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25 Attorneys for Petitioners and Class

26 SUPERIOR COURT OF THE STATE OF CALIFORNIA
27 COUNTY OF ALAMEDA

28 Donna Ventura, Gregory M. Bianchini, Alan Hindmarsh,
29 Calvin Wood and Sharon Wood, on behalf of Themselves
30 and Others Similarly Situated,¹

31 Petitioners,

32 v.

33 Regents of University of California, et al.,

34 Respondents.

FILED
Superior Court of California
County of Alameda
04/21/2023
Clad Fluke, Executive Officer / Clerk of the Court
By: Nicole Hall Deputy
N. Hall

No. RG 10530492

**Ex Parte Application to File Annual
Report of Court Monitor and
Order ~~Proposed~~**

35 _____ /
36 _____
37 ¹ By Order dated October 19, 2022, the Court allowed Wendell Moen to withdraw as a class representative.
38 Donna Ventura is the next named Petitioner.

1 WHEREAS, the Final Approval Order and Judgment filed April 10, 2020, provides that
2 “The Settlement Agreement, and each and every term and provision thereof, shall be deemed
3 incorporated herein as if explicitly set forth herein and shall have the full force and effect of an
4 order of this Court.” Final Approval Order, ¶ 10; and

5 WHEREAS, the Settlement Agreement provides in relevant part, that, “To ensure
6 successful Implementation of the Settlement Agreement, for three years following the Effective
7 Date, the Court Monitor will provide annual reports to the Court by March 1 of each year ...
8 regarding the status of the benefits provided by LLNS (or a Successor Contractor) during the
9 preceding year, the status of UC’s contributions to the Settlement Fund and the VEBA, and the
10 status of the payments to Class Members,” Settlement Agreement, ¶ V-E-2; and

11 WHEREAS, the Annual Report, attached hereto as Exhibit 1, was finalized and signed by
12 Court Monitor Maria-Elena James on April 3, 2023, and distributed to the parties by ADR on
13 April 17, 2023; and

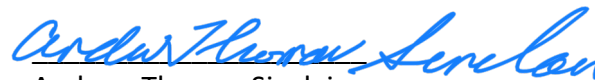
14 WHEREAS, counsel for the parties have had an opportunity to comment on the Report
15 and comments have been incorporated into the Report, see pp. 12-13, and have no further
16 comments; and

17 WHEREAS, the parties and the Court Monitor believe there is no need for an appearance
18 by counsel with regard to the Annual Report,

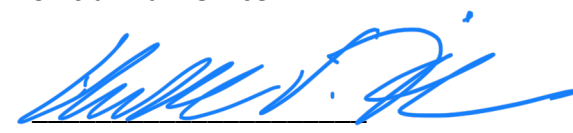
19 IT IS STIPULATED that the Annual Report attached here to Exhibit 1 may be filed with the
20 Court upon approval of the Order below.

21 **COUNSEL FOR PETITIONERS & CLASS**

22 Date: 4-19-23


Andrew Thomas Sinclair
Sinclair Law Office

23
24 Date: 4/18/23


Kathleen V. Fisher
Calvo Fisher & Jacob

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Date: 4-19-23

Dov M. Grunschlag
Dov Grunschlag
Carter Carter Fries & Grunschlag

COUNSEL FOR THE REGENTS

Date: April 19, 2023

Jennifer Romano
Jennifer Romano
Crowell & Moring

COURT MONITOR

Date: 4/19/2023

Hon. Maria-Elena James (Ret.)
Hon. Maria-Elena James (Ret.)
Court Monitor

ORDER

Pursuant to the above stipulation,

IT IS SO ORDERED that the Annual Report, attached here to Exhibit 1 deemed filed with the Court as of the date that this Order is signed and filed.

Date: 04/21/2023

Evilio M. Grillo
Hon. Evilio M. Grillo
Judge of the Superior Court
Evilio Grillo / Judge

1 Hon. Maria-Elena James
2 ADR SERVICES, INC.
3 100 First Street, 27th Floor
4 San Francisco, California 94105
5 (415) 772-0900 PH
6 (415) 772-0960 FAX
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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF ALAMEDA

10 Gregory M. Bianchini, Alan Hindmarsh, 11 Donna Ventura, Calvin Wood and Sharon 12 Wood, on behalf of Themselves and Others 13 Similarly Situated, 14 Petitioners, 15 vs. 16 Regents of the University of California, 17 Respondents.	18 No. RG 10530492 19 ANNUAL REPORT 20 Judge Maria-Elena James (Ret.) 21 Court Monitor 22 Reservation:
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18 Pursuant to the Parties' Stipulation of Class Action Settlement and Release ("Settlement
19 Agreement"), ¶ V.E.2,

20 [t]o ensure successful implementation of the Settlement Agreement, for three
21 years following the Effective Date, the Court Monitor will provide annual reports
22 to the Court by March 1 of each year...regarding the status of the benefits
23 provided by LLNS (or a Successor Contractor) during the preceding year, the
24 status of UC's contributions to the Settlement Fund and the VEBA, and the status
25 of the payments to Class Members.

26 As set forth in the Settlement Agreement, to facilitate my reporting to the Court, the
27 Settlement Administrator, ARCHER Systems, LLC ("ARCHER"), has provided me with an
28 annual report, the details of which are included below. *See infra*, Sections I, II, III, VI and
accompanying Appendix A. Additionally, and as required by the Settlement Agreement, I

1 provided a draft copy of this report to The Regents and Class Counsel for comment, which are
2 incorporated herein. *See infra*, Sections IV and V, respectively.

3 As in prior reports, I would like to acknowledge the continued, coordinated efforts and
4 professionalism exhibited by the Parties and the Settlement Administrator in implementing this
5 complicated and comprehensive settlement program.

