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Attorneys for Petitioners and Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ALAMEDA

Wendell G. Moen, Jay Davis Donna Ventura, Gregory M.  
Bianchini, Alan Hindmarsh, Cal Wood and Sharon Wood, on  
behalf of Themselves and Others Similarly Situated,

Petitioners,

v.

Regents of University of California, and Does, 1 through 99,  
inclusive,

Respondents.

No. RG 10530492

**Declaration of Blake A. Deady  
Regarding Notice and Settlement  
Administration**

Date: April 10, 2020

Time: 10:00 a.m.

Dept.: 21

Judge: Hon. Winifred Y. Smith

/ Reservation: R-2151295

1 I, Blake A. Deady, declare and state as follows:

2 1. I am the President and General Counsel of ARCHER Systems, LLC (“ARCHER”),  
3 headquartered in Houston, Texas. I personally attended the hearing on Petitioners’ motion for preliminary  
4 approval on December 20, 2019, at which ARCHER was appointed Settlement Administrator. I supervised  
5 or directed the work performed by ARCHER, described below. I have been working with Class Counsel  
6 and counsel to The Regents’ to help structure and implement the settlement and have overseen its  
7 administration. The following statements are based on my personal knowledge and information provided  
8 to me by experienced ARCHER employees working under my supervision, and if called on to do so, I  
9 could and would testify competently thereto.

10 2. ARCHER was appointed as the Settlement Administrator pursuant to the Court’s Order  
11 Granting Preliminary Approval of Class Action Settlement and Release (12/20/19) at p. 5, ¶ 6 (the “Order”),  
12 and in accordance with the Parties’ Stipulation of Class Action Settlement and Release (the “Settlement  
13 Agreement”). I submit this Declaration in order to advise the Parties and the Court regarding the  
14 implementation of the Court-approved Class Notice Program, and to report on settlement administration,  
15 in accordance with the Order and the Settlement Agreement.

16 **RESULTS OF NOTICE PROGRAM**

17 3. **Overview of Notice Program.** The target audience for the notice program were the Class  
18 Members as defined as:

19 All University of California Retirees who worked at Lawrence Livermore National  
20 Laboratory (LLNL), who were eligible for University of California-sponsored group health  
21 plan coverage when they retired, and who retired prior to October 1, 2007 and received  
22 University sponsored group health plan coverage after retiring until November 30, 2007 in  
23 connection with transfer of LLNL’s management to Lawrence Livermore National  
24 Security (LLNS), and

25 Spouses, surviving spouses, or dependents, who were eligible for University-sponsored  
26 group health plan coverage as a consequence of a University of California employee’s  
27 retirement after working at LLNL, or death while working at LLNL, and who received  
28 University-sponsored group health plan coverage until November 30, 2007 in connection  
with transfer of LLNL’s management to LLNS.

1 (Notice of Settlement, at 1.) The target audience also included the personal representatives, successors-in-  
2 interest and “next-of-kin” of deceased Class Members.

3 4. In compliance with the Order and Settlement Agreement, and as noted in Scott Freeman’s  
4 declaration submitted on December 11, 2019 (“12/11/2019 Freeman Decl.”), ARCHER utilized several  
5 communication methods in the Notice Program. The elements included:

- 6 • Direct mailing of the Notice of Proposed Settlement of Class Action (“Notice of Proposed  
7 Settlement” or “Notice”) to Class Members based on the information in the Class Member  
8 Database;
- 9 • a toll-free information telephone number and email address; and
- 10 • a settlement website.

11 5. **Direct Mailing of Notice.** Pursuant to Section VI.B.1 of the Settlement Agreement and  
12 Paragraph 8 of the Order, ARCHER was tasked with disseminating the Notice of Proposed Settlement to  
13 the Class Members via first class mail. As set forth in the Settlement Agreement, ARCHER was provided  
14 with an electronic database assembled in 2017 containing the Operative Class List, which includes last  
15 known mailing addresses for the Class Members. ARCHER then worked with Class Counsel to update the  
16 Class Member Database based on further information that had been obtained from The Regents and from  
17 CalPERS, including current mailing addresses and whether a given Class Member is living or deceased, as  
18 well as contact information that ARCHER independently tracked down (such as skip tracing of individuals  
19 who had notices mailed in 2015 and 2017 that were eventually determined to be undeliverable by the U.S.  
20 Mail). (Settlement Agreement §§ VI.B.1(i), VIII.A.1(vi).)

21 6. Pursuant to Section VI of the Settlement Agreement and Paragraph 8 of the Court’s Order,  
22 on January 21, 2020, ARCHER sent via first-class U.S. mail the Notice of Proposed Settlement to 8,941  
23 Class Members. A true and correct copy of the Notice of Proposed Settlement that was sent to the Class  
24 Members is attached hereto as **Exhibit A**.

25 7. **Results of Mailed Notice.** From ARCHER’s experience, the mailing was highly  
26 successful. Of the 8,941 Notices of Proposed Settlement that were sent, only 708 (less than eight percent  
27 (8%)) were returned to ARCHER by the U.S. Postal Service as undeliverable. ARCHER performed skip  
28

1 tracing on each of these returned mailings and was able to identify new mailing addresses for 708 Class  
2 Members. ARCHER then re-mailed the Notices to these new addresses on February 11, 2020. After this  
3 second mailing, 60 Notices were again returned by the U.S. Postal Service as undeliverable. In total, 60  
4 Notices out of 8,941 (0.671%) remain undeliverable.

5 8. The Notice included a Class Member Data Form, along with a self-addressed, stamped,  
6 return envelope, that Class Members were strongly encouraged to return to ARCHER. This form sought  
7 to elicit important information about the Class Members, including contact information, past election of  
8 health benefit plans, and other information that would be used to help implement the settlement and deliver  
9 benefits. ARCHER was charged with receiving this information and incorporating it into the Class  
10 Member Data Base. (*See* Settlement Agreement, Schedule B.)

11 9. As of the date of the execution of this declaration, ARCHER has received 5,046 Class  
12 Member Data Forms that have been completed and returned. Based on my experience in administering  
13 class actions, as well as the particular circumstances of this case, such as the fact that Class Members are  
14 entitled to benefits regardless of whether they return the Class Member Data Form and that a large number  
15 of Class Members are deceased, I consider this a good result. The information from the Class Member  
16 Data Forms has been incorporated into the Class Member Database and will be used to help calculate and  
17 deliver benefits to the Class Members.

18 10. **Deceased Class Members.** Based on data that is currently available in the Class Member  
19 Database, there are at least 1,927 deceased Class Members. Prior to sending the Notice to Class Members  
20 who are believed to be deceased based on the information in the Class Member Database, ARCHER  
21 attempted to initially identify each deceased Class Member's personal representative or successor-in-  
22 interest. (Agreement § V.A.12(i).) Where ARCHER was unable to do so, the Notice of Proposed  
23 Settlement was addressed to the "Estate of [Name of Deceased Class Member]" and mailed to the deceased  
24 Class Member's last known address. (*Id.*)

25 11. The Notice stated, "If the Class Member is deceased, please inform his/her personal  
26 representative or successor-in-interest (usually their 'next of kin') about this letter. If you are the personal  
27  
28

1 representative or successor-in-interest, you must fill out and return the enclosed Class Member Data Form  
2 to receive benefits.”

3 12. Of the 5,046 Class Member Data Forms that have been returned, 4,244 are from Class  
4 Members who are living and 802 are from representatives of Class Members who are deceased.

5 13. In addition to the Class Member Data Form, the Notice also included an Heirship  
6 Questionnaire, which the heirs of deceased Class Members were strongly encouraged to return. The  
7 Heirship Questionnaire asked for specific information such as the deceased Class Member’s date of death  
8 and the identity of their personal representative or successor-in-interest. It also asked that the form be  
9 signed. A total of 669 Heirship Questionnaires have been returned.

10 14. Pursuant to Sections VI.B.1(i) and VIII.A.1(vii) of the Settlement Agreement, ARCHER is  
11 continuing to work with Class Counsel and counsel to The Regents’ to identify deceased Class Members  
12 and the identity and mailing addresses of their next-of-kin, successors-in-interest or personal  
13 representatives (collectively, the “next-of-kin”). Pursuant to Section V.A.12 of the Settlement Agreement,  
14 ARCHER is also in the process of taking the steps outlined in the Settlement Agreement for identifying  
15 and/or verifying the next-of-kin of any deceased Class Members, which must be completed before any  
16 payments can be mailed to them. As set forth in the Settlement Agreement, where forms have been  
17 returned, and the person identified as the next-of-kin matches the name of any spouse or dependent in the  
18 Class Member Database associated with the deceased Class Member, ARCHER generally will deem the  
19 information sufficiently verified. (Settlement Agreement, § V.A.12.(iii).) If the forms are returned and  
20 there is no match, or no forms are returned, ARCHER will take further steps to identify and/or verify the  
21 next-of-kin by searching public records, seeking further information from The Regents or other parties,  
22 requiring the execution of an affidavit by the purported next-of-kin, and/or or utilizing any other  
23 satisfactory documentary proof. (*See id.*, § V.A.12.(iv).) ARCHER will exercise its best judgment and  
24 discretion in carrying out this process and determining if adequate verification has taken place. (*See id.*, §  
25 V.A.12.(iv), (vi).)

26 15. **Identifying “New” Class Members.** ARCHER is charged with maintaining and, if  
27 necessary, seeking amendments from the Court to the Class List (Settlement Agreement, § III.A.24).

1 During the Notice period, a number of inquiries were received from individuals who were not on the Class  
2 List but who believed they may be Class Members. These inquiries were referred to Class Counsel. Class  
3 Counsel subsequently informed ARCHER that, based on agreements between Petitioners and The Regents,  
4 a total of four (4) persons needed to be added to the Class List. After receiving the relevant information,  
5 ARCHER added these individuals to the Class Member Database and sent Notices to them February 5,  
6 February 28 and March 11, 2020, as the Settlement Administrator was notified.

