

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

DUANE STORTI and a class of similarly situated individuals,)	
)	NO. 04-2-16973-9 SEA
Plaintiffs,)	
)	NOTICE OF CLASS ACTION
v.)	SETTLEMENT
)	
UNIVERSITY OF WASHINGTON,)	
)	
Defendant.)	
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**TO: UNIVERSITY OF WASHINGTON FACULTY CLASS MEMBERS DENIED A
2% MERIT RAISE IN THE 2002-03 ACADEMIC YEAR.**

This notice pertains to your legal rights. Please read it carefully. In 2004 plaintiff Duane Storti brought a class action lawsuit against the University of Washington for failing to provide a 2% merit salary increase in the 2002-03 academic year. To resolve this lawsuit, the University has agreed to provide faculty class members the omitted 2% salary increase and pay \$17.45 million in back pay and interest. Class Counsel believes the proposed settlement provides substantial relief to the class and recommends that it be approved.

The Court will hold a hearing on May 12, 2006 at 1:30 p.m. to decide whether the parties' Settlement Agreement should be approved. The following sections summarize some of the key aspects of the Settlement Agreement:

RELIEF PROVIDED IN SETTLEMENT AGREEMENT

Class Members Will Receive a 2% Raise

The Settlement Agreement provides relief for both the past and the future. The future relief is a 2% salary increase for all class members who are employed by the University on in the month following final court approval of the settlement in one of the covered faculty titles. The estimated value of this increase for all class members for 2006-07 is \$6.2 million, including benefit contributions. The 2% increase to class members' base salaries will affect salaries in both the upcoming academic year and future years.

\$17.45 Million for Back Pay and Interest

Under the Settlement Agreement the University will pay the plaintiff class \$17.45 million

to compromise claims for omitting the 2% salary increase in the 2002-03 academic year and interest. After deduction of attorney fees to Class Counsel and a \$15,000 class representative award to representative plaintiff Duane Storti (these items are discussed below), the University will allocate the remaining funds to “Qualified Class Members” on a *pro rata* basis.

“Qualified Class Members” for the purpose of receiving a *pro rata* share of the cash settlement fund (back pay and interest) are those class members employed by the University on the effective date of the settlement and class members formerly employed by the University who submit a timely claim form. The purpose of the claim form is to verify each formerly employed class member’s identity and address for the purpose of sending the formerly employed class member a check for his or her share.

The University will allocate the funds to Qualified Class Members *pro rata* based on their total earned University-Paid Salary during the period from and after July 1, 2002 to May 1, 2006, compared to the aggregate total earned University-Paid Salary to all Qualified Class Members during the same period. University-Paid Salary means the gross amount of monetary compensation paid to a class member by the University as regular salary for faculty duties. It does not include administrative supplements, temporary salary supplements, endowment supplements, additional salary to nine month faculty for four quarter duties, excess compensation or compensation paid directly to faculty members by entities other than the University.

After calculating each Qualified Class Member’s *pro rata share*, the University will issue a check to each Qualified Class Member that represents each Qualified Class Member’s share, less applicable tax and retirement deductions. The University will also make required employer contributions to Qualified Class Members’ retirement plans based on the amount of back pay paid to the class member (not including the interest component of the check). The University will provide each Qualified Class Member a notice explaining how the payment was calculated.

Award to Representative Plaintiff Duane Storti

Plaintiff Duane Storti will receive \$15,000 for participation as class representative. His participation included, but is not limited to, investigating the claim, commencing this lawsuit, involvement in discovery matters (including answering interrogatories, searching for and producing documents, and deposition testimony), attending court proceedings, attending meetings, and assisting class counsel.

Class Counsel’s Attorney Fees and Costs

Class Counsel’s attorney fees and costs are based on the Washington Supreme Court decision in *Bowles v. Department of Retirement Systems*, 121 Wn.2d 52 (1993), which provides for an attorney fee award based on a reasonable percentage of the value of the relief (both present and future) recovered in a class action brought by public employees. The value of the relief conferred on class members here includes the \$17.45 cash settlement, the 2% increase to current salaries, the additional compensation the class members will earn in the future due to the 2% increase in current base salaries, and an accompanying increase in retirement benefits. The Settlement Agreement provides Class Counsel \$5.235 million in attorney fees and costs for

prosecuting the lawsuit, which is 30% of the \$17.45 million cash settlement fund, but less than 10% of the total value of relief when considering the increase in retirement benefits and the present value of the 2% increase in base salaries that will continue in the future.