6 **I. STATUS OF BENEFITS PROVIDED BY LLNS**
7 **(OR SUCCESSOR CONTRACTOR)**

8 For calendar year 2022, Lawrence Livermore National Security, LLC (“LLNS”), provided
9 health and welfare benefits to Eligible Class Members who timely enrolled. Similarly, LLNS
10 commenced Open Enrollment for Eligible Class Members on or about October 15, 2022, for
11 health and welfare benefits, coverages, and options for 2023. The Benefits Open Enrollment
12 2023 Retiree Guide was confidentially provided by counsel for The Regents to Class Counsel and
13 ARCHER on September 26, 2022, by electronic mail. On or about December 16, 2022, counsel
14 for The Regents produced spreadsheets identifying health plan elections by living Class Members
15 for 2023, in addition to, information identifying Class Members who passed away in 2022. These
16 spreadsheets were delivered by secure electronic mail to ARCHER.

17 Subsequent thereto, ARCHER published a five (5) page informational guide regarding the
18 Settlement Supplement on the settlement website. This guide provided Class Members with
19 information related to Settlement Supplement eligibility by enrolling in a LLNS-sponsored
20 medical plan, help with questions, considerations for Medicare-eligible and non-Medicare eligible
21 Class Members alike, and Settlement Supplement availability. Additionally, the informational
22 guide announced that the 2023 Settlement Supplement increased 6.00% over the 2022
23 Supplement and included the amount of the Settlement Supplement by plan option for 2023.

24 **II. STATUS OF UC’S CONTRIBUTIONS TO THE**
25 **SETTLEMENT FUND & VEBA**

26 Per Section V.A.1, The Regents will pay \$80,000,000 to create the Settlement Fund.
27 Section V.A.2. sets forth The Regents’ Payment Schedule.

- *Third Payment:* Two years after the Effective Date, The Regents will make a further payment of \$15 million. **The Regents satisfied this obligation on April 8, 2022**, by wire to the 26 C.F.R. 1.468B-1 LLNL Retiree QSF.

Attorneys’ Fees and Costs were addressed in Section XII of the Parties’ Settlement Agreement. “Petitioners and The Regents accepted a September 12, 2019, Mediator's Proposal whereby the parties agreed that Class Counsel's request for a Fee and Expense Award would not exceed Twelve Million Dollars (\$12,000,000).” Section XII.C. further provided,

Any Fee and Expense Award approved by the Court, which does not exceed Twelve Million Dollars (\$12,000,000), shall be paid by The Regents via a wire transfer as directed by Class Counsel via one of the following alternative methods. First, the payment can be made in one lump sum within 90 days of the Effective Date. Second, the Regents can pay over a three-year period, as follows: the Regents will pay Five Million Dollars (\$5,000,000) within 90 days of the Effective Date, pay another Five Million Dollars (\$5,000,000) within one year of the first payment, and pay the remaining Two Million Dollars (\$2,000,000) within two years of the first payment; no interest will be applied to the balance.

The Regents elected to pay Attorneys’ Fees and Expenses over time. At the request of Class Counsel, ARCHER established a sub-account under the LLNL Retiree Qualified Settlement Fund, entitled LLNL Retiree Settlement Attorneys’ Fees. **The Regents satisfied the third and final Fee and Expense obligation of \$2 million on July 8, 2022**, by wire to the 26 C.F.R. 1.468B-1 LLNL Retiree QSF. Subsequent thereto, the Fund Administrator, ARCHER, segregated the Fee and Expense payment into the aforementioned sub-account.

A summary table of The Regent’s current contributions to the LLNL Retiree QSF can be found in Table 1 below.

TABLE 1 - UC'S CONTRIBUTIONS TO THE SETTLEMENT FUND & VEBA		
Date	Amount	Direction
January 03, 2020	\$500,000.00	LLNL Retiree QSF
May 11, 2020	\$4,000,000.00 ¹	LLNL Retiree QSF
May 11, 2020	\$15,000,000.00	LLNL Retiree QSF
July 09, 2020	\$5,000,000.00	LLNL Retiree Settlement Attorneys’ Fees Sub-Account
April 09, 2021	\$15,000,000.00	LLNL Retiree QSF

¹ Payment for Benefits Counseling Services in order to facilitate the Class Members’ selection, acquisition, and utilization of health insurance.... The Benefit Counseling Services will be provided by a third party selected by the Settlement Administrator. See section V.B., Stipulation of Class Action Settlement and Release.

July 08, 2021	\$5,000,000.00	LLNL Retiree Settlement Attorneys' Fees Sub-Account
April 08, 2022	\$15,000,000.00	LLNL Retiree QSF
July 08, 2022	\$2,000,000.00	LLNL Retiree Settlement Attorneys' Fees Sub-Account

In accordance with the Parties' Settlement Agreement, three years after the Effective Date, The Regents will make a further payment of \$10 million. The "Fourth Payment" will become due on Monday, April 10, 2023.

III. STATUS OF PAYMENTS TO CLASS MEMBERS

A. \$1,000 Initial Payments

As of February 28, 2023, ARCHER has received 7,807 Class Member Data Forms from the approximate 8,904 potential Class Members or their successors-in-interest or personal representatives (excluding those individuals who previously opted out of the class during the pendency of the litigation or those who have declined to participate in the settlement program subsequent to the Effective Date). ARCHER continues to receive Class Member Data Forms through the Settlement Administrator's efforts to locate nonrespondents from the Operative Class List. Similarly, ARCHER has mailed \$1,000 Initial Payment checks to **7,755** Class Members of which **7,723** Class Members have negotiated their checks for cash or deposited the same. Thus, **\$7,755,000.00** have been distributed to Class Members or their successors-in-interest or personal representatives.

B. Supplemental Payments

As characterized in the Parties' Settlement Agreement, section V.A.3, in addition to costs of administration, the Initial \$1,000 Payments, and Past Damages, "Settlement Funds will be used to provide annual payments through the VEBA to Policy Holders going forward to provide a supplement to benefits provided by LLNS (or a Successor Contractor) for health care coverage or any benefit permissible under IRC§ 501(c)(9) ("Supplemental Payments")."