7       **16. Inquiries from Class Members – Toll-Free Number and email address.** As part of the  
8 Notice Program, ARCHER was charged with handling inquiries from Class Members regarding Settlement  
9 procedures (Settlement Agreement, § VIII.A.1(i)), referring substantive inquiries from Class Members to  
10 Class Counsel (*id.* § VIII.A.3(iii)), and receiving information from Class Members for purposes of ensuring  
11 that the Class Member Database contains the most current mailing address and contact information (*id.* §  
12 VI.B.1(iii)(k)). To facilitate this, ARCHER was required to create and maintain a unique toll-free  
13 telephone number that Class Members can call to request documents and information concerning the  
14 settlement (*id.* § VIII.A.1(i)). The toll-free number (1-800-978-8522) which was identified in the Notice  
15 and on the settlement website, became active on January 2, 2020. Since then, ARCHER has received more  
16 than 1,750 inquiries on the toll-free number and spent an average of five (5) minutes per call.

17       17. ARCHER also established a unique email address,  
18 [LLNLRetireeSettlement@archersystems.com](mailto:LLNLRetireeSettlement@archersystems.com), to receive further inquiries. Since this email address was  
19 created on January 11, 2020, ARCHER has received and responded to more than 200 inquiries via email.

20       **18. Settlement Website.** Pursuant to Section VI.B.1(ii) of the Settlement Agreement and  
21 Paragraph 11 of the Order, ARCHER created, launched and has maintained an Internet Website with  
22 information and documents regarding the settlement at [www.llnlretireesettlement.com](http://www.llnlretireesettlement.com). The Website was  
23 listed prominently in the Notice and includes a copy of the following: Class Notice, Class Member Data  
24 Form, Heirship Questionnaire, Order Granting Preliminary Approval of Stipulation of Class Action  
25 Settlement and Release (12/20/19), Settlement Agreement, Notice of Motion, Motion and MPA seeking  
26 Preliminary Approval of Class Action Settlement and Release, Third Amended Petition for Writ of  
27 Mandate, and First Amended Petition for Writ of Mandate (with exhibits). Petitioners' motion for final  
28

1 approval and for award of attorneys' fees will be posted to the Website when they are filed with the Court.  
2 The Website also contains answers to 23 frequently asked questions, and contact information for the  
3 Settlement Administrator. At the top of each page on the Website is a banner informing Class Members  
4 that objections must be submitted in writing to the Settlement Administrator by March 6, 2020.

5 19. As of March 7, 2020, the Website has received more than 2,350 pageviews from 714 users.

6 20. **Objections.** Pursuant to Sections III.A.23 and VII.A.2 of the Settlement Agreement and  
7 Paragraph 10 of the Order, Class Members wishing to object to the fairness, reasonableness, or adequacy  
8 of the Settlement Agreement had the option to submit written objections to ARCHER, postmarked no later  
9 than March 6, 2020. As of March 16, 2020, ARCHER has received no objections.


10 21. **Establishing Qualified Settlement Fund and Receipt of Funds from The Regents.**  
11 Pursuant to Section VIII.A.1(iv) of the Settlement Agreement and Paragraphs 15 and 17 of the Court's  
12 Order, on December 23, 2019, working with the Custodial bank, ARCHER opened a Qualified Settlement  
13 Fund pursuant to 26 CFR § 1.468B-1, and regulations promulgated thereunder, for the purpose of  
14 administering the settlement. ARCHER has already received into the QSF account a payment of \$500,000  
15 from The Regents on January 3, 2020, pursuant to Section V.B of the Settlement Agreement and Paragraph  
16 14 of the Order.

17 22. **Other Duties.** Upon final approval and judgment by the Court, and the settlement  
18 becoming effective, ARCHER will immediately proceed with its other duties under the Settlement  
19 Agreement, which are set forth in the declaration of Scott Freeman, submitted on December 11, 2019. In  
20 the meantime, mindful of the timeline for delivering benefits contemplated by the Settlement Agreement  
21 and the fact that a substantial number of Class Members are passing away each month, ARCHER has been  
22 planning and taking preparatory steps so that, in the event of final approval, it is in a position to quickly  
23 carry out its most immediate and time-sensitive duties, such as selecting and contracting with the third  
24 party that will provide the Benefits Counseling Services (Settlement Agreement § III.A.6), overseeing  
25 distribution of the Initial \$1,000 Payment to the Class Members (*id.* V.A.11, § VIII.A.1(viii)), as well as  
26 including individualized 1099s for each Class Member (*id.* § V.A.16), and contracting with a VEBA  
27 Trustee, subject to Court approval (*id.* §§ VIII.A.1(ix), III.A.27); etc.

1           23.     **Administrative Costs.** ARCHER has been using the funds deposited by The Regents to  
2 carry out the Notice Program and begin implementation of the settlement. The work performed by  
3 ARCHER is ongoing, as are the costs that have been incurred. As of March 16, 2020, the costs incurred  
4 by ARCHER so far (including partial personnel costs) include approximately \$37,241.26 for mailing the  
5 Notices to the Class Members, \$23,625.00 for assembling the Class Member Database and receiving and  
6 processing the data collected on the Class Member Data Forms and Heirship Questionnaires that have been  
7 returned, \$7,080 for skip tracing in order to locate contact information for Class Members or their heirs,  
8 \$8,400 for establishing the toll-free number and handling inquiries, \$10,000 for designing, launching and  
9 maintaining the settlement website, and \$2,100 for planning and preparations related to benefits counseling.  
10 In addition, ARCHER incurred costs in the amount of \$12,500 for assisting Class Counsel with the  
11 preparation of materials for the motions for preliminary and final approval and \$74,997.11 for assisting  
12 Class Counsel and The Regents' counsel with structuring the settlement (addressing issues ranging from  
13 taxes to mechanics of delivering benefits). If requested, I will provide the Court with updated information  
14 regarding administration costs prior to the Final Approval Hearing on April 10, 2020, and can be present  
15 at that hearing to answer any questions from counsel, Class Members, or the Court.

16  
17           I declare under penalty of perjury, under the laws of the State of California, that the foregoing is  
18 true and correct.

19           Executed this 17th day of March 2020 at Houston, Texas.

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Blake A. Deady



# **EXHIBIT A**



Moen v. The Regents of the University of California, Case No. RG 10530492

## **CLASS MEMBER CHECKLIST**

### **PLEASE DO THE FOLLOWING:**

- Read and Review the enclosed Notice of Proposed Settlement of Class Action
- Class Member Data Form – Complete Form, Sign and Date

### **IF THE CLASS MEMBER TO WHOM THIS IS ADDRESSED IS DECEASED, PLEASE DO THE FOLLOWING:**

- Notify the Next-of-Kin (in legal terms, the Personal Representative or Successor-In-Interest) about this settlement
- If you are the Next-of-Kin, Personal Representative or Successor-In-Interest of a Deceased Class Member, you **must** fill out and return the attached “Deceased Class Member” section of the Class Member Data Form
- Heirship Questionnaire – Complete Form, Sign and Date
- Provide Copy of Death Certificate (if available)
- Provide Copy of Probate Documents (if any), such as Last Will and Testaments, Trust Documents, Letters Testamentary, Estate Paperwork

**PLEASE COMPLETE AND RETURN ALL COLORED  
DOCUMENTS NO LATER THAN FEBRUARY 27, 2020**

**ARCHER Systems, LLC  
1775 St. James Place, Suite 200  
Houston, TX 77056  
Attn: LLNL Retiree Settlement**

Frequently asked questions and the Notice of Proposed Settlement is also located on the Settlement Administrator’s website  
**WWW.LLNLRETIREESETTLEMENT.COM**

Should you have any additional questions about the contents of this package  
Please call ARCHER Systems  
1-800-978-8522

**CLASS MEMBER DATA FORM**

Please fill out the following form with your current information and return following the instructions below. **Each Class Member should fill out a separate form.**

«First\_Name» «Last\_Name»  
«Address»  
«City», «State» «Zip\_Code»

1. The person listed above is alive: \_\_\_\_\_ Yes \_\_\_\_\_ No

If the person listed above is not alive, please give this form to the deceased person’s next-of-kin (or, in legal terms, their “successor-in-interest” or “personal representative”). If you are the next-of-kin, successor-in-interest or personal representative of the deceased Class Member, please fill out this entire form on that person’s behalf per the instructions below.

2. Please fill out the following:

\_\_\_\_\_ I confirm that the name and address listed above are correct and accurate OR

\_\_\_\_\_ Change my address to the following:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**\*If your name has changed please contact us at 1-800-978-8522 as soon as possible\***

3. Please fill out the following:

Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Additional Phone: \_\_\_\_\_

Additional Phone Type:  Home  Cell  Work

Email Address: \_\_\_\_\_

Preferred Method of Contact: Phone Call  Text Message  Email

«Last\_Name», «First\_Name»



**4. Please fill out the following relating to your health insurance. If you don't know the answer to a question, please contact us at 1-800-978-8522**

Date of birth: \_\_\_\_\_

Medicare Eligibility:

\_\_\_\_\_ I am over 65 and eligible for Medicare

\_\_\_\_\_ I am over 65 and not eligible for Medicare

\_\_\_\_\_ I am under 65 and will not be eligible for Medicare when I turn 65

\_\_\_\_\_ I am under 65 and will be eligible for Medicare when I turn 65

In 2019, my health insurance plan was the following:

\_\_\_\_\_

If prior to 2019, you had a different health insurance plan than you do now, please tell us the name of your plan for each year dating back to 2010:

2018 \_\_\_\_\_ 2017 \_\_\_\_\_

2016 \_\_\_\_\_ 2015 \_\_\_\_\_

2014 \_\_\_\_\_ 2013 \_\_\_\_\_

2012 \_\_\_\_\_ 2011 \_\_\_\_\_

2010 \_\_\_\_\_

If at some time between 2010 and now, you elected Kaiser Senior Advantage, please tell us the years that you did so:

\_\_\_\_\_

Most Class Members (but not all) purchased their health insurance through Via Benefits (formerly known as One Exchange). Please let us know any years in which you did not purchase your health insurance through Via Benefits (or One Exchange):

\_\_\_\_\_

«Last\_Name», «First\_Name»



If someone other than you, such as a spouse, child, or dependent, receives health insurance under your health insurance policy or plan, please tell us their names, ages and social security numbers:

\_\_\_\_\_.

