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Superior Court of California
County of Los Angeles

JAN 31 2018

Sherri R. Carter, Executive Officer/Clerk
By: V. Jaime, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

ELMA SANCHEZ, et al.,

Plaintiffs,

vs.

CALIFORNIA PUBLIC EMPLOYEES
RETIREMENT SYSTEM, et al,

Defendants.

Case No. BC517444

[Hon. Ann I. Jones]

CLASS ACTION

**AMENDED [~~PROPOSED~~] ORDER
GRANTING FINAL APPROVAL OF
CLASS SETTLEMENT BETWEEN
PLAINTIFFS AND TOWERS WATSON
DEFENDANTS**

Date: January 26, 2018

Time: 11:00 a.m.

Dept.: Dept. 308

JAN 30 2017
Dept. 308

1 The Motion for an Order Granting Final Approval of Class Action Settlement came before
2 this Court, on January 26, 2018. The above captioned action is a class action lawsuit (the
3 “Action”) brought by Plaintiffs Holly Wedding, Eileen Lodyga and Richard Lodyga (hereinafter
4 “Plaintiffs”) against Defendants California Public Employees’ Retirement System (“CalPERS”),
5 Rob Feckner, George Dier, Michael Bilbery, Richard Costigan, JJ Jelincic, Henry Jones, Priya
6 Mathur, Bill Slaton (collectively the “CalPERS Defendants”), Towers Watson Co., Towers
7 Perrin, and Tillinghast-Towers Perrin (“Towers Watson”).

8 By Order, dated January 28, 2016, this Court certified a class defined as all California
9 citizens who purchased long-term care policies from CalPERS between 1995 and 2004, who were
10 subject to the 85% premium increase announced to policyholders in or around February 2013 and
11 implemented beginning in 2015 (the “Class”).

12 Notice to the Class was given in 2016 and the deadline by which Class members were
13 entitled to opt-out of the Class expired on October 14, 2016. The Class excludes any individual
14 who timely opted-out of the Class. A list of all individuals who timely opted out is attached
15 hereto as Exhibit 1.

16 On October 25, 2017, this Court granted preliminary approval of a settlement achieved
17 between Plaintiffs and Towers Watson (the “Settlement”) as to all claims asserted or that could
18 have been asserted against Towers Watson, including Plaintiffs’ claims for professional
19 negligence, arising from services provided by Towers Watson to CalPERS relating to the
20 CalPERS Long Term Care Program (the “Preliminary Approval Order”).

21 Towers Watson denies any and all alleged wrongdoing, and denies liability to the
22 Plaintiffs or to members of the Class.

23 The Preliminary Approval Order further directed the Settlement Administrator to provide
24 notice to the Class, which informed Class members of: (a) the proposed Settlement, and the
25 Settlement’s key terms; (b) the date, time and location of the Final Approval Hearing; and (c) the
26 right of any Class Member to object to the proposed Settlement, and an explanation of the
27 procedures to exercise that right (the “Notice”).

1 The Court, upon Notice having been given as required in the Preliminary Approval Order,
2 and having considered the Second Amended and Restated Joint Stipulation for Class Action
3 Settlement as to Towers Watson Defendants and the exhibits there to (the "Settlement
4 Agreement"), as well as all papers filed in the Action, hereby ORDERS, ADJUDGES AND
5 DECREES AS FOLLOWS:

6 1. This Court has jurisdiction over the subject matter of the Action and over
7 Plaintiffs, Towers Watson, and all members of the Class.

8 2. The Notice provided to the Class conforms with the requirements of California
9 Code of Civil Procedure section 382, California Civil Code section 1781, California Rules of
10 Court 3.766 and 3.769, the California and United States Constitutions, and other applicable law,
11 and constitutes the best notice practicable under the circumstances, by providing due and
12 adequate notice of the proceedings and of the matters set forth therein to the Class Members
13 through U.S. Mail and publication on a dedicated website. The Notice fully satisfies the
14 requirements of due process.