Livermore Class Action Settlement Administration and Education Fund, Inc. ("LCASE"), the employee organization which formed the VEBA, serves as the Plan Sponsor for the Livermore Class Action Settlement Administration and Education Fund, Inc., Retiree Health Reimbursement Arrangement.

1 For calendar year 2022, the LCASE HRA Settlement Supplement for participating eligible
2 Class Members equaled **\$3,240,110**. Over the course of the year, **\$1,547,554** was reimbursed to
3 Class members for premium costs and eligible expenses as defined by §213(d) of the Internal
4 Revenue Code. Since inception, the LCASE HRA has reimbursed more than **\$3,529,691** to Class
5 Members and that number continues to increase daily. While reimbursements paid to Class
6 Members or plan participants between years one and two of the LCASE HRA were
7 approximately fifty percent (50%) of allocated funds, the *enrollment* of eligible Class Members
8 with access to the LCASE HRA is **93.7%**.² There are many reasons that explain why the amount
9 paid in reimbursements to Class Members is less than otherwise might be expected. For example,
10 the two largest groups of eligible Members enroll in Via Benefits and Kaiser Senior Advantage.
11 Each receives \$2,450 from LLNS per year. In 2021, the average cost for a Member selecting a
12 plan under Via Benefits was \$2,260 and for Kaiser in 2023, the premium has grown to \$2,733.96.
13 Thus, \$2,450 provided by LLNS currently covers most, if not all of the premium costs for both
14 groups. It is expected that as premiums continue to rise, Class Members will utilize LCASE HRA
15 plan reimbursements at a higher rate.

16 Yet another challenge in evaluating utilization of LCASE HRA benefits by plan
17 participants can be directly correlated with retirement benefits provide by LLNS. All *Medicare-*
18 *eligible Class Members* have **two** HRA accounts. Medicare-eligible Class Members who elect
19 coverage through Via Benefits have two accounts with Via Benefits, one through LLNS and one
20 through LCASE. As related to what one may view as a high percentage of “No
21 Reimbursements,” it is likely and consistent that for many Class Members the LLNS HRA is set
22 as their primary account when, for example, the LLNS account has \$2,450, as compared to the
23 LCASE account with \$660 or \$670 for Medicare-eligible Members electing plans through Via

24 ² The Settlement Administrator’s Operative Class List (“OCL”) identifies 9,043 Class Members. Of
25 that group, 3,487 have died, and 1,236 have never submitted a Class Member Data Form (and of this group,
26 only 460 appear to be alive). An estimate of the eligible class for 2021 was 5,006 Members with 4,464
27 Members participating (89.2%). In 2022, there were 4,912 Members eligible with 4,256 participating (86.6%).
28 For 2023 there are 4,794 eligible Members with 4,493 participating (93.7%). Eligible Members were
estimated by taking the total OCL, excluding Members who have not returned a CMDF, Members who died,
and Member dependents over the age of 26 (ineligible). It should be noted that if a plan participant does not
submit claims for reimbursement, any remaining HRA Supplement rolls over into the following year and is
available along with any future Supplement allocations.

1 Benefits or Kaiser Senior Advantage, respectively. Similarly, Medicare-eligible participants
2 electing Kaiser Senior Advantage have one account with Kaiser to which their LLNS HRA
3 reimbursement requests may be directed and one account with Via Benefits—the LCASE HRA.
4 Kaiser enrolled Members may not be as familiar with Via Benefits as their other HRA account is
5 managed through Kaiser. Quite possibly, some Class Members may be saving their LCASE
6 Supplement for some time in the future when medical expenses are elevated or unplanned.

7 At the time the LCASE HRA was launched, LCASE accounts were set as the Class
8 Members’ primary account. Partnering with Via Benefits, the default implementation was to
9 mark the most recently created account as the primary. When LCASE Via Benefits website
10 enhancements were completed, Class Members have the option to choose which account, LLNS
11 or LCASE, shall be their primary account for eligible expense reimbursements. This may explain
12 why 42% of accounts had no reimbursement requests in 2021, versus 52% of accounts requesting
13 no reimbursement in 2022. Certainly, some plan participants changed their primary account
14 settings.

15 Consider that in 2021, the first year of the LCASE HRA, 1,116 Class Members did not
16 request reimbursement. However, in 2022, the number of Class Members who did not request a
17 reimbursement increased to 1,638. There are around 1,036 plan participants who have never
18 requested reimbursement from the LCASE HRA. To remind and encourage plan participants to
19 access their HRA funds for eligible expenses, twice yearly in the spring and fall, typically
20 February and September, Via Benefits mails a “Balance Reminder” letter to any plan participant
21 who has had no payment activity in the preceding 90 days.

22 Together with the Settlement Administrator’s retained actuarial and employee benefits
23 experts, Phillips Consulting Partners, LLC (“Phillips”), ARCHER determined that Extend Health,
24 LLC, d/b/a Via Benefits Insurance Services, remains best positioned to serve as the Plan
25 Administrator for the Livermore Class Action Settlement Administration and Education Fund,
26 Inc., Retiree Health Reimbursement Arrangement for calendar year 2023. The company is owned
27 by human resources consulting firm Willis Towers Watson (“WTW”).

1 Via Benefits has been and continues to be promptly responsive engaging a large
2 interdisciplinary team to address the needs and requests of the Settlement Administrator and its
3 benefits experts. In conjunction with their experience in delivery with LLNS and the Class
4 Member retiree population, WTW/Via Benefits continues to be the Settlement Administrator’s
5 preferred partner with a team of implementation experts, data analysts, retiree plan specialists,
6 operations staff, and in-house legal counsel.

7 The Settlement Administrator and Phillips provide the following evaluation of
8 WTW/Via Benefits for 2022:

- 9 ▪ provision of implementation services such as reporting of participant movements
10 and issues was timely;
- 11 ▪ issues related to individual participants were resolved by LCASE project
12 management together with call center supervisors;
- 13 ▪ data support personnel were responsive and helpful; and
- 14 ▪ LCASE account team leadership / management remains the same.

