

ATTENTION

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR THE COUNTY OF MARION

ALSEA VENEER, INC., et al., Plaintiffs, NO. 88C-11289
STATE OF OREGON, et al., Defendants, NO. 88C-11300
CONSOLIDATED CASES
ABC ROOFING CO., INC., et al., Plaintiffs, NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT
STATE OF OREGON, et al., Defendants.

TO: All employers insured by the State Accident Insurance Fund Corporation ("SAIF") at any time between July 1, 1981 through September 2, 1982 Notice is given to you that:

BACKGROUND OF THE LITIGATION

1. The above-captioned actions were brought by employers insured by SAIF who claim, among other things, that they were damaged by the Legislature's transfer of \$81 Million from the Industrial Accident Fund ("IAF") to the State's General Fund in 1983.
2. Plaintiffs have brought their action on their own behalf and as a class action for and on behalf of all other persons similarly situated.
3. Defendants have denied any liability or wrongdoing.
4. On August 4, 1988, the Oregon Supreme Court determined that, by directing the State Treasurer to transfer \$81 Million from the IAF to the General Fund, the Legislature breached the State of Oregon's contract with employers insured by SAIF during the 1981-82 policy year.
5. On November 18, 1993, the Oregon Supreme Court issued its opinion which directed the circuit court to certify the class described above; ordered the repayment of the \$81 Million, together with interest from the General Fund to the IAF; reinstated SAIF as a party in addition to the State of Oregon; and reinstated plaintiffs' claims that the \$81 Million must be administered for workers' compensation purposes, including the possible payment of dividends or reduction of premiums, as SAIF would have done had the money not been taken. The Supreme Court said that the "specific form of relief is for the trial court to select, based on the evidence presented and any defenses asserted."
6. The Marion County Circuit Court entered its order of August 8, 1994 certifying a class pursuant to ORCP 32 with the class consisting of all employers insured by SAIF at any time between July 1, 1981 through September 2, 1982 (all of which persons or entities constitute the "Class"). The Circuit Court order also required the State of Oregon to repay the \$81 Million "forthwith," and required that interest, at a rate to be determined, be paid by the State of Oregon to the IAF. On March 27, 1995, the Circuit Court ordered that interest be computed at the rate of return SAIF earned on funds held in the IAF from July 1, 1983 until repaid. Thereafter, the parties conducted discovery on that issue and others.
7. The purpose of this notice is to inform you of the certification of the Class and to inform you of the proposed settlement of Alsea Veneer, et al. v. State of Oregon, et al. and ABC Roofing, et al. v. State of Oregon, et al. ("the Litigation"). This notice is directed to you because you may be a member of the Class on whose behalf this litigation is pending.

MEMBERSHIP IN THE CLASS

8. IF YOU WERE AN EMPLOYER INSURED BY SAIF AT ANY TIME BETWEEN JULY 1, 1981 THROUGH SEPTEMBER 2, 1982, YOU WILL BE CONSIDERED A MEMBER OF THE CLASS REPRESENTED BY PLAINTIFFS AND THEIR ATTORNEYS. ALL PERSONS FOUND BY THE COURT TO BE PROPERLY MEMBERS OF THE CLASS ARE ELIGIBLE TO BE CONSIDERED FOR RELIEF PROVIDED UNDER THE PROPOSED SETTLEMENT AGREEMENT DESCRIBED LATER IN THIS NOTICE. NOT ALL MEMBERS OF THE CLASS WILL RECEIVE RELIEF IN THE FORM OF A MONETARY PAYMENT. If the Settlement Agreement described in this Notice is approved, the Court will order that the Class be a mandatory class, and that you will not have the right to ask to be excluded from the Class, or to pursue your own litigation, even if implementation of the Settlement Agreement does not result in a monetary payment to you. Further, even if there is not a monetary payment to an individual employer, that employer will be bound by the settlement and the final judgment to be entered in this case.

