

Notice of Proposed Class Action Settlement

Doe vs. Roman Catholic Diocese of Covington

Case No. 03-CI-00181

Commonwealth of Kentucky, Boone Circuit Court

If You Were the Victim of Inappropriate Sexual Conduct by Anyone Affiliated with the Roman Catholic Diocese of Covington, Kentucky,

You May Be Able to Participate in a Settlement Fund

The Court has granted preliminary approval of the Settlement of a Class Action lawsuit against the Roman Catholic Diocese of Covington, Kentucky alleging sexual abuse of minors.

If you were the victim of sexual abuse as a minor by anyone associated with the Roman Catholic Diocese of Covington, Kentucky you may be able to receive compensation.

"Sexual abuse" includes a variety of sexual conduct ranging from sexual comments and fondling to any type of sexual contact.

To Preserve Your Rights To Participate In The Settlement Or Any Further Proceeding, Victims Must Take Immediate Action:

You must complete the Confidential Census Form. The Form can be found on the last page of this Notice.

You must return the Confidential Census Form no later than November 10, 2005 to Class Counsel Stanley M. Chesley & Robert A. Steinberg, Waite, Schneider, Bayless & Chesley Co. L.P.A., 1513 Fourth and Vine Tower, Cincinnati, OH 45202.

Failure to complete and return this Confidential Census Form will prevent you from receiving money from the Settlement.

This Notice is given to you in the belief that your rights may be affected by the proceedings described below. Please read this Notice carefully to determine if your rights are affected.

This Notice explains:

- A. What is a Class Action?
- B. The Lawsuit And The Court's Rulings.
- C. The Class Members (Those Who May Benefit From The Settlement).
- D. Confidentiality Of Class Members' Identities.
- E. There Has Been No Determination Of The Merits Of This Case.
- F. The Settlement.
- G. Attorneys' Fees and Expenses.
- H. The Right of Certain Class Members To Be Excluded From This Case.
- I. Preserving Your Right To Participate In The Settlement.
- J. The Fairness Hearing.
- K. Commenting On Or Objecting To The Settlement.
- L. Further Inquiry And Inspection Of Papers.

A. What is a Class Action?

In a class action, one or more person(s), called the class representative(s), sue on behalf of a group of people who have similar claims and are known as the class members. A court then resolves the issues, through trial or settlement, for all class members, except for those who have properly excluded themselves from the class. The people who bring the lawsuit are called plaintiffs and those they sue are called defendants. In this case, the plaintiffs are known by pseudonyms such as "John Doe" for privacy reasons. The Defendants are the Roman Catholic Diocese of Covington, Kentucky and its Bishop.

B. The Lawsuit and the Court's Rulings.

Plaintiffs allege that the Roman Catholic Diocese of Covington, Kentucky has engaged in a policy, pattern, or practice of:

- Concealing acts of sexual abuse by its priests and employees, and
- Negligently supervising its priests and employees.

The Plaintiffs allege that Members of the Class were sexually abused by a priest or member of a religious order assigned to or employed by the Diocese. They claim that the Diocese was negligent, was grossly negligent, and is liable for punitive conduct. The Diocese generally denies these allegations. The Diocese further states that some or all of Plaintiffs' claims are barred by the statute of limitations.

On October 21, 2003, the Court ruled that this case would proceed as a class action.

On July 20, 2005, the Court preliminarily approved the Settlement described in this Notice. The Court will hold a Fairness Hearing on January 9, 2006 to make a final decision as to whether the Settlement is fair.

C. The Class Members (Those Who May Benefit From the Settlement)

Prior to the Settlement described in part F of this notice, the Court certified a Class defined as follows:

All persons who, while still minors at any time during the period January 1, 1956 through the present, were subjected to acts of sexual abuse and sexual misconduct by priests or members of religious orders who, at the time of such abuse or misconduct, were assigned to or employed by the Diocese of Covington.

In connection with the Settlement, on July 20, 2005, the Court expanded the Class.

The Class now includes:

All persons who, while still minors at any time prior to October 21, 2003, were subjected to acts of sexual abuse and sexual misconduct by priests or other persons, who, at the time of such abuse or misconduct, were assigned to or employed by the Diocese of Covington or any of its parishes or institutions.