WHO IS A CLASS MEMBER?

A “class member” is a University of Washington faculty employee who: (1) held one of the covered faculty titles in the 2001-02 academic year, (2) was not found unmeritorious in the 2001-02 academic year, and (3) continued to hold one of the covered faculty titles in the 2002-03 academic year. The faculty titles covered by this lawsuit are: Professor, Professor Without Tenure, Associate Professor, Associate Professor Without Tenure, Assistant Professor, Assistant Professor Without Tenure, Acting Assistant Professor Pending Ph.D., Research Professor, Research Associate Professor, Research Assistant Professor, Lecturer Full-Time, Senior Lecturer, Principal Lecturer, Artist in Residence, Senior Artist in Residence, and clinical professors holding multi-year promotional pathway appointments. All other faculty titles are not covered by this lawsuit.

THE AGREEMENT, NOT THIS SUMMARY, DETERMINES YOUR RIGHTS

The foregoing is a brief summary of the lengthy Settlement Agreement. **The actual agreement determines your rights, not this summary.** Copies of the complete agreement may be obtained from the University’s website (<http://www.washington.edu/president/facultysalaryclassactionsettlement>), class counsel's website (www.bs-s.com) and from the UW Office of the Provost.

FINAL APPROVAL PROCEDURE

The Settlement Agreement is a product of extensive negotiations and constitutes a compromise of disputed claims. Class counsel have concluded the terms and conditions of the settlement are fair and reasonable and in the best interest of the class. Class Counsel, the University’s Board of Regents, and the University’s attorneys have approved the Settlement Agreement and recommend it be approved by the Court, and Judge Mary Yu, the King County Superior Court Judge assigned to the case, has given tentative approval. The Settlement Agreement is subject to final approval by Judge Yu. By approval of the content of this notice, the Court expresses no final opinion on the merits of the case or the amount and terms of the settlement. A final hearing will be held in Judge Yu’s courtroom, W928 King County Courthouse, Third and James, 516 Third Avenue, Seattle, WA 98104, at 1:30 p.m., on May 12, 2006, to decide whether the Court should approve the settlement. You do not have to attend this hearing to receive the above-described benefits of the settlement. Final approval of the settlement will make its terms binding upon you.

If any class member has an objection to the proposed Settlement Agreement, the objection must be made **in writing (DO NOT TELEPHONE AN OBJECTION TO THE ATTORNEYS)** prior to 4:00 p.m. on May 2, 2006, by filing the original objection with the Clerk of the Court and by delivering copies of the written objection to the attorneys for both sides. Any statements in support of the proposed settlement should be submitted in the same manner as objections. Class Counsel and the University may respond to any objections or statements in support. You may speak at the hearing only if you state your intent to do so in the written

objection or statement. Any objections or statements in support must be submitted as set forth below. You may also ask questions of Class Counsel by mail or email (UWFaculty@bs-s.com).

File original objections or statements in support in writing, showing case name and number (*Storti v. University of Washington*, No. 04-2-16973-9 SEA) and include your name, address, and telephone number with:

**Clerk of King County Superior Court
6th Floor, King County Courthouse
516 Third Avenue
Seattle, WA 98104**

Provide copies of all objections to both the following offices by no later than 4:00 p.m. on May 2, 2006:

IF YOU DO NOT TIMELY FILE AN OBJECTION OR STATEMENT IN SUPPORT FOLLOWING THESE PROCEDURES, YOUR OBJECTION OR STATEMENT IN SUPPORT IS WAIVED. YOU MAY SPEAK AT THE HEARING ONLY IF YOU STATE YOUR INTENT TO DO SO IN YOUR OBJECTION OR STATEMENT.

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Approved on March 17, 2006, by Judge Mary I. Yu, King County Superior Court.