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21 SUPERIOR COURT FOR THE STATE OF CALIFORNIA
22 COUNTY OF LOS ANGELES

23 HOLLY WEDDING, et al.,
24
25 Plaintiffs,

26 vs.

27 CALIFORNIA PUBLIC EMPLOYEES’
28 RETIREMENT SYSTEM, et al.,

Defendants.

LEAD CASE NO. BC 517444
JCCP CASE NO. 4936
[Hon. William F. Highberger]

**PLAINTIFFS’ MEMORANDUM OF
POINTS AND AUTHORITIES IN
RESPONSE TO OBJECTIONS TO
CLASS ACTION SETTLEMENT**

Date: July 26, 2023

Time: 11:00 a.m.

Place: Spring Street Court, Dept. 10

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1 **I. INTRODUCTION**

2 A total of 50 objections (less than .06% of the Settlement Class) were filed to the Proposed
3 Second Class Action Settlement (“Settlement” or “Second Settlement”).¹ Although the objections
4 focus on multiple aspects of the Settlement, they primarily fall into three main categories. First,
5 several Class Members object to the amounts awarded under the Settlement and believe the awards
6 should be higher. Second, several objectors voice concerns that the Settlement may impact the
7 ability of the CalPERS Long-Term Care Fund (the “LTC Fund”), to pay future claims. Third,
8 some Class Members have objected to the amounts being sought by Class Counsel for fees and
9 costs. However, for the reasons described below, all of these objections should be overruled.

10 Parties can always wish for more money or an even better result when settling a case.
11 However, objections that are based on the view that their class awards are insufficient because
12 their perceived damages may be greater than the amount received in settlement fail to account for
13 other highly relevant factors that drove the Settlement in this case. They also appear to be based
14 on a fundamental misperception of the nature of the claims being asserted in this case and the
15 practical realities of continued litigation. As for the objectors’ concerns about the financial
16 viability of the LTC Fund, CalPERS’ and Plaintiffs’ actuaries are confident that the Second
17 Settlement will not impact the ability of the program to pay future benefits or cause future premium
18 increases. And, as explained in Plaintiffs’ fee application, the amount sought in fees is reasonable
19 and justified given the effort and time expended prosecuting this case over nearly a decade of
20 contentious litigation, the result achieved, and the substantial financial risk incurred by Class
21 Counsel, who have taken this case on an entirely contingent basis and incurred millions of dollars
22 in unreimbursed costs.

23 As for the other objections, they too are without merit. Many simply misinterpret the

24 ¹ Copies of the actual objections are included as Attachment 20 to the Declaration of Cameron R. Azari
25 filed herewith. There were three objections filed by individuals who are not Members of the Class and they
26 are not included in the calculation of 50 objections. They include objections filed by John Dutcher, Roger
27 Haight, and Janet Haight. Rather than object to the settlement, these individuals argue they should be
28 included in the Class. And finally, it has been determined that the letter filed with the Court on June 12,
2023, by Dale Allen Peterson and Cheryl Anne Peterson is not an objection. Rather, it is a dispute as to the
amount of the award to be paid to the estate of their deceased mother, Lillian Peterson. Class Counsel wrote
to Mr. Peterson on April 19, 2023 and explained that category and award disputes would be resolved after
the Final Settlement Date, which they expected to be in late-September 2023.

1 provisions of the Settlement or fail to recognize the practical reasons for the terms to which they
2 object. The Second Settlement is fair, adequate, and reasonable and should be approved by the
3 Court.

4 **II. THE AMOUNT OF THE SETTLEMENT IS FAIR, REASONABLE, AND**
5 **ADQUATE**

6 Several Class Members in Category A (current policyholders) have objected on the
7 grounds that the two options available to them under the Settlement do not fully compensate them
8 for their perceived damages.² Some believe they should be entitled to a premium refund of at least
9 100% of the amount paid into the program (and some seek to add interest to that amount); and for
10 those who wish to keep their policies, they want a larger cash payout. Others believe the
11 Settlement should include amounts to “punish” CalPERS or hold them “accountable.” However,
12 all of these objections suffer from three fundamental flaws.

