CLASS SETTLEMENT AGREEMENT AND RELEASE

This Class Settlement Agreement and Release ("Agreement") is made, entered into and effective as of the 27th day of April 2015, by and between defendants Blue Cross of California dba Anthem Blue Cross ("Anthem") and the Settlement Class (as defined below), acting by and through plaintiffs Eric Taub, Janet Kassouf, Alison Heath, and David Jacobson (collectively, "Plaintiffs"), and their counsel, lawyers for Consumer Watchdog and Shernoff Bidart Echeverria Bentley LLP (collectively "Plaintiffs' Counsel"). Anthem and Plaintiffs collectively are referred to as "Parties" or singularly as "Party".

BACKGROUND AND RECITATIONS

WHEREAS, on or about March 21, 2011, Plaintiff Eric Taub, individually and on behalf of a putative class, filed a Complaint captioned *Taub v. Blue Cross of California d/b/a Anthem Blue Cross*, Los Angeles County Superior Court Case No.: BC457809, alleging, *inter alia*, that Anthem improperly made mid-calendar-year changes to members' deductibles, co-pay obligations, and plan terms and benefits in 2011 (the "*Taub* Action"). In the *Taub* Action, Plaintiff Taub alleges claims against Anthem for (a) breach of the implied covenant of good faith and fair dealing; (b) breach of contract; and (c) declaratory relief.

WHEREAS, on or about November 14, 2011, Plaintiffs Janet Kassouf, Alison Heath, and David Jacobson, individually and on behalf of a putative class, filed a Complaint captioned *Kassouf et al. v. Blue Cross of California d/b/a Anthem Blue Cross*, Los Angeles County Superior Court Case No.: BC473408, that similarly alleges, *inter alia*, that Anthem improperly made mid-calendar-year changes to members' deductibles, co-pay obligations, and plan terms and benefits in 2011 (the "*Kassouf* Action"). In the *Kassouf* Action, Plaintiffs Kassouf, Heath, and Jacobson allege claims against Anthem for (a) breach of contract; (b) breach of the implied covenant of good faith and fair dealing; (c) violation of the Consumer Legal Remedies Act, Civil

Code § 1750 *et seq.*; and (d) violation of the Unfair Competition Law, Business and Professions Code § 17200 *et seq.*

WHEREAS, the *Taub* Action and the *Kassouf* Action (collectively "Lawsuits") were deemed related by the Court on or about November 28, 2011.

WHEREAS, Anthem denies any wrongdoing of any kind whatsoever for any of the claims asserted in the Lawsuits, but, without admitting liability, nevertheless has agreed to enter into this Agreement as to the Released Claims to avoid further expense, as well as the burdens and risks of litigation.

WHEREAS, Plaintiffs have agreed to serve as representatives of the Settlement Class, have been informed by Plaintiffs' Counsel of the duties and obligations of a class representative, are familiar with the pleadings in the Lawsuits, and the results of the factual investigation undertaken by their counsel, and have been fully advised by such counsel as to the terms and effects of this Agreement, including the nature of the claims released, the potential for success if the Lawsuits were to be litigated to their conclusion, and the relief obtained by the settlement, and support its submission to the Court for both preliminary and final settlement approval.

WHEREAS, in evaluating the settlement set forth in this Agreement, Plaintiffs and Plaintiffs' Counsel have concluded that the benefits provided to the Settlement Class under this Agreement make a settlement with Anthem and the other Released Parties under such terms and conditions in the best interests of the Settlement Class in light of, among other considerations, the benefits afforded to the Settlement Class, the uncertainties and difficulties associated with obtaining class certification for merits purposes, the expense and length of time necessary to prosecute this action through trial, the uncertainties of the outcome of the Lawsuits, and the fact

that resolution of the class claims, whenever and however determined, will likely be submitted for appellate review.

WHEREAS, the Parties desire to compromise and settle all issues and claims relating to the allegations made in the Lawsuits based on the facts alleged in the Lawsuits, by or on behalf of all persons included in the Settlement Class.

WHEREAS, the Parties, through their respective counsel, have engaged in extensive arm's length negotiations in reaching this Agreement, including several private mediation sessions among the Parties to the Lawsuits overseen by Justice Edward A. Panelli (Ret.) of Judicial Arbitration and Mediation Services, extensive negotiations between counsel for all Parties in the Lawsuits, and the exchange of detailed information about the issues in the Lawsuits.

WHEREAS, the Parties, and their respective counsel, believe that the terms of the settlement set forth in this Agreement are fair, reasonable and adequate; and

WHEREAS, the Parties desire and intend to seek prompt Court approval of the settlement as set forth in this Agreement.

NOW, THEREFORE, it is agreed that, in consideration of the promises and mutual covenants set forth in this Agreement and the entry by the Court of a Final Order and Judgment finally certifying a class for settlement purposes, and approving the terms and conditions of the settlement as set forth in this Agreement under California Code of Civil Procedure Section 382 and California Rules of Court, Chapter 6, Rules 3.769 *et seq*., as applicable, the Lawsuits shall be settled and compromised on the terms and conditions set forth below as between Anthem and the Settlement Class.

The recitals stated above are hereby made a part of this Agreement.

DEFINITIONS

In addition to any definitions set forth above or elsewhere in this Agreement, the following terms, as used in the Agreement, shall have the meanings set forth below:

A. The term "Agreement" means this Settlement Agreement and Release, including its recitals and Exhibits.

B. The term "Court" means the Superior Court for the State of California for the County of Los Angeles, the Honorable Jane L. Johnson, presiding.