9. It may be that the parties to this case already know that you were an employer entitled to be considered a member of the Class. If the current records held by SAIF are complete and include your correct address, then you may be entitled to a monetary payment without having to provide any information. HOWEVER, THE RECORDS HELD BY SAIF MAY BE INCOMPLETE. IN PARTICULAR, SAIF MAY NOT HAVE A CURRENT ADDRESS FOR YOU BECAUSE OF THE PASSAGE OF TIME. IF A NOTICE MAILED TO YOU IS RETURNED AS NONDELIVERABLE AND YOU FAIL TO PROVIDE THE NOTICE AGENT WITH YOUR CURRENT NAME AND ADDRESS, YOU WILL IRREVOCABLY FORFEIT ANY MONETARY PAYMENT. THEREFORE, YOU SHOULD FILL OUT THE FORM AT THE END OF THIS NOTICE, AND MAIL IT TO THE ADDRESS INDICATED. THIS FORM MUST BE COMPLETED AND POSTMARKED BY NO LATER THAN FEBRUARY 16, 1996, OR ELSE IF SAIF DOES NOT CURRENTLY HAVE YOUR CORRECT NAME AND CORRECT CURRENT ADDRESS, YOU WILL FORFEIT YOUR RIGHT TO RECEIVE A PAYMENT.

10. This notice will also be published in the newspaper. If you have sent in the form at the end of this notice, please do not fill out a form which appears in the newspaper. If you receive more than one of these mailed notices, please do fill out and return the forms that you receive because each form will have a different identification number.

11. The form requests your employer identification number or social security number. This is due to the fact that IRS regulations may require that you be sent a Form 1099 or a K-1 showing that information. If such reporting is required and you fail to provide that information, the Administrator of the Class may be required to withhold a portion of any payment you might otherwise be entitled to.

REPRESENTATION BY CLASS COUNSEL

12. If you wish to remain as a member of the Class but wish to employ and be represented by your own attorney at your own expense, he or she must enter an appearance as your counsel. Please advise such counsel of the hearing date of February 26, 1996 (for approving the settlement), so that he or she can expeditiously prepare to represent you.
13. The names and addresses of the principal attorneys representing the plaintiff Class are as follows: Stephen T. Janik, Ball, Janik & Novack, #1100 One Main Place, 101 SW Main Street, Portland, OR 97204 and Bruce C. Hamlin, Lane Powell Spears Lubersky, 520 SW Yamhill, Suite 800, Portland, OR 97204.
14. You do not need to call the attorneys representing the Class. Instead you should communicate your claim information by mailing the above described form as indicated.
15. The names and addresses of the co-chairs of the client group representing the Class are as follows: Joe Gilliam, National Federation of Independent Business, 1241 State Street, #211, Salem, OR 97301-4156 and Gregory H. Baum, Harsch Investment Corp., 1121 SW Salmon, P.O. Box 2708, Portland, OR 97208.
16. If you continue to be represented by the plaintiffs and their attorneys, there will be no direct expense to you. The court will be asked to authorize the out-of-pocket litigation expenses and reasonable fees for plaintiffs' attorneys to be deducted from the amounts recovered.
17. We believe that you understand the legal rights involved, and if there is any question, please consult an attorney.

THE PROPOSED SETTLEMENT

18. Plaintiffs, through their attorneys, on their own behalf and on behalf of all persons they represent, have made an investigation of the facts and circumstances and the applicable law. They and the defendants have concluded that further conduct of the Litigation will be protracted and that no party can have an assurance of success. Accordingly, they have determined that it is in the best interest of the parties to settle and terminate the Litigation. After extensive negotiations, the parties to the Litigation have agreed to the proposed settlement described in this notice, subject to approval of the court.

19. The court has not passed on the merits of the case, except as noted in Sections 4 through 6, above, and therefore no implications regarding the merits of the Litigation should be drawn from the issuance of this notice.

20. The terms and conditions of the proposed Settlement Agreement are summarized in this notice. Terms which are capitalized in this notice have the meaning given to them by the proposed Settlement Agreement. The complete proposed Settlement Agreement, including exhibits, is on file at the office of the Court Administrator, Marion County Courthouse, 100 High Street, P. O. Box 12869, Salem, OR 97309; at the offices of plaintiffs' attorneys, Stephen T. Janik, Ball, Janik & Novack, #1100 One Main Place, 101 SW Main Street, Portland, OR 97204 or Bruce C. Hamlin, Lane Powell Spears Lubersky, 520 SW Yamhill, Suite 800, Portland, OR 97204. The proposed Settlement Agreement may be examined or copied at your expense during regular office hours.