13 First, the objections are based on a misperception of the claims that plaintiffs are able to
14 pursue in this case. For example, many believe that CalPERS was expressly prohibited by the
15 insurance contract from raising premiums under any circumstances and that the claims being
16 pursued in this case are based on CalPERS’ intentional misrepresentations concerning its ability
17 to increase premiums. However, the case is much more complicated. The insurance contract at
18 the center of this case (the “LTC Contract”) expressly gives CalPERS the right to increase
19 premiums. What Plaintiffs have alleged is that, while some premium increases are permitted, the
20 LTC Contract prohibits increases that are “as a result of” the increasing benefits owed to
21 policyholders who have policies with automatic inflation protection. (Statement of Decision filed
22 July 27, 2020, p 35:2-7.) As for alleged misrepresentations made by CalPERS when they sold the
23 policies, Plaintiffs originally pursued these claims by alleging that these misrepresentations
24 constituted a Breach of Fiduciary Duty. However, those claims were dismissed on Summary
25

26 ² See objections from Robert Bronkall, Steven McDonald, Theodore Stroll, Steven Benito Russo, Karen
27 Elizabeth Kawai, Reynaldo Hernandez, Carolyn Smith-Dupree, Daniel Ziarkowski, Stephanie Jane
28 Falgout, William Robert Logan, Ronald and Judith Josephson, A. and Jack Lauderdale, Charles and Carol
Salinas, Esther Poole, Harold and JoAnn Breen, Jacquelyne Jackson, Peter and Kathryn Berez, Sonia
Sheeks, and Victoria Lochowski Craig.

1 Judgment on the grounds of governmental immunity.³ (*See* Ruling on Motion For Summary
2 Judgment/Adjudication, filed June 15, 2017, pp. 2-7 [granting the motion as to breach of fiduciary
3 duty].) In other words, contrary to the objectors’ beliefs, this is not a straightforward case where
4 CalPERS expressly promised to never increase premiums and simply breached this promise.
5 Instead, the question in this case is much more nuanced and complicated. The question is whether
6 CalPERS increased premiums for reasons prohibited under the LTC Contract and whether
7 CalPERS improperly targeted certain policyholders for these increases.

8 Second, the objectors’ arguments in favor of a larger settlement fail to recognize the risks
9 of continued litigation. As the Court is aware, the breach of contract claim remaining in this case
10 requires Plaintiffs to show that CalPERS’ 2013 premium increase was implemented “as a result
11 of” policies that included automatic inflation protection benefits. CalPERS’ position was that the
12 2013 premium increase was mostly unrelated to these benefits and was primarily implemented as
13 a result of lower than expected investment returns. Indeed, CalPERS and its experts would have
14 asserted that only a small fraction of the 85% was related to automatic inflation protection benefits,
15 and that an 80.1% increase would have been necessary in any event. Additionally, CalPERS has
16 challenged the amount sought by Plaintiffs in damages. Specifically, it asserts that the Class is not
17 entitled to recover any damages based on the expected future harm caused by the 2013 premium
18 increase. It asserts that such future damages are speculative since many Class Members who
19 reduced their coverage will never submit claims on their policies or be damaged by the alleged
20 breach of contract. Although Plaintiffs believe they would prevail on these issues at trial, there is
21 always a risk that a jury could rule in CalPERS’ favor on one or both, or that pre-trial motions
22 could have excluded these damage claims from even being presented to the jury. The risk that
23 Plaintiffs and the Class would lose at trial or would only obtain a fraction of the damages being
24 sought was a substantial factor driving settlement.

25 Finally, all of the objectors fail to recognize the practical realities of this litigation. This
26

27 ³ There are also objectors who have the opposite misperception. For example, three Class Members have
28 asserted that this lawsuit has absolutely no merit at all and that CalPERS has the unfettered ability to
increase premiums for any reason at any time. (*See* objections filed by Caryn Holmes and William and
Roseanne Chamberlin).