C. The term "Final Order and Judgment" means a final judgment and order entered by the Court in the Lawsuits substantially in the form attached as Exhibit B hereto granting final approval of this Agreement, including Plaintiffs' Counsel's request for attorneys' fees costs and other expenses, and incentive awards for the Plaintiffs as set forth herein, and entering a judgment according to the terms set forth in this Agreement.

D. The term "2011 Mid-Calendar-Year Changes" means the changes and modifications to Settlement Class's health plans that Anthem implemented mid-calendar-year 2011 and which are at issue in the Lawsuits.

E. The terms "Party" and "Parties" means Plaintiffs and Anthem.

F. The phrase "Released Claims" means any and all known and unknown claims for relief, causes of action, suits, rights of action, or demands, at law or in equity, whether sounding in contract, tort, equity, or any violation of law or regulation, including, without limitation, claims for injunctive or other equitable relief, damages, debts, indemnity, contribution, or for costs, expenses and attorney's fees, that were or could have been brought, arising from the claims asserted in the Lawsuits regarding the 2011 Mid-Calendar-Year Changes. All claims under California Civil Code Section 1542 are waived with regard to the Released Claims. The

phrase "Released Parties" shall refer to Anthem and its predecessor and successor firms, current and former parents and subsidiaries (and their parents and subsidiaries), and all of their respective shareholders, directors, officers, employees, agents, attorneys, insurers, and assigns.

G. The phrase "Settlement Class" means all persons who were, or currently are, enrolled in an individual Anthem health plan and whose plan was modified by the 2011 Mid-Calendar-Year Changes. All Released Parties, the Court and members of their families within the first degree of consanguinity, are excluded from the Settlement Class.

H. The phrase "Settlement Class Member" means any person included within the Settlement Class who does not timely exercise his or her right to opt out of the Settlement Class under Section 10 below.

I. The phrase "Settlement Effective Date" shall mean the later of the date upon which all appeals, if any, from the Final Order and Judgment have been finally concluded and exhausted, or the date upon which the time to seek any appellate remedy from the Final Order and Judgment has expired.

TERMS OF AGREEMENT

1. Non-Admission of Liability. This Agreement is for settlement purposes only, and neither the fact of, nor any specific provision contained in, this Agreement nor any action taken hereunder shall constitute, or be construed as, any admission of the validity or lack of merit of any claim or any fact alleged by Plaintiffs or by any other person included within the Settlement Class of any wrongdoing, fault, violation of law, or liability of any kind on the part of the Released Parties. This Agreement constitutes a compromise under California Evidence Code Section 1152 and all similar federal or state laws, rights, rules, or legal principles of any other jurisdiction that may be applicable. It shall not be offered or be admissible, either in whole or in

part, as evidence against the Released Parties, except in any action or proceeding to enforce the terms of this Agreement.

2. **Certification of Settlement Class.** For purposes of settlement only, and not for purposes of liability, and subject to Court approval, the claims against Anthem in the Lawsuits will be certified to proceed as a class action, under California Code of Civil Procedure Section 382 and California Rules of Court, Chapter 6, Rules 3.767 *et seq.*, as applicable, with its members to comprise only those persons defined above as being within the Settlement Class. Subject to the terms and conditions of this Agreement, the Parties agree not to oppose any efforts to certify such a class. Any certification under this Section shall not constitute, in this or any other proceeding, an admission, finding or evidence that any requirement for class certification is otherwise satisfied, except for the expressly enumerated purposes in this Agreement.

3. **Preliminary Approval.** No later than 15 days from the date of full execution of this Agreement (unless such time is extended or modified by mutual agreement of the Parties), the Parties, through counsel, shall present this Agreement to the Court by way of motion or application seeking certification of the Settlement Class and preliminary approval of this Agreement (the "Submission for Preliminary Approval"). In connection with the Submission for Preliminary Approval, the Parties, through counsel, shall apply for entry by the Court of an order substantially in the form of Exhibit A to this Agreement ("Order of Preliminary Approval"). The Submission for Preliminary Approval shall request entry of the Order of Preliminary Approval providing for:

a. Preliminary approval of the Agreement;

b. Certification for settlement purposes of the Settlement Class under California Code of Civil Procedure Section 382 and California Rules of Court, Chapter 6, Rules 3.769 *et seq*., as applicable;

c. Appointment of Plaintiffs' Counsel as counsel for the Settlement Class;

d. Appointment of Plaintiffs as class representatives for the Settlement Class;

e. Approval of the proposed notice in form substantially similar to the form attached hereto as Exhibit C ("Summary Settlement Notice") and Exhibit D ("Full Settlement Notice") and the settlement notice program; and

f. Establishment of a schedule for submitting papers in support of the Parties' joint motion for entry of the Final Order and Judgment, for Settlement Class to object or request exclusion from the Settlement, and for the Court to hear the joint motion for Entry of the Final Order and Judgment ("Fairness Hearing").

