a summary. The governing provisions are set forth in the Settlement Stipulation (including its exhibits), which may be obtained by contacting Plaintiff's Counsel at (800) 684-9353

#### 6. How can I get a payment?

You do not need to file a claim for recovery. If you are a Covered Participant you will be entitled to receive a payment if the Settlement is finally approved by the Court.

#### 7. When would I get my payment?

Payment is conditioned on several matters, including the Court's approval of the Settlement and such approval becoming final and no longer subject to any appeals to any court. Subject to these limitations, the payments will be made no later than thirty (30) days after the Settlement is finally approved by the Court and all other conditions have been met (which includes affirmation on appeal, if any). An appeal of the final approval could take one or more years.

#### 8. Can I get out of the Settlement?

You have the right to object to the Settlement. You can object to the Settlement and ask the Court not to approve it. See Section 11, below.

### 9. Do I have a lawyer in the case?

The Plaintiff is represented by the law firm of Keller Rohrback LLP. The claims brought by Plaintiff through Keller Rohrback have a potential impact on the rights of Covered Participants, however, and as a result, Keller Rohrback has sought to settle the claims on a basis that is in the best interests of the Plaintiff and the Covered Participants. Keller Rohrback does not represent you, however, and you will not be charged for its services. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 10. How will the lawyers be paid?

Plaintiff's Counsel will request that the Court award attorneys' fees and costs payable by Defendants. The total amount that Plaintiff's Counsel will seek has not been determined at this time because additional work will be required, but is expected to be approximately \$2,500,000 in fees and in excess of \$65,000 in costs.

### 11. How do I tell the Court that I don't like the Settlement?

If you are a Covered Participant, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a larger settlement; the Court can only approve or reject the

Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue.

To object, you must send a letter or other written statement saying that you object to the Settlement in Cleary v. Retirement Plan for Employees of Northern Montana Hospital et al., United States District Court for the District of Montana, Great Falls Davison, Case No. 4:16-cv-00061-BMM. If you wish to address the Court at the hearing, you must state your wish to do so in your objection. In addition, be sure to include your name, address, telephone number, signature, and a full explanation of all of the reasons for your objection. **Your written objection must be filed with the Court, and mailed to Plaintiff's Counsel and must be postmarked no later than \_\_\_\_\_, to the following addresses:**

**The Court:**

Clerk's Office  
Objections  
Case No. 4:16-cv-00061-BMM  
United States Courthouse  
125 Central Ave West  
Great Falls, MT 59404

**Plaintiff's Counsel:**

Gary A. Gotto  
KELLER ROHRBACK L.L.P.  
3255 Bending Tree Lane  
Missoula, MT 59808

**12. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Fairness Hearing at \_\_\_\_\_ on \_\_\_\_\_, at the United States District Court for the District of Montana, \_\_\_\_\_, Great Falls, Montana, \_\_\_\_\_, in Courtroom \_\_. At that hearing, the Court will consider whether the Settlement should be approved. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to grant final approval of the Settlement. It is uncertain how long it will take the Court to issue these decisions. The date of the Fairness Hearing may change without further notice. Covered Participants are advised to check [www.KellerSettlements.com/currentcases/Northern-Montana-Hospital-Settlement](http://www.KellerSettlements.com/currentcases/Northern-Montana-Hospital-Settlement) or the Court's PACER website (see Section 16 below) to confirm that the date has not changed.

**13. Do I have to come to the hearing?**

No. Plaintiff's Counsel will answer questions the Court might have. But you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be considered by the Court when the Court considers whether to approve the Settlement. You also may pay your own lawyer to attend the Fairness Hearing, but attendance is not necessary. If you, personally or through your own

attorney, intend to appear at the hearing, you must state your intention to do so in your written objections.

#### 14. May I speak at the hearing?

If you are a Covered Participant, you may ask the Court for permission to speak at the Fairness Hearing. If you wish to address the Court at the Fairness Hearing, either directly or through your own attorney, you must state your wish to do so in your written objection.

#### 15. What happens if I do nothing at all?

If you do nothing and you are a Covered Participant, you will participate in the Settlement of the Action as described above in this Notice if the Settlement is granted final approval.

#### 16. How do I get more information?

This Notice summarizes the proposed Settlement. The complete settlement is set forth in the Settlement Stipulation. You may obtain a copy of the Settlement Stipulation by contacting Plaintiff's Counsel listed at Page 4 above. You may review the Court's docket and the documents filed in this Action on-line or in person. To access materials online, you must first register at [www.pacer.gov](http://www.pacer.gov) and then navigate [www.cand.uscourts.gov/cm/ecf](http://www.cand.uscourts.gov/cm/ecf). To access materials personally, visit the Clerk's Office, \_\_\_\_\_. The case number for the Action is Case No. 4:16-cv-

00061-BMM. In addition, this Notice, the Court's Preliminary Approval Order, and the Motion for Final Approval of the Settlement will be available at [www.KellerSettlements.com/currentcases/Northern-Montana-Hospital-Settlement](http://www.KellerSettlements.com/currentcases/Northern-Montana-Hospital-Settlement)

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK OF THE COURT REGARDING THIS ACTION

DATED: Great Falls, MT  
\_\_\_\_\_, 2018

CLERK  
UNITED STATES DISTRICT COURT  
DISTRICT OF MONTANA  
GREAT FALLS DIVISION