The geographical area of the alleged conduct covers the area of the Diocese of Covington as it existed during at least part of the Class Period and includes the following counties:

- | | | | |
|--------------|---------------|----------------|----------------|
| 1. Bath | 16. Fleming | 31. Laurel | 46. Owsley |
| 2. Bell | 17. Floyd | 32. Lawrence | 47. Pendleton |
| 3. Boone | 18. Franklin | 33. Lee | 48. Perry |
| 4. Bourbon | 19. Gallatin | 34. Leslie | 49. Pike |
| 5. Boyd | 20. Garrard | 35. Letcher | 50. Powell |
| 6. Bracken | 21. Grant | 36. Lewis | 51. Robertson |
| 7. Breathitt | 22. Greenup | 37. Madison | 52. Rockcastle |
| 8. Campbell | 23. Harlan | 38. Magoffin | 53. Rowan |
| 9. Carroll | 24. Harrison | 39. Martin | 54. Scott |
| 10. Carter | 25. Jackson | 40. Mason | 55. Whitley |
| 11. Clark | 26. Jessamine | 41. Menifee | 56. Wolfe |
| 12. Clay | 27. Johnson | 42. Montgomery | 57. Woodford |
| 13. Elliot | 28. Kenton | 43. Morgan | |
| 14. Estill | 29. Knott | 44. Nicholas | |
| 15. Fayette | 30. Knox | 45. Owen | |

D. Confidentiality Of Class Members' Identities

The Court has ordered the parties to keep the identity of Class Members confidential to the extent reasonably possible. Names of Class Members are not currently a matter of public record.

E. There Has Been No Determination Of The Merits Of This Case

The Court's order of class certification and this Notice of Settlement are not intended to indicate and should not be construed to mean that the claims are meritorious.

F. The Settlement

The Plaintiffs have reached a Settlement agreement with the Roman Catholic Diocese of Covington, Kentucky under which the Diocese will advance \$40 million from its assets into a Settlement Fund. The Diocese is also pursuing a claim against its own insurance carriers in the United States District Court for the Eastern District of Kentucky, at Covington, to compel them to comply with their coverage obligations to both pay an additional \$80 million for the benefit of claimants into the Settlement Fund and reimburse the Diocese for its \$40 million advance. The Diocese's claim against the insurance carriers is still pending and the outcome has not yet been determined.

The Parties have agreed upon four categories of injury and specified the range of compensation to be paid in each category.

The Settlement Fund will provide payments to claimants from the Diocese's \$40 million advance and from monies obtained from the Diocese's claim against its insurance companies. The maximum amount of monies in the Settlement Fund will be \$120 million. The Diocese will be reimbursed by the Fund for any amounts recovered from its insurers that exceed \$80 million.

The amount of the actual payments to a particular claimant will depend on (1) the total amount of the Settlement Fund, (2) the number and nature of the total claims submitted, and (3) the nature and extent of the individual claimant's injury.

The Settlement Fund also provides for potential recovery through a Counseling Fund, a Fund for Extraordinary Injuries, and a Fund for Minors.

If any funds remain unused after all claims and expenses are paid in full, the remaining funds will be returned to the Diocese or its insurers.

Under the agreement, there will be no injunctive relief.

G. Attorneys' Fees and Expenses

The Court must approve the amount to be awarded to Class Counsel for attorneys' fees and reasonable expenses. Class Counsel have agreed that their request for fees will not exceed 30% of the Settlement Sum. Class Counsel also will request a separate reimbursement for reasonable expenses advanced on behalf of the Class.

H. The Right Of Certain Class Members To Be Excluded From This Case

You have the right to exclude yourself from the Class if (1) you were abused before 1956, (2) you were abused by someone other than a priest or member of a religious order, or (3) you were born after October 21, 1980. Unless you exclude yourself by November 20, 2005, any judgment in this case, whether favorable or not, will include you and you may enter an appearance through counsel.

To obtain additional information about your rights you may contact Class Counsel at the location listed below. Submitting a Census Form does not prevent you from requesting exclusion or otherwise exercising the above rights. You must submit a timely Census Form to participate in the Settlement.

When you submit a Census Form, if you are a person entitled to request exclusion, Class Counsel will provide you with an individual notice setting forth your exclusion rights and the procedure for exclusion.