15 On February 17, 2023, the LCASE HRA Client Service Manager presented Phillips and
16 the Settlement Administrator with WTW’s 2022 Annual Stewardship Report. Included within the
17 presentation were analytics related to communications with Members, digital participant
18 communication hub enhancements, client portal enhancements, total reimbursements paid,
19 funding activity, file transfer improvements with most advanced security protocols, and planning
20 for 2023 and beyond. For 2022, WTW achieved an average Customer Satisfaction Score of
21 4.05/5, with 371 respondents (53.3%) reporting a score of 5—very satisfied. In 2023, The
22 Settlement Administrator and Phillips will work WTW/Via Benefits to drive higher satisfaction
23 ratings across plan participants. This Annual Stewardship presentation can be reviewed at
24 **Appendix A.**

25 Working with Phillips, the Settlement Administrator will continue to evaluate the
26 performance of WTW/Via Benefits in its delivery of services and administration of the HRA,
27 which was funded February 17, 2023. For calendar year 2023, the LCASE HRA Settlement
28

1 Supplement for participating eligible Class Members equals **\$3,107,107**. Additional comments
2 related to plan participant experience follows:

- 3 ▪ The LCASE HRA provides an option to allow plan participants to request
4 recurring reimbursements by submitting documentation at the beginning of each
5 year. Via Benefits will reimburse the premium shown each month until funds are
6 exhausted. The claim form has a barcode, *which is specific to each member*.
7 Class Members may download their individual form from the LCASE HRA
8 website or call Via Benefits and have a representative send it by mail.
- 9 ▪ The Via Benefits Reimbursement Guide provides the details for how to submit
10 claims, including by phone and by mail—
11 ([https://app.viabenefits.com/static/cdn/documents/website/lcase/991009-200526-](https://app.viabenefits.com/static/cdn/documents/website/lcase/991009-200526-FundingGuide-LCASE-1.pdf)
12 [FundingGuide-LCASE-1.pdf](https://app.viabenefits.com/static/cdn/documents/website/lcase/991009-200526-FundingGuide-LCASE-1.pdf)). Anticipating the common need for assistance, this
13 guide also advises that Class Members may assign an authorized representative to
14 handle issues, claims, and related matters. This assignment can be completed by
15 telephone or mail. Funds also remain available for reimbursement for six (6)
16 months following a participant’s death.
- 17 ▪ Remaining individual Class Member HRA funds from prior years will roll
18 forward to pay expenses if current plan year contributions are exhausted. Funds
19 remain in the allocated year unless needed to pay expenses in future years. There
20 is no plan year expense submission deadline. The plan year is determined by the
21 date of service not the date paid. *Reimbursement for prior year expenses is*
22 *permitted if funds for that year remain available.*
- 23 ▪ Via Benefits determines reimbursement amounts based upon the Class Member’s
24 documentation to avoid duplicate payments for the same expense. A Class
25 Member may *not* request a reimbursement for more or less than the amount
26 indicated in Class Member’s submitted documentation.

27 Lastly, LCASE, the VEBA Trustee, and the Settlement Administrator will hold
28 discussions to initiate a request for proposal process seeking a full-time benefits manager to
perform Class Member outreach, counseling, and provide support and instructions to LCASE
HRA plan participants. The most qualified retirement and benefits coordination administration
firm should be considered to ensure the forward-looking objectives of this class settlement are
satisfied now that the damages payments phase has largely concluded.

29 **C. VEBA Trust (Livermore Retirees Health Insurance Trust)**

30 At December 31, 2022, the VEBA’s investments included equity mutual funds diversified
31 between domestic and foreign securities and among companies with small, mid, and large

capitalization. At December 31, 2022, the VEBA also held fixed income mutual funds diversified by credit type and maturity and individual bonds diversified by maturity and issuer. At December 31, 2022, the VEBA's investments were allocated 8.1% to money market mutual funds, 42.5% to equities, and 49.4% to fixed income. In 2022 the VEBA received dividends and interest on VEBA investments of \$368,722.06 and additionally earned \$82,775.07 of accrued income.

The VEBA balance as of December 31, 2021, was \$7,846,550.45. The VEBA balance as of December 31, 2022, was \$19,965,649.43. The difference between the two amounts is attributable to: (1) contributions to the VEBA from the LLNL Retiree QSF of \$15,000,000; (2) payments made to or for the benefit of the VEBA beneficiaries for retiree health care in the amount of \$1,973,162.81 (LCASE HRA contributions); (3) the VEBA's payment of Argent's management fees in the aggregate amount of \$332,417.58; and (4) losses on the investments as described in the Overall 2022 Summary of VEBA below. Those losses were caused by declines in equity and fixed income market valuations due to continued uncertainty about the Federal Reserve's timing and number of increases in and to short term interest rates over the following year and fears of a possible recession caused by such interest rate increases. During 2022, \$4,400,000 was transferred to a sub-account within the VEBA to facilitate investment in an individual equity strategy.

The VEBA's investment portfolio has benefited from higher interest rates and investments in fixed income securities made during that year at yields in excess of those originally projected. The VEBA benefited from weakness in equity prices as a significant amount of the \$15,000,000 contributions to the VEBA during the year were invested in equity securities at attractive prices.

TABLE 2 - VEBA TRUST - LCASE HRA CONTRIBUTIONS, FEES, OVERALL 2022 SUMMARY	
HRA FUNDING FOR THE BENEFIT OF VEBA BENEFICIARIES	TOTAL
03/02/2022 PAID VIA WIRE TO ACCLARIS	\$679,147.89
04/04/2022 PAID VIA WIRE TO ACCLARIS	\$221,217.05
05/03/2022 PAID VIA WIRE TO ACCLARIS	\$137,433.43
06/02/2022 PAID VIA WIRE TO ACCLARIS	\$107,970.10
07/05/2022 PAID VIA WIRE TO ACCLARIS	\$121,472.02
08/02/2022 PAID VIA WIRE TO ACCLARIS	\$112,306.60
09/02/2022 PAID VIA WIRE TO ACCLARIS	\$92,195.94
10/04/2022 PAID VIA WIRE TO ACCLARIS	\$128,439.06

