

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY (CAMDEN)**

DOROTHY D. MYERS et al.,
Consolidated Plaintiffs,

v.

MEDQUIST INC. and MEDQUIST TRANSCRIPTIONS, LTD.,
Consolidated Defendants.

Hon. Jerome B. Simandle, U.S.D.J.
Hon. Ann Marie Donio, U.S.M.J.

Civ. A. No. 1:05-cv-4608 JBS-AMD

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTION**

***IF YOU ARE A MEDICAL TRANSCRIPTIONIST WHO TRANSCRIBED WORK FOR MEDQUIST AT ANY TIME DURING
THE PERIOD FROM NOVEMBER 29, 1998, TO AUGUST 11 2008, AND WERE PAID ON A LINE-BASED
UNIT OF MEASURE FOR YOUR WORK, YOU ARE A MEMBER OF A CLASS OF PEOPLE SUBJECT TO THE
CLASS ACTION SETTLEMENT DESCRIBED BELOW.***

A federal court authorized this Notice.

This Notice concerns a lawsuit that was brought as a class action on behalf of current and former medical transcriptionist employees of MedQuist Inc. and MedQuist Transcriptions Ltd. ("MedQuist"). The suit alleges that MedQuist manipulated its computer systems to underpay medical transcriptionist for transcription work that was compensated on a per-line basis. Defendants deny that they did anything wrong. The parties have agreed to settle the lawsuit. The terms of the proposed settlement are described below.

Settlement Fund and Injunctive Relief: \$1,500,000 in cash. The Settlement Fund, less Court-approved expenses, shall be distributed to the Association for Healthcare Documentation Integrity ("AHDI"), an association of medical transcription professionals, to fund programs for the general benefit of medical transcriptionists and the medical transcription industry. Qualifying class members will also be eligible to participate in certain AHDI programs free of charge. No payments will be made directly to any individuals. In addition to the Settlement Fund, MedQuist has agreed and will be ordered to do the following: (a) implement and disseminate a formal written policy that expressly states all definitions of payroll lines used by MedQuist transcription platforms for compensating medical transcriptionists; (b) make all definitions of payroll lines used by MedQuist transcription platforms available to MedQuist employees, candidates for employment, and the general public by including it within MedQuist's internet website; (c) make all definitions of payroll lines used by MedQuist transcription platforms available to MedQuist employees, including managers, recruiters, and medical transcriptionists by including it in MedQuist's employee handbook or other materials distributed to medical transcriptionists for their ongoing reference; and (d) make available all definitions of payroll lines used by MedQuist transcription platforms to candidates for employment as a medical transcriptionist prior to or in connection with any verbal or written offer of employment; (e) identify for all medical transcriptionists who are paid based on a payroll line unit of measure, prior to or in connection with any verbal or written offer of employment, the payroll line definition that will be used to calculate their pay; and (f) provide written notice to the affected transcriptionist employees in the event that MedQuist alters the definition of a payroll line or otherwise causes transcription work to be calculated for payroll purposes according to a different payroll line definition.

Reasons for Settlement: Settlement provides a substantial benefit to the Settlement Class now, through the Settlement Fund and the additional injunctive relief described above and avoids the costs and risks associated with continued litigation, including the danger of no recovery.

If the Case Had Not Settled: The settlement must be compared to the risk of no recovery following contested motions, including class certification, trial and likely appeals. While Plaintiffs' Counsel were prepared to proceed to class certification proceedings and go to trial, trials are risky propositions and Named Plaintiffs might not have prevailed. The claims in this case involve numerous complex legal and factual issues that would require extensive and costly testimony, including testimony from expert witnesses. Among the many key issues about which the two sides do not agree are: (a) whether the Defendants' transcription platforms counted characters and lines consistent with the agreements Defendants had with each of their medical transcriptionists; (b) whether the Defendants underpaid any of their transcriptionists who transcribed on the MedRite platform; (c) whether the Defendants underpaid any of their transcriptionists who transcribed on the Medical Transcription System or MTS platform; (d) whether the Defendants underpaid any of their transcriptionists who transcribed on the Document Enterprise Platform or DEP platform; (e) whether the Defendants underpaid any of their transcriptionists who transcribed on any other platform; (f) the amount (if any) of underpayment which was not offset by other compensation that the Defendants' paid to their medical transcriptionists, including, among other things, payment for characters and lines that medical transcriptionists did not type; and (g) the amount of damages (if any) that could be recovered at trial.