4. Notice to Settlement Class.

a. No later than 30 days after entry of the Preliminary Approval Order (unless otherwise specifically modified by the Parties or ordered by the Court), Anthem shall cause, at its sole expense, a third party settlement administrator agreed to by the Parties and appointed by the Court ("Settlement Administrator") to mail, first class postage prepaid, the Summary Settlement Notice attached as Exhibit C to this Agreement directly to Settlement Class Members. Prior to mailing the Summary Settlement Notice, the Settlement Administrator shall update the last known addresses reflected in Anthem's records for Settlement Class Members by comparing them to the National Change of Address system to ensure individual notice is

provided to all reasonably identifiable Settlement Class Members. If any Summary Settlement Notices are returned as undeliverable with forwarding addresses provided, the Settlement Administrator shall re-send Summary Settlement Notices to the forwarding addresses. For any Summary Settlement Notices returned undeliverable without forwarding addresses provided, the Settlement Administrator shall run an address search (skiptrace) against the Lexis-Nexis address database, or comparable database, and re-send Settlement Notices to any updated addresses obtained.

b. The Summary Settlement Notice will provide a description of the settlement terms and refer Settlement Class Members to a settlement website, created by the Settlement Administrator, which will contain this Agreement and Exhibits, the operative Complaints and a list of relevant deadlines, and other agreed-to materials and information including the Full Settlement Notice attached as Exhibit D, which will be available in English and Spanish. The Summary Settlement Notice (Exhibit C) shall give Settlement Class Members 30 days from the date of such mailing to request exclusion from or object to the terms of the Settlement. The Parties agree that Plaintiffs' Counsel shall have an opportunity to review the content placed on the settlement website and make suggested edits before the content is posted to the website. Anthem shall provide Plaintiffs' Counsel with any proposed content 10 days before its addition to the settlement website. Plaintiffs' Counsel shall notify Anthem in writing within 3 days of their receipt of such content if they have any suggested edits to any aspect of such content. Plaintiffs' Counsel will be deemed to have consented to the proposed content if Plaintiffs' Counsel fails to notify Anthem of any suggested edits within this period. Justice Panelli will resolve any disputes between the Parties regarding such content. The website will be

available for 120 calendar days following the disbursement of settlement checks pursuant to paragraph 6.a.i and 6.a.iv.

c. No later than the date that the Summary Settlement Notice (Exhibit C) is mailed to the Settlement Class Members, the Parties agree that a copy of the Summary Settlement Notice (Exhibit C) and Full Settlement Notice (Exhibit D), in English and Spanish, will be made available to the public through a settlement website. For those Settlement Class Members who cannot access the Full Settlement Notice in such a manner, the Settlement Administrator will establish a toll-free number that Settlement Class Members can call to request a mailed copy of the Full Settlement Notice. Settlement Class Members will also be able to call this toll-free number for general information about the Agreement. This toll-free number will be available no later than the date that the Summary Settlement Notice (Exhibit C) is mailed to the Settlement Class Members and continuously available for 120 calendar days following the disbursement of settlement checks pursuant to paragraphs 6.a.i and 6.a.iv. The Parties agree that Plaintiffs' Counsel shall have an opportunity to review the content of any proposed voice prompt recordings or scripts used by operators responding to calls, which will be consistent with the Full Settlement Notice, and to make suggested edits to the content of such recordings or scripts before they are used. Anthem shall provide Plaintiffs' Counsel with any proposed voice prompt recordings or scripts 10 days before their implementation. Plaintiffs' Counsel shall notify Anthem in writing within 3 days of their receipt of such voice prompt recordings or scripts if they have any suggested edits to any aspect of the content of the voice prompt recordings or scripts. Plaintiffs' Counsel will be deemed to have consented to the proposed content if Plaintiffs' Counsel fails to notify Anthem of any suggested edits within this period. Justice

Panelli will resolve any disputes between the Parties regarding such voice prompt recordings or scripts.

d. The Parties agree that all written communications with the Settlement Class shall include a sentence in Spanish stating that, if the Settlement Class Member cannot understand the communication, then the Settlement Class Member should call the toll-free number described in Section 4(c) for assistance in Spanish.

e. The Parties agree that the methods of notice set forth in this Section constitute the best form of notice to the Settlement Class that is practicable under the circumstances. Anthem shall pay all costs associated with disseminating the Settlement Notice, the Settlement Administrator, settlement website, the toll-free number, and all associated expenses.

5. Final Approval.

a. All papers in support of the Parties' request for final approval of the terms of this settlement shall be filed no later than 28 days before the Fairness Hearing. The Parties shall request that the Court hold the Fairness Hearing no later than 100 days from entry of the Order of Preliminary Approval. At the Fairness Hearing, the Parties shall jointly request that the Court enter an order and judgment under California Code of Civil Procedure Section 382 and California Rules of Court, Chapter 6, Rules 3.769 *et seq*., as applicable, in the form of Exhibit B to this Agreement (the "Final Order and Judgment"). The Final Order and Judgment shall (1) finally approve the terms of this Agreement, including the provision for the payment of attorneys' fees, reimbursement of expenses and payments to the Plaintiffs, as fair, reasonable and adequate, (2) finally approve the terms of this Agreement without costs except as provided for under this Agreement, (3) discharge the Released Parties of and from all further liability to the

Plaintiffs and Settlement Class Members with respect to the Released Claims (but not as to any obligations created or owed under this Agreement), and (4) permanently bar and enjoin Plaintiffs and Settlement Class Members from bringing, filing, commencing, prosecuting, further prosecuting, maintaining, intervening in, participating in, assisting in any way, formally or informally, except as required by law, or receiving any benefits from, any other lawsuit, arbitration, or administrative, regulatory or other proceeding or cause of action in law or equity that asserts the Released Claims. The actual form of Final Judgment and Order entered by the Court may include additional provisions to which the Parties may later agree, or which the Court may direct, that are not inconsistent with any of the express terms or conditions of this Agreement.

b. Following entry by the Court of the Final Order and Judgment, no default by any person in the performance of any covenant or any obligation arising under this Agreement, or any order of judgment entered in connection therewith, shall affect the discharge and release of the Released Parties, or any other provision of this Agreement. The above notwithstanding, nothing in this sub-section shall prevent a Party from seeking enforcement of or compliance with the terms of this Agreement, or the intervention of the Court to compel any such default to be cured.