1 case has now been pending for about 10 years and during this time nearly 15,000 Class Members
2 have passed away. Even if Plaintiffs were to prevail at trial and receive the full amount sought in
3 damages, CalPERS would undoubtedly appeal. This could cause further delays of at least another
4 3 to 4 years.⁴ Further, even if Plaintiffs prevailed at trial and won an appeal, the viability of the
5 LTC Fund to pay benefits would only be guaranteed if the California Legislature passed legislation
6 to bail out the Program. If the legislature refused to take such action, there would be further
7 litigation on behalf of Class Members whose claims are not paid. And during this period of endless
8 litigation, Class Members would likely be subject to further premium increases, have no guarantee
9 their benefits would be paid, and thousands more would die. Continued litigation for years or a
10 decade to come, and all the uncertainty that this entails, is not in the best interest of the Class.

11 Although Plaintiffs would have preferred to obtain more from CalPERS to resolve this
12 litigation, the Settlement achieved here is a fair, adequate and equitable resolution of this case.
13 Throughout this litigation, Class Counsel received substantial feedback from Class Members who
14 indicated they had lost faith in CalPERS and were tired of paying repeated premium increases.
15 However, because they had invested so much into the program, they felt trapped. The Settlement
16 gives Class Members who are current policyholders an option that has never been previously
17 available—they can remove themselves from a program they no longer trust in exchange for an
18 80% refund of all premiums paid for long-term care insurance coverage that most of them had for
19 20-plus years.

20 As for Class Members who want to stay with CalPERS, the Settlement brings finality to
21 this litigation while they are still alive and provides a substantial cash payment and moratorium on
22 future rate increases. Additionally, Class Members who remain with CalPERS will receive the
23 further benefit of the Court’s judicial determination that places restrictions on how and why
24 CalPERS can implement future premium increases. Specifically, based on this Court’s
25 interpretation of the LTC Contract, CalPERS cannot implement future increases that are needed
26 “as a result” of policies with automatic inflation protection and it is not permitted to target these

27
28 ⁴ This assumes an appeal does not result in a new trial. If a new trial was required—and the outcome of that new trial were appealed—the delay in achieving resolution of the litigation could be many years longer.

1 policies for increases. While Class Counsel fought hard for and wanted to obtain more for the
2 Class, the result achieved here is the best that could have been accomplished.

3 **III. THE SETTLEMENT AMOUNT FOR CLASS MEMBERS WHOSE POLICIES**
4 **LAPSED IS FAIR AND REASONABLE**

5 Four Class Members object to the Settlement on the grounds that the award for Class
6 Members in Categories D and E—those who stopped paying premiums and let their policies
7 lapse—is insufficient.⁵ However, these objections fail to recognize the significant difficulties
8 faced by Class Members in these categories.

9 During the litigation, Plaintiffs discovered that each year several thousand LTC
10 policyholders let their policies lapse for a variety of reasons. In years where a premium increase
11 was announced, however, the number of lapses increased. This is known as a “shock lapse.”
12 Plaintiffs’ experts reviewed the actuarial data following the announcement of CalPERS’ 2013
13 premium increase and determined that there was a two year “shock lapse” period where the number
14 of lapses significantly increased over the normal background rate. Beginning in 2015, the number
15 of annual lapses returned to its pre-shock lapse levels.

16 At the conclusion of the Phase I and II trial, the Court addressed the difficulty of
17 establishing damages for Class Members who let their policies lapse. Specifically, the Court noted
18 that policyholders who lapsed would have to show that they lapsed “as a result” of the premium
19 increase announced in 2013. And the Court noted that it was likely to decertify the Class with
20 respect to this group since establishing liability for these Class Members would require individual
21 inquiries to determine why each of them lapsed.

22 Although Class Counsel contends that procedures could have been adopted to effectively
23 manage the claims of policyholders who lapsed, there was a substantial risk that they would receive
24 nothing from this litigation. This is especially true for Class Members who lapsed their policies
25 more than two years after the premium increase was announced and outside of the shock lapse
26 period (i.e., those lapsing beginning in January 2015—which is Category E in the Settlement).
27 The difficulty of obtaining damages for this subgroup of Class Members, as well as the uncertain
28

⁵ See objections filed by Homer and Kathy Collins, Robert Mead, and Denis Iliff.