21. In summary, the proposed Settlement Agreement provides for the following:
21.1 A Class Directory listing the members of the Class, based upon SAIF records and other sources, including the form at the end of this Notice, will be prepared.
21.2 The State of Oregon will pay the sum of Two Hundred Twenty-Five Million Dollars (\$225,000,000) at the following times and in the following amounts: (1) within ten days of the Effective Date of the Settlement Agreement, the sum of Sixty-Five Million Dollars (\$65,000,000) to the Class Settlement Account; (2) within thirty days of the adjournment of the regular session of the 1997 Legislature, the sum of Eighty Million Dollars (\$80,000,000) to the Class Settlement Account; and (3) within thirty days of the adjournment of the regular session of the 1999 Legislature, the sum of Eighty Million Dollars (\$80,000,000) to the IAF.

21.3 IN GENERAL, THE SETTLEMENT PROVIDES FOR THE PAYMENT TO CLASS MEMBERS OF APPROXIMATELY EIGHTY MILLION DOLLARS (\$80,000,000) IN LIEU OF DIVIDENDS OR OTHER BENEFITS THAT MIGHT HAVE BEEN RECEIVED BY INSUREDS HAD THE EIGHTY-ONE MILLION DOLLARS (\$81,000,000) NOT BEEN TAKEN FROM THE IAF IN 1982.

21.4 The payments referred to in 21.2, above, would be used as follows: (1) The sum of Sixty-Five Million Dollars (\$65,000,000) would be used to pay the costs advanced by the named plaintiffs and Class Counsel; next to pay any approved compensation to Steering Committee members; next, the sum of Ten Million Dollars (\$10,000,000) would be set aside as a source for payment of attorney fees to Class Counsel, in an amount to be set by the court, and other funds would be set aside for the expenses of administration, as approved by the court; and next to members of the Class according to a formula to be developed by an independent expert, subject to approval by the court. TO THE EXTENT THAT ANY MEMBER OF THE CLASS IS OTHERWISE ELIGIBLE TO RECEIVE A PAYMENT ACCORDING TO THE FORMULA, BUT CANNOT BE LOCATED, THAT PAYMENT WILL BE IRREVOCABLY FORFEITED, AND WILL INCREASE THE PAYMENT TO THE REMAINING ELIGIBLE MEMBERS OF THE CLASS. (2) The sum of Eighty Million Dollars (\$80,000,000) to be paid by the State of Oregon in 1997 would be used to pay any further attorney fees and expenses approved by the court; next to pay an additional Twenty-Five Million Dollars (\$25,000,000), plus interest at the rate of 9% per year on Twenty Million Dollars (\$20,000,000) from July 1, 1995 to July 1, 1997, to members of the Class in proportion to the amounts already received by them under the formula mentioned in Section 21.4, above; next to reimburse certain approved costs of SAIF in performing its obligations under the Settlement Agreement; and next to be distributed to all eligible employers insured by SAIF between July 1, 1981 and December 31, 1994, generally in proportion to the policyholder's individual total SAIF premiums paid for the period. To the extent that any policyholder in the period between July 1, 1981 and December 31, 1994 would otherwise be eligible to receive a payment according to the formula, but cannot be located, those funds would go to the IAF. (3) The sum of Eighty Million Dollars (\$80,000,000) to be paid by the State of Oregon to the IAF in 1999 would be used by SAIF for workers' compensation purposes permitted by law as it existed prior to September 3, 1982. Future payments by the State of Oregon would be secured by a judgment, and if any payment was not made on time, it would bear interest.

21.5 Under the terms of the Settlement Agreement, payments to Class Counsel for attorney fees would not reduce the amount payable to the Class because, out of the first \$65 Million, \$55 Million would be distributed to members of the Class, and \$10 Million would be set aside as a source for the payment of attorney fees to Class Counsel. Out of the payment scheduled for 1997, the sum of \$25 Million, plus some interest, would be distributed to the Class, for a total of not less than \$80 Million, assuming all payments are made by the State. Using the \$10 Million mentioned above, and the remainder of the 1997 payment, as sources, a special master will set the total amount of attorney fees to Class Counsel subject to court approval under a standard set out in the Settlement Agreement. Class Counsel are expected to request attorney fees, based on a percentage of the common fund, of up to twenty-five percent (25%) of the total recovery. Attorney fees would reduce the amount available to policyholders between July 1, 1981 and December 31, 1994, but not reduce payments to the Class. Class Counsel may request an interim payment at any time.