Please note that if such persons are Class Members, they should also fill out their own Class Member Data Form.

**5. Deceased Class Members:** If you are the next-of-kin, personal representative or successor-in-interest of a deceased Class Member, you must fill out and return this form to receive benefits.

**If the person listed at the top of this form is deceased, please provide us the following information about the deceased Class Member:**

The Class Member to whom this form is addressed died on the following date:

Date of Death: \_\_\_\_\_

The next-of-kin, successor-in-interest or personal representative of the deceased Class Member is:

Name \_\_\_\_\_

Relationship to deceased person: \_\_\_\_\_

Address \_\_\_\_\_

Telephone No. \_\_\_\_\_

Email: \_\_\_\_\_

If **you** are the next-of-kin, successor-in-interest or personal representative of the deceased Class Member, please confirm this by signing below:

\_\_\_\_\_  
Signature

«Last\_Name», «First\_Name»



### HEIRSHIP QUESTIONNAIRE

Please answer the questionnaire to the best of your ability.

1. Full Name of Decedent: \_\_\_\_\_

2. Date of Death: \_\_\_\_\_

3. City and State where Decedent passed away: \_\_\_\_\_

4. Did Decedent have Will? Yes / No

5. Was the Will Probated? Yes / No

6. Did you receive Letters Testamentary? Yes / No

7. Did you receive Letters of Administration? Yes / No

8. Information of the person who will be appointed as representative:

a. NAME: \_\_\_\_\_

b. ADDRESS: \_\_\_\_\_

c. PHONE NO.: \_\_\_\_\_

d. RELATIONSHIP TO DECEASED: \_\_\_\_\_

9. List the names of all heirs of the deceased class member (Spouse, Children, etc.):

Full Name	Date of Birth	Phone Number	Address

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

«Last\_Name», «First\_Name»



**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

***A court authorized this notice. This is not a solicitation from a lawyer.***

Wendell Moen, et al., on behalf of themselves and others similarly situated

v.

The Regents of the University of California, et al.,  
Alameda County Superior Court Case No. RG-10530492

TO: ALL CLASS MEMBERS AND PERSONAL REPRESENTATIVES AND SUCCESSORS IN INTEREST TO DECEASED CLASS MEMBERS (AS DEFINED BELOW)

Class Members Include:

All University of California Retirees who worked at Lawrence Livermore National Laboratory (LLNL), who were eligible for University of California-sponsored group health plan coverage when they retired, and who retired prior to October 1, 2007 and received University sponsored group health plan coverage after retiring until November 30, 2007 in connection with transfer of LLNL's management to Lawrence Livermore National Security (LLNS), and

Spouses, surviving spouses, or dependents, who were eligible for University-sponsored group health plan coverage as a consequence of a University of California employee's retirement after working at LLNL, or death while working at LLNL, and who received University-sponsored group health plan coverage until November 30, 2007 in connection with transfer of LLNL's management to LLNS.

Personal Representatives and Successors-in-Interest to Deceased Class Members include:

All personal representatives and successors-in-interest (usually "next of kin") of the Class Members who passed away after October 1, 2007.

**If you are a member of the Class, your legal rights will be affected. Please read this notice.**

- Retirees of the Lawrence Livermore National Laboratory ("LLNL" or "Lab") have sued The Regents of the University of California ("The Regents"), alleging that The Regents breached their obligation to provide University-sponsored group health care benefits.
- The Court has allowed the lawsuit to proceed as a class action on behalf of retirees, spouses, surviving spouses and dependents who are in the Class, as defined above.
- The purpose of this Notice is to inform you that there is a proposed settlement of the class action that will affect the rights of all Class Members. This Notice describes your legal rights and what steps you may take in relation to this action. This Notice is not an expression of any opinion by the Court as to the merits of the proposed settlement or any claims or defenses asserted by Petitioners on behalf of the Class or The Regents.
- The general terms of the proposed settlement are as follows: (1) Class Members will remain part of the health benefit plan provided by Lawrence Livermore National Security, LLC ("LLNS"), but if such benefits are terminated or fall below certain levels in the next 20 years, Class Members will be restored to University-sponsored benefits; (2) Class Members who are still living will receive additional annual payments until 2040 to help defray the costs of their health insurance; (3) each Class Member (both living and deceased) will receive a payment of \$1,000 to provide immediate relief; (4) eligible Class Members may later receive additional monetary relief for certain past

damages; and (5) Class Members will receive the services of benefits counselors. The amount that Class Members will receive depends on factors explained below.

- To ensure you receive the full benefits to which you are entitled, you should fill out and return the enclosed Class Member Data Form (printed on green paper).
- Your legal rights are affected whether you act or do not act. Read this notice carefully.
- **Deceased Class Members:** If the Class Member is deceased, please inform his/her personal representative or successor-in-interest (usually their “next of kin”) about this letter. If you are the personal representative or successor-in-interest, you must fill out and return the enclosed **Class Member Data Form** to receive benefits.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
<b>OBJECT TO THE SETTLEMENT</b>	Write to the Settlement Administrator if you don’t like the settlement. The postmark deadline to send an objection is <b>March 6, 2020</b> . See Sections 17-18 below.
<b>ATTEND THE HEARING</b>	The Court has set a hearing on <b>April 10, 2020 at 10:00 AM (PDT)</b> regarding the fairness of the settlement. You may appear at the hearing, but you don’t have to. You may hire your own attorney to appear for you. See Sections 20-22 below.
<b>DO NOTHING</b>	If the settlement is approved, you will be bound by its terms and will not be able to later sue The Regents about the claims in this lawsuit. Whether you act or not, if the settlement is approved, you will be entitled to receive the settlement benefits. However, deceased Class Members will not receive any benefits unless there is verification of their next of kin. Further, other Class Members may not receive their full benefits if the Settlement Administrator does not have accurate and complete information about them. Therefore, <b>all Class Members should fill out and return the enclosed Class Member Data Form</b> . Returning the form does not waive your right to object. See Section 19 below.



**WHAT THIS NOTICE CONTAINS**

**BASIC INFORMATION**

1. Why did I get this notice?
2. What is this lawsuit about?
3. Why is this a class action?
4. Why is there a settlement?

**WHO IS IN THE SETTLEMENT**

5. Am I part of this Class?
6. Do I need to do anything to join the case and share in the settlement?
7. Can I exclude myself from the settlement?

**THE SETTLEMENT BENEFITS**

8. What does the settlement provide?
9. How is my share of the settlement calculated?
10. What if the Class Member is deceased?
11. When will the settlement be approved?
12. What am I giving up in the settlement?

**THE LAWYERS IN THE CASE**

13. Do I have a lawyer in this case?
14. Should I get my own lawyer?
15. How will the lawyers be paid?
16. How do I contact the lawyers?
17. What does it mean to object?
18. How do I object to the settlement?
19. What happens if I choose to do nothing?

**THE COURT'S FAIRNESS HEARING**

20. When and where is the Fairness Hearing?
21. Do I have to go to the Fairness Hearing?
22. May I speak at the Fairness Hearing?

**MORE INFORMATION**

23. What if I need more information?

**BASIC INFORMATION**

**1. Why did I get this notice?**

The Regents’ records show that you and/or your family member(s) were employed by the University of California at the Lab and you and/or your family member(s) retired before Lab management changed from The Regents to LLNS in 2007. The Court allowed, or “certified,” a class action lawsuit related to the loss of University-sponsored health benefits for retirees of the University of California when management of the Lab changed to LLNS.

You were sent this notice because you have the right to know about a proposed settlement of the class action lawsuit and about your options before the Court decides whether to approve the settlement. The terms of the settlement are described in section 8, below.

The Court directed that this notice be sent to you because you may be a member of the Class, and Class Members have a right to know about the lawsuit and the proposed settlement. This package explains the lawsuit, the settlement, your legal rights, the deadlines to exercise your rights, what benefits are available, who is eligible for them, and how those benefits will be provided.

**2. What is this lawsuit about?**

Lab retirees Joe Requa, Wendell G. Moen, Jay Davis, Donna Ventura filed a lawsuit against The Regents in California Superior Court for the County of Alameda, on August 11, 2010, called Requa v. Regents of the University of California, Case No. RG-10530492. Later, Geores Buttner, Robert Becker, Gregory Bianchini, Alan Hindmarsh, Steve Hornstein, Cal Wood and Sharon Wood were added. Joe Requa withdrew for medical reasons in 2011. The case then proceeded as Moen v. Regents of the University of California, et al. Two of the Petitioners, Geores Buttner and Robert Becker, passed away while the case was pending, and another Petitioner, Steve Hornstein, withdrew for medical reasons on November 21, 2019. Superior Court Judge Winifred Y. Smith is the judge overseeing the case. The persons who filed the lawsuit are called the “Petitioners.” The Regents is called the “Respondent.”

This lawsuit is about whether The Regents wrongfully stopped providing University-sponsored group health benefits to Retirees when the management of the Lab was transferred to LLNS in October 2007. The Petitioners allege that The Regents authorized University-sponsored group health insurance coverage for retirees, and, in booklets and handbooks over many years, promised Lab employees that they would continue to receive University-sponsored group health insurance coverage after they retired, provided they met certain eligibility criteria. Retirees allege that they met these criteria at all relevant times.