6. Settlement Consideration.

a. Cash Payment To Impacted Settlement Class Members.

i. Under the terms of this Agreement, Anthem has agreed to pay impacted Settlement Class Members, in the aggregate, no more than, Eight Million Two Hundred Eighty Thousand Six Hundred Ninety Two Dollars and Sixty-Seven Cents ($8,280,692.67) (the "Settlement Funds"). The Settlement Funds represent approximately 75%

of the total financial impact that Anthem has calculated, and which was independently verified by a consultant chosen by and paid for by Plaintiffs' Counsel, that the Settlement Class experienced, in the aggregate, as a result of the 2011 Mid-Calendar-Year Changes.

ii. Unless otherwise specifically modified by the Court, Anthem shall, no later than 30 business days after the Settlement Effective Date, pay the Settlement Funds to impacted Settlement Class Members by issuing checks in the name of each impacted Settlement Class Member for approximately 75% of that Settlement Class Member's estimated financial impact as calculated by Anthem. The settlement checks shall be mailed to the Settlement Class Members at the same address to which the Summary Settlement Notice was mailed, unless Anthem receives updated address information for the Settlement Class Member since the mailing of the Summary Settlement Notice. Settlement Class members whose share of the Settlement Funds is less than Five Dollars ($5.00) will not receive a settlement check. Instead, the Settlement Administrator shall distribute those funds to the *cy pres* recipient chosen by the Parties. The Parties have chosen St. Jude Children's Research Hospital as the *cy pres* recipient.

iii. Settlement Class Members who have not been financially impacted by the 2011 Mid-Calendar-Year Changes will not receive a settlement check or be entitled to any of the Settlement Funds. Nonetheless, all Settlement Class Members receive the benefit of the Stipulated Injunction described in Section 6.b below, and therefore whether or not a Settlement Class Member is entitled to a settlement check or not, all Settlement Class Members are bound by this Agreement, including the release of Released Claims.

iv. Settlement Class Members shall have 120 calendar days from the date of their settlement check to cash their settlement checks. Settlement Class Members who have misplaced or otherwise lost a settlement check may request that a new check be issued to

them by making a written request to the Settlement Administrator sent by mail to the Settlement Administrator's address. To be valid, a request for a replacement check must be in writing and must be postmarked within 120 calendar days of the date of the settlement check. The Settlement Administrator will issue a replacement check within 20 calendar days of receipt of a valid written request, and only after placing a stop payment on the initial check. A Settlement Class Member's late request for a replacement check shall be void and ineffective, but the Agreement nevertheless will be binding upon that Settlement Class Member.

v. Settlement checks that are not cashed within 120 days after mailing of the initial check (or 60 days after mailing of a replacement check) will be void and a stop payment will be placed on the checks. Those who fail to timely cash their checks will be deemed to have waived irrevocably any right in or claim to their portion of the Settlement Funds, but the Agreement nevertheless will be binding upon them. By virtue of Court approval of this Agreement, its terms shall control over any principles of escheat or provisions of unclaimed property law.

vi. If after nine (9) months from the Settlement Effective Date, there remains any amount of uncashed settlement checks ("Outstanding Settlement Funds"), the Settlement Administrator shall redistribute those funds as follows: if the *per capita* amount (calculated by dividing the Outstanding Settlement Funds by the total number of Settlement Class Members who cashed their settlement checks) is at least Five Dollars ($5.00) per Settlement Class Member, each Settlement Class Member who cashed his or her check shall receive a subsequent settlement check in the *per capita* amount. Section 6.a.iv and 6.a.v shall apply to any subsequent *per capita* settlement checks issued in accordance with this paragraph. If the *per capita* amount is less than Five Dollars ($5.00) per Settlement Class Member, or if

there are any uncashed settlement checks following the *per capita* disbursement, the Settlement Administrator shall redistribute the remaining funds to the *cy pres* recipient chosen by the Parties. The Parties have chosen St. Jude Children's Research Hospital as the *cy pres* recipient. In no circumstance will any of the Settlement Funds or Outstanding Settlement Funds be retained by, or revert to, Anthem.

vii. Anthem shall have no other obligations to further redistribute any Outstanding Settlement Funds.

b. Stipulated Injunction. Under the terms of this Agreement, Anthem also agrees not to make any Material Modification mid-calendar-year to any California-issued Anthem individual health plans in the future (*i.e.*, after the Settlement Effective Date), unless there is a change in regulation or law that supports such mid-calendar-year modifications. As used in this paragraph the term "Material Modification" refers to those modifications or changes to individual plan documents that result in any potential monetary impact to the Settlement Class Members. Nothing herein shall preclude Anthem from making any other modification or change to plan documents (*e.g.*, revise or modify non-monetary terms and conditions, stylistic changes, *etc.*). Prior to making any Material Modification mid-calendar-year consistent with this paragraph, Anthem will disclose its intent to Plaintiffs' Counsel. If Plaintiffs' Counsel does not agree that the proposed Material Modification is appropriate, then Anthem may request permission to implement such change from Justice Edward A. Panelli. The Parties expressly authorize Justice Panelli to rule on Anthem's requests to make any Material Modification mid-calendar-year. In the event Justice Panelli is unavailable to rule on a request, the Parties will select another neutral to rule on the request. In the event the Parties are unable to agree on an alternative neutral, the Parties shall request that the Court appoint an alternate neutral pursuant to

California Code of Civil Procedure Section 638. Any Party may seek review of Justice Panelli's ruling, or that of the alternate neutral, by way of an *ex parte* application to the Court pursuant to the Court's reservation of continuing jurisdiction over the enforcement of this Agreement.