1 viability of their continued claims, is the primary reason they received less than Class Members
2 who are current policyholders.

3 **IV. THE SETTLEMENT WILL NOT JEPORDIZE THE VIABILITY OF THE LTC**
4 **FUND TO PAY FUTURE BENEFITS OR CAUSE FUTURE PREMIUM**
5 **INCREASES.**

6 Several objectors have voiced concern that the Second Settlement could jeopardize the
7 financial viability of the LTC Fund to pay future benefits.⁶ However, as CalPERS assured the
8 Court at the Preliminary Approval hearing, following this Settlement the LTC Fund will remain
9 viable and in sound financial condition moving forward.⁷ In fact, CalPERS, consistent with its
10 fiduciary duties, could not have agreed to the Second Settlement without first making this
11 determination.

12 Along these same lines, several objectors have expressed concerns that this Settlement
13 could result in future premium increases.⁸ However, this argument fails to recognize that the LTC
14 Contract prohibits CalPERS from increasing premiums for this reason. In its Statement of
15 Decision following the first two phases of trial, the Court interpreted the LTC Contract as not
16 permitting premium increases “that are as a result of increasing benefits owed to policyholders
17 who purchased Inflation Protection.” (July 27, 2020 Statement of Decision, p. 36:2-6.) Therefore,
18 if CalPERS were to increase premiums as a result of settling a lawsuit where it is alleged that this
19 contractual provision was breached, that premium increase would undoubtedly be “as a result” of
20 policyholders who purchased inflation protection. In other words, CalPERS is contractually
21 prohibited from implementing a rate increase to the extent it is needed to comply with the terms
22 of this Settlement.

23 _____
24 ⁶ See objections filed by Richard Sybert, Jean Holmes, Caryn Holmes, Karen Loschke, Robert Loschke,
Peter and Kathryn Berez, and William and Roseanne Chamberlain.

25 ⁷ CalPERS’ General Counsel, Matthew Jacobs, confirmed at the Preliminary Approval hearing that the
26 “settlement, as reconstructed . . . has been very much done with the best actuarial information now
27 available,” and that the LTC Fund “is now expected to be in a solvent steady state going forward even after
28 some monies are paid out of the account to terminate various current plan holders and otherwise buy peace
[sic].” (3/10/23 Preliminary Approval Transcript, pp. 10:21-11:8.)

⁸ See objections filed by William and Roseanne Chamberlain, and Charles and Carol Salinas.

1 After careful consideration and extensive consultation with numerous actuaries, the parties
2 are confident that the Settlement achieved here strikes a balance between achieving a fair result
3 for the Class and ensuring that Class Members who want to keep their policies will have a viable
4 program going forward. According to these experts, the Settlement will not “bankrupt” the LTC
5 Fund⁹ or result in future premium increases.

6 **V. THE AMOUNT SOUGHT IN FEES IS REASONABLE AND JUSTIFIED**

7 As explained more fully in Class Counsels’ fee application and the declarations from each
8 of the four Class Counsel firms, the amount sought in fees is reasonable and justified.¹⁰ After 10
9 years of litigation, the investment of millions of dollars in litigation expenses, and the expenditure
10 of tens of thousands of hours, Class Counsel has achieved a Settlement that substantially benefits
11 the Class. The Second Settlement allows Class Members who want to leave the LTC Program to
12 receive a significant refund in exchange for surrendering their policies. As for Class Members
13 who want to keep their CalPERS policies, the Settlement provides substantial compensation and a
14 22 month freeze on future premium increases (from January 2023, when the settlement was agreed
15 to in principle, until November 1, 2024). And importantly, as a result of this litigation and the
16 Court’s Statement of Decision, CalPERS no longer has the unfettered ability to increase premiums
17 for any reason or target specific policyholders for increases.