Attorneys' Expenses: Plaintiffs' Counsel have not been paid for any of the legal services they have rendered since first initiating this lawsuit in November 2004, and Plaintiffs' Counsel have not been reimbursed for any out-of-pocket expenses they have incurred while investigating the facts, conducting this litigation, and negotiating the settlement on behalf of the Named Plaintiffs and the Settlement Class. Plaintiffs' Counsel, however, will ask the Court for reimbursement of their actual and reasonable out-of-pocket expenses which are estimated to be approximately \$250,000 and which are to be paid from the Settlement Fund. Plaintiffs' Counsel are not seeking attorneys' fees or any other payment for the legal services they provided to the Named Plaintiffs and the Settlement Class.

Deadlines: **Request Exclusion:** **February 5, 2009**
File Objection: **February 12, 2009**

Court Hearing on Fairness of Settlement: **March 26, 2009**

For More Information contact: **MedQuist Settlement Administrator**
P.O. Box 1949
Faribault, MN 55021-6092
www.transcriptionistsettlement.com
Toll Free: 1-800-657-1162

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
<i>Your legal rights are affected whether you act, or don't act. Read this Notice carefully.</i>	
OBJECT	You may write to the Court if you do not like this settlement.
GO TO A HEARING	You may ask to speak in Court about the fairness of the settlement.
DO NOTHING	You will remain in the class and be bound by the terms of the settlement including the release. The Settlement Fund will be distributed as described above.
EXCLUDE YOURSELF	This is the only option that allows you to participate in another lawsuit against the Defendants relating to the claims being released in this case.

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and, if there are any appeals, after appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have been a medical transcriptionist who transcribed for MedQuist from November 29, 1998 to August 11, 2008, and was paid on a line-based unit of measure.

The Court sent this Notice to you because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections or appeals are resolved, the Settlement Administrator that the Court appoints will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, and your legal rights.

The Court in charge of the case is the Honorable Judge Jerome B. Simandle, United States District Court, District of New Jersey, and the case is known as *Myers v. MedQuist, Inc., et al*, No. 1:05-CV-4608-JBS-AMD. The individuals that sued are called the Named Plaintiffs, and the companies they sued, MedQuist Inc. and MedQuist Transcriptions, LTD., (together, "MedQuist") are called the Defendants.

2. What Is This Lawsuit About?

This case was brought as a class action alleging claims against Defendants for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, and seeking an accounting, on behalf of medical transcriptionists who were compensated on a "per line" basis from November 28, 1998 through August 11, 2008. The case asserts that the Defendants manipulated MedQuist's computer systems to underpay their medical transcriptionists for their per-line medical transcription work while in Defendants' employ. Defendants deny that they did anything wrong.

3. Why Is This a Class Action?

In a class action, one or more people called class representatives (in this case the Named Plaintiffs) sue on behalf of persons who have similar claims. Here, all of these individuals are collectively called a Settlement Class or the Settlement Class Members. When a Settlement Class is certified, one court resolves the issues for all Settlement Class Members, except for those who timely and validly exclude themselves from the Settlement Class. Judge Jerome B. Simandle is in charge of this class action.

4. Why Is There a Settlement?

The Court did not decide in favor of Named Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the cost and uncertainty of contested motions and a trial. The Named Plaintiffs and their attorneys think the settlement is the best result they could achieve for all Settlement Class Members, taking into account the costs, risks, and uncertainty of proceeding with motions and trial.

WHO IS IN THE SETTLEMENT

5. How Do I Know if I Am Part of the Settlement?

The Settlement Class includes all medical transcriptionists who transcribed for MedQuist from November 29, 1998, to August 11, 2008, and were paid on a line-based unit of measure for their work.

6. What Are the Exceptions to Being Included?

You are not a Settlement Class Member if you are not included in the definition of the Settlement Class described above or you are a Defendant or a Related Party of a Defendant. Related Parties are defined as each of a Defendant's past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest.