7. Best Efforts of Parties. The Parties agree to undertake their best efforts to effectuate the settlement described in this Agreement. The Parties shall jointly request the Court to both preliminarily and finally approve the Agreement as expeditiously as practicable, and shall not encourage persons included within the Settlement Class or attorneys representing such persons to object to the Court's approval of the Agreement. The Parties further represent, agree and acknowledge that the settlement is a fair resolution of these claims for the Parties and the Settlement Class. Neither the Parties nor their respective counsel shall make any statements suggesting the contrary, either before or after the Court's approval of the settlement and this Agreement.

8. Objections to Settlement. Any Settlement Class Member may object to the fairness, reasonableness or adequacy of the proposed settlement. Each Settlement Class Member who wishes to object to any term of this Agreement must do so in writing by timely mailing a written objection to the Settlement Administrator. The Settlement Administrator shall provide the Parties' Counsel a copy of any objection. Any objection must be postmarked no later than 30 days after the date that the Summary Settlement Notice (Exhibit C) is mailed to the Settlement Class Members. Any such objection must (a) identify the case names and numbers, (b) identify the person as a Settlement Class Member, (c) attach copies of any materials that will be submitted to the Court or presented at the Fairness Hearing, (d) be signed by the Settlement Class Member, and (e) clearly state in detail (1) the legal and factual ground(s) for the objection, (2) the Settlement Class Member's name, address and, if available, telephone number, and (3) if

represented by counsel, such counsel's name, address and telephone number. Any objection that fails to satisfy the requirements of this Section, or that is not properly and timely submitted, shall be deemed ineffective, may be disregarded by the Court, and be deemed to have been waived, and the Settlement Class Member asserting such objection shall be bound by the final determination of the Court.

9. Requests to Appear at Fairness Hearing. Settlement Class Members or their counsel who wish to appear at the Fairness Hearing must make such request in writing by timely mailing a written request to the Settlement Administrator. Any such request must be postmarked no later than 30 days after the date that the Summary Settlement Notice (Exhibit C) is mailed to the Settlement Class Members. The request must (a) identify the case names and numbers, (b) identify the person as a Settlement Class Member, (c) attach copies of any materials that will be submitted to the Court or presented at the Fairness Hearing, (d) be signed by the Settlement Class Member, (e) clearly state in detail (1) the reasons the Settlement Class Member intends to appear at the Fairness Hearing, (2) the Settlement Class Member's name, address and, if available, telephone number and (3) if represented by counsel, such counsel's name, address and telephone number. Any request for appearance that fails to satisfy the requirements of this Section, or that has not been properly or timely submitted, shall be deemed ineffective, may not be considered by the Court, and constitute a waiver of such Settlement Class Member's rights to appear and to comment on the settlement at the Fairness Hearing.

10. Requests for Exclusion ("Opt-Out") from Settlement Class. Any person included within the Settlement Class who wishes to be excluded from the Settlement Class must do so in writing by mailing a written request for exclusion from the Settlement to the Settlement Administrator. Such request must be postmarked no later than 30 days after the date that the

Summary Settlement Notice (Exhibit C) is mailed to the Settlement Class Members. The request must (a) identify the case names and numbers, (b) be signed by the person seeking to be excluded from the Settlement Class, (c) clearly express the person's desire to be excluded (or to "opt out") from the Settlement Class, and (d) include the person's name, address and, if available, telephone number and, if represented by counsel, counsel's name, address and telephone number. Any person within the Settlement Class who wishes to be excluded from the Settlement Class can only opt out for himself or herself and cannot opt out for any other person or any group of persons, nor can any person within the Settlement Class authorize any other person to opt out on his or her behalf. Any request for exclusion that fails to satisfy the requirements of this Section, or that has not been timely postmarked by the deadline set forth in the Preliminary Approval Order, shall be deemed ineffective, and any person included within the Settlement Class who does not properly and timely submit a request for exclusion shall be deemed to have waived all rights to opt out and shall be deemed a Settlement Class Member for all purposes under this Agreement.

11. Failure of Court to Approve this Agreement. If (i) preliminary or final approval of this Agreement and the settlement is not obtained from the Court; or (ii) the Final Order and Judgment substantially in the form attached as Exhibit B to this Agreement is materially modified by the Court, and any of the Parties objects to such modification; or (iii) the number of timely and valid requests for exclusion exceeds a number agreed to by the parties and, within five business days after the deadline for valid requests for exclusion to be submitted, Anthem provides written notice to Plaintiffs that Anthem elects not to pursue the settlement based on the number of valid and timely requests for exclusion that are received; or (iv) any objector appeals from the Court's entry of the Final Order and Judgment and such order is

reversed in whole or in material part by a final decision of an appellate court (in the event of a partial reversal, the Parties shall have the right to elect to be bound by this Agreement as modified or partially reversed by the appellate court), then this Agreement shall be null and void, shall have no further force and effect with respect to any Party, and shall not be offered in evidence or used in the Lawsuits (or in any other matter to the extent permitted by law) for any purpose, including that relating to the existence, certification or maintenance of any purported class of plaintiffs. In such event, this Agreement and all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Released Parties, Plaintiffs or the Settlement Class Members, shall not be deemed or construed to be an admission or confession by any Party of any fact, matter or proposition of law, and shall not be used in any matter for any purpose, and all Parties shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court. In such event, if any order entered by the Court under the terms of this Agreement is not vacated by its own terms, any Party may move the Court to vacate any and all orders entered by the Court under the provisions of this Agreement, and no Party shall object thereto. To the extent feasible, the Parties shall be returned to their respective positions in the Lawsuits as the date of this Agreement. The Lawsuits shall then proceed in all material respects as if this Agreement and any related orders had never been executed.