15 3. The Court finds the Settlement was entered into in good faith, that the Settlement
16 is fair, reasonable and adequate, and that the Settlement satisfies the standards and applicable
17 requirements for final approval of this class action settlement under California law, including the
18 provisions of California Code of Civil Procedure section 382 and California Rules of Court, Rule
19 3.769.

20 4. Ninety-five Class Members, who are William C. Adams, Jerry Lynn Adams,
21 Bruce D. Albertson, Barry W. Armstrong, Ramona Armstrong, Nancy Marie Barnes, James
22 Albert Barnes, Jr., Bobbie Britton, Rochelle L. Campbell, Woodrow Clark, Derek R. Colunga,
23 Tange R. Thompson-Colunga, Betty Lou Confair-King, Clarine Connors, William R. Connors,
24 Carol Cooperman, Marian Cruz, Carol Smith Dupree, Karen Jean Feinberg, Lawrence S.
25 Feinberg, Eugene Francis Ford, Lisa Franklin, Juanita E. Freitas, Raymond J. Freitas, Janet W.
26 Fulton, Karen D. Gaines, Eva Ghioni, Jeannie Lynn Goobanoff, Robert Graham, Wilma Graham,
27 Michael Gawlik, Jr., Terri Leah Gawlik, Hilary Hartter, Jonathan Mark Hazlett, Shirley Holder

1 Hazlett, Pauline Hedge, James B. Hill, Gretchen Hill, Cynthia A. Howe, Judy Irion, Terry Irion,
2 Loren Irwin, Edna Irwin, Gerald W. Kennedy, Colleen Kimball, Andrea Kune-Clark, Selina
3 Kwong, Paul R. Lee, Virginia F. Lee, Jan L. Lefferdink, Stephen P. Lefferdink, Jacklyn M. Linn,
4 William E. Linn, William Logan, Gloria Lum, Cecile E. Maurice, Miriam E. McCoy, Elizabeth
5 Mary Mead, Norman Molesko, Sylvia Molesko, Carlos Moncada, Miriam E. Mules, Frances
6 Munroe, Hong T. Nguyen, Martha M. O'Connell, Flora L. Oyoung, Robert Oyoung, Timothy A.
7 Pasco, Marlene S. Pavlina, Stephen Pavlina Jr., Virginia Pavlina, Deborah A. Petersen, Ray A.
8 Petersen, Lillian D. Peterson, Cathy A. Pohan, Ph.D., Douglas F. Priest, Herman B. Rellar,
9 Jennifer Rellar, Carolyn B. Rivera, Virginia Robledo, Alice P. Salinas, Paul Salinas, Jr., Kenneth
10 Sarno, Susan J. Sarno, Sonia B. Sheeks, Jesse W. Siglow, Carol A. Spina, Angelina Spiropulas,
11 Arthur R. Terrazas, Blanca O. Terrazas, Ruby Theophile, Susan Jane Traphagan, Patricia A.
12 Worret, Eric Lee Yep, and Paula Reddish Zinnemann have duly objected to the terms of the
13 Settlement. Finding that the Settlement is fair, reasonable, and adequate, the Court finds that
14 these objections lack merit and are overruled. The Court further finds that Myles P. Kelley and
15 Sokk-Hian Tay-Kelley have withdrawn their objections.

16 5. Within 60 days following the Effective Date (as defined in the Settlement
17 Agreement), Towers Watson is ordered to deposit the settlement fund of \$9,750,000.00 (the
18 "Settlement Fund") into an interest-bearing Qualified Settlement Fund ("QSF") Account
19 previously established and identified in wire instructions timely provided to Towers Watson by
20 the Settlement Administrator. Upon receipt of the Settlement Fund, the Settlement Administrator
21 is directed to divide the Settlement Fund into two QSF Accounts, one for the funds to be
22 distributed as specified below (the "Distribution QSF") and the other for future costs of this
23 litigation (the "Future Costs Fund QSF"). The Settlement Administrator is appointed trustee of
24 both QSF Accounts.

25 6. The Court approves the reimbursement of Class Counsel's litigation expenses
26 incurred to date in the amount of \$654,133.73.

27 7. The Court further directs that \$945,000 be held in the Future Costs Fund QSF for

1 payment of future costs incurred by Class Counsel until the conclusion of the litigation. Class
2 Counsel may periodically seek approval of payment of reasonable expenses upon application to
3 the Court. Interest earned on the Future Costs Fund QSF shall be retained in the fund and may be
4 used for costs. Any funds remaining in the Future Costs Fund QSF at the conclusion of the
5 litigation against the non-settling defendants shall be distributed in accordance with Paragraph 2
6 of the Settlement Agreement.

7 8. The costs incurred by the Settlement Administrator for Notice of this Settlement
8 and administration of this Settlement, including distribution of settlement funds to the Class, shall
9 be paid from the Settlement Fund.

10 9. The balance of the Settlement Fund after (i) payment of Class Counsel's approved
11 costs incurred to date, (ii) the deposit of \$945,000 into the QSF Account for payment of future
12 expenses, and (iii) payment to the Settlement Administrator for the Settlement Notice and
13 Settlement administration costs, shall be distributed to Class members pro-rata. To arrive at each
14 Class Members pro-rata amount, the Settlement Administrator shall divide the total amount
15 available for distribution to Class Members by the total number of Class Members. The
16 Settlement Administrator shall issue checks to each Class Member for the Class Member's pro-
17 rata amount without the need for the submission of claims by the Class Members. Class
18 Members' distribution checks shall remain valid for six months after issuance. The Settlement
19 Administrator shall act to locate and reissue checks to any Class Member whose check is
20 uncashed after six months or returned to the Settlement Administrator as undeliverable. In the
21 event that the Settlement Administrator is unable to locate a Class Member whose check is
22 uncashed or returned to the Settlement Administrator as undeliverable, the funds from those
23 checks shall be retained in the Distribution QSF for later distribution in accordance with
24 paragraph 2 of the Settlement Agreement. Interest earned on the Distribution QSF shall be
25 distributed in accordance with the paragraph 2 of the Settlement Agreement.

26 10. Plaintiffs shall file promptly hereafter the proposed Second Amended Complaint, a
27 copy of which is attached as Exhibit 1 to Exhibit A to the Preliminary Approval Order.

1 11. Upon the Effective Date, Plaintiffs and all members of the Class shall have, by
2 operation of this Order and the accompanying Judgment On Class Action Settlement Between
3 Plaintiffs and Towers Watson Defendants (“Judgment”), fully, finally and forever released,
4 relinquished, and discharged Towers Watson from all claims as defined by the terms of the
5 Settlement. Upon the Effective Date, all members of the Class shall be and are hereby
6 permanently barred and enjoined from the institution or prosecution of any and all of the claims
7 released under the terms of the Settlement.

8 12. Plaintiffs are ordered to give notice of final approval to all Class Members in
9 accordance with CRC 3.771(b) by sending Notice of Entry of the Judgment as to Towers Watson
10 to any Class Member who has submitted an objection to the Settlement and by posting the Notice
11 of Entry of Judgment on the dedicated website.

12 13. Except as to the Towers Watson Defendants and those individuals and entities
13 identified in paragraph 11 of the Settlement Agreement, this Judgment does not release or affect
14 in any manner any claims or rights that Plaintiffs and the Class have or may have against any
15 other defendant or potential defendant, including but not limited to CalPERS.

16 14. This Order, together with the “Judgment,” are intended to be a final disposition of
17 the above-captioned action as against Towers Watson only, and are intended to be immediately
18 appealable.

19 15. This Court shall retain jurisdiction with respect to all matters related to the
20 administration and consummation of the Settlement, and any and all claims, asserted in, arising
21 out of, or related to the subject matter of the Action, including but not limited to all matters
22 related to the Settlement and the determination of all controversies relating thereto.

23 **IT IS SO ORDERED.**

24 Dated: 1/31/18

ANN I. JONES

Hon. Ann I. Jones
Judge of the Superior Court

SERVICE LIST

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