11/02/2022 PAID VIA WIRE TO ACCLARIS	\$171,879.31
12/02/2022 PAID VIA WIRE TO ACCLARIS	\$201,101.41
TOTAL	\$1,973,162.81

VEBA TRUSTEE FEES DEC 2021 - NOV 2022		TOTAL
December-21		\$26,307.42
January-22		\$26,279.71
February-22		\$26,264.77
March-22		\$26,142.85
April-22		\$28,546.98
May-22		\$28,531.63
June-22		\$28,446.57
July-22		\$28,503.79
August-22		\$28,416.91
September-22		\$28,259.07
October-22		\$28,317.81
November-22		\$28,400.07
TOTAL		\$332,417.58

OVERALL 2022 SUMMARY OF VEBA		TOTAL
MARKET VALUE AS OF 01/01/2022		\$7,846,550.45
OTHER CONTRIBUTIONS		\$15,000,000.00
DIVIDENDS		\$291,190.97
INTEREST		\$77,531.09
LESS BEGINNING ACCRUED INCOME		(\$1,149.26)
ACCRUED INCOME		\$82,775.07
OTHER ADDITIONS		\$0.08
TRANSFERS		\$1,000,000.00
TRANSFERS WITHIN TRUST		\$3,400,000.00
REALIZED GAIN OR LOSS		(\$73,496.71)
UNREALIZED GAIN OR LOSS		(\$951,876.89)
TRUSTEE/CUSTODIAN FEES		(\$332,417.58)
SCHEDULE OF WIRE TRANSFERS (HRA REIMBURSEMENT PAYMENTS)		(\$1,973,162.81)
TRANSFERS		(\$1,000,000.00)
TRANSFERS WITHIN TRUST		(\$1,400,000.00)
OTHER DISBURSEMENTS AND REDUCTIONS		(\$2,000,294.90)
NON-CASH TRANSACTIONS		(\$0.08)
ENDING BALANCE AS OF DEC 31, 2022		\$19,965,649.43

2022 SYNOPSIS OF VEBA		TOTAL
UC SETTLEMENT FUNDS DEPOSITED IN QSF (See Table 1)		\$49,500,000.00
QSF SETTLEMENT FUNDS TRANSFERRED TO VEBA (ARGENT) (Lifetime)		\$23,500,000.00
ANNUAL RETURN ON SETTLEMENT FUNDS		(\$575,025.73)

FUNDS PAID FOR SETTLEMENT SUPPLEMENT FROM VEBA (Lifetime)	(\$2,496,962.36)
ANNUAL MANAGEMENT FEES PAID TO ARGENT	(\$332,417.58)
ANNUAL GAIN OR LOSS AFTER MANAGEMENT FEES	(\$907,443.31)

Subject to the limited investment opportunities available to the QSF Administrator, the VEBA Trustee, Settlement Administrator, and Phillips will continue to review the VEBA’s investment performance and broader market conditions to determine if future settlement fund contributions should remain within the QSF.

D. Past Damage Payments

Approximately \$11,000,000 will be paid in Past Damages Payments to eligible Class Members and/or their heirs, such that the Past Damages Payments plus the Initial \$1,000 Payment will equal \$20,000,000.

See ¶ 3, Schedule A of Stipulation of Class Action Settlement Agreement and Release.

ARCHER has mailed Past Damages Payments checks to **2,384** eligible Class Members of which **2,358** Class Members have negotiated their checks for cash or deposited the same. Thus, **\$10,229,933.12** have been distributed to Class Members or their successors-in-interest or personal representatives.

As of February 22, 2023, ARCHER has distributed **\$17,984,933.12** in Damages Payments (Initial \$1,000 Payments and Past Damages Payments) to eligible Class Members or their personal representatives or successors-in-interest.

The Settlement Administrator shall allocate unclaimed funds from the \$1,000 Initial Payment(s) and Past Damages Payment(s) to the Supplemental Payment for the benefit of living class members upon the conclusion of ARCHER’s efforts to reissue stale checks.³

A summary of class data may be found in Table 3.

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³ See Ex Parte Application re Closing Class, Disposition of Unclaimed Settlement Funds, Release of Attorneys’ Fees, and Order, July 20, 2021.

TABLE 3 - SUMMARY OF CLASS DATA

	Year	2010	2021	2022	2023
Operative Class List		9,043			
Potential Class Members					8,904
CMDFs submitted					7,807
Deceased Class Members					3,487
Living Class Members					5,556
Class Members Who Have Not Returned CMDF					1,236
Living Class Members Who Have Not Returned CMDF					460
Summary of Initial \$1000 Payments and Past Damages Payments					
Initial \$1000 Payment Sent to Class Members					7,755
Initial \$1000 Payment Cashed by Class Members					7,723
Class Members Receiving Past Damages Payments					2,384
Class Members Cashing Past Damage Payments					2,358
Past Damages Distributed					\$10,229,93
Past Damages + \$1000 Initial Distributed					3
					\$17,984,93
					3
Summary of Class Participation in Supplemental Payment					
Estimated Eligible Class Members			5,006	4,912	4,794
Eligible Class Members Participating			4,464	4,256	4,493
Eligible Class Members Not Participating			542	656	301
Percentage of Eligible Class Members Participating			89.2%	86.6%	93.7%
Supplemental Payments AVAILABLE			\$2,875,19	\$3,240,11	
Supplemental Payments REIMBURSED			1	0	\$3,107,107
Class Members Who Did Not Request HRA Reimbursement			\$1,783,02	\$1,547,55	
			8	4	\$199,109
			1,116	1,638	
Total Reimbursed Health Care Expenses to Date					\$3,529,691

IV. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA COMMENTS

The Regents was provided with a draft of this Annual Report and provided no additions or comments since the contents of this Annual Report are outside of The Regents' purview.