18 **VI. THE CLASS NOTICE SATISFIES DUE PROCESS**

19 Three objectors expressed concerns that the content of the Class Notice was confusing
20 and/or did not provide sufficient information to allow Class Members to make an informed
21 decision.¹¹ However, as the Court is aware, the notice program developed in this case goes far

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23 _____
24 ⁹ Notably, according to the most recent Annual Valuation, as of June 30, 2022, the LTC Fund has a fund
25 balance of approximately \$4.9 billion. ([https://www.calpers.ca.gov/docs/board-
agendas/202304/financeadmin/item-6a-00_a.pdf](https://www.calpers.ca.gov/docs/board-agendas/202304/financeadmin/item-6a-00_a.pdf)).

26 ¹⁰ See objections filed by Richard Sybert, Steven McDonald, Theodore Stroll, Jean Holmes, Helen and
27 William Neff, Caryn Holmes, Reynaldo Hernandez, William and Roseanne Chamberlain, Charles and
Carol Salinas, John Eng.

28 ¹¹ See objections filed by Frederick Turner and the Estate of Kathryn B. Turner, John Eng.

1 beyond what is provided in a typical class action settlement and fully satisfies due process.¹²
2 Specifically, all Class Members received a Long Form Notice by both regular mail and email when
3 an address was provided. This detailed Notice was also accompanied by a user friendly cover
4 letter that was fully vetted by focus groups before it was approved by the Court. Additionally, the
5 Settlement website includes detailed answers to 45 Frequently Asked Questions and these same
6 questions and answers were also accessible through a phone recording system.

7 On top of this, Class Members were permitted to submit questions by voicemail and email.
8 And these questions were personally addressed by in-house by lawyers, paralegals, and law clerks
9 directly employed by Class Counsel. In fact, since the Second Settlement was announced, Class
10 Counsel and their staff have responded to *more than 7,000 phone calls and emails from Class*
11 *Members*. Thus, for Class Counsel, the process of responding to Class Member inquiries has
12 essentially been a full-time job since Notice was sent to the Class on April 7, 2023. And it should
13 also be noted that following the announcement of the Prior Settlement Agreement in 2021—where
14 Class Members were essentially facing the same decision (whether to surrender their policy for a
15 premium refund or keep their policy going forward)—more than 51,000 phone and email inquiries
16 from Class Members were handled by the Administrator and Class Counsel. In total, more than
17 58,000 specific inquiries from Class Members have been addressed by phone or email over the
18 past 3 years.

19 The Notice campaign initiated in this case was detailed, extensive, and gave Class
20 Members direct access to Class Counsel to answer any questions they had about the Settlement
21 and its terms. This Notice campaign clearly satisfied due process.

22 **VII. THE PROCESS FOR DETERMINING CLASS MEMBER CATEGORIES IS**
23 **FAIR AND REASONABLE.**

24 Three individuals have objected on the grounds that Class Members’ final Settlement
25 “category” is determined on the date the Settlement becomes Final. Specifically, two Class
26 Members object to the requirement that they must continue paying premiums until the Settlement

27 _____
28 ¹² Details regarding the implementation and results of the Class Notice Plan are set forth in the Declaration
of Cameron R. Azari on Implementation and Adequacy of Class Notice Plan filed herewith.

1 becomes Final in order to remain in Category A (current policy holders)¹³. The other objector is
2 an heir of a Class Member who was in category A when the Class list was generated but passed
3 away after the Notice was sent to the Class. This heir does not believe it is fair that her loved one
4 will be recategorized into a new category when the Settlement becomes Final.¹⁴

5 However, both of these concerns ignore the practical realities in this case. Because notice
6 must be given and the Settlement must be approved by the Court, the parties understood that, at a
7 minimum, there would be at least a 9 month lag between the date data could be pulled to determine
8 each Class Members' "initial category" and the date the Settlement would become Final. And, if
9 there are appeals, this time lag could be even longer. During this time period, it was inevitable
10 that some Class Members would die, go on claim, and lapse their policies. If the Settlement was
11 structured so that Class Members who wanted to surrender their policies could immediately stop
12 paying premiums after receiving their notice, they would be at risk of losing their policy with no
13 guarantee that the Settlement would be approved. And, if a Class Member needed to go on claim
14 before the Settlement became Final but had stopped paying premiums, they would have no
15 insurance even though the Settlement may never be approved.¹⁵