21.6 The independent expert referred to in Section 21.4, above, will begin work as soon as the Settlement Agreement is effective. Interested persons can submit information to the independent expert bearing on the appropriate method of distributing monetary payments to employers insured by SAIF between July 1, 1981 and September 2, 1982, by sending such information to: Neil A. Bethel, Koll Center North-East Tower, 2010 Main Street, Suite 1050, Irvine, CA 92714. It may be in your interest to provide such information because the formula developed by the independent expert, or approved by the court, may not provide for a monetary payment to each and every member of the Class. The report of the expert will be completed and available for review by approximately May 1, 1996; however, that date may vary and if it does, you may call the toll free number listed below to learn when the report will be available. The final report will be available for inspection at the following locations: offices of SAIF and the main branches of public libraries. Objections, if any, to the report must be filed with the court by a date to be established by Class Counsel, which will be at least sixty (60) days after the report is available. You can learn the last day for filing an objection by calling the toll free number listed below. You may object to the report even if you have not filed an objection to the Settlement Agreement.

21.7 Persons or entities that were non-complying employers during July 1, 1981 through September 2, 1982 will not be eligible to receive a payment for the period of time during July 1, 1981 through September 2, 1982 that they were non-complying. Persons or entities that were in the assigned risk pool during July 1, 1981 through September 2, 1982 will not be eligible to receive a payment for the period of time during July 1, 1981 through September 2, 1982 that they were in the assigned risk pool.

21.8 Persons or entities whose claim is determined to be \$20,000 or less will receive \$0.00, because the cost of processing such a claim may exceed the amount of the claim.

21.9 Information in SAIF's records regarding premiums and loss experience for a policyholder is conclusive and binding on policyholders.

21.10 Employers who receive checks will, by endorsing them, give up Class Claims against the Defendants. All checks must be cashed within ninety (90) days of the check's date or you will forfeit your claim amount.

21.11 The Settlement Agreement will be incorporated into a Final Judgment, the terms of which will include a judgment against the Defendant State of Oregon for the sum of Two Hundred Twenty-Five Million Dollars (\$225,000,000), together with interest on future installments from the due date until paid. The court will retain continuing jurisdiction while the Settlement Agreement is being implemented. Members of the Class would be barred and enjoined from bringing any other action relating to the Class Claims against the Defendants and the Released Parties. When all of the payments are made, the judgment would be satisfied, and the claims of the plaintiffs and of the Class dismissed with prejudice.

22. The summary provided here is just that: a summary. If you wish to know more about the details of the proposed Settlement Agreement, you should review a copy of the proposed Settlement Agreement, or contact your attorney.

YOU ARE HEREBY NOTIFIED

23. Hearing to Approve Settlement. A HEARING WILL BE HELD IN THE COURTROOM OF JUDGE RODNEY W. MILLER, IN MARION COUNTY CIRCUIT COURT, 100 HIGH STREET, SALEM, OREGON ON FEBRUARY 26, 1996, AT 1:30 P.M. FOR THE PURPOSE OF DETERMINING WHETHER THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE, AND WHETHER THE PROPOSED SETTLEMENT AGREEMENT SHOULD BE APPROVED BY THE COURT. If you are satisfied with the proposed settlement, you need not appear at this hearing or take any other action at this time. THE HEARING MAY BE ADJOURNED FROM TIME TO TIME, WITHOUT FURTHER NOTICE TO YOU OR THE CLASS.

24. Appearance by Counsel. Even though you are a member of the Class, you may, but need not, enter an appearance through an attorney of your choice by having your attorney mail a Notice of Appearance to the Court Administrator, Marion County Courthouse, 100 High Street, P. O. Box 12869, Salem, Oregon 97309. If you do not appear through your own counsel, your interests will be represented by the attorneys of record for the plaintiffs listed below.