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1 **V. CLASS COUNSEL COMMENTS**

2 Class counsel has reviewed the annual report with Class Representatives and the LCASE
3 Board. Issues and concerns that have been discussed with the Settlement Administrator, Phillips
4 Consulting Partners and the VEBA trustee have been noted in the report and are being addressed.
5 Class counsel are satisfied the discussion of issues and concerns will continue to be addressed.
6 Class counsel believes that the expenditures noted in the report to implement the Settlement
7 Agreement are appropriate and reasonable.

8 **VI. SETTLEMENT & QSF ADMINISTRATOR'S REPORT**

9 Since the Effective Date, ARCHER has received and processed 7,807 Class Member Data
10 Forms as of February 28, 2023. This represents an **87.7%** participation rate among eligible Class
11 Members who did not previously opt out of the class during the pendency of the litigation or
12 declined to participate in the settlement program subsequent to the Effective Date.

13 As of February 22, 2023, the LLNL Qualified Settlement Fund Balance Report reflects a
14 balance of **\$4,524,758.85**,⁴ excluding undistributed attorneys' fees in the LLNL Retiree
15 Settlement Attorneys' Fees Sub-Account. The Regents Payment for Benefits Counseling
16 Services reflects a balance of \$2,403,491.95.⁵ The current balance of the Settlement Fund from
17 The Regents' First and Second Payments is \$2,121,266.90. Bear in mind, the QSF Balance Report
18 reflects the fluctuating activity of Class Member \$1,000 Initial and Past Damages Payments,
19 checks returned undeliverable and subsequently reissued, and recent distributions. The QSF
20 Balance Report is reconciled monthly upon delivery of the custodial bank statements reflecting
21 monthly debit (i.e., Class Member distributions, fees and expense remuneration in the form of
22 administrative costs) and credit history (i.e., contributions, interest income). Full backing
23 support, including detailed invoices, bank statements, and the QSF Balance Report will be made
24 available for review upon request.

25
26 _____
27 ⁴ By wire on April 12, 2022, \$15,000,000.00 was transferred to the VEBA Trust.

28 ⁵ This balance reflects accrued interest and approximately \$93,500 in administrative costs, which were
inadvertently carried forward in consecutive years and thus overreported.

1 Settlement and QSF administrative costs paid from The Regents Payment for Benefits
 2 Counseling Services through December 31, 2022, are described in Table 4.

3 **TABLE 4 - ADMINISTRATIVE COSTS (DECEMBER 31, 2022)**

4	CATEGORY	TOTAL
5	LLNL Retiree QSF Form 1099-MISC - Initial \$1,000 Payments (Preparation & Mailing)	\$8,205.83
6	Prepare, Draft, & Coordinate Annual Report to Court; Conference with Parties & Court Monitor; Hearing on Same	\$9,000.00
7	Call Center Services	\$4,176.00
8	Locate Unresponsive Class Members	\$12,541.19
9	Consulting Fees (Employee Org., VEBA, Benefits Coord., HRA Implementation / Operation, Damages Payments)	\$49,410.00
10	Receive, Process, & Audit Class Member Data Forms & Heirship Questionnaires	\$9,891.00
11	Letters of Authority Sufficiency Review	\$10,545.00
12	Will and/or Trust Sufficiency Review	\$15,390.00
13	Issue Damage Payments (\$1,000 Initial & Past)	\$4,041.00
14	Data Analysis & Validation for Eligibility File for Via Benefits HRA Implementation / Past Damages Actuarial Calculations	\$7,950.00
15	Project Management	\$11,000.00
16	Reimbursable Expenses (Bradley LLP, CA & Federal Tax Returns QSF, USPS Postage, FedEx, SmartPayables, Communications)	\$19,958.58
17	Administrative Fees	\$1,299.89
18		TOTAL \$163,408.49

17 Benefits coordination, counseling, and professional fees and costs paid from The Regents
 18 Payment for Benefits Counseling Services through December 31, 2022, are provided in Table 5.

19 **TABLE 5 - BENEFITS COORDINATION, COUNSELING, & INSURANCE COSTS (DEC 31, 2022)**

20	PROFESSIONAL	TOTAL
21	Stephen Horn Insurance Services	\$1,820.00
22	Keller Rohrbark LLP	\$2,640.00
23	EXTEND HEALTH, LLC a Willis Towers Watson Company	\$146,552.00
24	LCASE Expense Reimbursements (Sinclair Law, IRS Form 720, Bradley LLP, Insurance, Bookkeeping, CPA)	\$104,957.36
25	Phillips Consulting Partners, LLC (December 2021 - November 2022)	\$88,425.00
26		TOTAL \$344,394.36

26 Table 6 reflects a cumulative costs summary related to the administration of the settlement
 27 and implementation and coordination of the LCASE HRA.

TABLE 6 - LIFETIME COSTS SUMMARY - ADMINISTRATIVE, BENEFITS COORDINATION, COUNSELING, LCASE EXPENSES, INSURANCE, ETC.

2021 ANNUAL REPORT

Table 2 - Administrative Costs (December 31, 2020)	\$597,092.67
Table 3 - Benefits Coordination, Counseling & VEBA Costs (November 30, 2020)	\$259,500.00
Subtotal	\$856,592.67

2022 ANNUAL REPORT

Table 3 - Administrative Costs (December 31, 2021)	\$440,260.33
Table 4 - Benefits Coordination, Counseling, & Insurance Costs (Dec 31, 2021)	\$421,071.75
Subtotal	\$861,332.08

2023 ANNUAL REPORT

Table 3 - Administrative Costs (December 31, 2022)	\$163,408.49
Table 4 - Benefits Coordination, Counseling, & Insurance Costs (Dec 31, 2022)	\$344,394.36
Subtotal	\$507,802.85

TOTAL	<u>\$2,225,727.60</u>
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Administrative Costs & Benefits Counseling Services Payment by The Regents	\$4,500,000.00
Less Costs at December 31, 2022	(\$2,225,727.60)
Benefits Counseling Services Payment Remaining	<u>\$2,274,272.40</u>

VII. CONCLUSION

The Parties, the Settlement Administrator and the Court Monitor have remained in close communication over the past year and have conferred on matters related to implementation of the Final Approval Order and Settlement Agreement.