12. Attorneys' Fees and Reimbursement of Expenses.

a. As an integrated term of this settlement, Anthem agrees to pay, as approved by the Court, reasonable attorneys' fees, including reimbursement of expenses through the entry of the Final Order and Judgment, to Plaintiffs' Counsel not to exceed One Million Seven Hundred and Sixty Thousand Dollars and Zero Cents ($1,760,000.00). Plaintiffs' Counsel

agree that they will not seek attorneys' fees, expenses, or any other form of compensation from the Released Parties that exceed this amount. Such amounts shall be paid to Plaintiffs' Counsel Shernoff Bidart Echeverria Bentley LLP within 10 business days after the Settlement Effective Date. Shernoff Bidart Echeverria Bentley LLP shall allocate and distribute this award of attorneys' fees and expenses among Plaintiffs' Counsel. The Parties represent that their negotiation of and agreement to the foregoing attorney's fees and costs did not occur until after the substantive terms of the Agreement had been negotiated and agreed to in principle.

b. Other than as set forth in this Agreement, the Released Parties shall have no responsibility or liability whatsoever regarding the payment of attorneys' fees, costs, expenses or incentive awards or compensation of any other kind to Plaintiffs, Plaintiffs' Counsel or other attorneys representing Plaintiffs or Settlement Class Members as to the Released Claims.

c. All requests for approval of payment of attorneys' fees, reimbursement of expenses and incentive awards shall be filed no later than 28 days before the Fairness Hearing. Such requests will be heard at the time of the Fairness Hearing by the Court.

d. Any challenges to or appeals from the request for approval of payment of attorneys' fees, expenses or incentive awards shall not otherwise terminate or delay implementation of the Agreement.

13. Incentive Awards to Plaintiffs. Anthem agrees not to oppose Plaintiffs' Counsel's request that the Court approve an additional payment to Plaintiffs as incentive awards in the amount of $10,000.00 (ten thousand dollars) each, subject to Court approval. All incentive award payments shall be paid to Plaintiffs no later than 10 business days after the Settlement Effective Date. The Parties represent that their negotiation of and agreement to the incentive

awards did not occur until after the substantive terms of the Agreement had been negotiated and agreed to in principle.

14. Releases, Waiver and Covenant Not to Sue.

a. Effective as of the Settlement Effective Date, and in consideration of this Agreement and the benefits extended to the Settlement Class, Plaintiffs, on behalf of themselves and the Settlement Class Members, and each Settlement Class Member, on behalf of himself or herself and his or her respective successors, assigns, past, present, and future parents, subsidiaries, joint venturers, partnerships, related companies, affiliates, unincorporated entities, divisions, groups, directors, officers, shareholders, employees, agents, representatives, servants, partners, executors, administrators, assigns, predecessors, successors, descendants, dependents, and heirs, do or by operation of the Final Order and Judgment are deemed to have fully released and forever discharged the Released Parties from the Released Claims.

b. Plaintiffs, on behalf of themselves and the Settlement Class Members, and Anthem, on behalf of itself and the Released Parties, fully understand that if any fact relating to any matter covered by this Agreement is later found to be other than or different from the facts now believed by them to be true, they expressly accept and assume the risk of such possible differences in fact and agree and acknowledge that this Agreement shall nevertheless remain fully binding and effective, notwithstanding any such difference.

c. All Parties hereto expressly understand and acknowledge that certain state statutes and principles of common law provide that a "general" release does not extend to claims that a creditor does not know or suspect to exist in his, her, or its favor. For example, Cal. Civ. Code Section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR

SUSPECT TO EXIST IN HER 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.

Plaintiffs, Anthem, the Settlement Class Members and Released Parties agree, or shall be deemed by operation of the Final Order and Judgment to agree, that any such statutes, principles of common law or other sources of legal authority of any and all jurisdictions that may be applicable to the Released Claims are hereby knowingly and voluntarily waived and relinquished, and further agree and acknowledge that this is an essential term of this Agreement. Plaintiffs, Anthem, Settlement Class Members and Released Parties do or by operation of the Final Order and Judgment are deemed to understand the statutory language of Section 1542 of the California Civil Code and nevertheless elect to release the claims described above as applicable to them. The Parties declare that before and in connection with the execution of this Agreement, they have been apprised of sufficient relevant data from sources selected by them so as to exercise their judgment intelligently in deciding whether to execute this document and further declare that their decision is not predicated on or influenced by any declarations or representations of any other party. The Parties state that this Agreement is executed voluntarily by them with full knowledge of its significance and legal effect.

d. Upon the Settlement Effective Date, Plaintiffs and Anthem shall have, and each and every Settlement Class Member and Released Party shall be deemed to have, on behalf of their respective successors, assigns, past, present, and future parents, subsidiaries, joint venturers, partnerships, related companies, affiliates, unincorporated entities, divisions, groups, directors, officers, shareholders, employees, agents, representatives, servants, partners, executors, administrators, assigns, predecessors, successors, descendants, dependents, and heirs,

covenanted and agreed to forever refrain from instituting, maintaining, or proceeding in any action against the Plaintiffs, Plaintiffs' Counsel, Anthem, or the Released Parties, with respect to any of the Released Claims.

e. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for a temporary restraining order or preliminary or permanent injunction against, any action, suit or other proceeding, which has been or may be instituted, prosecuted, continued to be prosecuted, or attempted, asserting any claim released by this Agreement with respect to any of the claims set forth in this Section.