The Regents maintains that it provided University-sponsored group health plan coverage to Lab Retirees as a matter of policy, and that it neither offered nor promised Lab Retirees a right to lifetime University-sponsored group health plan coverage. The Regents further maintains that The Regents did not offer or promise that Lab Retirees would receive, in perpetuity, the same University-sponsored group health plan coverage as retirees from other University campuses. The Regents also maintains that University employee and retiree health benefits generally are subject to change and subject to available funding resulting from the state and federal appropriations processes and other funding processes and limitations. The Regents additionally maintains that individuals who worked at the Lab while the Lab was managed by the University of California worked under a specific contract with the federal government, and their continued compensation and benefits depended on the funding related to that contract. The Regents further maintains that when that contract ended in 2007, the new contractor (LLNS) assumed responsibility for the administration of health plan coverage for Lab Retirees.

In the lawsuit, the Petitioners asked the Court to rule that The Regents breached an implied contract and order The Regents to return members of the Class to the University-sponsored group health plan. The Petitioners also asked for the Class Members to receive damages for the difference between what they paid for Retiree health care benefits while they were excluded from the University-sponsored group health plans and what they would have paid if they had remained part of the University-sponsored group health plan. You can read the Petitioners' Third Amended Petition at [www.llnlretireesettlement.com](http://www.llnlretireesettlement.com) and also at [www.MoenvRegents.com](http://www.MoenvRegents.com).

The Court has not decided whether the Petitioners or The Regents are correct. If there is no settlement, the Court will make its decision after a trial. That decision would then be subject to appeal.

The Court scheduled the case for trial to begin on May 6, 2019. The Parties reached a proposed agreement on general settlement terms on April 29, 2019, and continued to negotiate additional terms. The Parties executed the proposed Settlement Agreement on December 10 & 11, 2019.

### 3. Why is this a class action?

In a class action, one or more people (called "Class Representatives") sue on behalf of all people who have similar claims. The people who have claims are the "Class" or "Class Members." The Class Representatives who are still living are the Petitioners Wendell G. Moen, Jay Davis, Donna Ventura, Gregory Bianchini, Alan Hindmarsh, Cal Wood and Sharon Wood. Typically, the Court resolves the common issues for all members of the Class. Class actions are frequently brought when many people have been affected in the same or similar ways, and litigating each claim individually would be impractical.

### 4. Why is there a settlement?

In the interest of a timely resolution, and to avoid the risks of a trial and an appeal to determine issues relating to both liability and appropriate remedies, the Parties believe that settlement is in the best interest of Class Members. Moreover, by agreeing to a settlement, Class Members will receive substantial benefits more quickly than if the case had gone to trial. If the case had gone to trial, a court could have determined that Class Members were not entitled to be restored to University-sponsored coverage, or to any monetary compensation.

## WHO IS IN THE SETTLEMENT

### 5. Am I part of this Class?

If you receive this notice by mail, it is because The Regents' records indicate that you or a family member are part of the Class. You are a part of this Class if:

- (a) you were an employee of the University of California who worked at the Lawrence Livermore National Laboratory ("LLNL" or "Lab");
- (b) your retirement date was effective prior to October 1, 2007 (i.e., you retired before the contract to manage the Laboratory was transitioned to LLNS);
- (c) you were eligible for University-sponsored group health plan coverage when you retired; and
- (d) you received University-sponsored group health plan coverage after retiring until University-sponsored benefits were terminated in connection with transfer of the Lab's management to LLNS in October 2007.

You are also a part of this class if:

- (a) you are a spouse, surviving spouse or dependent of a Lab employee; and
- (b) you were eligible for University-sponsored group health plan coverage as a consequence of a UC employee's retirement after working at the Lab, or death while working at Lab; and
- (c) you received University-sponsored group health plan coverage until University-sponsored benefits were terminated in connection with transfer of the Lab's management to LLNS in 2007.

**If the Class Member to whom this is addressed is deceased, please follow the instructions in Section 10, below.**

**6. Do I need to do anything to join the case and share in the settlement?**

You do not need to take any action to join the case. If the proposed settlement is approved by the Court, and you are a member of the Class, you will be entitled to receive the benefits described in this notice. However, to ensure that you receive the full amount of the benefits to which you are entitled, you should fill out and return the enclosed Class Member Data Form. If the Class Member is deceased, the personal representative or successor-in-interest (usually the "next of kin") must provide further information to the Settlement Administrator before any payment can be sent.

**7. Can I exclude myself from the settlement?**

No, you no longer have the option to exclude yourself (or "opt out") from the Class. If the settlement is approved, you will be bound by any judgments or orders that the Court enters in this case, you will be deemed to have released The Regents from any and all claims that were or could have been asserted in this case, and you will not be able to sue The Regents on those claims. Although you cannot exclude yourself from the case, you can object to the settlement and ask the Court not to approve it.

**THE SETTLEMENT BENEFITS**

**8. What does the settlement provide?**

The Settlement Agreement provides the following:

- **Right to Reinstatement of UC-Sponsored Benefits under Certain Conditions.**

Class Members currently receive retiree health care benefits from LLNS under the LLNS Health and Welfare Benefit Plan for Retirees ("LLNS Plan"). The LLNS Plan documents provide that these benefits can be terminated at any time. The Settlement Agreement provides that if LLNS or a successor contractor at the Lab fails to provide any health care benefits to the Class Members for any reason, The Regents will restore University-sponsored group health care benefits to the Class Members. This protection is in place until December 31, 2040 (or earlier if there is a final distribution of the Settlement Funds, as explained below).

Class Members will also be reinstated into University-sponsored group health care benefits if the benefits provided by LLNS fall below the following levels:

- For years one to seven after the court approves the settlement (barring delays, from 2020 to 2026):

- Medicare-eligible Class Members: \$2,450 per year to purchase health care benefits.
- Non-Medicare-eligible Class Members: at least one Gold tier plan is offered at a comparable employer premium cost share percentage for the health plans offered by LLNS in 2019.
- For years eight through twenty (if no delays, from 2027-2040):
  - Health benefits are the same as those offered to retirees of LLNS who retired between 2008 and 2019 and who are in the LLNS Plan.
  - For non-Medicare eligible Class Members only: annual dollar amount of the LLNS contribution to a Class Members is at least equal to the dollar amount of the LLNS contribution in year seven for that Class Member.

- **Settlement Fund**

The Regents will pay to the Settlement Administrator the sum of \$80,000,000 over the next seven years to create the Settlement Fund, which will be used for the purposes set forth below.

- **Initial \$1,000 Payment**

All Class Members (both living and deceased) will immediately receive a payment of \$1,000. There are approximately 9,080 Class Members, so this will use approximately \$9,080,000 of the Settlement Fund. This payment is meant to provide immediate relief to each Class Member or his/her heir(s) without a costly claims procedure, and in recognition that in this Action, the Class Members have endured ten years of litigation, have lost the peace of mind provided by University-sponsored benefits, and assert that they experienced damages not otherwise accounted for in the settlement as part of the transition of health care benefits from University-sponsored benefits to LLNS-sponsored benefits.

- **Past Damages Payments**

Approximately \$11,000,000 will be paid in Past Damages Payments to certain eligible Class Members and/or their heirs. The only Class Members who may be eligible for such payments are those (i) who are living and not eligible for Medicare, (ii) who are living and Medicare-eligible and elected Kaiser Senior Advantage Part B between October 15, 2010 to the Effective Date, or (iii) who died between October 15, 2010 and the Effective Date of the Settlement Agreement. Since most Class Members do not fall into these categories, most Class Members will not be eligible for Past Damages Payments.

The Past Damages Payments are intended to provide compensation for the groups of Class Members who suffered the most damage as measured by the difference in premium payments between the Class Member's LLNS-sponsored plan and what he/she would have paid under UC. It also is intended to provide compensation for past harm to deceased Class Members, the one group who will not receive the annual Supplemental Payments described below.

The Settlement Administrator has received substantial information provided in the lawsuit to identify Class Members eligible for Past Damages Payments. You now have the opportunity to provide additional or corrected information to the Settlement Administrator to demonstrate eligibility for Past Damages Payments or adjustments to the calculation for Past Damages Payments. Accordingly, please fill out and return the enclosed **Class Member Data Form** (printed on green paper).

Past Damages Payments will be calculated based on Class Members' circumstances and plan selection each year, to the extent such information is available. Past damages for each eligible Class Member will be calculated according to the formulas in Schedule B of the Settlement Agreement, which is attached to this Notice as **Attachment A**. In general, Past Damages Payments are calculated by taking the difference between the Class Member's required contribution for the

premium for his/her LLNS-sponsored plan, and the required contribution for the premium for the most similar University-sponsored plan. See **Attachment A** for a full description of the formulas.

After the Settlement Administrator calculates the past damages for each eligible Class Member, he will then subtract \$1,000 from the total to account for the Initial \$1,000 Payment already received. The Settlement Administrator will then determine each eligible Class Member's pro rata share, if any, of the approximate \$11,000,000 for Past Damages Payments and issue checks to eligible Class Members and/or their heirs in those amounts.

- **New Supplemental Payments to Class Members - The VEBA**

To help secure the best possible health insurance for the Class Members, a portion of the money in the Settlement Fund will be transferred into a Voluntary Employees Beneficiary Association ("VEBA") that will provide annual supplemental payments to Class Members for their use in the purchase of retiree health benefits ("Supplemental Payments"). Approximately \$60 million of the original deposits into the Settlement Fund, minus administrative costs, will be transferred into the VEBA. All living Class Members are eligible for the annual Supplemental Payment, except Class Members who do not elect to participate in a LLNS plan.

The assets in the VEBA will be invested and used to pay for health care costs and administrative expenses of the VEBA. The VEBA will be administered by a trustee ("VEBA Trustee") that is required to administer the VEBA prudently and solely in the interest of the Class Members.

Each year, the Settlement Administrator or VEBA Trustee will use its discretion and professional judgment to determine the amount of the Supplemental Payments and the formulas used to calculate them consistent with the goal of maximizing payments for health care coverage for Class Members for the next 20 years. After the earlier of 20 years, or when there are 1,000 Class Members who are still living, the Trustee shall terminate the VEBA Trust and distribute any remaining funds to the living Class members.