I. To Preserve Your Rights To Participate In the Settlement Or Any Further Proceedings, Victims Must Take Immediate Action

If you think you are a member of the Class and want to make a claim, **you must complete and return the Confidential Census Form no later than November 10, 2005¹ in order to receive a claim form and be eligible to apply to receive an award. The Confidential Census Form is on the last page of this Notice. You may also download it at www.covingtonkydioceseabuse.com.**

You must return the Confidential Census Form no later than November 10, 2005 to Class Counsel:

**Stanley M. Chesley and Robert A. Steinberg
Waite, Schneider, Bayless & Chesley Co., L.P.A.
1513 Fourth & Vine Tower, One West Fourth Street, Cincinnati, Ohio 45202
Toll-free 1-888-609-4826**

J. Fairness Hearing

The Court will hold a Fairness Hearing to decide whether the Settlement is fair and reasonable. The Fairness Hearing will be held on January 9, 2006 at 11:00 a.m. in the Courtroom of Judge John W. Potter at the Boone County Kentucky Circuit Court in Burlington, Kentucky.

The Court will not approve the Settlement or award attorneys' fees or the reimbursement of expenses until it holds the Fairness Hearing.

K. Commenting On or Objecting to the Settlement

You may comment on and/or object to the Settlement. Comments and/or objections to the Settlement along with any supporting papers must be filed on or before December 19, 2005 with the Clerk of the Court, Boone County Circuit Court, 6025 Rogers Lane, Room 141, Burlington, KY 41005.

Copies of all such papers also must be served, on or before December 19, 2005, upon:

Class Counsel: Stanley M. Chesley, Esq. and Robert A. Steinberg, Esq. at Waite, Schneider, Bayless & Chesley Co., L.P.A., 1513 Fourth & Vine Tower, One West Fourth Street, Cincinnati, OH 45202

¹ Any Class Member born after October 21, 1985 who fails to submit a timely Census Form or the required documentation by the applicable deadline shall nevertheless be permitted to submit a claim at any time before the Class Member's 23rd birthday or November 10, 2015, whichever is earlier. Thereafter, that Class Member is forever barred from making a claim or pursuing any legal or equitable remedy against the Diocese, any Diocesan parish or institution, or any officer, agent, or representative of the Diocese.

Defense Counsel: Carrie K. Huff at Mayer Brown Rowe & Maw, L.L.P., 71 South Wacker Drive, Chicago, IL 60606

L. Further Inquiry and Inspection of Papers

This Notice provides a general description and does not cover all of the issues and proceedings to date. If you wish to learn more about this action, write Class Counsel at the above stated address or telephone number.

You also may obtain additional information and copies of the Confidential Census Form by contacting Class Counsel or visiting the case Web site: www.covingtonkydioceseabuse.com.

The complete Court file, the pleadings and other papers filed in this action are public records, available for your inspection. They can be viewed at the offices of the Boone County Circuit Clerk, 6025 Rogers Lane, Room 141, Burlington, KY 41005-8151. The Clerk will make the files available to you for inspection and copying at your own expense.

Please Do Not Call Or Write To Judge Or The Clerk Of The Court Directly. They Will Not Be Able To Answer Your Questions About This Case.

Confidential Census Form

**To Preserve Your Rights To Participate In the Settlement Or Any Further Proceeding,
Victims Must Take Immediate Action.**

To receive a Claim Form to permit you to be considered for an award, *you must complete and send this Confidential Census Form no later than November 10, 2005 to:*

Class Counsel
Stanley M. Chesley and Robert A. Steinberg,
Waite, Schneider, Bayless & Chesley Co. L.P.A.,
1513 Fourth and Vine Tower,
One West Fourth Street, Cincinnati, OH 45202
Toll-free 1-888-609-4826

First Name of Class Member MI Last Name _____
Daytime Telephone Number

Street Address _____
Evening Telephone Number

City State Zip Code _____
Date of birth

Name of Abuser: _____

Date(s) of Abuse: _____

Location(s) of Abuse: _____

If you need assistance, please contact Class Counsel. Completion of this Form does not mean you will receive money from the Settlement. Pursuant to Court Order, this information is to remain confidential and not be made public.