15. Entire Agreement. This Agreement shall constitute the entire agreement between the Parties, on behalf of themselves and the Settlement Class, and supersedes and replaces any previous agreements and understandings, whether oral or written, between and among them, with respect to such matters. This Agreement shall not be subject to any change, modification, amendment, or addition, without the express written consent of the Parties, and may be amended or modified only by a written instrument signed by or on behalf of a Party or their representative or their respective successors-in-interest.

16. Binding Agreement. This Agreement shall benefit and bind the Parties, as well as their representatives, heirs and successors. If for any reason any provision of this Agreement other than Sections 6 or 14 shall be determined to be invalid or inoperative, the validity and effect of the other provisions shall not be affected thereby.

17. Continuing Jurisdiction. The Court shall retain continuing and exclusive jurisdiction over the Parties, including all Settlement Class Members and Released Parties, over the administration and enforcement of the Settlement and this Agreement, and over the provision of benefits to the Settlement Class. The Court also shall retain continuing and exclusive

jurisdiction in connection with the injunction provisions set forth in Section 6 of this Agreement, under California Code of Civil Procedure Section 664.6. The Parties agree they will seek assistance from Justice Edward A. Panelli, or another mediator agreed to by the Parties, before seeking assistance from the Court in the event of a dispute regarding the terms of the Agreement.

18. No Assignment. The Parties each represent and warrant that they have not assigned, transferred or purported to assign or transfer, in whole or in part, any interest in any of the rights and claims that are the subject of this Agreement.

19. Choice of Law. The validity, construction, interpretation, performance, and enforcement of this Agreement shall be governed by the internal, substantive laws of the State of California without giving effect to applicable choice of law principles.

20. Counterparts. This Agreement may be executed in one or more counterparts, either manually or by telecopy. All executed counterparts, and each of them, shall be deemed to be one and the same original instrument. This Agreement shall be deemed executed as of the date set forth on the first page of this Agreement. The Parties shall exchange among themselves original, signed counterparts, and a complete set of such counterparts shall be filed with the Court as an Exhibit to the joint motion or application for entry of the Order of Preliminary Approval.

21. Advice of Counsel and Construction of Agreement. Each of the Parties has had the benefit of the advice of counsel in the negotiation, drafting and execution of this Agreement, and the language in all parts of this Agreement is the product of the joint efforts of such counsel. This Agreement shall be construed as a whole, according to its plain meaning.

22. **Authority.** The Parties each represent and warrant that they have authority to enter into this Agreement either directly or through their counsel, subject to certification of the Settlement Class and approval of this Agreement by the Court.

23. **No Party is Drafter.** None of the Parties to this Agreement shall be considered to be the primary drafter of this Agreement or any provision hereof for the purpose of any rule of interpretation or construction that might cause any provision to be construed against the drafter. Neither this entire Agreement, nor any specific provision within the Agreement, shall be deemed to have been proposed or drafted by any Party or construed against any Party on that alleged basis.

24. **Notification.** Except as otherwise described in the Summary Settlement Notice attached as Exhibit C and the Full Settlement Notice attached as Exhibit D to this Agreement, all notices and other communications referenced in this Agreement shall be in writing and shall be served by facsimile, electronic or overnight mail, addressed to the Parties' counsel at their respective addresses as set forth below:

Notices to Plaintiffs or the Settlement Class Members

Michael J. Bidart
Ricardo Echeverria
Steven Messner
SHERNOFF BIDART ECHEVERRIA BENTLEY LLP
600 South Indian Hill Boulevard
Claremont, CA 91711
Telephone: (909) 621-4935
Facsimile: (909) 625-6915

Jerry Flanagan
CONSUMER WATCHDOG
2701 Ocean Park Blvd., Suite 112
Santa Monica, CA 90405
Tel: (310) 392-0522
Fax: (310) 392-8874

Notices to Anthem Blue Cross

Kurt C. Peterson
Kenneth N. Smersfelt
Amir Shlesinger
REED SMITH LLP
355 South Grand Avenue, Suite 2900
Los Angeles, CA 90071-1514
Telephone: (213) 457- 8000
Facsimile: (213) 457- 8080

25. **Time for Compliance**. If the date for performance of any act required by or under this Agreement to be performed on a particular day or within a specified period of time falls on a Saturday, Sunday or legal or Court holiday, such act may be performed upon the next business day, with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement. If an act is to be performed on a particular day, it must be completed no later than 5:00 p.m. Pacific Time on that day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement and Release to be executed effective as of the date set forth above.