The Supplemental Payments will be calculated for each Class Member depending on their particular circumstances, such as their eligibility for Medicare and the health plan that they are enrolled in. A description of the Supplemental Payment Formulas is set forth in Schedule C to the Settlement Agreement, which is attached to this Notice as **Attachment B**. Class Members who are eligible for Medicare (95% of the living Class Members, or approximately 6,650 people) will receive about the same annual supplement, that is, between \$550 and \$558 per year. The remaining 5% of Class Members are not eligible for Medicare (approximately 350 people) and generally cost substantially more to insure. The formulas for the Supplemental Payments are designed so that these Class Members will be responsible for approximately 10% of the total cost of their plan choice, and will receive a Supplemental Payment of between \$2,009 and \$6,705, depending on their plan. However, the VEBA Trustee can alter the formulas year by year to make sure that the VEBA does not run out of money before its 20-year period expires. If you have questions about the formulas in **Attachment B**, or the VEBA in general, please contact the Settlement Administrator.

- **Benefits Counselors**

To support the best use of the Supplemental Payments to the Class Members, benefit counseling services will be made available to the Class Members in order to facilitate their selection, acquisition and utilization of health insurance ("Benefit Counseling Services"). The settlement will include an additional payment by The Regents of \$4 million for the Benefit Counseling Services. The Benefit Counseling Services will be made available to the Class Members free of charge until 2040 (or until the VEBA is terminated).

- **Taxability of Benefits**

The Petitioners have structured the Supplemental Payments to fall within IRC § 501(c)(9) so as not to be taxable. In contrast, the Initial \$1,000 Payment and Past Damages Payment will likely be deemed taxable and the Settlement Administrator will provide 1099 forms to individual Class Members.

- **Administrative Costs**

To deliver the benefits of the settlement to the Class Members, certain administrative costs must be paid. First, there are administrative costs associated with the Settlement Administrator’s providing notice of the settlement to the Class, assembling Class Member information into the Class Member Database, mailing checks to Class Members, etc. Second, over the next 20 years, the Settlement Administrator and VEBA Trustee must be paid for delivering checks to Class Members, overseeing the VEBA Trust, investing the VEBA funds, keeping the VEBA solvent, etc. The Regents have agreed to contribute \$500,000 for these costs; the remaining costs will come out of the Settlement Fund, and are estimated to be \$500,000 annually; however, the actual administrative costs will depend on future events and will entail oversight and approval by the Court.

**9. How is my share of the settlement calculated?**

All Class Members will receive the one-time Initial \$1,000 Payment.

The only Class Members eligible for Past Damage Payments are (i) people who are living and are not eligible for Medicare, (ii) people who are living and Medicare-eligible and elected Kaiser Senior Advantage Part B between October 15, 2010 to the Effective Date, and (iii) people who died between October 15, 2010 and the Effective Date of this Agreement. The formulas for the Past Damages Payments are set forth in **Attachment A** and summaries of the formulas are set forth above. If you think you may be eligible for a Past Damages Payment and have questions about how your payment will be calculated, please call the Settlement Administrator at 1-800-978-8522.

Living Class Members will also receive Supplemental Payments that will be provided each year. The amount of this payment depends on your specific circumstances, as set forth in **Attachment B** and summarized above. If you have questions about how your Supplement Payment will be calculated, please call the Settlement Administrator at 1-800-978-8522.

To ensure that you are paid the full amount to which you are entitled, **you should return the attached Class Member Data Form to the Settlement Administrator executed under penalty of perjury.** All information provided may be subject to verification.

**10. What if the Class Member is deceased?**

If the Class Member to whom this letter is addressed is deceased, please inform the personal representative or successor-in-interest (usually the “next of kin”) of that Class Member about this letter. If you are the personal representative or successor-in-interest of a deceased Class Member, you must fill out and return the attached “Deceased Class Member” Section of the Class Member Data Form under penalty of perjury; otherwise no payment will be sent to the Deceased Class Member.

Where adequate verification is provided regarding the identity of the personal representative or successor-in-interest of a deceased Class Member, a payment for the Deceased Class Member’s past damages may be mailed to their personal

representative or successor-in-interest. Because Deceased Class Members are no longer purchasing health care insurance, they will not receive annual Supplemental Payments. Eligible surviving spouses and dependents of the Deceased Class Member who are themselves Class Members will receive Supplemental Payments, as well as the other benefits under the settlement.

**11. When will the settlement be approved?**

The Court will hold a hearing on April 10, 2020 AT 10:00 AM (PDT) to decide whether to approve the settlement. It may take the Court several weeks after the hearing before it decides. If the Court approves the settlement, there may be appeals. If appeals are filed, it is uncertain how long it will take to resolve them. Please be patient. The current status of the case can be seen at [www.llnretireesettlement.com](http://www.llnretireesettlement.com).

**12. What am I giving up in the settlement?**

Under this settlement, Class Members will give up or “release” the right to sue for any claim of entitlement to post-retirement healthcare insurance benefits against The Regents or LLNS. This includes any claims about the same events and subject matter involved in this case, including whether The Regents wrongfully stopped providing University-sponsored group health benefits to Retirees when the management of the Lab was transferred to LLNS in October 2007. This also includes any claim against The Regents, LLNS or any successor to LLNS that any changes made regarding your healthcare insurance benefits violate any agreement, ERISA or any other state or federal law. It also means the Class Members are giving up their claim to have a right to reinstatement in the UC system (except under the limited circumstances described above).

As stated in the Settlement Agreement, “Released Claims” means, subject to the limitations in Section IX of the Settlement Agreement, any and all judgments, liens, indebtedness, losses, claims, liabilities, actions, demands, rights, suits, and causes of action of whatever kind or nature that the Petitioners asserted in the Third Amended Petition for Writ of Mandate, including damages, costs, expenses, penalties, and attorneys’ fees. “Released Claims” includes all claims predicated on the allegations in the Third Amended Petition arising under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or other claims against all Released Parties relating to the provision or failure to provide health benefits, the level of health benefits coverage and/or the cost of health benefits. Class Members’ sole avenue to resolve any future dispute regarding LLNS or any Successor Contractor’s provision or failure to provide health benefits, the quality and/or quantity of the benefits, rights and features provided by the LLNS Plan or any Successor Contractor plan or the cost of the health benefits is provided for under Sections V.C and V.D of the Settlement Agreement, titled Reinstatement as Backstop for Catastrophic Events and Remedies for any Material Change in Benefits by LLNS. Notwithstanding the foregoing, Class Members are not prohibited from appealing eligibility or benefit determinations pursuant to the claims and administration procedures for the applicable plan in which the Class Member participates. For the avoidance of doubt, “Released Claims” excludes future claims, if any, against LLNS or a Successor Entity relating to actions or omissions by LLNS or a Successor Entity that take place or occur 20 years or more after the Effective Date. “Released Claims” excludes claims to enforce rights under pension plans, the University of California Retirement Plan (“UCRP”), the California Public Employees’ Retirement System (“CalPERS”), the Radiation Exposure Compensation Act (“RECA”), or any other state or federal statute limiting the release of claims based on employment.

This means that even if you discover facts in the future that were not known at the time of the settlement which you think demonstrate further violations by The Regents related to this case, you may not sue The Regents, except under the circumstances described above. Each Class Member assumes the risk that they may discover new information. Even if new information is discovered, the settlement will be binding.



**THE LAWYERS IN THE CASE**

**13. Do I have a lawyer in this case?**

The Court decided that (1) Sinclair Law Office, (2) Carter Carter Fries & Grunschlag, and (3) Calvo Fisher & Jacob LLP, represent all Class Members. Together these law firms are called “Class Counsel.” They are experienced in handling similar cases against other individuals, companies and public agencies. More information about these law firms, their practices, and their lawyers’ experience is available at [www.sinclairlawoffice.com](http://www.sinclairlawoffice.com), [www.carterfries.com](http://www.carterfries.com) and [www.calvofisher.com](http://www.calvofisher.com).

**14. Should I get my own lawyer?**

You do not need to hire your own lawyer. Class Counsel are working on your behalf. You can ask your own lawyer to appear in Court for you if you want to be represented by someone other than Class Counsel, but you will need to make your own financial arrangements with your own lawyer.

**15. How will the lawyers be paid?**

Before the Fairness Hearing (explained below), Class Counsel will submit a petition to the Court for attorneys’ fees and costs in the amount of \$ 12,000,000. Fees and costs will not be paid out of the Settlement Fund but by The Regents in an amount ordered by the Court as reasonable. You can read the Petitioners’ Motion for Award of Attorneys’ Fees and Costs after it is filed at [www.llnretireesettlement.com](http://www.llnretireesettlement.com).

**16. How do I contact the lawyers?**

**COUNSEL FOR THE PETITIONERS:**

Andrew Thomas Sinclair  
Sinclair Law Office  
300 Frank H. Ogawa Plaza  
Rotunda Building, Suite 160  
Oakland, CA 94612  
Tel: (510) 465-5300  
Fax: (510) 465-5356

Dov M. Grunschlag  
Carter Carter Fries & Grunschlag  
The Hobart Building  
582 Market Street, Suite 518  
San Francisco, CA 94104  
Tel: (415) 989-4800  
Fax: (415) 989-4864

Kathleen V. Fisher  
Maya J. Maravilla  
Alex M. Freeman  
Calvo Fisher & Jacob LLP  
535 Pacific Avenue, Suite 201  
San Francisco, CA 94133  
Tel: (415) 374-8370  
Fax: (415) 374-8373

**WHAT ARE MY RIGHTS AND OPTIONS?**

You can tell the Court that you do not agree with the settlement or some part of it, including the adequacy of the representation of the Class by the named Petitioners and Class Counsel; the fairness of the settlement; and/or the fees and expenses sought by Class Counsel. You have two options under this settlement, each of which is discussed below: (A) object to the settlement, or (B) do nothing. You have to make this decision on or before March 6, 2020.

**17. What does it mean to object?**

Objecting is simply telling the Court that you do not like something about the settlement. It will not have any bearing on your right to receive benefits under the settlement if the settlement is approved.