16 As for Class Members who pass away after receiving their Notice, it would not be equitable
17 to allow these Class Members to receive an 80% premium refund in exchange for a surrender of
18 their policy since they have no policy to surrender. Also, it would be unfair to provide these Class
19 Members with the same relief as current policyholders because Class Members who pass away
20 before even using their policies arguably have no or minimal damages.

21 In other words, there was simply no other way to structure the settlement and achieve a fair
22 and equitable result that would account for numerous changes in Class Members' policyholder

23 _____
24 ¹³ See objections filed by Steven McDonald, and Lina Leyda.

25 ¹⁴ See objection filed by Jill Ratner.

26 ¹⁵ Ensuring that Class Members who went on claim while the Settlement was pending was an important
27 consideration and a special category was included for this circumstance. Category I is for Settlement Class
28 Members who were current policyholders who were not on claim as of the Notice Date but are on claim as
of the Final Settlement Date. These Class Members--and particularly those who elected to surrender their
policies and receive refunds--will be permitted to change their election and keep their policies and all
benefits due thereunder.

1 status before the Settlement becomes Final. Although some Class Members or their heirs may be
2 disappointed, this was the only structure that could be accomplished under the circumstances.

3 **VIII. THE LENGTH OF THE PREMIUM MORATORIUM IS FAIR AND ADEQUATE**

4 Several objectors argue that the Settlement is not fair because the moratorium on premium
5 increases should be longer or indefinite.¹⁶ Some of these objectors have also asserted that future
6 premium increases should be capped by a certain percentage.¹⁷

7 However, as explained in Section II above, the negotiated moratorium on premium
8 increases considered numerous factors regarding the risks at trial and the practical realities of
9 continuing this litigation for years to come. Also, it should be recognized that a lengthy
10 moratorium or cap on future premium increases could potentially put the viability of the LTC Fund
11 in jeopardy if there are unexpected changes in the assumptions used to set the current premium
12 levels. While Class Counsel would have preferred a longer moratorium or hard caps on future
13 premium increases, CalPERS, consistent with its fiduciary duties, was simply unable to agree to
14 anything more.

15 Also, it should be recognized that even though the moratorium on premium increases is
16 limited in duration, as a direct result of this litigation, there are now limitations on future premium
17 increases that were previously not recognized by CalPERS. Specifically, based on the Court's
18 Statement of Decision, CalPERS cannot target policies with inflation protection for premium
19 increases and premium increases are not permitted if they are needed "as a result" of policies with
20 automatic inflation protection. These are important limitations that will benefit all Class Members
21 who remain with CalPERS moving forward.

22 **IX. ALTHOUGH THE SETTLEMENT DOES NOT EXPRESSLY LIMIT FUTURE**
23 **PREMIUM INCREASES THAT ARE NEEDED "AS A RESULT" OF POLICIES**
24 **WITH INFLATION PROTECTION, THE COURT'S STATEMENT OF**
25 **DECISION DOES, IN FACT, IMPOSE SUCH LIMITATIONS**

26 One of the objectors, Marguerite Brown, is objecting to the Settlement because "there is

27 ¹⁶ See objections filed by Tracy Lynch, Steven Benito Russo, Marguerite Brown, and Harold and JoAnn
28 Breen.

¹⁷ See objections filed by Marguerite Brown, Reynaldo Hernandez, and Marlene Anne Mendes.

1 nothing in [the settlement] that clarifies that CalPERS remains (or is) prohibited from increasing
2 premium rates arising from inflation for policyholders like me.”