ERIC TAUB
Plaintiff and Class Representative

_____
Date: May__, 2015

JANET KASSOUF
Plaintiff and Class Representative

_____
Date: May__, 2015

ALISON HEATH
Plaintiff and Class Representative

_____
Date: May__, 2015

Notices to Anthem Blue Cross

Kurt C. Peterson
Kenneth N. Smersfelt
Amir Shlesinger
REED SMITH LLP
355 South Grand Avenue, Suite 2900
Los Angeles, CA 90071-1514
Telephone: (213) 457- 8000
Facsimile: (213) 457- 8080

25. Time for Compliance. If the date for performance of any act required by or under this Agreement to be performed on a particular day or within a specified period of time falls on a Saturday, Sunday or legal or Court holiday, such act may be performed upon the next business day, with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement. If an act is to be performed on a particular day, it must be completed no later than 5:00 p.m. Pacific Time on that day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement and Release to be executed effective as of the date set forth above.

ERIC TAUB
Plaintiff and Class Representative

Eric Taub VA

Date: May 29, 2015

JANET KASSOUF
Plaintiff and Class Representative

_____

Date: May__, 2015

ALISON HEATH
Plaintiff and Class Representative

_____

Date: May__, 2015

Notices to Anthem Blue Cross

Kurt C. Peterson
Kenneth N. Smersfelt
Amir Shlesinger
REED SMITH LLP
355 South Grand Avenue, Suite 2900
Los Angeles, CA 90071-1514
Telephone: (213) 457- 8000
Facsimile: (213) 457- 8080

25. **Time for Compliance.** If the date for performance of any act required by or under this Agreement to be performed on a particular day or within a specified period of time falls on a Saturday, Sunday or legal or Court holiday, such act may be performed upon the next business day, with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement. If an act is to be performed on a particular day, it must be completed no later than 5:00 p.m. Pacific Time on that day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement and Release to be executed effective as of the date set forth above.

ERIC TAUB
Plaintiff and Class Representative

Date: May__, 2015

JANET KASSOUF
Plaintiff and Class Representative

Janet Kassouf ZB

Date: ~~May~~ June 2nd, 2015

ALISON HEATH
Plaintiff and Class Representative

Date: May__, 2015

Notices to Anthem Blue Cross

Kurt C. Peterson
Kenneth N. Smersfelt
Amir Shlesinger
REED SMITH LLP
355 South Grand Avenue, Suite 2900
Los Angeles, CA 90071-1514
Telephone: (213) 457- 8000
Facsimile: (213) 457- 8080

25. **Time for Compliance**. If the date for performance of any act required by or under this Agreement to be performed on a particular day or within a specified period of time falls on a Saturday, Sunday or legal or Court holiday, such act may be performed upon the next business day, with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement. If an act is to be performed on a particular day, it must be completed no later than 5:00 p.m. Pacific Time on that day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement and Release to be executed effective as of the date set forth above.

ERIC TAUB
Plaintiff and Class Representative

Date: May__, 2015

JANET KASSOUF
Plaintiff and Class Representative

Date: May__, 2015

ALISON HEATH
Plaintiff and Class Representative

Alison Heath

Date: May 29, 2015

DAVID JACOBSON
Plaintiff and Class Representative

David Jacobson JR

Date: May 29, 2015

BLUE CROSS OF CALIFORNIA dba ANTHEM BLUE CROSS

By: _____

Title: _____
Date: May__, 2015

PLAINTIFFS' COUNSEL:

Harvey Rosenfield
Pamela Pressley
Jerry Flanagan
CONSUMER WATCHDOG

_____
Date: May__, 2015

PLAINTIFFS' COUNSEL:

Michael J. Bidart
Ricardo Echeverria
Steven Messner
SHERNOFF BIDART ECHEVERRIA BENTLEY LLP

_____
Date: May__, 2015

DAVID JACOBSON
Plaintiff and Class Representative

_____
Date: May__, 2015

BLUE CROSS OF CALIFORNIA dba ANTHEM BLUE CROSS

By: _____

Title: VP & General Manager
Date: May 31, 2015

PLAINTIFFS' COUNSEL:

Harvey Rosenfield
Pamela Pressley
Jerry Flanagan
CONSUMER WATCHDOG

_____
Date: May__, 2015

PLAINTIFFS' COUNSEL:

Michael J. Bidart
Ricardo Echeverria
Steven Messner
SHERNOFF BIDART ECHEVERRIA BENTLEY LLP

_____
Date: May__, 2015

DAVID JACOBSON
Plaintiff and Class Representative

_____
Date: May__, 2015

BLUE CROSS OF CALIFORNIA dba ANTHEM BLUE CROSS

By: _____

Title: _____
Date: May__, 2015

PLAINTIFFS' COUNSEL:

Harvey Rosenfield
Pamela Pressley
Jerry Flanagan
CONSUMER WATCHDOG

_____
Date: May 29, 2015

PLAINTIFFS' COUNSEL:

Michael J. Bidart
Ricardo Echeverria
Steven Messner
SHERNOFF BIDART ECHEVERRIA BENTLEY LLP

_____
Date: May__, 2015

DAVID JACOBSON
Plaintiff and Class Representative

_____
Date: May__, 2015

BLUE CROSS OF CALIFORNIA dba ANTHEM BLUE CROSS

By: _____

Title: _____
Date: May__, 2015

PLAINTIFFS' COUNSEL:

Harvey Rosenfield
Pamela Pressley
Jerry Flanagan
CONSUMER WATCHDOG

_____
Date: May__, 2015

PLAINTIFFS' COUNSEL:

Michael J. Bidart
Ricardo Echeverria
Steven Messner
SHERNOFF BIDART ECHEVERRIA BENTLEY LLP

_____
Date: May 31, 2015