**18. How do I object to the settlement?**

You can object to the settlement if you dislike any part of it. You also can object to Class Counsel’s application for fees and expenses. You can give reasons why you think the Court should not approve the settlement or Class Counsel’s application for fees.

You may object, personally or through an attorney at your own expense, to the proposed Settlement **by submitting in writing your objection to the Settlement Administrator no later than March 6, 2020**. You may appear, but are not required to appear, at the Fairness Hearing (or sometimes called Final Approval Hearing) where your objection will be heard and considered by the Court. Included in your objection must be a written notice of whether you desire to appear at the Fairness Hearing (“Notice of Intention to Appear”) and briefly indicating the nature of your comments or objection. If you do not comply with this procedure, you may not be entitled to be heard at the Fairness Hearing or to otherwise contest the approval of the Settlement, or to appeal from any related orders or judgments of the Court.

Class Members are hereby notified that even if they object, they will still be deemed as Class Members and will receive the benefits from the settlement if approved by the Court.

Any objections should be labeled “Moen v. The Regents of the University of California, Case No. RG 10530492” on the first page of all documents sent to the Settlement Administrator at the following:

**ARCHER Systems, LLC  
1775 Saint James Place, Suite 200  
Houston, Texas 77056  
Attn: LLNL Retiree Settlement**

**19. What happens if I choose to do nothing?**

If you do nothing, and the Court approves the settlement, you will be bound by the terms of the settlement and the release. Whether you act or not, if the settlement is approved, you will be entitled to receive the benefits of the settlement. However, deceased Class Members will not receive any benefits unless there is adequate verification of their next of kin (or successor-in-interest or personal representative). Further, other Class Members may not receive their full benefits if the Settlement Administrator does not have accurate and complete information about them. For example, the Settlement Administrator must have your correct mailing address to provide you with any benefits. Therefore, for your own benefit, you should fill out and return the enclosed **Class Member Data Form** (printed on green paper).

**THE COURT’S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the settlement. This is called a Fairness Hearing (or Final Approval Hearing). You may attend and you may ask to speak, but you are not required to.

**20. When and where is the Fairness Hearing?**

The Court will conduct a Fairness Hearing on April 10, 2020 at 10:00 AM (PDT) in Department 21 of the Superior Court of California, located at 1221 Oak Street, Oakland, CA 94612. At that hearing, the Court will determine whether the settlement should be finally approved. The Court also will be asked to approve Class Counsel’s request for attorneys’ fees and costs, and other payments discussed above. The Fairness Hearing may be continued without further notice to Class Members.

**21. Do I have to go to the Fairness Hearing?**

No, Class Counsel will answer questions the Court may have. You are, however, welcome to come at your own expense. Even if you send an objection, you do not have to go to Court to talk about it. As long as your objection is postmarked by March 6, 2020, the Court will consider it. You also have the right to retain a lawyer at your own expense to represent you at the Fairness Hearing, but it is not necessary to do so.

**22. May I speak at the Fairness Hearing?**

If you are a Class Member and have submitted an objection to the settlement, you may ask the Court for permission to speak—with or without an attorney—at the Fairness Hearing. To do so, you must send a letter to the Settlement Administrator (“Notice of Intention to Appear”). Be sure to include your name, address, telephone number, and your signature (and, if applicable, the name, address and telephone number of your attorney). Any Notice of Intention to Appear must be postmarked no later than March 6, 2020.

**MORE INFORMATION**

**23. What if I need more information?**

The foregoing is only a summary of the lawsuit and the proposed settlement and does not purport to be comprehensive. The pleadings and other records in this lawsuit, including the Settlement Agreement, may be examined online on the Alameda County Superior Court's website, known as "DomainWeb," at <https://publicrecords.alameda.courts.ca.gov/PRS/>. After arriving at the website, click the “Search By Case Number” link, then enter RG10530492 as the case number and click “SEARCH.” Images of every document filed in the case may be viewed through the “Register of Actions” at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

In addition, you can find a copy of this Notice of Class Settlement, the Third Amended Petition, the proposed Settlement Agreement, the Motion for Preliminary Approval, the Order Granting Preliminary Approval, the Motion for Attorneys’ Fees and Costs, and, when available, the Motion for Final Approval, at the following website: [www.lnlretireesettlement.com](http://www.lnlretireesettlement.com).

If you have any questions, please call the Settlement Administrator at 1-800-978-8522, toll free. You may also contact Class Counsel for free to ask about the settlement.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES ABOUT THE SETTLEMENT**

**Attachment A**  
**to**  
**Notice of Proposed Settlement of Class Action**

**Schedule B – Past Damages****A. Eligibility**

Class Members who (i) are living and not eligible for Medicare, (ii) are living and Medicare-eligible and elected Kaiser Senior Advantage Part B between October 15, 2010 to the Effective Date, or (iii) who died between October 15, 2010 and the Effective Date, may be eligible for a Past Damages Payment. Not all Class Members falling into these three categories will receive a Past Damages Payment. Eligibility for Past Damages Payments for Class Members who fall into these categories will depend on the Class Members' circumstances and plan selections between October 15, 2010 and the Effective Date.

The Settlement Administrator has received substantial information provided in the litigation to identify Class Members eligible for Past Damages Payments and to calculate the amount of such payments pursuant to the methodologies set forth below. In addition, pursuant to the Agreement, all Class Members will receive notice of the Settlement of this Action, and will be given the opportunity to provide additional or corrected information to the Settlement Administrator to demonstrate eligibility for Past Damages Payments or adjustments to the proposed calculation for Past Damages Payments.

**B. Description of Past Damages Methodology.**

Past damages for each eligible Class Member will be calculated according to the methodologies below. Some Class Members fall into different categories in different years. Past damages will be calculated based on each Class Member's circumstances and plan selection each year, to the extent such information is available.

1. Non-Medicare-Eligible Class Members Who are Still Living

## a. Currently 65 or older

- i. Past damages for these Class Members have been calculated for each year from 10/15/2010 through 12/31/2020.
- ii. Past damages for each year were calculated by taking the difference between the Class Member's required contribution for the premium for his/her LLNS-sponsored plan, and a retiree's required contribution for the premium for the most similar University-sponsored plan that same year using the rates in effect in each year.
- iii. For each year, it was determined whether the Class Member was older or younger than age 65, so that the proper rates were used.
- iv. LLNS-sponsored plans were mapped to similar University-sponsored plans, as follows:

	<b>LLNS-Sponsored</b>	<b>University-Sponsored</b>
<b>Kaiser</b>	Kaiser	Kaiser
<b>Pre-2014 Blue Cross Plans</b>	Blue Cross Plus	Blue Cross Plus
	Blue Cross PPO	Blue Cross PPO
	Blue Cross EPO	Blue Cross EPO
	Blue Cross Core	Blue Cross Core
<b>2014 and later Blue Cross Plans</b>	Blue Cross Plus	UC Care
	Blue Cross PPO	
	Blue Cross EPO	
	Blue Cross Core	

- v. Other Assumptions and Adjustments

1. The 2018 non-Medicare election (plan option and coverage category) was used as a proxy for each Class Member’s plan election in all years (i.e. it was assumed that the same election was in force for all years prior and subsequent to 2018).
  2. For 2010, the annual damage was calculated and prorated to reflect 2.5 months of damages from 10/15/2010.
  3. Past damages for 2020 damage were calculated as 1.0425 times the Class Member’s 2019 past damages (4.25%).
  4. No interest was added.
- b. Currently younger than 65
- i. It is not clear from the data if any Class Member falls into this category.
  - ii. If it is determined that there are Class Members in this category, Past Damages Payments for these Class Members will be calculated using the same formula as above for non-Medicare-eligible Class Members who are currently 65 or older. However, the amount of Past Damages Payments for Class members younger than 65 may be different since they generally have lower required contributions.

2. Kaiser Senior Advantage Members Who Are Still living

- a. Past damages for these Class Members have been calculated for each year from 10/15/2010 through 12/31/2020.
- b. Past damages for each year were calculated by taking the difference between the Class Member’s required contribution for the LLNS-sponsored Kaiser Senior Advantage plan selected and a retiree’s required contribution for the premium for the University-sponsored Kaiser Senior Advantage plan.
  - i. For purposes of this calculation, the Class Member’s required contribution for the LLNS-sponsored Senior Advantage plan included the premium for the Medicare Part B Supplement.
- c. For each year, it was determined whether the Class Member was older or younger than age 65, so that damages for Kaiser Senior Advantage members were only applied when the member was 65 or older.
- d. Assumptions/Adjustments
  - i. The 2018 Kaiser Senior Advantage election (plan option and coverage category) was used as a proxy for each Class Member’s plan election in all years (i.e. it was assumed that the same election was in force for all years prior and subsequent to 2018).
  - ii. For 2010, the annual damage was calculated and prorated to reflect 2.5 months of damages from 10/15/2010.
  - iii. Past damages for 2020 damage were calculated as 1.0425 times the Class Member’s 2019 past damages (4.25%).
  - iv. No interest was added.