During the last year, the Court approved the withdrawal of two class representatives: Jay Davis by Order filed July 21, 2022, and Wendell Moen by Order filed October 19, 2022. This has left five class representatives: Gregory M. Bianchini, Alan Hindmarch, Donna Ventura, Calvin Wood and Sharon Wood, all of whom have served without compensation and with commendable dedication, most for more than 10 years. All of these class representatives serve on the Board of Directors of the Livermore Class Action Settlement-Administration and Education Fund (LCASE). LCASE is an indispensable component of the settlement allowing long-term benefits to be distributed on a tax-exempt basis. During the past year, John Sensiba and Donna Carvalho

1 have agreed to join the LCASE Board of Directors, thus helping to ensure continuity of the Board
2 going forward.

3 Implementation of the Final Approval Order and Settlement Agreement continues to
4 present challenges due to the complexity of the legal structure and the need to ensure that aging
5 class members can access their settlement benefits.

6 Class counsel, Settlement Administrator ARCHER Systems, VEBA Trustee Argent
7 Financial, as well as the Class Representatives and the LCASE Board of Directors continue to
8 work diligently to implement the Settlement Agreement.

9 I also wish to acknowledge the cooperation between Class Counsel, counsel for The
10 Regents, and Settlement Administrator ARCHER Systems, Class Representatives and the LCASE
11 Board of Directors.

12 DATED: April 3, 2023



13 Hon. Maris-Elena James (Ret.)
14 Court Monitor
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2022 Annual Stewardship Meeting

Individual Marketplace

Livermore Class Action Administration and
Education Fund (LCASE)

February 2023



Agenda

- Welcome
- 2022 Successes and Participant Experience Enhancements
- 2022 Year in Review
- What's New in 2023?



2022 Participant Experience Improvements



Coverage check-up tool

- ~44,000 enrolled
- \$1450 average participant savings



ACH Debit (Direct Deposit) 'Only'

- 25% average increase in direct deposit enrollment



The Groove

- Digital participant communication hub

2022 Client Experience Improvements

OneView – Phase 1

- New client portal intended to unify all the different tools our clients use into one portal
- The first phase enables authorized client contacts, including third party administrator (TPA) contacts, “view only” rights to see participant data in the WTW Individual Marketplace system. Data would include:
 - Effective dates
 - Contact information
 - Enrollment status
 - Funding information

MFT Transition

- Upgrade file transfer method to solution with most advanced security protocols

LCASE 2022 Year in Review

Connecting with Medicare Members



**Total
Inbound
calls:**
7,213



**Total
Outbound
calls:**
2,546



**Average
(inbound)
handle time:**
17m 55s



**Average
speed to
answer:**
2m 00s

Metric	Q1	Q2	Q3	Q4
Total Inbound Calls	2,670	965	917	2,661
Total Outbound Calls	1,560	417	258	311
Average Handle Time	19m 31s	16m 09s	16m 41s	17m 50s
Average Speed to Answer	4m 30s	21s	12s	54s

Medicare – Customer Satisfaction (CSAT)

“Overall, how satisfied are you with the service you received from Via Benefits?”

2022 Average Score – 4.04/5

2021 Average Score – 4.22/5



	2022	2022	2021	2021
CSAT Score	Count	%	Count	%
5	371	53.3%	473	59.3%
4	141	20.3%	166	20.8%
3	84	12.1%	69	8.7%
2	41	5.9%	37	4.6%
1	59	8.5%	52	6.5%
	696	100%	797	100%

CSAT Scale:

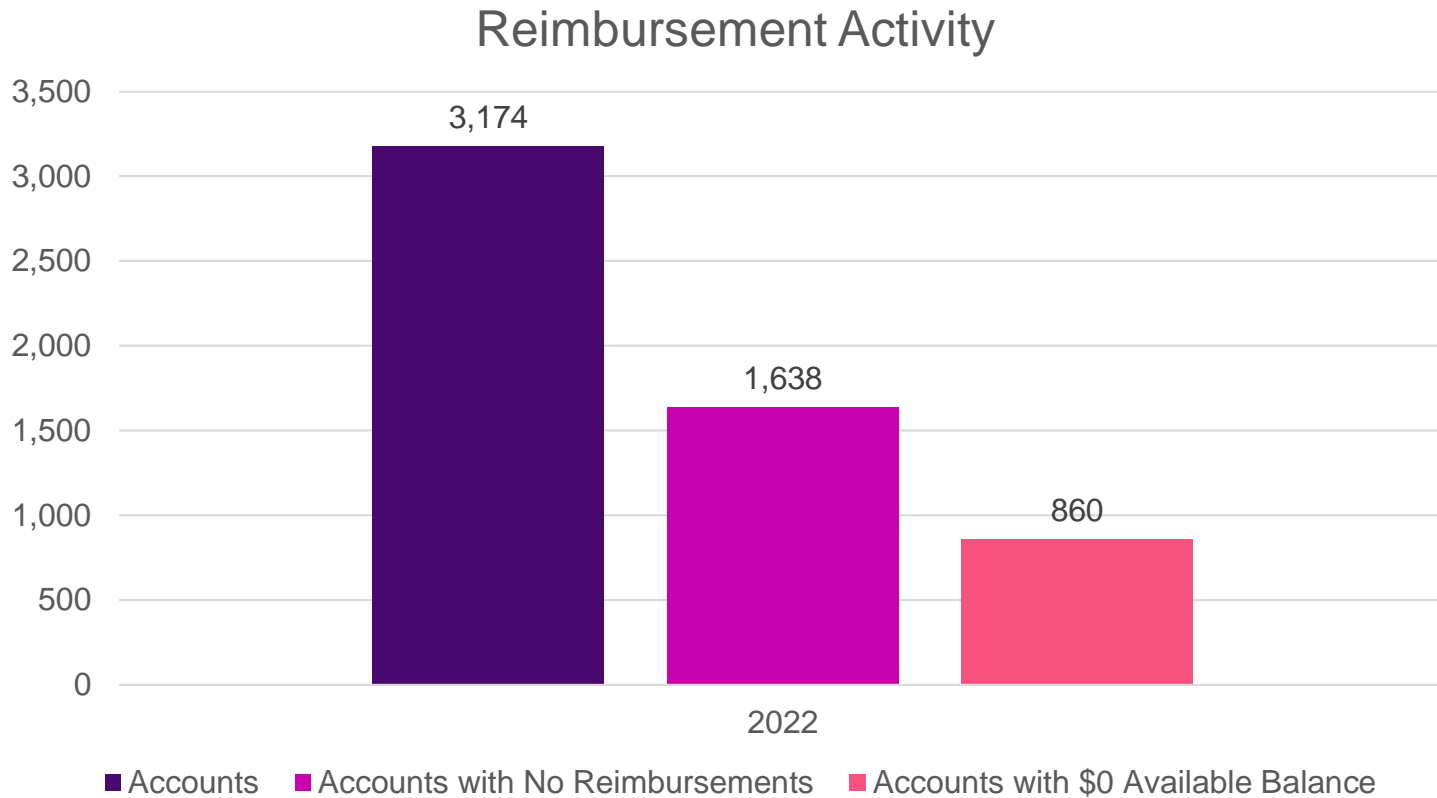
5 = Very Satisfied

1 = Very Dissatisfied

2022 Funding Account Activity

Total Reimbursements Paid in Calendar Year

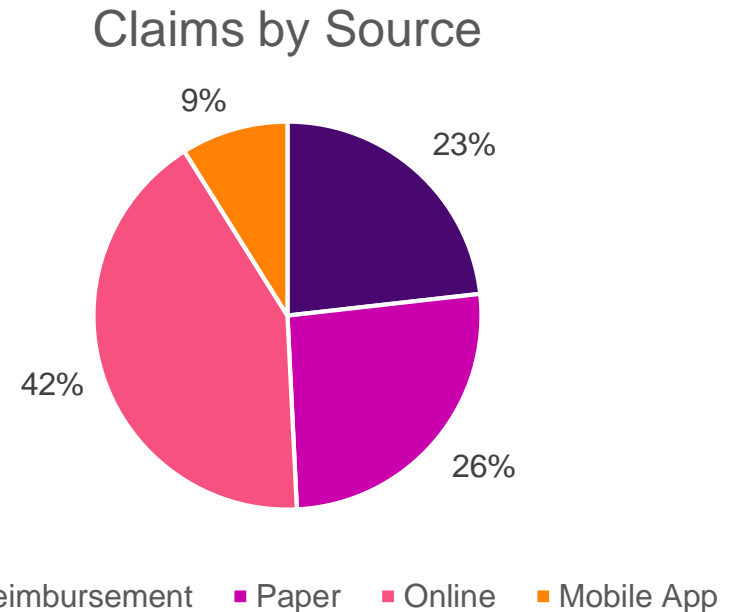
\$1,774,630



2022 Funding Account Activity – Direct Deposit and Claims Source

Direct Deposit Activity	2022	2021
Accounts	3,174	3,164
Accounts with direct deposit as of 12/31	2,461	2,281
Accounts with direct deposit as of 12/31	77.54%	72.9%

Submission Source	Number of Claims
Auto-reimbursement	5,355
Paper	6,002
Online	9,656
Mobile App	2,058
Total	23,051



What's New in 2023?

What's New?

WTW

- Express Reimbursement
- OneView – Phase II

LCASE

- What's on your plate for 2023?
- Anticipating any changes to your benefits, department, company?
- Anything we can help you with?
- Expected changes/additions to the Individual Marketplace relationship? Funding adjustments?

Thank you!

PROOF OF SERVICE

State of California
County of San Francisco

I certify that I am employed in the County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 100 First Street, 27th Floor, San Francisco, California, 94105.

On April 17, 2023, I served the foregoing document described as the **Annual Report April 2, 2023 + Appendix A** on the interested parties in this action as follows:

SEE SERVICE LIST

- BY ELECTRONIC SERVICE:** I caused the document(s) to be sent to the offices of the addresses via File & ServeXpress Electronic Service pursuant to the terms of the Case Management Order/Pre-Trial Order(s). The transmission was reported as complete and without error.
- BY EMAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the document(s) to be sent from katyteam@adrservices.com to the persons at the email addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
- BY U.S. MAIL:** I caused such envelope with postage thereon to be placed in the United States mail in San Francisco, California.
- BY FACSIMILE:** I caused such to be faxed to the attorneys on April 17, 2023.
- BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the attorneys on April 17, 2023.
- STATE:** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- FEDERAL:** I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.
- BY CERTIFIED MAIL:** I caused such envelope with postage thereon to be placed in the United States mail in San Francisco, California.

Executed on April 17, 2023 in San Francisco, California by



Katy Team



Date: April 17, 2023

Service List

RE: REQUA/MOEN, et al. v. UC REGENTS

ADRS Case No. 20-2925-MEJ

COUNSEL

REPRESENTING

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Representing Special Administrator, Superior Court of California,
County of Alameda

PROOF OF SERVICE

State of California
County of San Francisco

I certify that I am employed in the County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 100 First Street, 27th Floor, San Francisco, California, 94105.

On April 19, 2023, I served the foregoing document described as the **Ex Parte Application to File Annual Report of Court Monitor and Order** on the interested parties in this action as follows:

SEE SERVICE LIST

- BY ELECTRONIC SERVICE:** I caused the document(s) to be sent to the offices of the addresses via File & ServeXpress Electronic Service pursuant to the terms of the Case Management Order/Pre-Trial Order(s). The transmission was reported as complete and without error.
- BY EMAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the document(s) to be sent from katyteam@adrservices.com to the persons at the email addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
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Executed on April 19, 2023 in San Francisco, California by



Katy Team



Date: April 19, 2023

Service List

RE: REQUA/MOEN, et al. v. UC REGENTS

ADRS Case No. 20-2925-MEJ

COUNSEL

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