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13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF ALAMEDA

15 DISTRICT COUNCIL #16 NORTHERN
16 CALIFORNIA HEALTH AND WELFARE
17 TRUST FUND, individually and on Behalf of All
18 Others Similarly Situated,

19 Plaintiffs,

20 vs.

21 SUTTER HEALTH; SUTTER BAY
22 HOSPITALS; MARINHEALTH MEDICAL
23 CENTER; SUTTER COAST HOSPITAL;
24 SUTTER VALLEY HOSPITALS; SUTTER
25 BAY MEDICAL FOUNDATION; SUTTER
26 VALLEY MEDICAL FOUNDATION, and
27 DOES 1-100.

28 Defendants

Case No. RG15753647

ASSIGNED FOR ALL PURPOSES TO:
JUDGE: Honorable Michael Markman
DEPT: 23

**COMPLIANCE REPORT PURSUANT
TO SEPTEMBER 16, 2025 REVISED
FINAL JUDGMENT AND ORDER**

Date: December 2, 2025
Time: 10:00 a.m.

Date Filed: January 6, 2015

1 In accordance with paragraph 26 of the Court’s Revised Final Judgment and Order dated
2 September 16, 2025 (the “Order”), Class Counsel hereby submits this Compliance Report in
3 advance of the December 2, 2025 final compliance hearing regarding distribution and allocation.

4 Class Counsel and the settlement administrator JND Legal Administration, LLC (“JND”)
5 have reviewed the 399 claims submitted to the Claims Administrator and approved by this Court
6 for distribution pursuant to the terms of the Settlement. (*See* Order at pg 13.) Pursuant to Paragraph
7 13 of the Order and Section 9.1.4 of the Settlement Agreement, shares are to be presented to the
8 Court for approval before checks are mailed to claiming Class members. (*See* Settlement
9 Agreement attached as Exhibit A to the Declaration of Arthur N. Bailey, Jr. in Support of Motion
10 for Final Approval of Class Action Settlement (“Bailey Decl.”), Section 9.1.4-5; Order at pg. 4).

11 After reviewing the 399 claims, 17 were determined to be duplicates of other claims. 3
12 claims were determined to be submitted on behalf of individual health insurance subscribers, not
13 within the Class of self-funded health plans as defined in the Order Granting Class Certification
14 and the Settlement Agreement. (*See* Declaration of Arthur N. Bailey, Jr. Regarding Claims and
15 Share Allocation for Class Counsel’s Compliance Report (“Bailey Compliance Decl.”) filed
16 herewith, at ¶ 4.) On October 14, 2025, letters of denial were sent to the 3 claimants informing
17 each of the denial and requesting a response if the claimant objected to Class Counsel’s
18 determination. None responded to raise an objection to the determination of denial. (*Id.*, ¶ 5.). A
19 claim filed by Claims Compensation Bureau, LLC (“CCB”) was also denied. (*See* fn. 1, *infra.*)

20 Based on the information provided in their Claim Form regarding the number of active
21 participants in their health plan for each year from 2003 through 2013 pursuant to the plan of
22 allocation approved by the Court, 191 claims did not meet the threshold minimum that would
23 generate payment of a class share. (*Id.*, ¶ 7.) As stated in the Claim form and acknowledged by
24 each claimant who submitted a claim, claims will not be paid if the value is less than \$100.00. (*See*
25 Exhibit B to the Declaration of Gina Intrepido-Bowden Regarding Settlement Notice Plan
26 Implementation filed in Support of Class Counsel’s Motion for Final Approval of Class Action
27 Settlement.)

Of the 191 claims, 185 list annual membership of six members or fewer, including 119 that list zero for each year. Of these 185, 77 were filed on behalf of individuals only, with no identified self-funded health plan or entity that would have such a plan. (Bailey Compliance Decl., ¶ 8.) These 77 claims appear not to be submitted by or on behalf of Class members, although the claims were not denied on that basis given the claim would not have generated a share under the Plan of Allocation and Distribution even if the claimant was a Class member. (*Id.*)

92 of the 191 claims were filed by CCB, a third party claims recovery company. Each claim attestation was signed by the same representative at CCB and all list zero annual plan membership for each year.¹ (*Id.*, ¶ 9.) In addition to not meeting the minimum threshold, the CCB claims have a variety of defects including that many of the accompanying claims services agreements (1) only authorize representation in other litigation, (2) are dated before this litigation was settled or even filed, and (3) were filed on behalf of corporations located in states other than California, including two located in other countries. (*Id.*)

22 of the 191 claims were filed on behalf of entities that could qualify as class members, but the plan participant numbers are too small to generate a share under the approved pro rata allocation and distribution plan. 16 of the 22 claims report single digit or zero annual membership. (*Id.*, ¶ 10.) On November 6, 2025, Notices of Claim Determination were mailed to the 191 claimants informing them the claim would not generate a share based on failure to meet the minimum threshold. (*Id.*)

The remaining 188 claimants qualified for a share of the settlement pursuant to the Plan of Allocation and Distribution approved by the Court. Attached as Exhibit A to the Bailey Compliance Decl., is the proposed share allocation of the Net Settlement Fund to be distributed to

¹ One claim filed by CCB on behalf of Advantage Sales & Marketing did provide membership numbers with the claim. But that claim was denied for three reasons: (1) two claims were submitted by CCB for the same entity, one including total membership of 1,582 with the other reporting zero membership, (2) the client services agreement submitted by CCB for this entity was dated 2016 and only authorized CCB to act on its behalf in pharmaceutical drug class action cases, and (3) another claim was submitted on behalf of this Class member by authorized agent Crowell & Moring. *See* Bailey Compliance Decl., ¶ 6, Exhibit A at pg. 1, line 26.

1 the 188 eligible Class members. The Net Settlement Amount to be distributed pursuant to the
2 Order, less administration costs, attorneys' fees and costs, and District Council #16's service
3 award, is \$5,800,799.01. (*Id.*, ¶ 11.) Interest accrued for the settlement amount has not yet been
4 included in the share allocation calculation. That amount will be determined and included in the
5 calculation prior to the distribution so actual share amounts may vary slightly from the amounts
6 reflected in Exhibit A. The current amount of accumulated interest is \$8,205.66. (*Id.*, ¶ 12.) No
7 tax reporting obligation applies in this case, and there is no need to withhold any amount from
8 payment to Class members for taxes.² Class Counsel will provide the basis of any portion of the
9 analysis underlying the calculations should the Court wish to review it.


10 Due to the requirement pursuant to the Settlement Agreement that the shares shall be
11 presented to the Court for approval, the initial distribution has not yet been completed. Upon
12 approval of the share allocation by the Court, Class Counsel will provide the final distribution
13 calculation to JND Legal within one business day. Within 15 days of provision of the distribution
14 calculation, JND Legal will mail out checks to the 188 eligible Class members. Pursuant to the
15 Settlement Agreement and the Order, checks will be void 90 days from check issuance. Uncashed
16 checks will be redistributed to the Class with void date 90 days after issuance. Any uncashed
17 checks after redistribution will go to Cy Pres recipients once the Court approves the final
18 accounting. (Order at pg. 4, Bailey Decl., Exh. A at Section 9.1.7).

19 Class Counsel hereby requests Court approval of the share allocation as reflected in the
20 attached Exhibit A, subject to *pro rata* addition of interest. Class Counsel also requests to continue
21 the December 2, 2025 final compliance hearing regarding distribution and accounting to a date
22 approximately 14 days after the check void date for the initial check distribution, with Class
23 Counsel to provide the Court with summary accounting of the Settlement Fund and status of any

24
25 ² The Tax Department of JND Legal, the settlement administrator, has determined that the
26 settlement payments in this case, regardless of their value, are not subject to taxation for two
27 reasons: (1) the Settlement's distributions are considered reimbursements to self-funded payer
28 entities for an overcharge of excessive fees, not taxable wages, or fixed/determinable income;
and (2) payments are being made to self-funded payer entities, not to the ultimate healthcare
recipients. (*Id.*, ¶ 13.)

1 unresolved issues at least five (5) court days before the hearing. The Settlement distribution
2 timeline prepared by JND anticipates that the initial distribution check void date will occur on or
3 about March 26, 2026, so Class Counsel requests the final compliance hearing be scheduled for
4 April 9, 2026, or any date thereafter that is convenient for the Court.

5 Dated: November 20, 2025

6 By: 
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