3. All Class Members who died between 10/15/2010 and the Effective Date

- a. For each year, age was calculated to determine whether the member was older or younger than age 65.
- b. Past plan election information for each year up to and including the year of death was used, where available. Where no plan election information was available, no damages were calculated. However, as described above, all Class Members will receive notice of the Settlement of this Action, and will be given the opportunity to provide additional or corrected information.
- c. Past damages for non-Medicare eligible Class Members who died between 10/15/2010 and the Effective Date were calculated in the same manner as set forth above for non-Medicare eligible Class Members who are still living, except past damages were prorated based on the date of death.
- d. Past damages for Medicare-eligible Class Members who were Kaiser Senior Advantage members and who died between 10/15/2010 and the Effective Date were calculated in the same manner as set forth above for Medicare-eligible Class Members who were Kaiser Senior Advantage Members and who are still living, except past damages were prorated based on the date of death.
- e. All other Class Members who died between 10/15/2010 and the Effective Date were Medicare-eligible and were eligible for LLNS-sponsored benefits through ViaBenefits (formerly OneExchange). Past damages for these members were calculated as follows:

- i. Past damages for these Class Members have been calculated for each year from 10/15/2010 through date of death.
- ii. For OneExchange members who were California residents, past damages for each year were calculated by taking the difference between the Class Member’s total premium paid for the OneExchange coverage selected after offsetting it by the HRA contribution (\$2,400 prior to 2016, \$2,450 thereafter), and a retiree’s required contribution for the premium for the most similar University-sponsored plan that same year using the rates in effect in each year. OneExchange plans were mapped to similar University-sponsored plans, as follows:

<b>OneExchange Plans</b>	<b>University-Sponsored</b>
Medicare Supplement Plans	UC High Option Supplement
Medicare Advantage Plans	UC Medicare PPO

- iii. For OneExchange members who were not California residents, past damages for each year prior to 2014 were calculated using the same methodology used for California residents. For OneExchange members who were not California residents, past damages for 2014 and 2015 were determined to be \$600/year, and past damages for 2016 and later were determined to be \$550/year based on the difference in the HRA contributions by LLNS and The Regents in those years.

f. **Other Assumptions and Adjustments**

- i. Premium data for One Exchange elections was available only for the initial election year. For example, if a Class Member first selected a plan in 2009, no data regarding the premium rate after 2009 was available. As a result, medical trend factors were used to increase the original premium to a reasonable estimate for future years.
- ii. Medical trend factors used were based upon Medicare trend survey data at the time for Medicare Advantage Plans and Medicare Supplement Plans as follows:

<b>Year</b>	<b>Medicare Advantage Trend</b>	<b>Medicare Supplement Trend</b>
2010	8.2%	9.5%
2011	7.4%	7.0%
2012	7.9%	6.4%
2013	8.2%	5.3%
2014	6.6%	4.9%
2015	5.6%	3.2%
2016	4.2%	3.2%
2017	4.4%	4.3%
2018	4.5%	3.6%
2019 and later	4.25%	4.25%

- iii. Member plan election data for the One Exchange members was only provided through 2016. If a member died after 2016, it was assumed the same election was in place thereafter and the trend factors in the table above were applied.
- iv. Members with no state code data available were assumed to be California residents.
- v. For 2010, the annual damage was calculated and prorated to reflect 2.5 months of damages from 10/15/2010.
- vi. Damages were prorated to the date of death.
- vii. No interest was added.

**C. Calculation of Past Damages Payments**

Approximately \$11,000,000 will be paid in Past Damages Payments to Class Members and their heirs, such that Past Damages Payments plus the Initial \$1,000 Payment will equal \$20,000,000. The Settlement Administrator will apply the above methodologies to calculate past damages for each eligible Class Member. The Settlement Administrator will then subtract \$1000 from the total past damages for each eligible Class Member to account for the initial \$1000 in damages paid to each Class Member after the Effective Date. The Settlement Administrator will then determine each eligible Class Member's pro rata share, if any, of the approximate \$11,000,000 total for Past Damages Payments and issue checks to eligible Class Members and/or their heirs in those amounts.



**Attachment B**  
**to**  
**Notice of Proposed Settlement of Class Action**

**Schedule C- Supplemental Payments****A. Discretion of Trustee**

Each year, the Settlement Administrator or VEBA Trustee will use its discretion and professional judgment to determine the amount of the Supplemental Payments and the formulas used to calculate them consistent with the goal of maximizing payments for health care coverage for Class Members for the next 20 years. After the earlier of 20 years, or when there are 1,000 Class Members who are still living, the Trustee shall terminate the Trust and distribute any remaining funds to the living Class Members, estimated to be 1,000 people whose average age will be approximately 91. The Settlement Administrator or VEBA Trustee will aim to provide increases to the Class Members' Supplemental Payments over the 20 year period as determined appropriate and feasible.

Due to uncertainties with respect to the cost of health care and health care coverage, the rate of return on investment, the life expectancy of the class, the needs of the class, and potential changes in the health care delivery system and/or coverage for health care, as well as other uncertainties, the amount of the Supplemental Payments and the formulas used to calculate them are subject to change and are at the discretion and within the professional judgment of the Settlement Administrator or VEBA Trustee.

**B. Eligibility**

All living Class Members are eligible for an annual Supplemental Payment unless otherwise not eligible under Section V.A.7 and/or Section V.A.8 of the Stipulation of Class Action Settlement and Release (“Agreement”). Where a Class Member is covered under a health plan under the name of another Class Member who is the Policy Holder of said plan, the Supplemental Payments for all such individuals will be paid to the Policy Holder.

**C. Description of Supplemental Payment Formulas.**

Non-Medicare-eligible and Pre-65 Not Currently Eligible for Medicare: The Supplemental Payment for these Class Members will be calculated initially so that Class Members in this category will be responsible for 10% of the total cost of their plan choice. If, prior to receiving any Supplemental Payment, the Class Member is paying less than 10% of the total cost to cover the Class Member under the plan, the Supplemental Payment for that Class Member will be zero.

Example Calculation for Anthem PPO for Non-Medicare-eligible 65 and Older:

1. Annual Cost of Anthem PPO Plan	$\$1,792.60 \times 12 = \$21,511.20$
2. Annual Retiree Contribution	$\$ 440.00 \times 12 = \$5,280.00$
3. Desired Retiree Contribution	$\$21,511.2 \times .10 = \$2,151.12$
4. Amount of Supplement (2) – (3)	$\$ 5,280.00 - \$2,151 = \$3,128.88$

Kaiser Senior Advantage Medicare-eligible: The Supplemental Payment for these Class Members will be calculated initially so that Class Members in this category will be responsible for 20% of the total cost of their plan choice. The total cost to cover these Class Members under the plan is defined initially to be the sum of the total premium plus \$1,028, which reflects the current cost of the 2019 Medicare Part B reimbursement.

Example Calculation for Kaiser Sr. Adv:

1. Annual Cost of KSA Plan <sup>1</sup>	$(\$2,732.16 + 1,028) = \$3,760.16$
2. Annual Retiree Contribution	$(\$3,760.16 - \$2,450) = \$1,310.16$
3. Desired Retiree Contribution	$(\$ 3,760 \times .20) = \$ 752$
4. Amount of Supplement (2) – (3)	$\$1,310.16 - \$752 = \$558.16$

<sup>1</sup> Includes the 2019 out of pocket premium plus the \$1,028 Part B Supplement.

ViaBenefits Medicare Eligible: Both The Regents and LLNS provide benefits to some of their retirees through ViaBenefits. The Regents provides \$3,000 per year to its out-of-state retirees through ViaBenefits, while LLNS provides \$2,450 per year to Class Members who select ViaBenefits. The initial Supplemental Payment for these Class Members will be \$550 per year, which equals the difference between what The Regents and LLNS provide to their retirees through ViaBenefits.

If the methodology for calculating the Supplemental Payments for Medicare-Eligible Class Members who receive health benefits through ViaBenefits becomes not feasible due to changed circumstances, invalid assumptions or other reasons, an alternative initial methodology to calculate the Supplemental Payments to these Class Members will be to identify a Medicare Supplement plan found on the ViaBenefits exchange that is substantially similar to the UC preferred provider organization (PPO) for Medicare- eligible members, and calculate Supplemental Payments so that the Class Members would be responsible for 20% of the total cost of the ViaBenefits plan identified as substantially similar. See below for an example of the mapped calculation.

Example for Mapped ViaBenefits Plan to UC’s PPO:

1. Annual Cost of Equivalent Plan <sup>1</sup>	\$3,660
2. Annual Retiree Contribution	$(\$3,660 - \$2,450) = \$1,210$
3. Desired Retiree Contribution	$(\$3,660 \times .20) = \$732$
4. Amount of Supplement (2) – (3)	$\$1,210.16 - \$732 = \$478$
5. Greater of (4) and \$550 <sup>2</sup>	\$550

<sup>1</sup> Cost was determined by taking the sum of the Blue Shield Medicare Supplement plan rates as of April 1, 2019 for Plan F and Plan D Region 8 (\$171+\$134)=\$305 x 12 = \$3,660.

<sup>2</sup> The \$550 amount was chosen to match the difference between the UC HRA contribution of \$3,000 to its non-California HRA members and the LLNS contribution of \$2,450.

**D. Rates Based on 2019 Data and Actuarial Analysis**

A spreadsheet showing the Supplemental Payment Rates based on 2019 data is attached hereto as Exhibit 1. Attached as Exhibit 2 is an actuarial evaluation of the anticipated Supplemental Payments, with assumptions regarding healthcare expense market trends, return on investments, and the life span of the Class Members, to assess the viability of the corpus of the VEBA Trust over time.

**E. Future Changes to Supplemental Payments**

The VEBA Trustee shall have the discretion to increase or decrease Supplemental Payments based on actual costs, market trend, or other relevant information, while staying in conformance with the terms and goals of the Agreement. The methodology set forth above for determining the initial Supplemental Payment is not required hereafter but may be a guide for future year’s supplements.

