

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
EASTERN DIVISION**

DANIELLE GAMINO, individually and  
on behalf of all others similarly situated,

*Plaintiff,*

v.

SPCP GROUP, LLC,

*Defendant,*

and

KPC HEALTHCARE, INC. EMPLOYEE  
STOCK OWNERSHIP PLAN,

*Nominal Defendant*

Case No.: 5:20-cv-01126-SB-SHK

**CLASS COUNSEL’S  
PROPOSED PLAN OF  
ALLOCATION**

1           **1. The Settlement Fund.**<sup>1</sup> The Gross Settlement Fund will consist of  
2 the \$4,000,000 paid pursuant to the Class Action Settlement Agreement between  
3 Plaintiff and Alerus Financial, N.A., plus any earnings and interest accrued  
4 thereon. The Net Settlement Fund will be the Gross Settlement Fund minus any  
5 expenses incurred by the Fund, including expenses for settlement administration,  
6 the costs to pay for Class Notice, any taxes owed or paid (or reserves to pay taxes  
7 or tax expenses) and expenses for tax preparation, any attorneys' fees and expenses  
8 or costs awarded by the Court, any service award to the Class Representative  
9 authorized by the Court, and any other court-approved costs or deductions from the  
10 Settlement Fund.

11           **2. Authorized Claimants.** An Authorized Claimant will be any  
12 participant in the ESOP (or alternatively a beneficiary entitled to payment) who  
13 falls within the definition of the Class, and who is not excluded from the definition  
14 of the Class.

15           **3. Allocation of the Net Settlement Fund.** Each Authorized Claimant  
16 shall be allocated a pro rata share of the Net Settlement Fund based on each active  
17 employee Class Member's number of vested and unvested shares of KPC stock in  
18 their ESOP account as of August 31, 2021 or, if a Class Member terminated  
19 employment prior to August 31, 2021, the number of vested shares in such Class  
20 Member's ESOP account at the date of termination date plus any previously  
21 unvested shares that vested upon plan termination. The Plan of Allocation does not  
22 include shares in the ESOP's suspense account that were allocated to active  
23 employee participants upon plan termination or unvested shares that were  
24 previously forfeited pursuant to the terms of the Plan.

25  
26 \_\_\_\_\_  
27 <sup>1</sup> Unless otherwise defined, all capitalized terms have the meanings ascribed them  
28 by the Settlement Agreement.

1           **4.     Distribution of Residual Funds.** In the event that monies remain in  
2 the Net Settlement fund after distribution of the Final Distribution Amount and  
3 after all taxes and other expenses have been paid, those residual amounts will be  
4 distributed to non-sectarian, non-profit 501(c)(3) charitable organization(s)  
5 recommended by Co-Lead Class Counsel and approved by the Court.

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28