RE: 3:01-cv-02361-JBA - Amara v. CIGNA Corp, et al
Fitzpatrick, A. Klair
to:
Stephen Bruce, Joseph_Kolker@ctd.uscourts.gov, Allison Pienta, 'Christopher Wright', Blumenfeld, Jeremy P., Costello, Joseph J., Reiss, Stephanie Rosel
08/17/2018 02:05 PM
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From: "Fitzpatrick, A. Klair" <klair.fitzpatrick@morganlewis.com> Sort List...
To: "Stephen Bruce" <stephen.bruce@prodigy.net>, "Joseph_Kolker@ctd.uscourts.gov" <Joseph_Kolker@ctd.uscourts.gov>, "Allison Pienta" <acaalim@verizon.net>, "'Christopher Wright'" <CWright@hwglaw.com>, "Blumenfeld, Jeremy P." <jeremy.blumenfeld@morganlewis.com>, "Costello, Joseph J." <joseph.costello@morganlewis.com>, "Reiss, Stephanie Rosel" <stephanie.reiss@morganlewis.com>
History: This message has been replied to.

Dear Mr. Kolker,

In response to the Court's most recent request--

1. Cigna agrees that the "use the of adjusted 25-year stabilization rates instead of IRC Section 417(e) rates for the calculation of the reliefs' present value" only affects attorneys' fees. Cigna disagrees with Plaintiffs' statement below, but, per the Court's instruction, Cigna will not respond further.
2. Cigna agrees that the remedy amount is affected by the year used to determine the interest rate for calculating the annuity value of the lump sum distribution for purposes of determining the offset (the year of Part B payment versus the year of Part A eligibility or 2018).
3. Cigna agrees that the remedy amount is affected by the year used to determine the mortality table for calculating the annuity value of the lump sum distribution for purposes of determining the offset (the year of Part B payment versus 2018).
4. Cigna agrees that the remedy amounts are affected by the assumed age of payment for benefits to those who were eligible for early retirement (age 55 versus age 60 for some participants), but states that Cigna's assumed payment dates for participants who have not yet commenced Part B benefits are for present value attorneys' fees purposes only.

Please let us know if you have any questions or need further information.

A. Klair Fitzpatrick
Morgan, Lewis & Bockius LLP
1701 Market Street | Philadelphia, PA 19103-2921
Direct: +1.215.963.4935 | Main: +1.215.963.5000 | Fax: +1.215.963.5001
klair.fitzpatrick@morganlewis.com | www.morganlewis.com
Assistant: Nicole Christinzio | +1.215.963.5778 | nicole.christinzio@morganlewis.com

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From: Stephen Bruce <stephen.bruce@prodigy.net>
Sent: Friday, August 17, 2018 10:15 AM
To: Joseph_Kolker@ctd.uscourts.gov; Allison Pienta <acaalim@verizon.net>; 'Christopher Wright' <CWright@hwglaw.com>; Blumenfeld, Jeremy P. <jeremy.blumenfeld@morganlewis.com>; Fitzpatrick, A. Klair <klair.fitzpatrick@morganlewis.com>; Costello, Joseph J. <joseph.costello@morganlewis.com>; Reiss, Stephanie Rosel <stephanie.reiss@morganlewis.com>
Subject: Re: 3:01-cv-02361-JBA - Amara v. CIGNA Corp, et al

[EXTERNAL EMAIL]

Mr. Kolker,

The answer is, Yes, all three of the other methodology disputes identified by Plaintiffs affect the actual relief that Class members receive, as well as affecting the present value of the recovery.

We only add our disagreement with the quoted position by Cigna's counsel that using the adjusted 25-year stabilization rates, rather than the IRC Section 417(e) rates, to calculate the relief's present value is "just about ...figuring out the[] attorneys' fees." Cigna wants to take a real deduction of 17.5% from the actual relief that each member of the class will receive, while paying a 17.5% fee only on a valuation of the actual relief that Cigna would discount by over 21% through using these non-market stabilization rates.

Stephen Bruce

On 8/16/2018 6:55 PM, Joseph_Kolker@ctd.uscourts.gov wrote:

> Counsel,
>
> In Plaintiffs' Reply in Support of Notice on Common Fund Recovery [Doc. # 524], Plaintiffs contended that "over 95% of the difference between the Class's $280.6 million value and Cigna's $136.1 million is due to four" methodological disputes between the parties. (*See id.* at 9.) With respect to one of those four issues, at the July 25, 2018 status conference Defense counsel represented that Defendants' proposed use of adjusted 25-year stabilization rates instead of IRC Section 417(e) rates for the calculation of the reliefs' present value "is not about the A+B methodology at all" but instead is "just about Plaintiffs trying to get a present value for purposes of figuring out their attorneys' fees."
>
> The Court requests that both parties provide their position via e-mail--without explanation--on whether the three other methodology disputes identified by Plaintiffs affect *only* the calculation of the present value of the common fund recovery for the purpose of determining attorneys' fees, or alternately whether any of these methodology disputes affect the actual relief that Class members receive.
>
> Thank you,
>
> Joseph Kolker
> Law Clerk to the Honorable Janet Bond Arterton
> United States District Court
> District of Connecticut

e-mail and delete the original message.