25. Objections to Settlement. Objections must be filed and served on counsel in the manner set forth below. Any class member who desires to do so may appear at the hearing, in person or by counsel, and show cause, if any, why the proposed settlement should not be approved by the court, and why the terms of the settlement should not be found to be fair, reasonable, and adequate. No such person will be heard at the hearing and no papers and briefs submitted by any such persons shall be considered unless on or before February 13, 1996, written objections to the settlement together with any additional papers or briefs are filed with the Court Administrator, Marion County Courthouse, 100 High Street, P. O. Box 12869, Salem, OR 97309 with the certificate stating that copies of the written objections and any additional papers or briefs were mailed on or before February 13, 1996 to: Gregory A. Chaimov, Attorney in Charge, Special Litigation Unit, Department of Justice, 1162 Court Street, NE, Justice Building, Salem, OR 97310, attorney for Defendants; Stephen T. Janik, Ball, Janik & Novack, #1100 One Main Place, 101 SW Main Street, Portland, OR 97204 and Bruce C. Hamlin, Lane Powell Spears Lubersky, 520 SW Yamhill, Suite 800, Portland, OR 97204, attorneys for Plaintiffs.

26. Waiver of Objections. Any person who fails to comply with the requirements of Sections 24 or 25, above, shall be deemed to have waived and shall be forever foreclosed from raising any objection to the proposed settlement in any forum. The filing of an objection to the proposed settlement shall not exclude the objector from participating in any recovery that the objector would otherwise be able to if there were no objection.

27. Mailing Procedure. All documents which you file should be entitled as shown in the caption above. The postmark on the envelope will determine whether any documents you may file have been served in a timely manner.

28. Toll Free Information Number. AFTER THE HEARING, CURRENTLY SCHEDULED FOR FEBRUARY 26, 1996, IF YOU WISH TO BE INFORMED OF IMPORTANT DATES IN THE ABOVE DESCRIBED PROCESS, YOU MAY CALL THE FOLLOWING TOLL FREE NUMBER: 1-800-831-0170.

If you have any questions which you want to raise concerning the litigation, or the matters dealt with in this notice, please direct your inquiries in writing to: Court Administrator, Marion County Courthouse, 100 High Street, P. O. Box 12869, Salem, OR 97309. Do not call the court. The pleadings and other public records in this litigation, including papers in support of the proposed settlement, may be examined and copied at any time during regular office hours at the above address.

DATED this 8th day of January, 1996.

Rodney W. Miller Circuit Court Judge

For more information this case, complete and mail the clip coupon or call:

1-800-831-0170

Chamber Chatter

By Claudia Hughes, Chamber Manager

It must be the warm weather, as leprechauns seem to be popping up everywhere with St. Patrick's celebration questions. Twelve calls came into the Chamber office even before the Town and Country celebration was over.

A meeting will be held Wednesday, Jan. 17, noon, at Kate's to finalize the schedule. 'Tis true, our Wee Bit O' Ireland celebration is but two months away. One new event will be the O'Shanty race instead of the bed race. Start now collecting refrigerator boxes and building your shanty (out-house) for a race to beat all races. You might say the committee was in a mischievous mood when last they met! Laughter is the world's best medicine.

Town and Country Day felt good and some very special people were honored. A positive attitude seemed to prevail and the committee planners made it through with great help from the community. Everyone's effort was greatly appreciated. Chamber has just kicked off

PUBLIC NOTICE

STATEMENT OF NONDISCRIMINATION

Umatilla Electric Cooperative Association has filed with the Federal Government a Compliance Assurance in which it assures the Rural Electrification Administration that it will comply fully with all requirements of Title VI of the Civil Rights Act of 1964 and the rules and regulations of the Department of Agriculture issued thereunder, to the end that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participating in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities. Under this assurance, this organization is committed not to discriminate against any person on the ground of race, color or national origin in its policies and practices relating to applications for service, use of any of its facilities, attendance at and participation in any meetings of Beneficiaries and Participants in the conduct of the operations of this organization.

Any person who believes himself, or any specific class of individuals, to be subjected by this organization to discrimination prohibited by Title VI of the Act and the rules and regulations issued thereunder may, by himself, or a representative, file with the Secretary of Agriculture, Washington, D.C. 20250, or this organization, or all, a written complaint. Such complaint must be filed not later than 90 days after the alleged discrimination, or by such later date to which extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purpose of the rules and regulations.

Published: January 17, 1996

PUBLIC NOTICE

NOTICE OF RECEIPT OF BALLOT TITLE

Notice is hereby given that a ballot title for a measure for a One Year Operating Levy Outside the Tax Base for Morrow County has been filed with the County Clerk of Morrow County on January 10, 1996. The ballot title caption is "ONE YEAR OPERATING LEVY OUTSIDE THE TAX BASE". Any elector dissatisfied with the ballot title may file a petition for review of this ballot title in the Morrow County Circuit Court no later than 5:00 p.m. on January 19, 1996. Any person filing a challenge must also file a copy of the challenge with the Morrow County Clerk, 100 N. Court St., Heppner, by the end of the next business day after the petition is filed with the Circuit Court. Barbara Bloodsworth Morrow County Clerk Published: January 17, 1996

its new year. Core strategies, goals and action plan for the year will be presented at the Tuesday meeting. Committees will be expanded to include new faces. New ideas and members are most welcome. Come see what the organization is all about, noon, at Kate's.

Thought for the week: "What the world really needs is more love and less paperwork." -Pearl Bailey.

MCCAC to meet

The next meeting of the Morrow County Creative Arts and Crafts Club will be Wednesday, Jan. 24, upstairs at Kate's.

PUBLIC NOTICE ANNOUNCEMENT OF CALL FOR BIDS

Sealed Bids for the purchase of a portable wheelchair lift will be received by Morrow County School District at the District Office, 270 W. Main, Lexington, OR 97839 until 2:00 p.m., February 6, 1996. At that time, all bids will be opened and publicly read. Bid documents may be obtained at the District Office in Lexington, OR Monday through Friday from 8:00 a.m. until 4:30 p.m. Morrow County School District may reject any bids not in compliance with all prescribed public bidding procedures and requirements, and may reject for good cause any and all bids upon a finding of the district that it is in the public interest to do so. Charles D. Starr Superintendent, Morrow County School District Published: January 17, 1996

PUBLIC NOTICE CIRCUIT COURT OF OREGON

FOR MORROW COUNTY WESTERN UNITED LIFE ASSURANCE COMPANY, Plaintiff,

vs. FRANK ROA AND DARLENE ROA, HUSBAND AND WIFE, EMMA MADRIGAL AND ALL HEIRS AND DEVISEES, KNOWN AND UNKNOWN OF ALEX MADRIGAL, DECEASED, ET AL.; Defendants.

No. 95-CV-95 SUMMONS BY PUBLICATION

THE STATE OF OREGON, to the said Defendants, ALL HEIRS AND DEVISEES, KNOWN AND UNKNOWN OF ALEX MADRIGAL, DECEASED.

You are hereby summoned to appear within thirty (30) days after the date of the first publication of this summons, to-wit: within thirty (30) days after the 27 day of December, 1995, and defend the above-entitled action in the above-entitled Court, and answer the complaint of the plaintiff, and serve a copy of your answer upon the undersigned attorney for WESTERN UNITED LIFE ASSURANCE COMPANY, plaintiff, at the office below stated; and in case of your failure so to do, judgment will be rendered against you according to the demand of the complaint, which has been filed with the Clerk of said Court. The object of the said action and the relief sought to be obtained therein is fully set forth in said complaint, and is briefly stated as follows: Foreclosure of a Real Estate Contract

Vendee: Frank Roa and Darlene Roa Property address: Rt. 2, Box 322A, Irrigon, OR Publication: Heppner Gazette Times

(s) Susan R. Robinson, OSBA # 90141 Of Karr Tuttle Campbell Attorney for Plaintiff 1201 Third Avenue Suite 2900 Seattle, WA 98101 Phone: (206) 223-1313 60008055

Published: December 27, 1995, January 3, 10, and 17, 1996

CARD OF THANKS

A special thank you to the Morrow County Chamber of Commerce and all of the other community volunteers who