2019 Non-Medicare 65 and Over Retiree Medical Monthly Contributions						
	Kaiser - North	Kaiser - South	Anthem Blue Cross PLUS	Anthem Blue Cross PPO	Anthem Blue Cross Core Value	Anthem Blue Cross EPO
<b>20+ years of service</b>						
Retiree only	\$338.00	\$338.00	\$773.00	\$440.00	\$82.00	\$339.00
Spouse only	\$373.00	\$373.00	\$852.00	\$483.00	\$91.00	\$375.00
Retiree + Spouse	\$711.00	\$711.00	\$1,624.00	\$923.00	\$173.00	\$713.00
Retiree + Children	\$610.00	\$610.00	\$1,392.00	\$791.00	\$150.00	\$612.00
Spouse + Children	\$644.00	\$644.00	\$1,470.00	\$836.00	\$158.00	\$648.00
Retiree + Spouse + Children	\$983.00	\$983.00	\$2,243.00	\$1,275.00	\$240.00	\$986.00
Children only	\$67.00	\$67.00	\$506.00	\$319.00	\$67.00	\$262.00
<b>0% Subsidy (Access Only)</b>						
Retiree only	\$1,706.16	\$1,706.16	\$2,142.12	\$1,792.96	\$1,307.20	\$1,688.96
Spouse only	\$1,876.76	\$1,876.76	\$2,356.28	\$1,972.16	\$1,437.88	\$1,857.84
Retiree + Spouse	\$3,582.88	\$3,582.88	\$4,498.44	\$3,765.08	\$2,745.16	\$3,546.80
Retiree + Children	\$3,071.08	\$3,071.08	\$3,855.80	\$3,227.24	\$2,353.00	\$3,040.08
Spouse + Children	\$3,241.64	\$3,241.64	\$4,070.00	\$3,406.56	\$2,483.72	\$3,209.04
Retiree + Spouse + Children	\$4,947.84	\$4,947.84	\$6,212.08	\$5,199.48	\$3,790.92	\$4,897.96
Children Only	\$622.40	\$622.40	\$1,116.44	\$934.40	\$681.28	\$880.24
<b>Supplemental Payment</b>						
Retiree only	\$2,009	\$2,009	\$6,705	\$3,128	\$0	\$2,041
Spouse only	\$2,224	\$2,224	\$7,396	\$3,429	\$0	\$2,271
Retiree + Spouse	\$4,233	\$4,233	\$14,090	\$6,558	\$0	\$4,300
Retiree + Children	\$3,635	\$3,635	\$12,077	\$5,619	\$0	\$3,696
Spouse + Children	\$3,838	\$3,838	\$12,756	\$5,944	\$0	\$3,925
Retiree + Spouse + Children	\$5,859	\$5,859	\$19,462	\$9,061	\$0	\$5,954
Children only	\$57	\$57	\$4,732	\$2,707	\$0	\$2,088
<b>2019 Non-Medicare Pre-65 Retiree Medical Monthly Contributions</b>						
	Kaiser - North	Kaiser - South	Anthem Blue Cross PLUS	Anthem Blue Cross PPO	Anthem Blue Cross Core Value	Anthem Blue Cross EPO
<b>20+ years of service</b>						
Retiree only	\$84.00	\$84.00	\$633.00	\$398.00	\$82.00	\$328.00
Spouse only	\$92.00	\$92.00	\$696.00	\$438.00	\$91.00	\$362.00
Retiree + Spouse	\$176.00	\$176.00	\$1,330.00	\$837.00	\$173.00	\$689.00
Retiree + Children	\$151.00	\$151.00	\$1,139.00	\$717.00	\$150.00	\$591.00
Spouse + Children	\$158.00	\$158.00	\$1,203.00	\$757.00	\$158.00	\$624.00
Retiree + Spouse + Children	\$243.00	\$243.00	\$1,836.00	\$1,155.00	\$240.00	\$953.00
Children only	\$67.00	\$67.00	\$506.00	\$319.00	\$67.00	\$262.00
<b>0% Subsidy (Access Only)</b>						
Retiree only	\$778.00	\$778.00	\$1,395.52	\$1,168.04	\$851.64	\$1,100.28
Spouse only	\$855.76	\$855.76	\$1,535.04	\$1,284.76	\$936.72	\$1,210.32
Retiree + Spouse	\$1,633.80	\$1,633.80	\$2,930.56	\$2,452.84	\$1,788.36	\$2,310.64
Retiree + Children	\$1,400.40	\$1,400.40	\$2,511.96	\$2,102.48	\$1,532.92	\$1,980.52
Spouse + Children	\$1,478.20	\$1,478.20	\$2,651.44	\$2,219.24	\$1,618.08	\$2,090.56
Retiree + Spouse + Children	\$2,256.16	\$2,256.16	\$4,047.00	\$3,387.32	\$2,469.64	\$3,190.88
Children Only	\$622.40	\$622.40	\$1,116.44	\$934.40	\$681.28	\$880.24
<b>Supplemental Payment</b>						
Retiree only	\$74	\$74	\$5,921	\$3,374	\$0	\$2,616
Spouse only	\$77	\$77	\$6,510	\$3,714	\$0	\$2,892
Retiree + Spouse	\$151	\$151	\$12,443	\$7,101	\$0	\$5,495
Retiree + Children	\$132	\$132	\$10,654	\$6,081	\$0	\$4,715
Spouse + Children	\$122	\$122	\$11,254	\$6,421	\$0	\$4,979
Retiree + Spouse + Children	\$209	\$209	\$17,176	\$9,795	\$0	\$7,607
Children only	\$57	\$57	\$4,732	\$2,707	\$0	\$2,088

	<u>One Exchange</u>	<u>Kaiser Senior Advantage</u>				
2019 LLNS Total Cost	\$305.00	\$313.35				
Annual Cost	\$3,660	\$3,760				
Est. Class Members	N/A	N/A				
Participation Pct.	N/A	N/A				
Target Percent Cost Sharing	20%	20%				
Total Cost	\$3,660	\$3,760				
LLNS Subsidy	\$2,450	\$2,450				
2019 Actual Member Cost	\$1,210	\$1,310				
2019 Cost Sharing Pct.						
Expected Contribution	\$732	\$752				
Difference	\$478	\$558				
Supplement	\$478	\$558				
Actual Supplement Used	\$550	\$558				

VEBA Settlement Solvency Projections

Via Benefits/One Exchange Supplement Scenario: \$550 Administrative Cost

Scenario: \$500,000 Per Year

Valuation Year	2019
Annual Administrative Costs	\$500,000
Investment Return	4.75%
One Exchange Supplement	\$550
Annual Benefit Increase	4.25%
Mortality Table	RP2014(adj) with MP18 Projection Scale, Total Dataset

Contributions		Liabilities				Fund Solvency Calculations							
Date	Contribution	Date	Benefit Payments	Head-count*	Average Payment/Head-count	Beginning Balance	Contribution	Benefit Payments	Administrative Costs	Investment Return	Ending Balance	Terminal Balance	Per Capita Payout
1 2019	12/31/2019	15,000,000	12/31/2019	10,000,000	6,361	n/a	0	15,000,000	(10,000,000)	-	-	5,000,000	
2 2020	12/31/2020	15,000,000	12/31/2020	10,000,000	6,044	n/a	5,000,000	15,000,000	(10,000,000)	(500,000)	225,625	9,725,625	
3 2021	12/31/2021	15,000,000	1/1/2021	4,417,013	5,732	771	9,725,625	15,000,000	(4,417,013)	(500,000)	240,284	20,048,897	
4 2022	12/31/2022	10,000,000	1/1/2022	4,352,957	5,433	801	20,048,897	10,000,000	(4,352,957)	(500,000)	733,682	25,929,621	
5 2023	12/31/2023	10,000,000	1/1/2023	4,276,011	5,132	833	25,929,621	10,000,000	(4,276,011)	(500,000)	1,016,671	32,170,282	
6 2024	12/31/2024	10,000,000	1/1/2024	4,191,826	4,838	866	32,170,282	10,000,000	(4,191,826)	(500,000)	1,317,102	38,795,558	
7 2025	12/31/2025	5,000,000	1/1/2025	4,100,033	4,551	901	38,795,558	5,000,000	(4,100,033)	(500,000)	1,636,162	40,831,687	
8 2026	-	-	1/1/2026	3,997,287	4,267	937	40,831,687	-	(3,997,287)	(500,000)	1,737,759	38,072,160	
9 2027	-	-	1/1/2027	3,886,594	3,990	974	38,072,160	-	(3,886,594)	(500,000)	1,611,939	35,297,505	
10 2028	-	-	1/1/2028	3,766,807	3,718	1,013	35,297,505	-	(3,766,807)	(500,000)	1,485,833	32,516,531	
11 2029	-	-	1/1/2029	3,639,096	3,453	1,054	32,516,531	-	(3,639,096)	(500,000)	1,359,803	29,737,238	
12 2030	-	-	1/1/2030	3,502,301	3,194	1,097	29,737,238	-	(3,502,301)	(500,000)	1,234,284	26,969,221	
13 2031	-	-	1/1/2031	3,357,806	2,941	1,142	26,969,221	-	(3,357,806)	(500,000)	1,109,667	24,221,083	
14 2032	-	-	1/1/2032	3,205,370	2,696	1,189	24,221,083	-	(3,205,370)	(500,000)	986,371	21,502,085	
15 2033	-	-	1/1/2033	3,048,675	2,461	1,239	21,502,085	-	(3,048,675)	(500,000)	864,662	18,818,072	
16 2034	-	-	1/1/2034	2,885,913	2,235	1,291	18,818,072	-	(2,885,913)	(500,000)	744,903	16,177,061	
17 2035	-	-	1/1/2035	2,719,173	2,018	1,347	16,177,061	-	(2,719,173)	(500,000)	627,375	13,585,263	
18 2036	-	-	1/1/2036	2,550,814	1,814	1,406	13,585,263	-	(2,550,814)	(500,000)	512,261	11,046,710	
19 2037	-	-	1/1/2037	2,381,143	1,621	1,469	11,046,710	-	(2,381,143)	(500,000)	399,739	8,565,307	
20 2038	-	-	1/1/2038	2,211,548	1,439	1,536	8,565,307	-	(2,211,548)	(500,000)	289,929	6,143,687	
21 2039	-	-	1/1/2039	2,043,418	1,270	1,608	6,143,687	-	(2,043,418)	(500,000)	182,888	3,783,158	
22 2040	-	-	1/1/2040	1,878,111	1,114	1,685	3,783,158	-	(1,878,111)	(500,000)	78,615	1,483,661	1,483,661
Total								80,000,000	(86,411,894)	(10,500,000)	18,395,556		

\* Lifetime projection for "single", last-survivor for "joint", lifetime up to age 26 for "child"  
 Please refer to page 3 of the July 10, 2019 deliverable for disclosures regarding data, assumptions, and methods used in these projections. The only change with this deliverable is the addition of administrative costs.