7. What if I am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the MedQuist Settlement Administrator at 1-800-657-1162 for more information.

THE SETTLEMENT BENEFITS

8. What Does the Settlement Provide?

Defendants have agreed to pay \$1,500,000 in cash. This settlement payment will be used to reimburse the actual and reasonable out-of-pocket expenses incurred by Plaintiffs' Counsel in prosecuting this case as approved by the Court and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notice. The balance of the settlement payment, and in no event less than \$1,000,000, will be distributed to AHDI, to fund programs for the general benefit of medical transcriptionists and the medical transcription industry. Qualifying class members will also be eligible to participate in certain AHDI programs free of charge. No payments will be made directly to any individuals. In addition, named Plaintiffs and Plaintiffs' Counsel have negotiated an injunction. The injunction requires MedQuist to (a) implement and disseminate a formal written policy that expressly states all definitions of payroll lines used by MedQuist transcription platforms for compensating medical transcriptionists; (b) make all definitions of payroll lines used by MedQuist transcription platforms available to MedQuist employees, candidates for employment, and the general public by including it within MedQuist's internet website; (c) make all definitions of payroll lines used by MedQuist transcription platforms available to MedQuist employees, including managers, recruiters, and medical transcriptionists by including it in MedQuist's employee handbook or other materials distributed to medical transcriptionists for their ongoing reference; and (d) make available all definitions of payroll lines used by MedQuist transcription platforms to candidates for employment as a medical transcriptionist prior to or in connection with any verbal or written offer of employment; (e) identify for all medical transcriptionists who are paid based on a payroll line unit of measure, prior to or in connection with any verbal or written offer of employment, the payroll line definition that will be used to calculate their pay; and (f) provide written notice to the affected transcriptionist employees in the event that MedQuist alters the definition of a payroll line or otherwise causes transcription work to be calculated for payroll purposes according to a different payroll line definition.

9. Will I receive any money in addition to the benefits of the injunction described above?

Settlement Class Members will not receive individual monetary distributions from the Settlement Fund.

10. How can I participate in the free programs offered by AHDI to qualifying class members?

As part of the settlement, AHDI is offering certain of its programs free of charge to qualifying class members through December 31, 2009. Program options include a choice of one of the following: free one-year individual AHDI membership, or free one-year subscription to AHDI's web-based knowledge base and information portal, or free registration for up to five (5) online AHDI educational webinars; or free registration for credentialing prep course; or free AHDI educational product bundle. Certain participation limitations apply so you are encouraged to take advantage of these AHDI program offerings early. You can learn more about these program options and apply to participate through AHDI's website at www.AHDI.org. You can obtain more information by calling or writing to:

MedQuist Settlement Administrator
P.O. Box 1949
Faribault, MN 55021-6092
www.transcriptionistsettlement.com
Toll Free: 1-800-657-1162

11. What Am I Giving Up to Stay in the Settlement Class?

Unless you timely and validly exclude yourself, you will stay in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Claims in this case. Released Claims means any and all causes of action arising out of, relating to, or in connection with the systemic manner or methodology Defendants used to count characters and/or calculate payroll lines for purposes of paying medical transcriptionists. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the release are included in the claim form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to retain the right to sue or continue to sue the Defendants on your own for the Released Claims in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class.

12. How Do I Get Out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *Myers v. MedQuist, Inc., et al*, No. 1:05-CV-4608-JBS-AMD. You must include your name, address, telephone number, your signature, and a statement that you were a medical transcriptionist who transcribed for MedQuist from November 29, 1998, to August 11, 2008, that was paid on a line-based unit of measure for your work. You must mail your exclusion request postmarked no later than February 5, 2009 to:

MedQuist Settlement Administrator
P.O. Box 1949
Faribault, MN 55021-6092

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded from the settlement, you will not be legally bound by anything that happens in this lawsuit.

13. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you timely and validly exclude yourself, you give up any right to sue the Defendants for the Released Claims in this settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is February 5, 2009.