3 However, this objection ignores the findings in the Court’s Statement of Decision, which
4 expressly prohibits CalPERS from increasing premiums if the need for an increase is “as a result”
5 of automatic inflation protection benefits. And, it should be noted, that CalPERS has been
6 operating in a manner that is consistent with this judicial determination. For example, in CalPERS
7 most recent premium increase it expressly did not target policies with inflation protection, and it
8 was implemented solely as a result of CalPERS’ determination that its investment returns would
9 be lower than expected. Therefore, even though the settlement agreement does not expressly limit
10 CalPERS’ ability to increase premiums after November 1, 2024, the Court’s Statement of Decision
11 does.

12 **X. THE CY PRES DESIGNATION IN THE SETTLEMENT IS FAIR AND**
13 **REASONABLE**

14 One objector contends that the Settlement should not be approved because residual funds
15 remaining at the conclusion of the administrative process are to be distributed to a Cy Pres
16 recipient.¹⁸ Instead, the objector argues that such funds should be returned to CalPERS and
17 deposited into the LTC Fund. However, this objection misunderstands the nature of the funds that
18 would be subject to the Cy Pres distribution.

19 Section 2.8 of the Settlement Agreement provides that to the extent Settlement checks
20 distributed to Class Members are not cashed, those funds will be sent to the California State
21 Controller’s Unclaimed Money Fund. Consistent with the Controller’s policies and procedures,
22 Class Members or their heirs could then claim those funds for an indefinite period of time. The
23 only funds that would be subject to a Cy Pres distribution are those remaining in the Settlement
24 Fund after this final distribution to the State Controller. These funds are expected to be minimal
25 and consist entirely of interest earned on the funds that are not otherwise distributed for
26 administrative expenses. Since these residual funds would consist entirely of funds that are not
27 otherwise owed to the Class, it is entirely reasonable to allow these funds to be distributed to a Cy
28

¹⁸ See objection filed by Ward Angles.

1 Pres recipient.

2 **XI. MISCELLANEOUS OBJECTIONS**

3 There are several objections to the Settlement that simply do not provide any basis or
4 reason for the objection and others are not really objections to the Settlement, but, instead, are
5 objections to items that are only tangentially impacted by the Settlement.

6 For example, the objections filed by Ronald Epping and Earleen Clark do not provide any
7 basis for the objection at all. They simply assert that they do not believe the Settlement is fair.

8 Objectors William and Roseanne Chamberlain and Caryn Holmes, object to the Settlement
9 on the grounds that the entire litigation was unwarranted. They believe that CalPERS had the
10 unfettered right to increase premiums in 2013 for any reason and that this litigation should have
11 never been pursued at all. However, as the Court’s Statement of Decision and Ruling on Motion
12 For Summary Judgment make clear, this contention ignores the actual terms of the LTC Contract.
13 The Contract does place limits on the reasons for rate increases and how those increases can be
14 implemented.

15 Another objector, James Yogurtian, does not really object to the Settlement, but instead,
16 wants his untimely election for a premium refund (Option 1) to be accepted by CalPERS. Although
17 Class Counsel does not object to allowing Mr. Yogurtian to obtain the relief afforded to Class
18 Members who elected Option 1, this is not really an objection to the Settlement itself.

19 Objector Pamela Young simply submitted an “objection” stating that she wants to keep her
20 LTC Policy. However, because Ms. Young did not file a claim selecting Option 1, her policy will
21 not be impacted by this Settlement and she will keep her policy and receive the benefits of those
22 selecting Option 2 (the default for Class Members who do not submit claims).

23 Finally, Class Member Dorothy Snook filed an objection because she does not believe she
24 should be categorized into Category E (someone who lapsed) and should instead be in Category
25 A (current policyholders) because in 2021 she requested reinstatement of her policy. However,
26 CalPERS refused the request to reinstate her policy because it did not comply with the
27 reinstatement requirements of the LTC Contract. Here again, this is not really an objection to the
28 Settlement, but instead an objection to a separate contract decision made by CalPERS.

1 **XII. CONCLUSION**

2 For the reasons stated herein, the objections filed to the Proposed Settlement should be
3 overruled.

4 Dated: July 3, 2023

5 Respectfully submitted,

6 

7 _____
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