THE LAWYERS REPRESENTING YOU

14. Do I Have a Lawyer in This Case?

The Court approved several law firms to represent you and other Settlement Class Members, including Drew Eckl & Farnham LLP; Fine Kaplan & Black, R.P.C.; Trujillo Rodriguez & Richards LLC; Freedman Boyd Hollander Goldberg & Ives, P.A.; Holzer Holzer & Cannon, LLC; Feldman & Pinto; Levin Fishbein Sedran & Berman; the Law Office of Scott P. Archer P.C.; the Law Office of Christopher G. Hayes; and/or the Law Office of Joshua A. Millican, P.C. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. What will the Lawyers receive?

Plaintiffs' Counsel will ask the Court for reimbursement of their out-of-pocket expenses estimated to be approximately \$250,000, which were advanced by Plaintiffs' Counsel to prosecute the claims in connection with the litigation. Amounts as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such expenses.

The attorneys' expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this settlement and for their risk in undertaking this representation on a wholly contingent basis. Other than reimbursement of their actual and reasonable expenses, Plaintiffs' Counsel will not receive any attorneys' fees or other compensation for the significant time and expenses in litigating this case for the benefit of the Settlement Class since its inception in 2004. To date, Plaintiffs' Counsel have not been reimbursed for any of their substantial out-of-pocket expenses in conducting this litigation on behalf of the Named Plaintiffs and the Settlement Class.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

16. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Settlement Class Member, you can object to the settlement if you do not like any part of it, including the distribution of the Settlement Fund. You can state the reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in *Myers v. MedQuist, Inc., et al*, No. 1:05-CV-4608-JBS-AMD. Be sure to include your name, address, telephone number, your signature, and a statement that you were a medical transcriptionist who transcribed for MedQuist from November 29, 1998, to August 11, 2008, that was paid on a line-based unit of measure for your work. Any objection must be mailed or delivered such that it is received by *each* of the following no later than February 12, 2009:

Court:
Clerk of the Court
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
Mitchell H. Cohen Building & U.S. Courthouse
4th & Cooper Streets, Room 1050
Camden, NJ 08101

Counsel for Named Plaintiffs:
Stevan A. Miller
Drew Eckl & Farnham, LLP
880 West Peachtree Street
Atlanta, Georgia 30309

Counsel for MedQuist:
Neal R. Marder
WINSTON & STRAWN LLP
333 South Grand Avenue
Los Angeles, California 90071-1543

17. What's the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object *only if* you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to do so.

18. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a fairness hearing at 3:00 p.m. on Thursday, March 26, 2009, at the Mitchell H. Cohen Building & U.S. Courthouse, 4th & Cooper Streets, Camden, New Jersey. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Simandle will listen to persons who have asked to speak at the hearing. The Court may decide the issues presented in this settlement at the hearing or take them under consideration. We do not know how long these decisions will take.

19. Do I Have to Come to the Hearing?

No. Plaintiffs' Counsel will answer questions Judge Simandle may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

20. May I Speak at the Hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Myers v. MedQuist, Inc., et al*, No. 1:05-CV-4608-JBS-AMD. Be sure to include your name, address, telephone number, your signature, and a statement that you were a medical transcriptionist who transcribed for MedQuist from November 29, 1998, to August 11, 2008, that was paid on a line-based unit of measure for your work. Your notice of intention to appear must be received no later than February 12, 2009, and be sent to the Clerk of the Court, Plaintiffs' Counsel, and Defendants' counsel, at the three addresses listed in question 15. You cannot speak at the hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

21. What Happens if I Do Nothing at All?

If you do nothing, the Settlement Fund will be distributed, subject to Court approval, as described above. Unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the Released Claims in this case.

GETTING MORE INFORMATION

22. Are There More Details About the Settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement dated as of August 11, 2008. You can obtain a copy of the Stipulation of Settlement by writing to the MedQuist Settlement Administrator, P.O. Box 1949, Faribault, MN 55021-6092, or from the Clerk's office at the United States District Court for the District of New Jersey, Mitchell H. Cohen Building & U.S. Courthouse, 4th & Cooper Streets, Room 1050, Camden, New Jersey during regular business hours.

23. How Do I Get More Information?

You can obtain more information by calling or writing to:

MedQuist Settlement Administrator
P.O. Box 1949
Faribault, MN 55021-6092
www.transcriptionistsettlement.com
Toll Free: 1-800-657-1162

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE